



Tasmania's workforce: now and into the future

TASMANIAN MINERALS MANUFACTURING AND ENERGY COUNCIL ANNUAL CONFERENCE JULY 2023

DR LISA DENNY, WORKFORCE DEMOGRAPHER

WWW.LISADENNY.COM.AU

Overview

Tasmanian Minerals, Manufacturing
and Energy Council

Annual Conference July 2023

Dr Lisa Denny
Workforce Demographer

www.lisadenny.com.au

Tasmania's workforce

- Labour force overview
- Employment by industry sector – change over time
- Minerals and Manufacturing sector

Future workforce

- New workforce entrants – population projections
- Employment projections by industry sector
- Alternative sources of labour

Future workers' perspectives

- School leavers
- Non-participants

Key messages

Current statistics

The Tasmanian economy and workforce is in the best state it has ever been...

But....

This is not surprising...

Population ageing = ageing workforce

Population ageing will only be a problem when the labour force participation rate is high and increasing and the unemployment rate is low and declining.

As is the case in Tasmania currently.

Highest number of people employed than ever before – 291K

- men and women
- full time

Highest number of people in the labour force – 303K

Historically high employment to population ratio – 60.3

Historically high labour force participation rate – 62.7%

Unemployment rate is low – 3.8%

Under-employment rate is lower than pre-pandemic times

BUT number not in the labour force is fluctuating/increasing – 182K

Source: ABS, Labour Force, June 2023

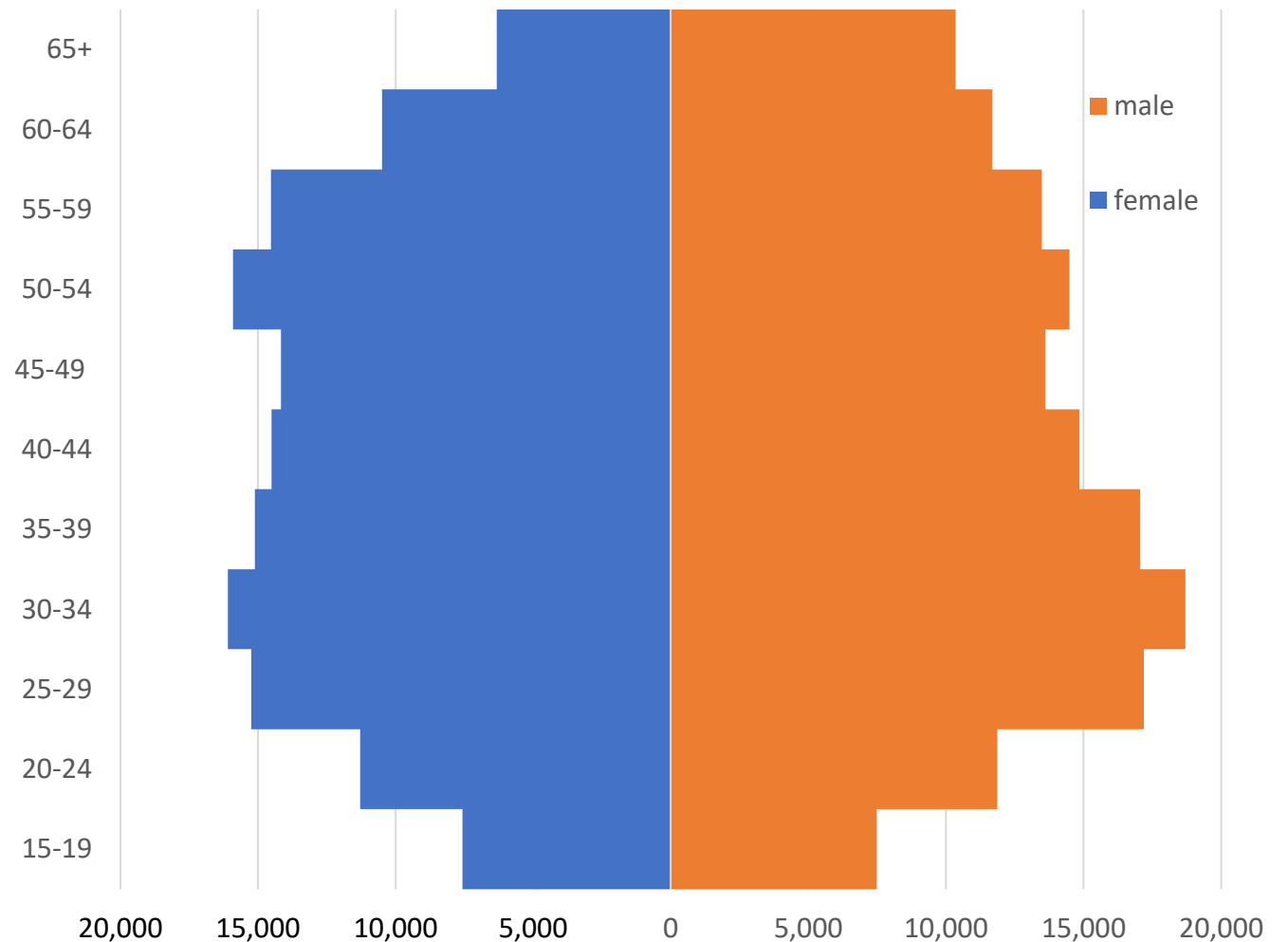
Tasmania's workforce by age and sex

Around 292,000 workers

52% are male

A third aged 50 or older (97,000 people)

Largest cohort – males aged 30 to 34, followed by males aged 25 to 29 and 35 to 39 years, followed by females aged 50 to 54 years.

