FUTURE SKILLS ORGANISATION
Finance Technology Business

Australian Senate Education and Employment References Committee

Inquiry into Australian university graduates

19 MAY 2026

JSC Jobs and Skills Council
Finance, Technology and Business
An Australian Government Initiative

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Executive Summary

Future Skills Organisation (FSO) welcomes the Senate inquiry into Australian university graduates, noting that the critical issue is not simply the volume of graduates, but whether they are equipped with the skills employers actually need. Across finance, technology and business (FTB) occupations, key growth sectors of the Australian economy, there is a clear and growing mismatch between university outcomes, employer expectations, and graduate capability.

Demand for FTB skills is increasing, particularly in technology roles, driven in part by the adoption of artificial intelligence (AI). At the same time, some lower-value roles are declining, increasing the need for graduates to transition into more adaptable, higher-skill occupations. However, university enrolments and course design are not consistently aligned to these labour market signals, contributing to ongoing skill shortages.

Employers report that many graduates are not job-ready, with gaps in practical capability, digital and AI fluency, communication, and professional judgement. As a result, employers are bearing the cost of developing workforce readiness post-hire. AI is accelerating this challenge, with baseline expectations now including the ability to use AI tools, assess outputs, and apply judgement in digital environments.

A further issue is the lack of consistent development of transferable, generalist skills, such as communication, teamwork, and adaptability, which are critical across all sectors but not systematically embedded in tertiary education.

It is important university graduates are better prepared for entry into the labour market so industry will continue to hire graduates and so industry can focus their investment on the early career development of graduates.

FSO's view is the tertiary system must shift towards stronger alignment with workforce demand, greater emphasis on applied and transferable skills, and more practical pathways into employment. Expanded work-integrated learning models, such as apprenticeships, traineeships, and innovative earn-while-you-learn pathways, will be critical to improving graduate outcomes and employer confidence.

Overall, Australia requires a more responsive, demand-led tertiary system, underpinned by stronger collaboration between universities, vocational education and training, employers, unions, and government, to ensure graduates are prepared for the jobs that are growing, with the skills required for those jobs.

Recommendations

Recommendation 1

Make AI literacy a core graduate capability across all university programs, not just a specialist skill or solely focused on IT courses.

Recommendation 2

Strengthen university learning outcomes so these include both technical knowledge and generalist workplace skills, especially communication, problem-solving, digital fluency, and teamwork.

Recommendation 3

Align course design more closely with labour-market demand in growing finance, technology and business occupations and make these courses more relevant to the knowledge and skills employers demand and in doing so make these courses more attractive to new enrolments.

Recommendation 4

Expand earn-while-you-learn models, including internships, degree apprenticeships and other work-integrated pathways through innovative approaches in collaboration with industry and federal and state and territory governments.

Recommendation 5

Improve collaboration between universities, employers, vocational education and training providers and government so graduate skills are more consistent, transferable, more practical, and easier to recognise in the labour market.

Introduction

Future Skills Organisation (FSO) is a Jobs and Skills Council (JSC) funded by the Australian Government, with a strong focus on skills. FSO's mission is to advance transferable and industry-specific skills in the finance, technology, and business (FTB) occupations and FTB industries. Through close collaboration with industry, unions, and governments, under tripartisanship, and with the tertiary education and training sector, FSO works collectively to benefit learners, employees, and employers.

A key pillar of the work of FSO is industry stewardship and translating the skill needs of FTB employers to the shaping of tertiary education and training so graduate knowledge and skill outcomes are able to be applied to add value in the labour market.

FSO welcomes the Australia Senate's Education and Employment References Committee's (the Committee) Inquiry into Australian university graduates (terms at Appendix A). As noted, FSO's mission covers both FTB occupations and FTB industries. This submission considers Australian university graduates through the FTB occupation lens (see list at Appendix B).

The Tertiary Education Quality and Standards Agency (TEQSA), Australia's independent national quality assurance and regulatory agency for higher education, notes Australian universities, institutes of higher education, and university colleges make up Australia's regulated higher education sector. FSO acknowledges the inquiry focuses on Australian university graduates within the wider higher education sector.

