Submission to the Senate Education and Employment References Committee

June 2026

THE UNIVERSITY OF MELBOURNE

Inquiry into Australian University Graduates

Executive Summary

The University of Melbourne welcomes the opportunity to contribute to this inquiry by the Senate Education and Employment References Committee into Australian university graduates.

Graduates entering the employment market are facing technological change including the rapid development of AI, geopolitical uncertainty, low economic growth, climate change and shifting expectations about work and careers. New industries are emerging and existing sectors are being transformed while governments are recalibrating industry, innovation and skills policies in ways which will create new, and incentivise different, career paths.

Despite this volatility graduates should remain optimistic about their employment prospects, with Jobs and Skills Australia (JSA) forecasting that ninety per cent of employment growth over the next decade will occur in roles requiring post-secondary qualifications. JSA data and analysis also shows that graduates have good outcomes notwithstanding periodic shifts in the labour market, and that higher education leads to strong labour market outcomes across a diverse range of careers. Quality Indicators for Learning and Teaching (QILT) surveys have also shown that employers were overall satisfied with their graduate employees, and that employment outcomes strengthen over time following graduation. An August 2025 JSA Report on the impact of AI on the employment market predicts that entry-level roles are more likely to transform than diminish.

For this optimism to be borne out, government, industry and education and training providers need to work together to ensure those entering the workforce have the skills required to thrive in this dynamic environment. The role of universities must be to ensure that graduates not only have the technical skills and discipline knowledge required for them to begin their careers but also the skills and capabilities that will enable them to adapt to a rapidly changing and AI-impacted professional workplace throughout their careers. Government policy should focus on enabling a range of different types of institutions and learning, with policy settings that encourage Australian higher education system to innovate, diversify and specialise.

The University of Melbourne delivers a distinctive curriculum model, which is well-placed to produce graduates with these ‘durable’ skills and capabilities to complement their technical skills and discipline knowledge. The University is increasingly implementing curricula including work integrated learning which actively emphasise these skills and capabilities and supporting students by offering a degree-long ‘career mapping’ framework for tracking student career development. The University is preparing graduates to work with AI in the future workplace, purposefully equipping students with the evaluative judgement and ethical frameworks needed to work with AI.

The University makes recommendations to:

- Monitor labour market trends and trends in graduate employment, and analyse impacts of technological change on outcomes;
- Implement curricula which encourage ‘durable’ skills;
- Provide tailored supports to students so that they understand, attain and can articulate the skills that employers are looking for by the time they graduate;
- Ensure students have AI fluency;
- Ensure university assessment practices assure learning; and
- Support the evolution of a more diverse higher education system, including universities with a broad and deep postgraduate offering.

For further information, Professor Michael Wesley, Deputy Vice-Chancellor (Global, Culture and Engagement), can be contacted on michael.wesley@unimelb.edu.au.

Trends in graduate employment

Jobs and Skills Australia (JSA) forecasts in November 2024 indicate that more than 90 per cent of employment growth over the next decade will occur in roles requiring post-secondary qualifications. The share of growth in occupations typically linked to a bachelor's degree or higher is expected to decline slightly, from 51 per cent to 49 per cent.

According to a November 2025 JSA report on *Higher Education Outcomes*, higher education leads to strong labour market outcomes across a diverse range of careers. One-year post-completion, evidence of wage/salary work could be found for 92 per cent of the cohort studied (enrolments and completions from 2005 to 2021). Graduates' incomes were shown to jump by an average of 35 per cent in their first five years.

While the most recent Quality Indicators for Learning and Teaching (QILT) *Short Term Graduate Outcomes Report* shows declines in employment outcomes in the period assessed (2024), other recent JSA and QILT data and analysis paint a more positive picture.

The most recently released QILT *Longitudinal Graduate Outcomes Survey Report* (May 2026) showed that employment outcomes strengthen over time following graduation. The domestic undergraduate full-time employment rate immediately after graduation was 79.5 per cent in 2022 but rose 12.2 percentage points in the three years following graduation to 91.7 per cent in 2025.