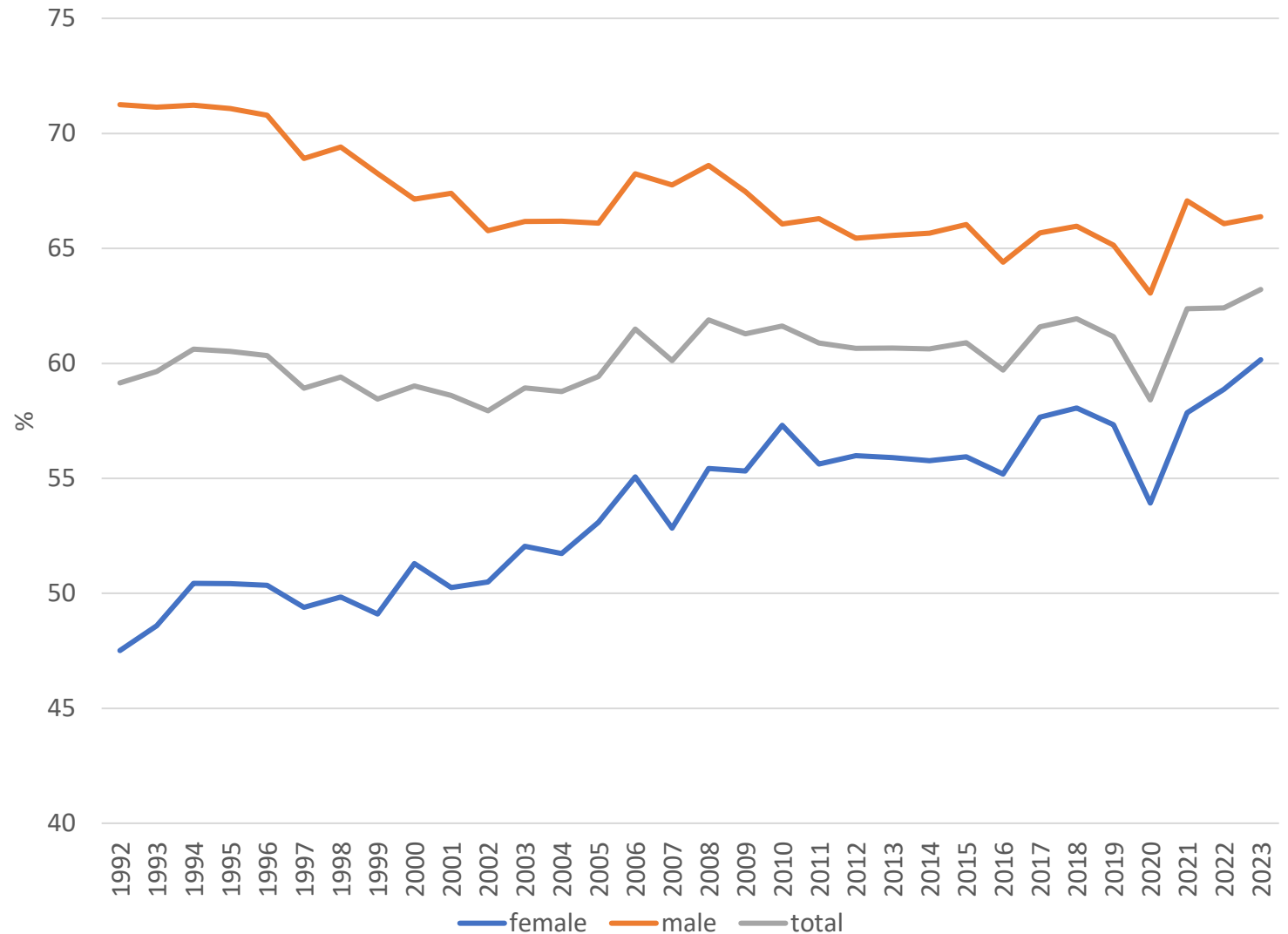


Source: ABS National, State and Territory population, December 2022

Labour Force Participation Rates by sex – 1992 to 2023

Male labour force participation rates had been trending downwards – known as the disappearing working man - while female labour force participation rates have been increasing steadily.

The gap between male and female labour force participation rates has narrowed to 6.2 percentage points compared with more than 25 percentage points 30 years ago.