> In 2024 about four percent of domestic bachelor higher education students were with non-university higher education providers (NUHEPS).[1] While small, this cohort of 30,831 students enables a controlled sample in terms of comparison of bachelor graduate outcomes for universities compared to NUHEPs. This comparison may inform how universities may deliver improved graduate labour market and societal outcomes.
>
> It may also inform public policy for the allocation of scarce resources to where graduate and public benefits are able to be maximised. It is acknowledged the Australian Tertiary Education Commission (ATEC) will allocate 624,000 fully funded higher education places in 2027, with only about 2,000 going to NUHEPs.[2]
>
> That is, while about four percent of domestic bachelor higher education students are with NUHEPs (2024) less than half a percent of fully funded higher education places go to NUHEPs (expected 2027). That is an imbalance that needs consideration, if it is established NUHEPs are providing the skills industry and employers' demand.

FSO's submission focuses on evidence and experience for FTB. FSO's work involves focusing on industries and employers of FTB skills so they may get these skills as, when, and where they need them. This means skills acquired from the tertiary education and

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[1] Department of Education (2024) *Perturbed student enrolments pivot table 2024*, Australian Government, Canberra, accessed 1/04/2026, https://www.education.gov.au/higher-education-statistics/resources/perturbed-student-enrolments-pivot-table-2024. In-text citation: (Department of Education 2024).
[2] TAFE Directors Australia, *Bold vision and new qualifications: a recipe for tertiary harmonisation,* 11 May 2026, https://tda.edu.au/newsletters/thanks-go-to-many-comment-by-ceo-jenny-dodd/

training sector, higher education and vocational education and training (VET), as well as providing input into skilled migration for FTB occupations. It also means engaging with the non-accredited training sector and with Australia's schooling sector.

FSO would welcome the opportunity to discuss these issues with the Committee. We welcome this submission being made public at the Committee's discretion, and consider the information contained in FSO's submission will assist the Committee in its deliberations.

Finance, Technology, and Business in-demand occupations

This section sets out recognition FTB occupations are growth occupations in the labour market. University graduates should target FTB occupations for employment while at university, when leaving university, and in seeking growth opportunities post university.

Jobs and Skills Australia (JSA) late last year reported:

> 'Australia's labour market has undergone significant structural change, with the workforce shifting toward service industries and higher-skilled roles. Service industries accounted for nearly 90% of employment growth over the past decade. In contrast, employment in some producing industries has declined, including Manufacturing and Agriculture, reflecting a long-term shift away from traditional production sectors.'[3]

FTB occupations - recent employee demand

FTB is at the heart of those service industries that offer higher-skilled roles. This is where employment opportunities have existed in greater number for university graduates.

FTB in-demand occupations accounted for 24.6 percent of the total Australian workforce in 2025, as growth occupations in the labour market. This highlights the need for widening and deepening the domestic talent pool and for more university graduates to target FTB occupations and industries for priority employment. See further data and information at Appendix C.

FTB occupations - growth forecast 2026 to 2035

FTB occupation growth is expected to outpace the broader economy, with technology as the primary driver. The FTB workforce is expected to expand by 1.5 percent per annum to reach around 4.2 million employees by 2034-35 (currently around 3.6 million), compared with overall employment growth of 1.3 percent per annum in the same period. Growth is expected to strengthen from 2025-26, peak around 2028-29, before easing back toward trend and converging with the broader labour market by 2034-35. See further data and information at Appendix C.

[3] Jobs and Skills Australia 2025, *Jobs and Skills Report 2025 – Connecting for Impact: Aligning Productivity, Participation and Skills*, page 7, https://www.jobsandskills.gov.au/publications/jobs-and-skills-report-2025

FTB employer reflections - graduate skills sought

This section addresses whether graduates of Australian universities are being taught the skills that employers are looking for with regard to FTB occupations in Australia.

As noted, one of the four key pillars of JSCs is industry stewardship. For FSO this means translating the skill needs of FTB employers to shape tertiary education and training so graduate knowledge and skill outcomes are able to be applied immediately, without further employer investment, to add value in the labour market.

To meet this accountability FSO continuously engages with employers to gather evidence of what is needed of graduates, so VET and higher education providers may appropriately educate and train learner cohorts, especially undergraduates. Considered are FSO learnings from engaging with employers and industries on their skills needs and skills gaps and information from FTB workforce planning, including on AI and on generalist skills (or employability skills).