The March 2026 QILT *Employer Satisfaction Survey* indicated that 84.2 per cent of employers were overall satisfied with their graduate employees. This level of satisfaction has remained broadly stable since 2016, ranging from a low of 83.6 per cent in 2017 to a high of 85.5 per cent in 2024. Employer assessments of graduates' adaptive and technical skills were at their highest levels since the survey's inception, at 90.7 per cent and 94.0 per cent respectively. It is also notable that in the same report employers were more likely than their graduate employees to say that their qualification had prepared them 'well' or 'very well' for the job. In total, 86.4 per cent of graduates rated that they felt well prepared for their job, compared to 94.9 per cent of their employers.

It is also notable that there are 10 Australian universities in the 2026 top 250 of the QS world rankings for Employability. The University of Melbourne (the University) is the highest ranked Australian university at number 38.

The *Short Term Graduate Outcomes Survey* (GOS) Report, as noted above, showed declines in graduate employment outcomes. This report showed the full-time employment rate for graduates 4 to 6 months after completing their studies declined across study levels. The largest reduction was for undergraduate degree holders, where the rate fell from 79.0 per cent in 2023 to 74.0 per cent in 2024. Postgraduate coursework and research graduates continued to record higher full-time employment rates – 88.1 per cent and 82.8 per cent respectively in 2024 – with smaller year-on-year decreases of 2.2 and 2.5 percentage points.

Despite these declines, it is notable that the 2023 survey had recorded the highest full-time employment outcomes since the survey commenced in 2016. According to the GOS Report, the downturn in 2024 was a reflection of the continued easing of the tight labour market conditions experienced in 2022 and 2023.

An August 2025 the JSA report on *Our Gen AI Transition* found there is no current evidence of widespread displacement of entry-level roles in Australia by generative AI. Its assessment was that entry-level roles are "more likely to transform than diminish."

Recommendation: *The Australian Government, advised by Jobs and Skills Australia, monitors labour market trends and trends in graduate employment, and analyses impacts – including technological change – on graduate employment outcomes.*

Valuing ‘durable’ skills and capabilities

Technological, social and climatic change is contributing to a more volatile and uncertain future for graduates. Artificial intelligence is transforming the professional workplace.

In this future, as well as technical or disciplinary knowledge, it will be ‘soft skills’, perhaps better described as ‘durable skills’, which will be valued by employers. Durable skills include critical thinking, analytical capabilities, and ethical judgment. They also include human-centred skills such as adaptability, resilience, accountability, persuasive communication including written and oral communication skills, and the ability to collaborate and to navigate complex relationships. These skills are ‘durable’ because they are fundamental skills which are used in any job, with any technology, in any industry, no matter how the employment market evolves. These skills underpin effective collaboration, leadership and innovation. Combined with a commitment to lifelong learning, they position graduates strongly for future success.

The unique elements of the Melbourne Curriculum model create a strong platform for producing graduates with these skills and capabilities.

Under the University’s curriculum model, students choose from seven 3-year bachelor degree programs that provide a disciplinary foundation in arts, biomedicine, commerce, design, fine arts, music, or science. “Discovery” subjects across all degrees aim to broaden the students’ horizons across their discipline, while under a “breadth” requirement students are required to study one-quarter of their degree in subjects outside their main discipline. The model also provides clear pathways to a broad range of specialised postgraduate professional qualifications.

The breadth, flexibility and the focus on diversity of perspectives provided by the Melbourne Curriculum model delivers a broader education experience, with Melbourne graduates emerging as well-rounded, thoughtful as well as highly skilled professionals. Cross-disciplinary exposure encourages students to synthesise ideas from different fields, recognising connections that may be less clear to those trained within a single domain. The experience of moving between different modes of thinking and adopting different lenses, helps cultivate critical, analytical, and adaptive capabilities. The model by its nature also prepares graduates to collaborate in multidisciplinary settings, building the communication and negotiation skills that are essential when working across professional and cultural boundaries.

> ***Recommendation:*** *The Committee supports: the delivery by higher education providers of curricula which, along with technical skills and discipline knowledge, encourage the durable skills which will be needed in the workforce of the future.*

Emphasising durable skills and capabilities, as well as technical skills and disciplinary knowledge in curricula

In recognition of the growing importance of durable skills to employability and long term career success, in June 2026 the University awarded its prestigious GEM Scott Fellowship to a project focused on making durable skills more visible in the Melbourne Curriculum and designing a suite of evidence-based in-class durable skill learning activities to be used across the University’s undergraduate programs. As well as designing these learning activities for compulsory and core subjects, the project will produce an index of durable skills taught across the curriculum, and a design manual for durable skill learning activities for the University. A magazine will also be produced to disseminate the project’s outcomes to students with the aim of raising awareness of the importance of these skills and enhancing students’ ability to articulate their skills when presenting themselves to prospective employers.