Source: ABS Labour Force, Australia, May 2023

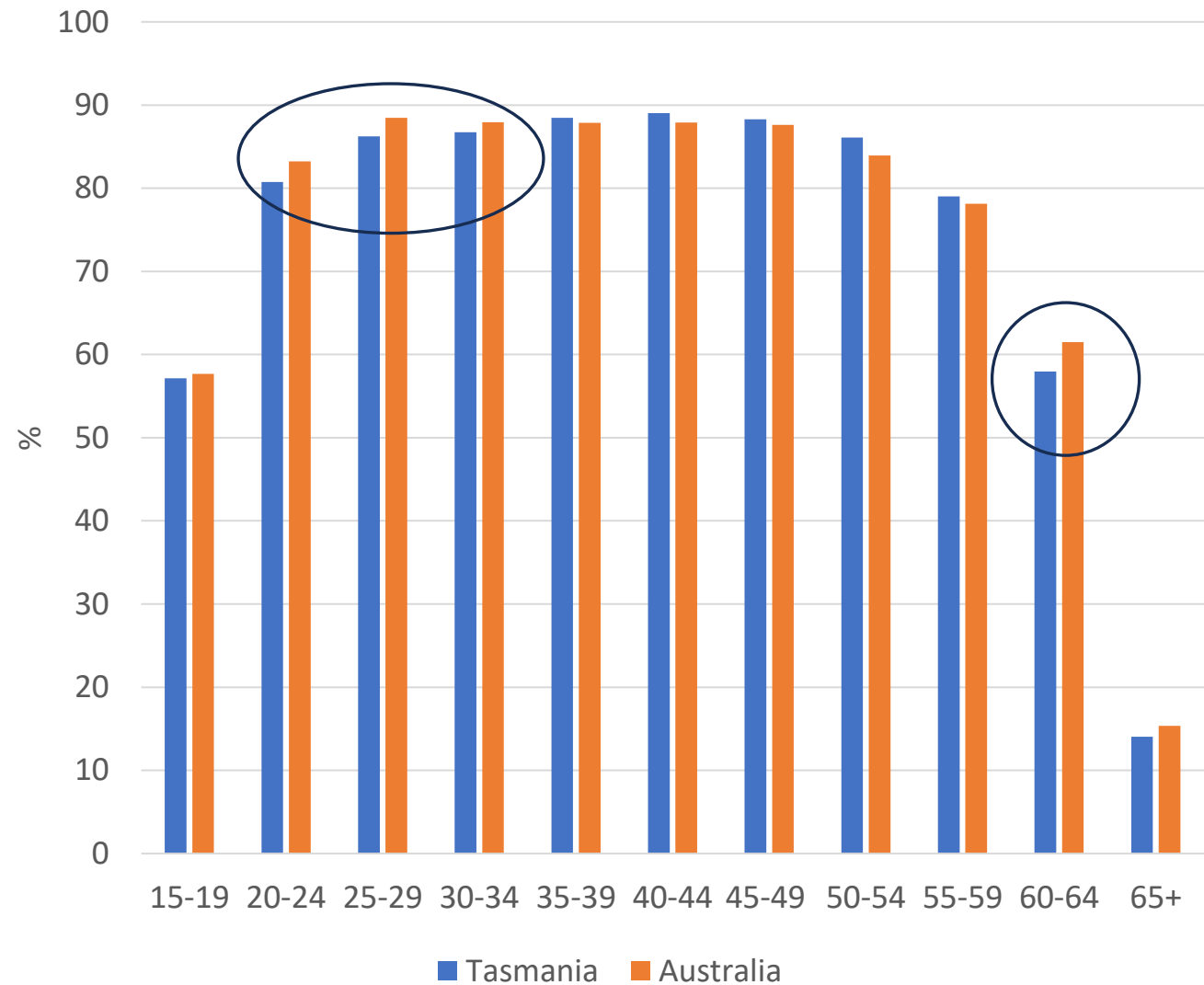
Labour Force Participation Rates by age – Tasmania and Australia

Tasmania's labour force participation rate is around 4 percentage points lower than the Australian rate.

When considered by age group, the labour force participation rates do not differ considerably with the national rates.

Labour force participation rates are higher in Tasmania for 5 out of the 11 age group ranges – the prime working ages of 35 to 59 years.

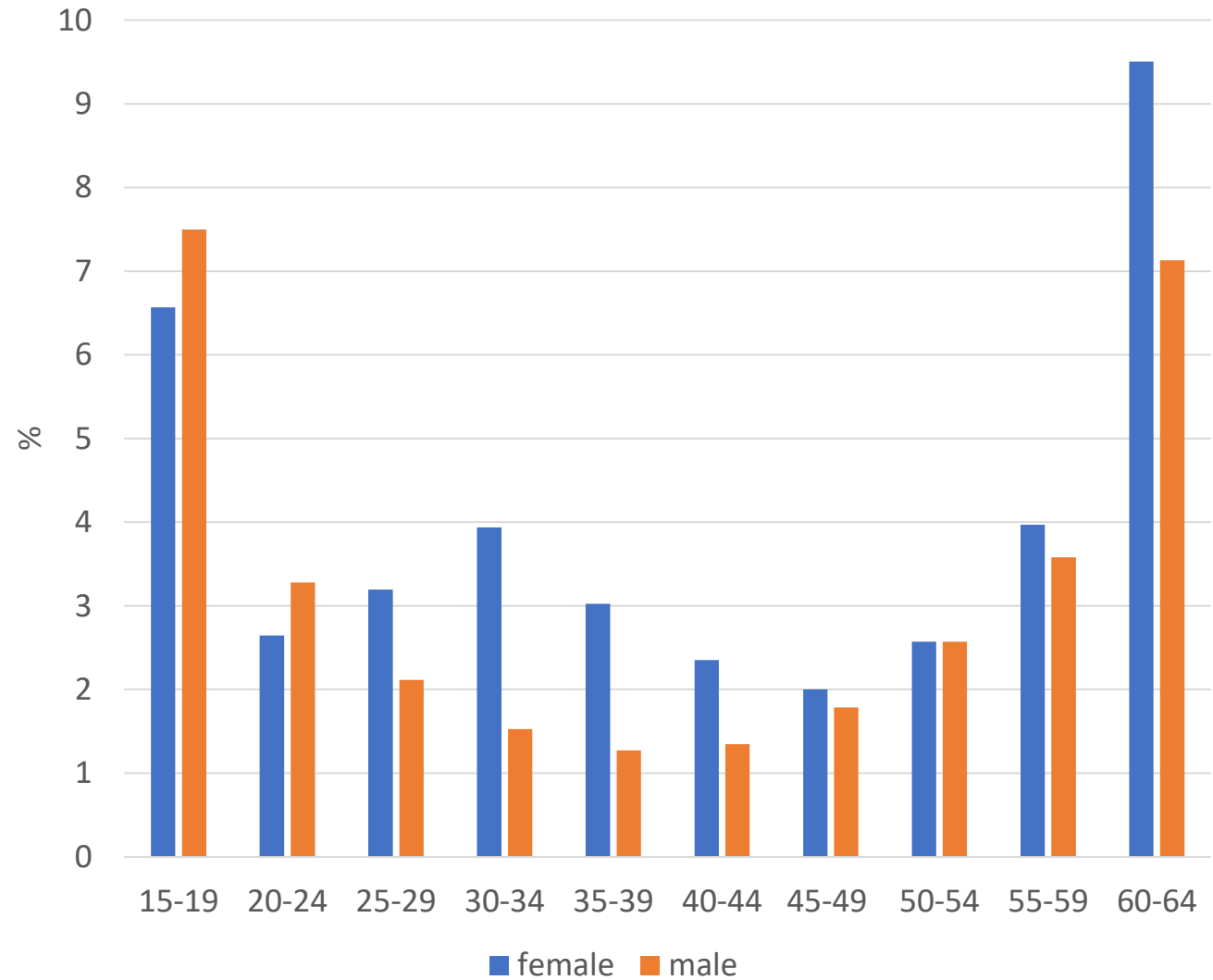
Lower for those aged less than 34 and those 60 or older.