> The most consistent signal across employer and industry feedback is that graduates entering FTB occupations are not meeting employer expectations for immediate workplace contribution — and that employers are absorbing the cost. This is at a time when many businesses are already short staffed, have difficulty freeing up staff to lead or to undertake this skilling, and are under significant cost pressures.

As an example, during the first half of 2026, working with FTB industries, FSO's payroll, bookkeeping, and accounting needs and gap analysis identified a consistent set of skills that accounting employers expect of entry-level graduates, but that current tertiary education and training is not reliably producing. In our experience this example is symbolic of what is lacking in graduates across the labour market.

> Graduates need:

- Strong foundational accounting technical knowledge combined with the ability to work confidently in digital, cloud-based environments.
- The rapid pace of automation and AI adoption means this now requires more than software literacy. Graduates are expected to interpret and validate system-generated outputs, exercise professional judgement over automated processes, and apply cybersecurity awareness in handling sensitive financial data.
- Alongside these technical and digital capabilities, employers consistently identified communication skills, including oral communication, professional writing, client responsiveness, and the ability to engage with colleagues, managers, and external stakeholders as critical for entry-level roles. Yet these critical skills are currently underrepresented in formal tertiary education and training.
- Industry stakeholders noted a material gap exists between demonstrated competency and applied capability. Graduates may be able to show knowledge and skills in assessment contexts but struggle to perform in realistic business environments without further post-qualification investment by employers, at a time when employers are under significant pressure.

Taken together, FSO's engagement with FTB employers points to a need for graduates who combine sound technical grounding with digital fluency, practical problem-solving, professional judgement, and the communication and interpersonal skills that every job advertisement in the sector now lists as essential.

FTB employers and industry bodies are signalling that AI literacy is becoming a baseline expectation, not a specialist capability confined to technology roles. That is, as technology platforms such as Microsoft office suite, including virtual communication tools, are skills now expected for the vast majority of jobs and no longer feature in job ads, AI literacy is also becoming an expected labour market skill.

- Financial services employers are specifically flagging AI governance skills gaps in graduate entrants.
- ICT employers report that generalist digital engagement is now expected of all tech workers, not just specialists.

The 2025 FSO roadshows, conducted across all states and territories, returned consistent signals that graduates, across disciplines, are not arriving with the AI literacy required to operate confidently and responsibly in workplaces that are adopting AI tools at pace.

The ability to interrogate, validate and contextualise AI outputs is increasingly framed by employers as a core capability. The view that current university programs are not yet systematically developing this capability was expressed in multiple jurisdictions.

FTB occupations - AI exposure

This section seeks to contextualise university graduate opportunities in FTB occupations by seeking to understand the possible likely impact of AI. The caution is this is early days in an AI transition that is now well underway. While we are already seeing some of the effects, the longer-term trend is yet to be fully realised - noting the above reflections on AI knowledge and skills that FTB employers are already demanding.

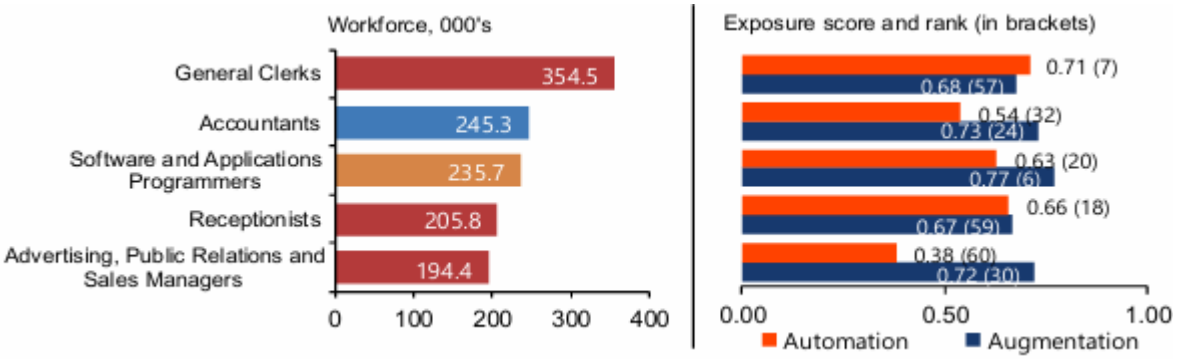
Through its Gen AI Capacity Study[4], JSA conducted an economy wide assessment of 357 occupations exposure to AI based on:

- **Automation**: the degree to which AI can perform tasks outright and reduce worker demand.
- **Augmentation**: the degree to which AI could enhance how tasks are performed, changing the nature of a role with unclear impacts on worker demand.