Building these attributes, including critical and analytical and human-centred skills, is already being actively encouraged by innovative teaching models and assessment formats used at the University.

As an example, the Collaborative Practice Centre, within the Faculty of Medicine, Dentistry and Health Sciences, has developed an interprofessional integrated curriculum model across its undergraduate and postgraduate programs to support the development of collaborative practice competencies. The emphasis on teamwork skills where, through longitudinal assessments, students are required to demonstrate their communication, conflict negotiation, reflective practice and teamwork skills signposts to students the value placed on these human-centred skills. This approach is grounded in evidence that assessment drives student engagement — if competencies are not formally evaluated, they are unlikely to be treated as meaningful learning priorities.

As another example, over the past year the University's Faculty of Arts has piloted an assessment format called Interactive Oral Assessments (IOAs) in 22 subjects, with a large proportion of Arts subjects expected to use them from 2027. IOAs involve real-time unscripted conversations between students and assessors around a scenario such as a job interview; defence of an approach, idea or argument such as that made in an essay; business pitches; and contextualisation of creative works. IOAs are distinct from traditional oral exams as they are designed to be nuanced, interactive, and dynamic, rather than simply rewarding information recall. The dynamic nature of IOAs challenges students to think critically and synthesise information on the spot – important durable skills – as well as demonstrating understanding of the subject matter. When framed as a simulated professional scenario IOAs can be particularly helpful to students developing employability skills and desirable graduate attributes.

Recommendation: *The Committee notes the emerging diversity in teaching and assessment formats which, along with technical skills and discipline knowledge, develop employability by encouraging durable skills and capabilities.*

Implementing curricula and supports to enable students to graduate from university career-ready

The University's *Advancing Students and Education Strategy (2023-2030)* aims for a curriculum defined by quality and relevance. Amongst other things, the strategy seeks to increase interactive learning and to weave in further careers preparation through a renewed focus on experiential learning. To ensure the University's course content and assessments are authentic and reflect the tasks engaged in at work, the University co-designs specific curricula with relevant industry, professional and industry bodies. For those courses for which work integrated learning is not a course requirement, practical experiences of applying knowledge in workplaces are encouraged. Faculties have Experiential Learning staff assisting students with opportunities for career-relevant learning opportunities such as work-placements and internships.

Providing real-world experience, postgraduate students are also eligible to apply for innovative industry-engaged programs such as the University's recent 'O-Lab' program. O-Lab (Opportunity Lab) projects focus on solving real world innovation challenges that for one reason or another, organisations cannot solve on their own. The projects are conducted by interdisciplinary teams of students, industry specialists and expert researchers, and are supported by O-Lab Innovation Mentors.

The University also offers comprehensive student employability programs, with a focus on supporting students to understand, attain and articulate the skills that employers are looking for. A new Employability Hub has been created which sets out, faculty by faculty, the many opportunities for students to build their employability. From enrolment, students can engage with a broad suite of supports including one-on-one career advising, interview preparation, career workshops, alumni mentoring, employer events, and an active jobs board featuring internship and volunteering opportunities.

The University also recognises experience, skills and capabilities gained outside the official curriculum through Melbourne Plus, the University's co-curricula recognition program. Melbourne Plus enables students to gain University-verified digital credentials from activities such as volunteering, mentoring and advocacy. Credentials that students can gain include People Leadership, Community Engagement, Global Citizenship, Sustainability Advocacy, and Innovation.

Central to the University's employability programs and services is Career Mapping – the University's sector-leading career readiness framework. Since 2021, at enrolment and re-enrolment, every student completes a two-question Career Census survey, locating them within one of four career readiness phases: Discover, Focus, Apply, or Sorted. This data enables the University to understand where each student sits on their career development journey and to direct them towards the supports most relevant to their current needs — whether that is exploring career options, building practical experience, or preparing to enter the workforce.

Career readiness frameworks in higher education originated in the United Kingdom, where institutions began systematically mapping student career development as part of broader employability agendas in the early 2000s. In the Australian context most universities now provide some form of careers and employability support across the student lifecycle, but universal participation in career-mapping processes from initial enrolment is less common.

