5 December 2025

2026-2027 State Budget Community Consultation

Budget Submission from TasICT

About TasICT

TasICT is the peak body for Tasmania's Information, Communication, and Technology sector. A member-funded non-profit association formed in 1997, our approximately 220 members are involved in activities across all industry sectors with an industry base of 11,200+ Tasmanians who work in tech-related fields, not including the creative and games industries. Our membership includes businesses across all sectors that use technology, technology providers, advanced manufacturers, software and solutions developers, hardware and software vendors, suppliers, communication infrastructure companies and individuals working in technology roles.

In addition to providing a vibrant event and activity calendar for our members, TasICT plays a leading advocacy and policy development role. We assist government to understand technology issues and shape ICT policy to take advantage of opportunities provided by technological change.

The priorities of TasICT are to grow the value of the technology sector in the state and promote ICT careers, shape training and skills development, and connect talent with industry work opportunities.

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About Tasmania's Technology Industry Sector

The technology industry sector in Tasmania is a vital and expanding component of the state's economy, contributing significantly to Tasmania's growth and development.

In 2024, the sector contributed approximately $1.1 billion to the Tasmanian economy, and this is projected to reach $2.1 billion by 2025.[1] The sector employs more than 12,000 tech workers, expected to grow to around 15,600 by 2030.[2] These jobs span a wide range of roles including networking, programming and software development, systems integration, cybersecurity, project management and innovation development, to name just a few. The diversity of these roles highlights the sector's broad impact on the state's economy and its ability to provide high-quality employment opportunities. Tech jobs are also productive jobs – more than 2.5 times more productive than the average of other Tasmanian jobs. [3]

Technology plays a crucial role in enabling other industries to innovate and improve their efficiency. Advancements in digital technologies have allowed businesses in agriculture, manufacturing, mining, and healthcare among others, to enhance their operations, leading to increased productivity and competitiveness. This interconnectivity means that the benefits of a robust technology sector ripple throughout the entire economy, fostering overall economic resilience and growth.

The sector's impact is felt daily by Tasmanians. From the convenience of online commercial and government services to the efficiency of digital communication tools, technology has become an integral part of everyday life. This influence underscores the sector's role in shaping a modern, connected society.

However, the sector faces challenges to growth: barriers include the need for more skilled professionals, greater access to markets, and the availability of start-up capital.[4] Addressing these challenges through strategic initiatives and investments will be crucial in ensuring the sector's continued expansion and its ability to contribute to the state's economic prosperity.

[1] Australian Computer Society, *Digital Pulse*, 2024.
[2] Australian Computer Society, *Digital Pulse*, 2024.
[3] Skills Tasmania, *ICT Scorecard July 2024* p. 8.
[4] Deloitte, *Tasmanian Tech Sector Scan 2022*, p. 43

Executive Summary

Tasmanians are less digitally included and confident with the use of technology than people in other States as measured by Tasmania's ranking in the annual Australian Digital Inclusion Index.[5] Less young Tasmanians are enrolled in STEM courses than before the COVID-19 pandemic.[6] Yet despite the lack of confidence and appeal, the tech sector continues to grow in importance as a pillar of the State's economy – increasingly underpinning the success of traditional Tasmanian industries. The sector is also vital for the success of public services. The major customer for Tasmania's tech industry is the State Government itself – 38% of Tasmanian tech business have as their major client the State Government.[7] This is a further pointer to the crucial support the industry provides to Tasmanians through the ability to access modern, connected services. In recognition of this, the State Government has the opportunity to put innovation and partnership between sectors and significant stakeholders at the centre of Tasmania's business and industry strategy, by refocusing Tasmania's economy towards the advanced industries of the future, while ensuring that traditional industry work smarter and sustainably. TasICT suggests that the State Government allocate funding across the following six priorities in FY26-29:

Industry Development

1. **Digital Economy Strategy** – create a Digital Economy Strategy, including fully funding stage 1 recommendations from the Advanced Technologies Industry Strategy and completing the 'AI island' initiative announced November 2025 ➔ $500,000
2. **ICT Business Growth** – invest in capacity building in the local technology sector ➔ $500,000 in FY 2027 for sector business growth
3. **Tech for Tasmanians – Digital Inclusion** – create an upskilling program to support small and medium businesses and Not-For-Profit organisations through education and networking events on cyber security and AI adoption ➔ $200,000 in FY 2027

Connectivity & Compute

4. **Connectivity Infrastructure Fund** – create a Connectivity Infrastructure Fund to leverage connectivity extension proposals from the federal government and the private sector ➔ $30m over three years, in addition to preserving $11.5m promised funding for subsea data cables

Workforce Development

5. **ICT Jobs Placement Program** –create a statewide program to encourage the ICT industry to undertake workforce development that improves entry-level pathways into ICT and tech-enabled roles ➔ $240,000 over two years

Saving Strategies

6. **AI Savings Program** – urgent Adoption of Artificial Intelligence Initiatives across government to ***save*** an estimated $20m per annum ➔ $5m investment to deliver an estimated saving of up to $20m per annum

[5] Australian Digital Inclusion Index, 2025
[6] Skills Tasmania, *ICT Scorecard July 2024*.
[7] Deloitte, *Tasmanian Tech Sector Scan*, 2022, p57.

Budget Priorities - Detail

Towards a prosperous, technology confident Tasmania

Tasmania's technology sector is not growing as strongly as the sector in other states – with latest estimates suggesting it is growing at 3.2% per annum growth compared to 4.9% per annum for Australia as a whole.[8]

There is a drop in interest among young Tasmanians to study technology subjects – with the University of Tamanian warning that the pipeline of students endangers traditional subjects such as chemistry and physics.[9]

Tasmania continues to have among the worse digital inclusion statistics in the country – consistently recording the lowest scores on the Australian Digital Inclusion Index.[10]

And yet it is technology-based jobs that provide the productivity and wealth-generating opportunities the state needs while leveraging the environmental values for which the state has become famous.

By refocusing the State's broader economic development strategies to value innovation, tech training and support for the tech sector to further grow and develop as an enabler for all Tasmanian industry sectors.

TasICT was alarmed when in 2024 the Tasmanian Government dropped a discrete portfolio of Science and Technology from the Ministry. However, in equal measure the sector applauds the decision to re-instate and expand the remit of the portfolio as "Innovation, Science and the Digital Economy". TasICT believes it is now important to recognise the expanded portfolio needs its own dedicated funding allocation and programs with which to identify and grow the digital economy, beginning with a cogent and focused strategy.

[8] Australian Computer Society, *Digital Pulse*, 2025

[9] University of Tasmania, unpublished presentation, Committee for Greater Hobart, 2024.

[10] Australian Digital Inclusion Index, 2025

Industry Development

1. Digital Economy Strategy – From within a fully funded Ministry of "Innovation, Science and the Digital Economy", a funded Digital Economy Strategy is essential to foster the growth of the technology sector and in turn deliver benefits across all economic sectors. The Digital Economy Strategy should be agile and nimble, recognising the rapid pace of change in technology. Its role is to guide the state towards a more digitally integrated and innovative future, understanding the drivers of innovation adoption, outlining Tasmania's digital advantages and planning pathways for the growth and development of the digital economy.
TasICT suggests that it is essential that the 2025 Advanced Technology Industries Strategy be adequately funded in the 2026-2027 Budget and beyond so that its recommendations can be implemented.
Attention is expressly drawn to the 2020 Premier's Economic and Social Recovery Council (PESRAC) report that had many excellent recommendations that have not been implemented – for example the tech-related recommendations no. 33 and 34.
The outcomes of the Advanced Technology Industries Strategy – when known – cannot be allowed to go the same way as the PESRAC recommendations and be left without the funding support to make them a reality.
In a similar vein, the recently announced "AI Island" initiative of November 2025 should be completed as a priority during 2026 and its first stage recommendations implemented.
➔ Budget implication FY 2027: $500,000