Overall, the uptake of AI and resulting automation of tasks could reduce total FTB occupation demand by 2034-35, narrowing projected shortfalls over the forecast period in key roles, noting this is forecasting out a further decade.

[4] Jobs and Skills Australia, *Gen AI Capacity Study*, 2025, https://www.jobsandskills.gov.au/studies/generative-artificial-intelligence-capacity-study

Graph 1: Five largest FTB occupations by 2034-35 workforce size, with their AI exposure scores and economy-wide rank



As shown in Graph 1, those occupations mostly supplied through higher education are more likely to be augmented than automated. This means it is likely those roles will change and there may be a decline in some of the number of workers required for these roles but (as shown in Graph 3 Appendix C) these are occupations forecast for an increase in workforce demand out to 2034-35.

> As noted, the caution is this is early days in an AI transition that is now well underway. What is indicated in Graph 1 is for FTB occupations it is not as much which occupations are automated and which occupations are augmented, but the mix of automation and augmentation for each occupation depending on the tasks undertaken in those roles. What is shown in Graph 4 (Appendix C) and highlighted by FTB employers in their recent reflections – set out above – is AI literacy is becoming a baseline expectation not a specialist capability.

Workforce demand implications of augmentation are less clear than for automation. Higher productivity from AI augmented dominated occupations may prompt organisations to do more with existing workers or equally create appetite for additional headcount to capitalise on new capacity and market opportunities driven by new ways of doing business. This points to greater opportunity for higher skilled employees in FTB occupations, especially for new university graduate entrants with strong AI skills.

Generalist skills – whole of labour market demand

The need for AI skills, including as a generalist digital skill, across the labour market is set out above. In terms of generalist skills (also referred to as employability skills), as employers note, these are core workforce capabilities.

These skills underpin effective performance across a service-based, knowledge-driven labour market and are increasingly what determines whether a technically qualified person is actually job-ready.

Generalist skills should not be 'detached' from the course work, which can lead to disengaged learning. Rather to gain generalist skills through course work, learning needs to be applied to an industry context, ensuring relevance and connected learning. That is, generalist skills should be taught contextualised to employers and industries serviced by those courses, including to meet the skills needs of localised employers.

JSA noted in an opinion piece mid last year that:

> 'JSA research has found that too many engineering and IT graduates are not being hired for jobs they are technically qualified for, because they lack the employability skills required.'[5]

This is not a problem confined to technology occupations. Across all JSC workforce plans, employers are identifying the same issue - the tertiary education and training system is not consistently developing the broader capabilities required for modern work.

Persistent skills and capability gaps continue to be raised in areas such as communication, critical thinking, digital literacy and adaptability. FSO's 2025 Workforce Plan[6] directly reflects this gap, with employers reporting a consistent shortage of job-ready talent with these generalist skills.

> It is important university graduates are better prepared for entry into the labour market so industry will continue to hire graduates and so industry can focus their investment on the early career development of graduates.

We note in Appendix D the proportion of IT bachelor degree graduates looking for full-time employment who had found it about four months later was 68 percent in 2024, down from 75 percent the year before. This does not necessarily mean the demand for IT graduates is not there, as it may mean employers' experiences of the lack of broad skills IT graduates bring to entry level roles is diminishing the hiring appetite, making the IT course offerings from universities less appealing for FTB occupation employers.

The need for generalist skills that traverse the labour market emphasises the need for the higher education, VET, industry, unions, and governments to collaborate on an agreed set of learning outcomes that include strong generalist skills, including generalist digital skills (such as those skills supported by DigComp 3.0[7]).

As industries converge, technology changes, and job roles evolve, workers require transferable, cross-industry generalist skills to thrive. This shift, and the consequent change in skills needed, is recognised in the Australian Government's White Paper on Jobs and Opportunities.