Source: ABS Labour Force, Australia, May 2023

Not in the Labour Force – age and sex

For all age groups other than those aged 15 to 24, more women are not in the labour force than men.



Source: ABS Labour Force, Australia, May 2023

Employment by Industry Sector - Tasmania and Australia

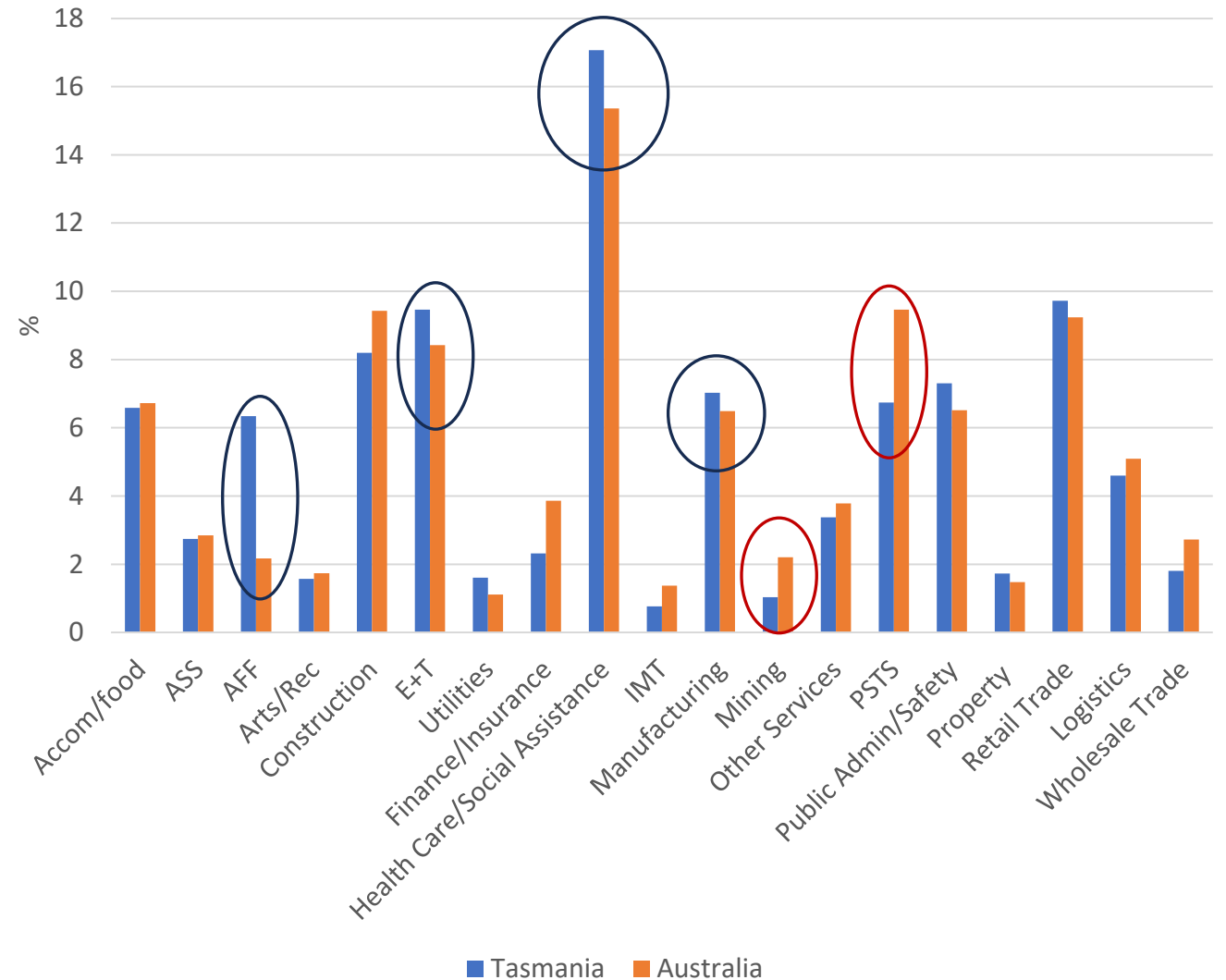
The Health Care and Social Assistance sector is the largest employing sector in Australia and Tasmania.

Top 5 employing sectors make up over half of the workforce (51.9% and 51.8% respectively)

Next for Tasmania – Retail Trade, Education and Training, Construction and Public Administration and Safety.

Next for Australia – Professional, Scientific and Technical Services, Construction, Retail Trade and Education and Training.

Manufacturing is the 6th largest employer in Tasmania (7.0%) and 8th in Australia.