2. ICT Business Growth – Since at least 2018, TasICT has been advocating for funding support in Tasmania to build to promote a Tasmanian tech culture that builds collaboration, export pathways and knowledge exchange. The State Government has a role to play in re-instating programs to support start-ups, scale-ups and research and development initiatives for Tasmanian Businesses. Initiatives such as the Space Technology Seed Fund which is now closed should be relaunched
➔ Budget implication FY 2027: $500,000

3. Tech for Tasmanians – Digital Inclusion – A survey of TasICT members in September 2024 found that 91.5% of respondents felt that Tasmanians' current level of digital literacy hindered the growth of the tech industry to some respect. Ensuring that all Tasmanians have access to digital tools and the skills to use them is crucial for equitable economic growth. TasICT therefore encourages the refresh the 'Our Digital Future' strategy and fund the rollout of community-based programs to increase confidence and capacity within the Tasmanian community.
TasICT believes there is capacity within the Tasmanian technology sector to assist the small and medium business sector and the not-for-profit sector to better understand the opportunities provided by generative artificial intelligence. There are also important education and mentoring activities the sector can undertake to encourage greater awareness and confidence with cyber security and scams awareness. It is suggested that the Tasmanian Government support this cross-sector education funding through a grant program that can help the technology sector launch an education function for the benefit of the not-for-profit sector to increase awareness and confidence on technology issues.
➔ Budget Implication 2027 - $200,000

4. Connectivity Infrastructure Fund – Communications infrastructure, including broadband fibre, mobile phone coverage, and other forms of connectivity, is crucial for Tasmania's prosperity. Reliable and high-speed internet access enables businesses to operate efficiently, supports remote work, and facilitates access to global markets. It also enhances the quality of life for residents by providing access to online education, healthcare, and other essential services.

Although communications infrastructure falls under federal government responsibility, it is suggested that the Tasmanian Government must take proactive steps to invest in and enhance connectivity infrastructure.

TasICT therefore suggests that the Tasmanian Government create a Connectivity Infrastructure Fund to leverage funding sources from the Federal Government and private enterprise as projects arise. The fund should be 'investment-ready' so that it can move quickly to contribute to grant rounds and private enterprise projects as they are proposed, noting that often funding sources are offered to all states at the same time and Tasmania historically has missed out on several connectivity expansion projects through its inability to make quick decisions and seize the investment opportunities as they are presented.

Infrastructure owners make investment decisions across state boundaries, often having to choose one state over another. To maximize the impact of available funds, providers regularly leverage federal and state government funding sources. This additional funding can be crucial in determining whether a network upgrade is feasible. Federal Government programs such as the Mobile Blackspots Program, the Regional Connectivity Fund, and various disaster resilience funds are key sources of funding. These funding rounds are typically announced with short notice, prompting infrastructure providers to seek direct funding support from the Tasmanian Government to meet ROI requirements.

State Governments in New South Wales, Victoria, Queensland, South Australia, and Western Australia have all contributed funds to support network expansion. Many have established agnostic telecommunications co-investment funds to respond swiftly to investment opportunities.

In addition, Tasmania should begin provision for contribution to a government-owned data cable connection with full redundant path to protect against unplanned outages on one of the paths. This would involve preserving the existing $11.5m commitment[11] for subsea cable connectivity and increase the allocation over future years, to be incorporated into the Connectivity Infrastructure Fund.