> 'Human capital accumulation requires an investment in people to build up not just technical skills and knowledge but also the core transferable skills needed to be resilient and adaptable through structural change.'[8]

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[5] Barney Glover, Megan Lilly and Peter Dawkins, 22 July 2025, *Skills system reform, blended degrees can help solve productivity puzzle*, https://www.theaustralian.com.au/subscribe/news/1/?sourceCode=TAWEB_WRE170_a&dest=https%3A%2F%2Fwww.theaustralian.com.au%2Fhigher-education%2Fskills-system-reform-blended-degrees-can-help-solve-productivity-puzzle%2Fnews-story%2F4f7fbb0ded43d88d9e7990461f4f922e&memtype=anonymous&mode=premium&v21=GROUPB-Segment-2-NOSCORE&V21spcbehaviour=append

[6] Future Skills Organisation, *Workforce Plan 2025 Pathways to impact*, 2025, https://www.futureskillsorganisation.com.au/workforce-plans/workforce-plan-2025/

[7] Office of the European Union, *European Digital Competence Framework for Citizens* (DigComp 3.0), November 2025, https://publications.jrc.ec.europa.eu/repository/handle/JRC144121

[8] The Treasury, 2023, *White Paper on Jobs and Opportunities*, page 87, https://treasury.gov.au/sites/default/files/2023-09/p2023-447996-07-ch5.pdf

The structural problem within tertiary education reflects how generalist skills have historically been treated. These skills have been designed and coded the same way as specialist skills, a failure to recognise the universality of these skills and the skills need, with no agreed common framework or shared language across the tertiary education sector. After all, the principles of communication are universal – the principles are the principles applied in context.

The result is a tertiary education and training system that is fragmented for learners. There is a failure to recognise the need to educate for these skills in context of the targeted employment outcomes and the profile of the learner cohort.

This means an inconsistent outcome for employers and the learner – what becomes a skills mismatch - and at odds with the stated aim of equipping university graduates with the skills required to successfully enter the labour market. For example, the skill of communication is used by an employee often in multiple contexts, irrespective of the industry sector.

FSO, HumanAbility and Service and Creative Skills Australia JSCs are working together through a Cross-JSC Generalist Skills Working Group to define a common framework for generalist skills. The model is designed to demonstrate an approach that can be scaled across tertiary education and training and to align with the National Skills Taxonomy as it develops.[9]

We also seek to align this work with the range of projects being undertaken in the higher education sector on broad based generalist skill recognition and embedding such skills into higher education courses, with industry context and support.

> The Australian Universities Accord and subsequent establishment of the Australian Tertiary Education Commission signal a clear policy direction towards a joined-up tertiary system. Consistent definitions of generalist skills across VET and higher education are a practical requirement for the tertiary education and training system to deliver on the stated common purpose to skill the labour market, with '…universities at the centre of Australia's response to the skills challenge.'[10]

In reviewing VET qualifications in information, communication, and technology[11] FSO has formed a higher education working group of universities and university experts that will include providing input on generalist skills, including generalist digital skills, as part of that review. This supports FSO's objective of consistent skill education and training across the tertiary sector, one grounded in industry skill needs.

Earn While You Learn Models – need for innovation

There is an opportunity to strengthen university-to-work transitions. This can be addressed by enhancing connections between universities and earn-while you learn

[9] https://www.jobsandskills.gov.au/data/national-skills-taxonomy
[10] Luke Sheehy, *Address to the National Press Club of Australia*, February 2025, https://universitiesaustralia.edu.au/media-item/address-to-the-national-press-club-of-australia-3/
[11] https://www.futureskillsorganisation.com.au/ict-training-package-update/

(EWYL) models to support earlier industry engagement, smoother transitions, and clearer pathways for university graduates entering FTB occupations.[12]

While fledging in nature, as an engagement approach, employers, governments and higher education learners are seeing the value of degree based EWYL models. This can range from paid workplace experiences as part of university course work, such as is common in the health field, to formal higher degree apprenticeships.

For example, recent changes in South Australia enable qualifications offered by higher education institutes/ universities to now be undertaken as an apprenticeship or traineeship[13], which are state or territory 'declared' employment arrangements.