Source: ABS Labour Force, Australia, Detailed, May 2023

Employment by Industry Sector: Change 2013 to 2023 - Tasmania

Total employment increased by 24% over 10 year period

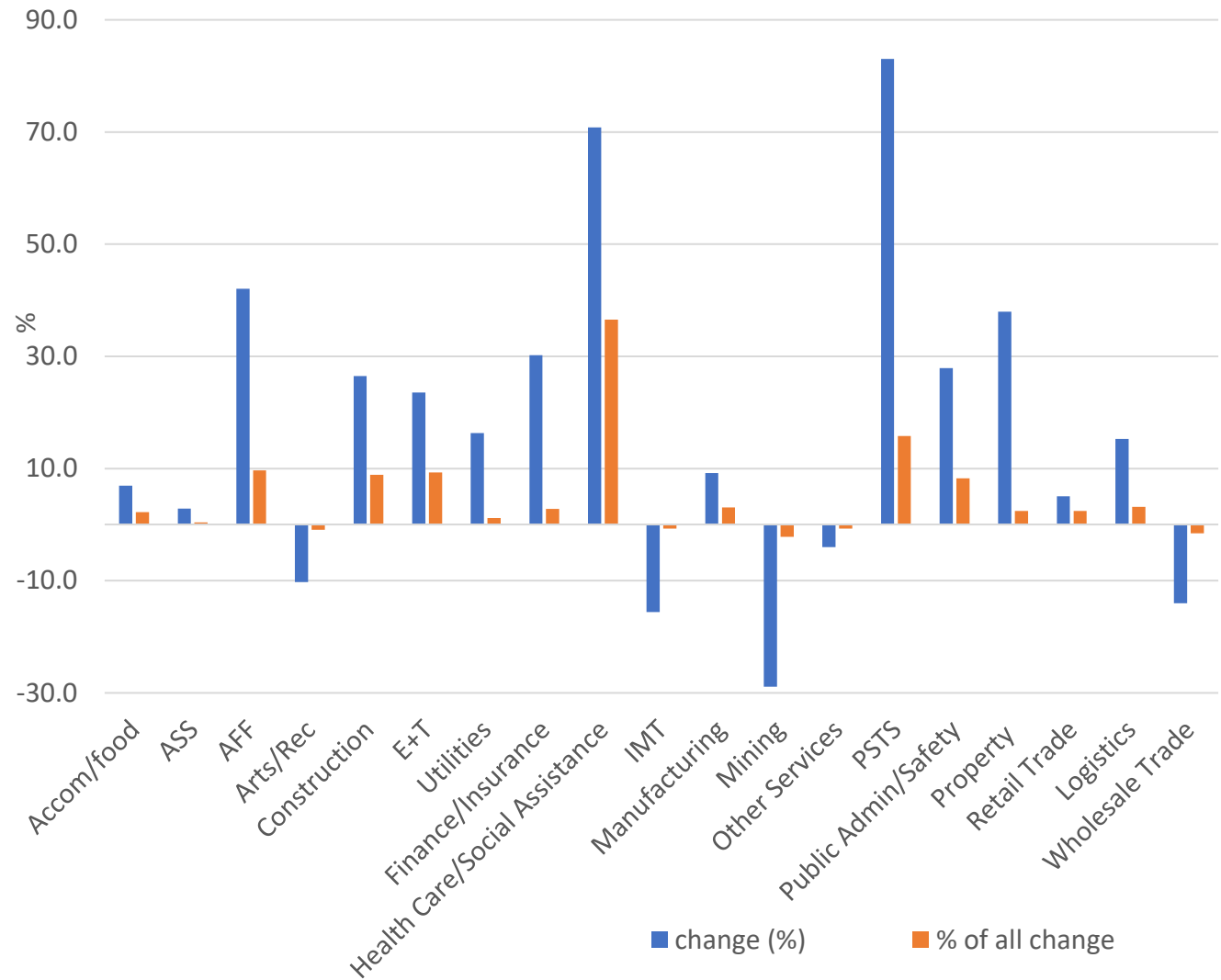
Top 3

1. Professional, scientific and technical services (83%)
2. Health care and social assistance (71%)
3. Agriculture, forestry and fishing (42%)

Employment declined in mining; information, media and telecommunications; arts and recreation services; wholesale trade and other services.

Proportion of all change:

- Over a half of of all new jobs were in two sectors - Health Care and Social Assistance sector (36.6%) and PSTS (15.8%)