➔ Budget Implication 2027-2030: $30m plus preservation of $11.5m existing commitment

[11] Liberal Party, *Strong Plan 2023*, ICT and Advanced Technology Industries to benefit from whole-of-government approach

Workforce Development

5. ICT Jobs Placement Program – Tasmania has a skills shortage for filling available tech jobs, with 22.5% of TasICT members saying in a survey in September 2025 that they cannot find enough jobs-ready employees. This has been mirrored in a national survey by the Australian Information Industry Association in 2024 showing that employers cannot find enough skilled employees and that this is affecting investment decisions.[12]

TasICT encourages the Tasmanian Government to continue to invest in promoting the tech sector as a career opportunity for Tasmanian students.

Compared with Australia as a whole, Tasmania has below average productivity per worker – yet a significant boost in productivity can be achieved through growing the number of STEM jobs in the State which by their nature are highly productive jobs. For example, the productivity of jobs in the industry sector Information Media and Telecommunications measured as contribution to GSP per worker was $310,373 in 2022-23, compared with an all-industry average of $111,667 per worker.[13]

TasICT therefore suggests a new statewide ICT Jobs Placement Program that improves entry-level pathways into ICT and tech-enabled roles. The initiative aims to deliver structured pathways for graduates and trainees, supported by an industry mentorship network. Delivered over two years, the initiative aims to address the region's digital skills gap, with an estimated need for 4,000 new roles by 2030.[14] The program will employ a lead to design, coordinate, and deliver structured pathways for graduates and trainees, supported by an industry mentorship network. It will connect participants with employers across ICT, advanced manufacturing, and emerging technology sectors, and collaborate with education providers like TasTAFE and the University of Tasmania to align training with industry needs.

Key components include sector-wide consultation to identify high-demand roles, development of employer resources for onboarding, and establishment of a mentorship network focused on workplace integration—especially for international graduates. The program will pilot placement and internship streams, launch a statewide employer engagement campaign, and provide ongoing evaluation and recommendations to government. Expected outcomes are a stronger talent pipeline, improved job-readiness, enhanced SME capacity to support emerging talent, and increased alignment between education and industry.

➔ Budget implication FY 2027: $240,000 over two years

[12] Australian Information Industry Association, AIIA Survey Digital State of the Nation 2024 https://aiia.com.au/wp-content/uploads/2024/08/AIIA-Member-Survey-2024-FINAL.pdf
[13] Skills Tasmania, ICT Training Scorecard July 2024, p. 8.
[14] Australian Computer Society, *Digital Pulse*, 2025

Technology Innovation Savings for Government

6. AI Savings Program – Tasmania stands at a critical crossroads. Across Australia, governments are already reporting reaping the rewards of AI-enabled transformation, achieving 10–20 per cent operational savings through automation, analytics, and personalised services.[15]

A modest $5 million allocation would enable the widespread adoption of AI technology across government, attract federal co-investment, and avoid a costly "catch-up" phase. This investment directly supports the fiscal-repair agenda and digital-modernisation objectives, while enabling private-sector uplift and broader economic growth.

The potential for savings is substantial and widespread:

- Document drafting and correspondence: 15–25 per cent reduction in time for ministerials, RTI responses, and reports.
- Customer service triage: 20–30 per cent drop in call-handling and front-desk costs.
- Procurement and financial reconciliation: 10–15 per cent fewer manual reworks and errors.
- Health and Education administration: 10–15 per cent improvement through scheduling, transcription, and data-entry automation.

At maturity, these initiatives could deliver up to $20 million per year in savings.

TasICT also asked for suggestions from our members on how the State Government could save money through introducing technology and innovation, with the following ideas provided:

- Whole-of-Government automation and secure generative AI, governed by ethical use guardrails with skills uplift
- Pragmatic automation on existing platforms
- Shared services consolidation (Finance / HR and Payroll)
- Smart infrastructure retrofits (smart metering, LED/switches, digital signage, room booking, use of e-signatures on government documents and funding deeds)
- Digital approvals (including adoption of digital planning approvals in local government) and telehealth expansion

➔ Budget implication FY 2027: A $5m. allocation to unlock up to $20 million in annual efficiency gains across government operations

[15] TasICT Internal research