As with traditional apprenticeships and traineeships, Degree Apprenticeships and Traineeships are a combination of paid employment and off-job training but in this case linked to a university course and is delivered by a higher education institute or university. Degree Apprentices and Trainees put their learning into practice and develop skills in the workplace throughout their qualification.

An example in practice is BAE Systems degree apprenticeships in Australia.[14] These are of particular interest to FSO as BAE Systems' degree apprenticeships include software engineering. The offer is full honours degree combined with hands-on, real-world experience in cutting-edge projects while being paid a salary.

> This approach seems to be one option to improve university graduate outcomes for FTB occupations. Consideration may be given to expanding this EWYL model as greater innovation is needed in the apprenticeship/ traineeship approach given the workforce shift toward service industries and higher-skilled roles and, as JSA reported late last year, '...Service industries accounted for nearly 90% of employment growth over the past decade.'

Summary

Finance, technology and business for at least a decade and forecast out to 2034-35 are in-demand occupations across the Australia labour market.

The most consistent signal across employer and industry feedback is that graduates entering FTB occupations are not meeting employer expectations for immediate workplace contribution — and that employers are absorbing the cost. This takes away employer investment from early career development for graduates.

For FTB occupations it is not as much which occupations are automated and which occupations are augmented, but it is the mix of automation and augmentation for each occupation depending on the tasks undertaken in those roles.

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[12] Future Skills Organisation, July 2025, *Developing the Tech Workforce: Unlocking the Potential of Earn While You Learn Report*, https://www.futureskillsorganisation.com.au/wp-content/uploads/2025/07/FSO_EWYL-Summary-Report-24pp_Web-Ready-310725-2.pdf

[13] South Australian Skills Commission. *Degree Apprenticeships and Traineeships*, https://skillscommission.sa.gov.au/careers-and-pathways/higher-education-apprenticeships-and-traineeships

[14] BAE Systems, *Degree apprenticeships in Australia*, https://careers.baesystems.com/locations/australia/apprentices/degree-apprenticeships

While uptake of AI and resulting automation of tasks could reduce total FTB occupation demand by 2034-35, narrowing projected shortfalls over the forecast period in key roles rather than eliminate total shortfalls in talent supply, higher productivity from AI augmentation may prompt organisations to do more with existing workers or equally create appetite for additional headcount to capitalise on new capacity and opportunities driven by new ways of doing business.

This points to greater opportunity for higher skilled employees in growth FTB occupations, including for new university graduate entrants with AI skills.

We need to make the transition from study to work more frictionless, by expanding employment pathways that work, such as earn while you learn models, and equipping all students with labour market wide skills such as generalist skills, including generalist digital skills in data, cyber and AI.

Future Skills Organisation

futureskillsorganisation.com.au

PO Box 16194, Collins Street West,
Melbourne VIC 8007

The Future Skills Organisation is a Jobs and Skills Council funded by the Australian Government Department of Employment and Workplace Relations.

Appendix A

Terms of Reference

The rise in the number of Australian university graduates who struggle to find work after graduating, with particular reference to[15]:

1. the state of the entry-level job market for graduates;
2. the quality of university education in Australia;
3. whether graduates of Australian universities are being taught the skills that employers are looking for;
4. the state of affairs in comparable jurisdictions;
5. the economic, social and psychological effect that this experience has on graduates; and
6. any other related matters.

FSO's submission, in the main, addresses terms 1, 3, and 6.

[15] https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/AusUniGraduates

Appendix B

FTB occupation workforce definition

Finance

Finance Managers
Accountants
Auditors, Company Secretaries and Corporate Treasurers
Financial Brokers
Financial Dealers
Financial Investment Advisers and Managers
Accounting Clerks
Bookkeepers
Payroll Clerks
Bank Workers
Credit and Loans Officers
Insurance, Money Market and Statistical Clerks
Debt Collectors
Insurance Investigators, Loss Adjusters and Risk Surveyors
Insurance Agents

Technology

ICT Managers
ICT Trainers
ICT Sales Professionals
Graphic and Web Designers, and Illustrators
Electronics Engineers
ICT Business and Systems Analysts
Multimedia Specialists and Web Developers
Software and Applications Programmers
Database and Systems Administrators, and ICT Security Specialists
Computer Network Professionals
ICT Support and Test Engineers
Telecommunications Engineering Professionals
ICT Support Technicians
Telecommunications Technical Specialists
Telecommunications Trades Workers