TMEC workforce*

Around 6,000 directly employed workers

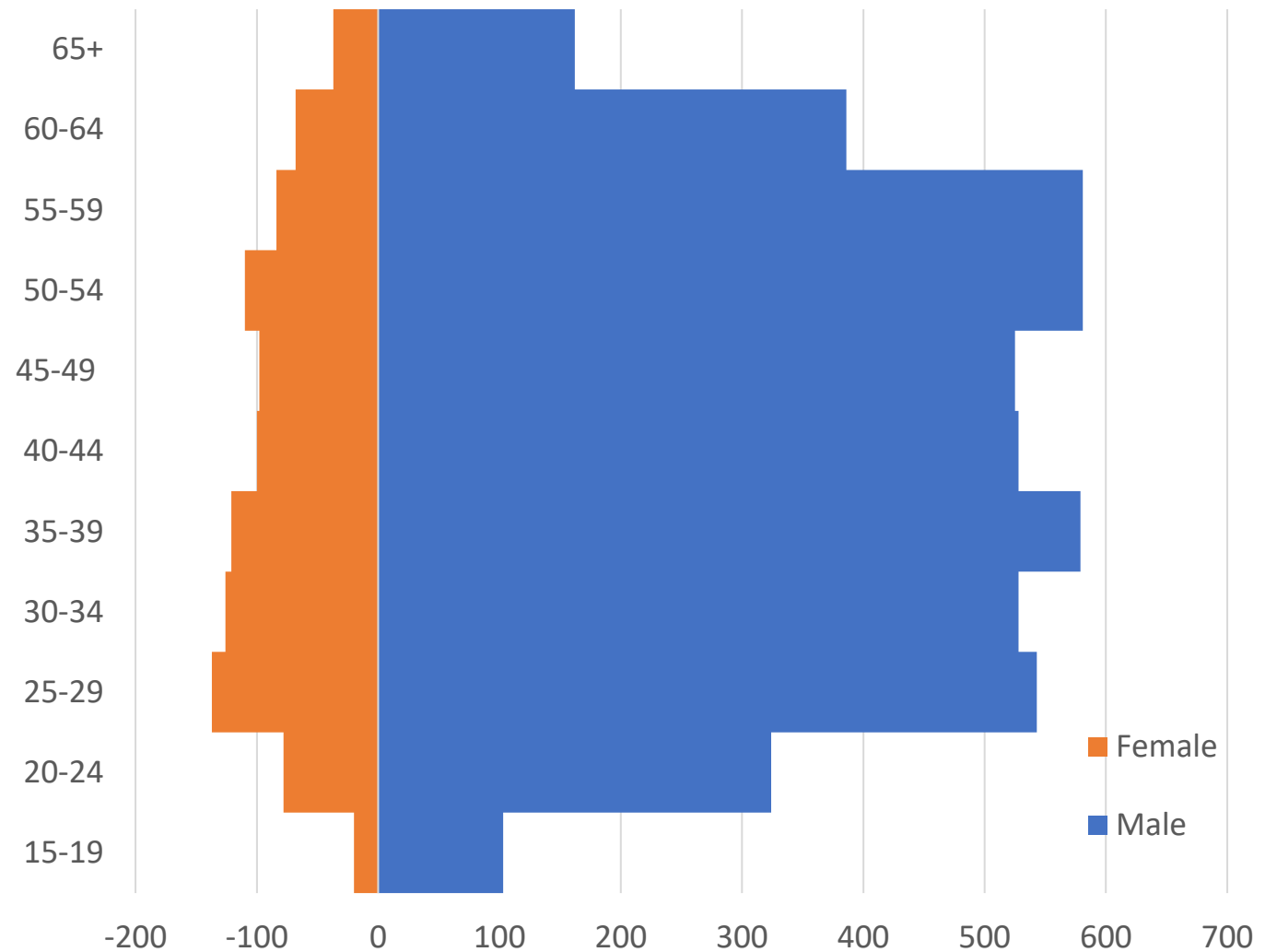
Male dominated

- 83% male

Not as old as other industry sectors

- Almost ¼ aged 50 or older
- Around 1,500 workers will exit the sector over the next 15 years

*select sub-sectors of the manufacturing and mining sectors



Source: ABS 2021 Census of Population and Housing, author calculations



Future Workforce

Labour Market Entrants to Exits (15-24:55-64)

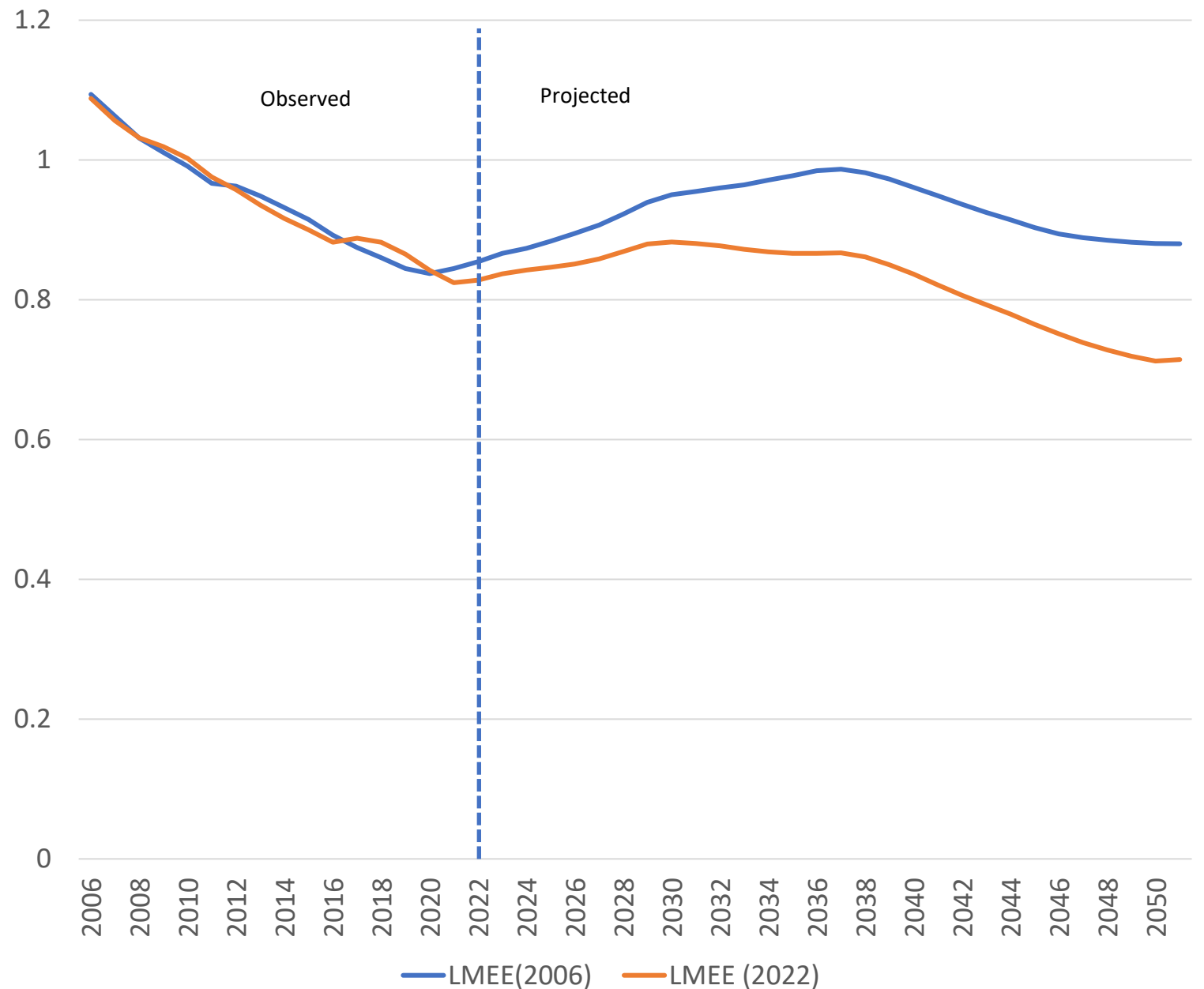
Shows the number of potential workforce entrants aged 15 to 24 years of age to potential workforce entrants aged 55 to 64 years of age.