Recommendation: *Higher education providers be funded to:*

- *Implement curricula which provide opportunities for real world experience.*
- *Provide career-mapping frameworks which accurately locate students on their career-readiness journey from enrolment.*
- *Provide targeted, tailored support to help students to understand, attain and articulate the skills that employers are looking for.*

Ensuring graduates have the skills to work with AI

The University is also preparing graduates to work *with* AI in the future workplace, as well as in education, recognising that durable skills, including ethical frameworks and evaluative judgement, are needed to engage with AI responsibly and creatively. The University is purposefully equipping students with these skills by providing students with resources to explore and analyse AI and AI tools, including an introductory AI module for all commencing coursework students. Work is also underway across the University to consider and embed AI within the curriculum including as part of innovative teaching and learning activities, and as part of preparing our graduates for the future.

The University is partnering with students through co-design activities to develop these approaches and has recently launched a new resource hub to support staff in this work.

As AI tools become increasingly embedded in education and professional settings, there is a growing need for scalable, theoretically grounded frameworks and assessment measures that can accurately identify learners' AI skills and knowledge as well as their gaps. Pioneering research under an earlier GEM Scott Teaching Fellowship project has helped develop such a framework. This work is shaping how the University supports students and staff to build judgement, confidence and ethical awareness in using AI across teaching, learning and work. The research is now being shared at national and international conferences.

Recommendation: *Higher education providers make use of theoretically grounded frameworks and assessment measures that can accurately diagnose AI learning needs as a first step in ensuring students have the AI fluency which they will increasingly need to enter the workforce.*

Assuring academic integrity in the age of AI

As well as transforming the labour market into which today's graduates are entering, AI is transforming education.

In line with the University's commitment to outstanding teaching and learning, the University prioritises safeguarding academic integrity, ensuring graduates have the skills, knowledge, and understanding built through the curriculum and that the University's degrees continue to represent genuine educational achievement.

In response to the increasing capability and prevalence of AI tools alongside an ever-growing number of cheating services and websites, the University is undertaking institution-wide assessment reform to ensure our curriculum meets two new assessment principles. These are that either 50 per cent or more of the total marks in a subject are based on secure assessment, or that a form of secure 'programmatic' assessment is adopted within a degree. The University has detailed information on the types of assessment which it considers secure – Interactive Oral Assessments as discussed above are an example – an added benefit of the format.

On 24 September 2025 the Tertiary Education Quality and Standards Agency (TEQSA) released a paper on enacting assessment reform in a time of artificial intelligence. This expanded on an earlier TEQSA paper on principles and propositions to guide institutions in developing an approach to generative AI and assessment.

Recommendation: *Higher education providers ensure assessment practices assure learning, taking advantage of the opportunities and managing the risks of AI, in alignment with TEQSA guidance.*

Supporting students from underrepresented backgrounds

Ensuring students from underrepresented backgrounds have access to higher education and are able to move smoothly into the workforce can require additional tailored and sustained support across their education journey.

The University's Narrm Scholarship exemplifies a comprehensive approach to supporting underrepresented cohorts. It was established as part of a strategy to increase the representation of students from traditionally underrepresented backgrounds—such as those from low socioeconomic circumstances, regional or remote areas, and Indigenous communities—from 10 per cent in 2023 to 25 per cent of the domestic undergraduate cohort by 2030. The scholarship is awarded to domestic undergraduate students experiencing disadvantage, as well as to Indigenous undergraduate students. The program currently supports 2,500 students who commenced from 2024-2026, including 488 from regional or remote areas.

As well as a living allowance, support from the Academic Skills and Library team and two Student Inclusion Officers, Narrm Scholars are offered a tailored degree-long Enrichment Program. The program aims to build a sense of connection and belonging, and to provide ongoing opportunities, supports and resources as students progress towards their academic and career goals.

As part of onboarding, all Narrm Scholars are invited to attend a Pre-Orientation Camp, which supports early connection-building and preparation for study. Throughout their degree Narrm Scholars are supported by the University's Careers and Employability team, which provides services aligned to cohort needs. The University's Students@Work team focuses on securing on-campus employment opportunities including through subsidised roles offered in collaboration with hiring managers.

Only a small proportion of the Narrm budget is provided by Government, with funding from other sources required, including revenue derived from international education.