Business

Chief Executives and Managing Directors
General Managers
Advertising, Public Relations and Sales Managers
Corporate Services Managers
Human Resource Managers
Research and Development Managers
Other Specialist Managers
Call or Contact Centre and Customer Service Managers
Journalists and Other Writers
Human Resource Professionals
Training and Development Professionals
Actuaries, Mathematicians and Statisticians
Archivists, Curators and Records Managers
Economists
Librarians
Management and Organisation Analysts
Advertising and Marketing Professionals
Life Scientists
Barristers
Solicitors
Social Professionals
Gallery, Library and Museum Technicians
Office Managers
Personal Assistants
Secretaries
General Clerks
Keyboard Operators
Call or Contact Centre Workers
Information Officers
Receptionists
Filing and Registry Clerks
Survey Interviewers
Switchboard Operators
Other Clerical and Office Support Workers
Conveyancers and Legal Executives
Human Resource Clerks
Library Assistants
Other Miscellaneous Clerical and Administrative Workers
Telemarketers

Appendix C

FTB occupations - demand

Across Australia, FTB occupations are in-demand with significant growth occurring over the last decade to 2025.[16]

- Finance occupations in 2025 consisted of 901,853 employees in total, up 14.8 percent in the decade since 2016. This was 6.1 percent of the Australian workforce total in 2025.
- Technology occupations in 2025 consisted of 692,029 employees in total, up 34.2 percent in the decade since 2016. This was 4.7 percent of the Australian workforce total in 2025.
- Business occupations in 2025 consisted of 2,027,285 employees in total, up 16.8 percent in the decade since 2016. This was 13.8 percent of the Australian workforce total in 2025.

This is where employment opportunities are forecast to exist in greater number for university graduates over the coming decade than in the broader economy.

Technology occupations are the clear growth engine of the FTB workforce, with all roles recording positive demand over the forecast period. This is expected to lift technology's share of FTB occupation demand from 18 percent in 2024-25 to 20 percent in 2034-35.

This is despite the impact of AI, which is considered a partial driver for broader technology employment growth, where some rebalancing of roles will occur.

Business and finance together account for the majority of the FTB occupation workforce, but demand for some of these sectors' occupations may stagnant or fall in demand, particularly in administrative and clerical occupations.

In this case, roles such as personal assistants, secretaries, and keyboard operators, which are among the most exposed to automation pressures identified in the JSA Gen AI Capacity Study,[17] are forecast to have the largest FTB occupation decline, noting again it is still early in assessing the AI impact across occupations.

The following set of three graphs show, in the main, increases in FTB workforce demand are in occupations currently mostly serviced through higher education, as higher-skilled roles in service industries.