A ratio of more than 1 indicates more labour market entrants to exits.

A ratio of less than 1 indicates more labour market exits than entrants.

In Tasmania, the LMEE ratio shifted to less than 1 in 2010.

It is projected that there will be less potential labour market entrants than exits for the projection period.



Source: ABS National, State and Territory population; ABS population projections (2006); Advanced Demographic Modelling, population projections, Tasmania (2022)

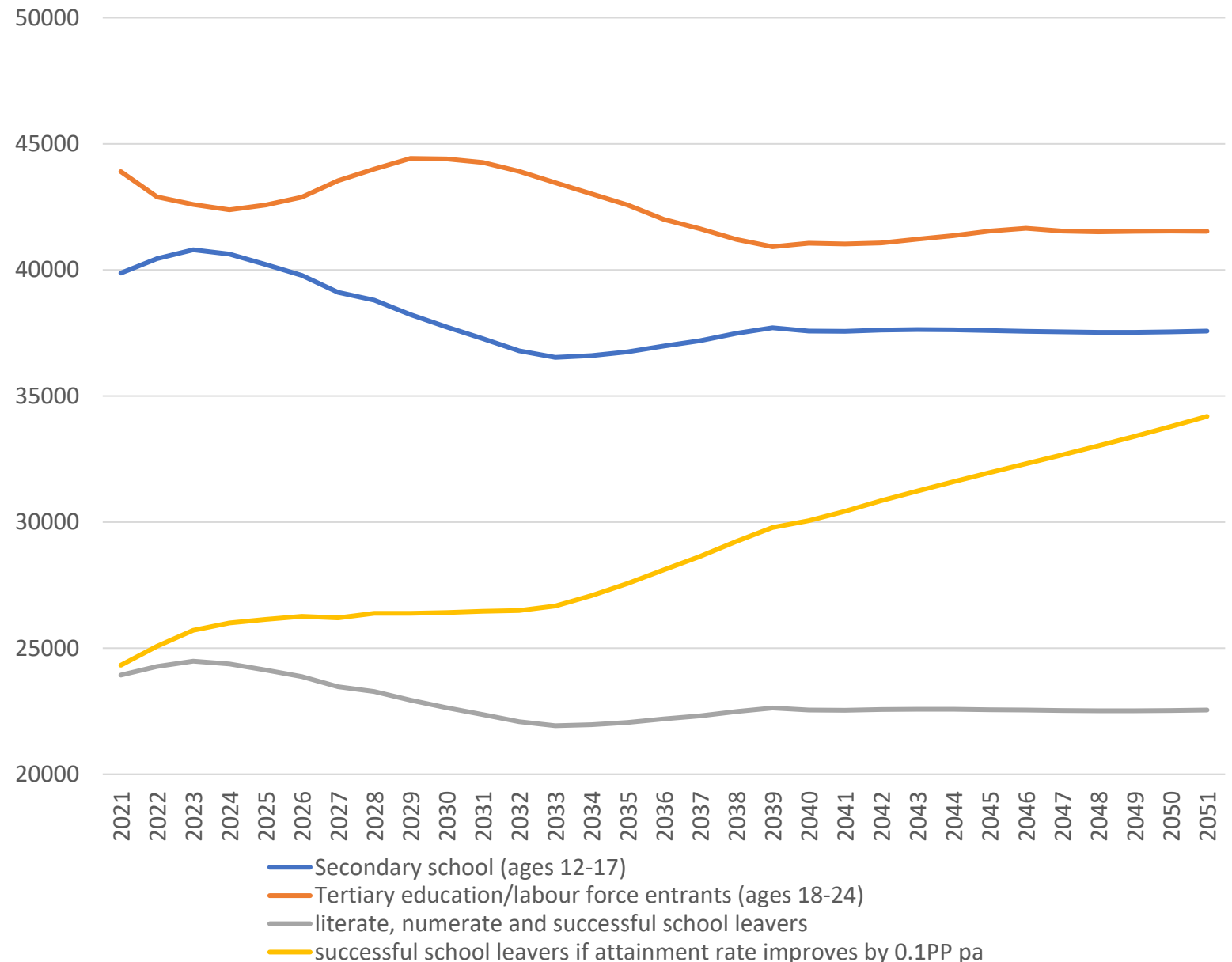
Potential new workforce entrants - projections by age group

The number of secondary school students aged 12 to 17 is projected to start declining from 2025.

The number of labour force entrants aged 18 to 24 is projected to start declining from 2030.

If Tasmania's successful school completion rate remains at around 60% (3 in 5 students) then the potential supply of educated and skilled workers is further diminished.

If Tasmania's educational attainment rate improved by 0.1PP each year, the number of literate, numerate and successful school leavers would increase but the LMEE would still not exceed 1.