Equity and graduate students

Equity in Australian higher education is still largely understood and addressed as an undergraduate issue; reflected in current policy settings, funding mechanisms and institutional performance measures. These settings are less well suited to curriculum models where professional qualification is intentionally located at the graduate level, as with the Melbourne Curriculum model, or as required by professional accrediting bodies.

Educational disadvantage does not necessarily resolve at the point of undergraduate completion. Students from low socioeconomic status, regional and remote backgrounds, and Aboriginal and Torres Strait Islander students remain significantly underrepresented in both postgraduate coursework and higher degree by research programs.

While the University has dedicated equity mechanisms and major equity scholarship programs focused on undergraduate students, given the distinctive Melbourne Curriculum, there is a structural gap at the point where students enter graduate study, particularly for our professional programs.

Our data indicates that in the next two years the University can expect over 150 undergraduate equity scholarship students – our Narrm Scholars – to progress to professional postgraduate study.

Recommendation: *Australian Government policy:*

- *Delivers funding which enables all universities to fund comprehensive wrap-around supports to underrepresented cohorts at undergraduate and postgraduate levels.*
- *Does not constrain the ability of universities to fund equity programs.*

Supporting specialisation and diversity in the higher education sector

The Melbourne Curriculum model includes seven broad bachelor's degrees followed by specialised postgraduate professional qualifications.

If students have a career in mind they can structure their bachelor's degree from day one to gain the knowledge and skills they need. But if they want to explore their options or pursue other interests, the model provides them with flexibility in their studies, giving them time to make these decisions. More than a third of domestic students go onto postgraduate study at the University.

An additional benefit of the model is that the many specialised postgraduate professional qualifications it offers can be more suitable to those seeking professional retraining or upskilling. For those, often older, students seeking a career transition or advancement, a two-year master's degree (or a graduate or specialist certificate) can be both a more appropriate and more efficient pathway than another three-year bachelor's degree.

With studies showing that today's graduates will make an average of eight career changes during their working lives, qualification models which facilitate retraining and upskilling are essential. To date Government policies around the availability of Commonwealth Supported Places (CSPs) have not recognised the value of postgraduate qualifications in enabling professionals to retrain. An example of this was the 2023 introduction by the Government of 'AUKUS CSPs'– a pool of 4000 additional CSPs for qualifications deemed necessary to build Australia's AUKUS workforce. For existing professionals with a relevant bachelor's degree, an upskilling Master's degree would be attractive as a relatively quick pathway

into a new AUKUS-related career. However, the AUKUS CSP places were only made available for undergraduate pathways, creating an unnecessary barrier – of both time and cost – to existing professionals, even those who may be working in a related field and who hold extensive work and life experience.

The Universities Accord acknowledged that the Australian higher education ecosystem needed to embrace greater diversity and specialisation, with a range different types of institutions ensuring education offerings meet different student needs, learning styles and interests. The University, through its distinctive curriculum model, including broad bachelor's degrees and a depth and breadth off postgraduate qualifications, offers one style of teaching and learning which will be aligned with the nation's needs. There are others emerging including apprenticeship degrees, block learning models, and multiple entry and exit pathway models. Facilitating the growth of different models and a more diverse system should be a priority for ATEC.

Under the Higher Education Provider Category Standards universities must conduct research at "world standard" in 50 per cent or at least three broad fields of education in which they teach. The recent *Ambitious Australia* Report found that these requirements have resulted in too many broad-based universities, and limited the ability of universities to specialise in their areas of comparative strength. The Minister for Education has subsequently tasked ATEC with advising the Government on university specialisation, with a view to alignment with national priorities. The review may be an opportunity to consider whether reformed registration requirements could enable the sector to further specialise and thus better contribute to national priorities, including graduate employment outcomes, while retaining the fundamental principle of research-informed teaching for an institution to be designated a university.

Recommendations:

The Committee supports:

- *The evolution of a more diverse higher education system, including universities which emphasise graduate professional education.*
- *CSP settings which recognise that postgraduate qualifications are an important pathway to upskilling and retraining, essential in a global environment of uncertainty and change.*

In undertaking its review of university specialisation ATEC:

- *Expedites a thorough consultation with the sector.*
- *Retains the principle that research and research-informed teaching are essential attributes of a university.*

The University of Melbourne

Grattan Street, Parkville, Victoria 3010 Australia

t 13 MELB (13 6352)

+61 3 9035 5511 (International)

unimelb.edu.au

THE UNIVERSITY OF MELBOURNE