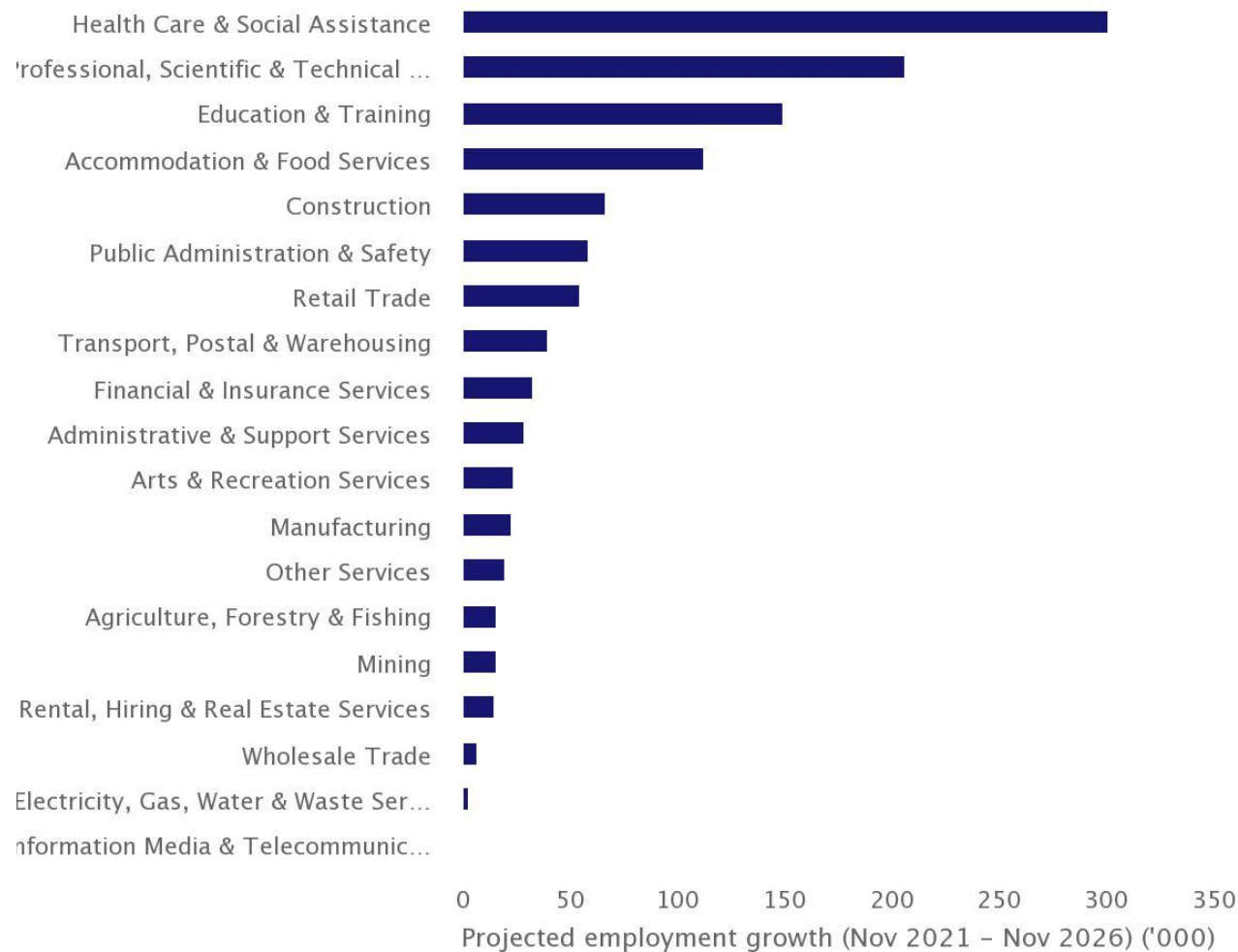


Source: Advanced Demographic Modelling, population projections, Tasmania (2022)

Employment projections – Australia to 2026

Four services industries are projected to provide almost two-thirds (65.4%) of the total projected employment growth:

- Health care and social assistance
- Professional, scientific and technical services
- Education and training
- Accommodation and food services



Future sources of workers

School leavers

Not in the Labour Force (NILF)

- women, older ages, disengaged

Immigrants

- Interstate and overseas

Career changers

The background features a repeating pattern of human silhouettes in various poses and colors. The top two rows consist of light gray silhouettes of people in different walking and standing poses. The bottom row consists of darker silhouettes, with the bottom portion of the image being a solid orange color. The text 'Future workers' perspectives' is centered in the middle of the image, with a thin horizontal line underneath it.

Future workers' perspectives

School leaver: career planning perspective

Traditional post-school perceptions persist

- University is preferable/greater prestige - purpose to expand knowledge and networks
- Vocational education and training – suited to less academically inclined and aligned to a job
- Gap year

Sources of information:

Shift from family and community to online sources, social media and the school sector

Level of detail/information limited to individual educator knowledge, lack of confidence

Time-poor, packed curriculum, struggle to stay up to date with changes in the world of work, skill needs and educational pathways

University is very active in engagement with the school sector compared with TAFE e.g. science days, robotics competitions, the Childrens' University and Discovery Day, career days, expos

Short term lens – current interests/happiness

1. The offering: How and where it is delivered, how available it is and how easy to access/apply for, and the perceived quality or prestige.
2. Practical logistics: Costs and accommodation.
3. Personal readiness: The student's own (perceived) capability to pursue a particular option.
4. Social factors: The attractiveness of the social environment as well as the extent to which the option provides access to support networks.
5. Long-term outcomes: Future work opportunities, earning potential, and industry connections.
6. Tasmanian patriotism

Reasons for Not in the Labour Force

In Tasmania – Top 3 reasons for NILF

- 1) Permanently not intending to work (aged 65 and over) – 43.8%
- 2) Did not look for work - 40.9%
- 3) Permanently unable to work – 11.0%

In Australia – for those aged 15 to 64

- 1) Did not look for work – 80.0%
- 2) Permanently unable to work – 13.4%
- 3) Passively looked for work – 2.7%

Barriers and incentives to work differ by age and sex

Barriers:

- Own health
- Caring for children
- Studying
- Caring for others
- No need to work

Incentives:

- Part time, flexibility
- Affordable/accessible childcare
- Finding a job that matches skills and experience
- Support for training/study/upskilling
- Public transport access

Key Messages



Key messages

Tasmania does not have a workforce demand issue, it has a workforce supply issue which will continue into the future.

There is, and will continue to be, increasing competition for workers from a diminishing supply of labour.

Employers will need to attract additional and replacement workers from a range of different sources.

There will need to be a mindset shift away from traditional assumptions about work and workers to recognising that work is one component of an individual worker's life - workers are people.

Technology, automation and artificial intelligence – takes some jobs, changes jobs, creates new jobs – but also a problem solver, productivity improver and workforce solution



Dr Lisa Denny
Workforce Demographer
Adjunct Associate Professor, University of Tasmania
www.lisadenny.com.au