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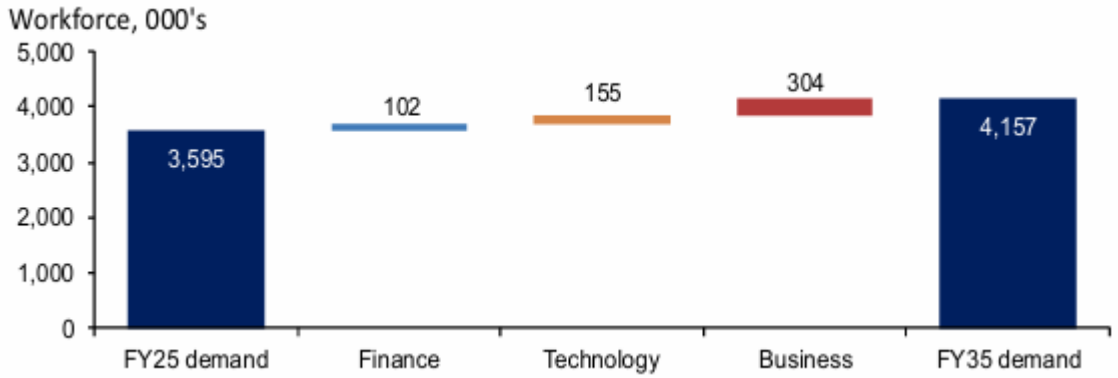
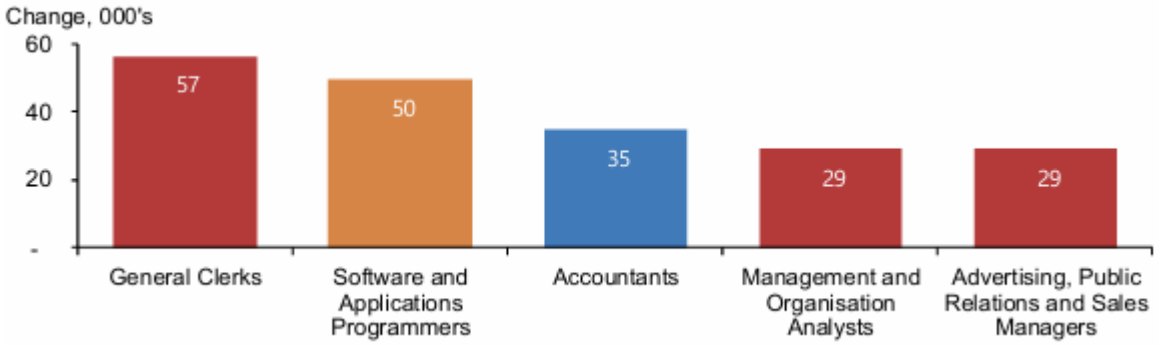
[16] https://www.futureskillsorganisation.com.au/workforce-plan-2025-occupations-dashboard/
[17] Jobs and Skills Australia, *Gen AI Capacity Study*, 2025, https://www.jobsandskills.gov.au/studies/generative-artificial-intelligence-capacity-study

Graph 2: FTB occupation labour demand, 2024-25 to 2034-35 forecast

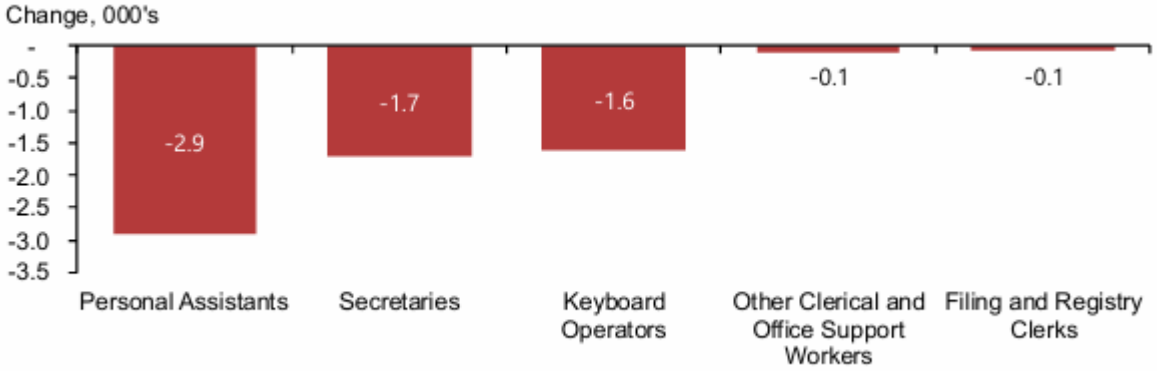


Graph 3: Top five largest increases in workforce demand, FTB occupations, 2024-25 to 2034-35 forecast



Note, the occupation of General Clerks, as defined in the Occupation Standard Classification for Australia, administered by the Australia Bureau of Statistics no longer reflects the true nature of this occupation.[18] A more appropriate title is more likely Administration Assistant, which is a growing occupational role often filled by university graduates particularly as a labour market entry level.

Graph 4: Top five largest declines in workforce demand, FTB occupations, 2024-25 to 2034-35 forecast



[18] https://www.abs.gov.au/statistics/classifications/osca-occupation-standard-classification-australia/2024-version-1-0/browse-classification/5/56/561/5611

To assist the Committee at Appendix D are two case studies on what is happening with university graduate applications, enrolments, and completions for in-demand FTB occupations. These case studies are information technology, where there is a relative decline in domestic undergraduate course demand, and management and commerce, where the negative enrolment trend since 2016 seems to have reversed.

This analysis, undertaken with the FSO by Professor Andrew Norton, Higher Education Policy Monash Business School, indicates while occupation forecasts out to 2034-35 for related occupations are strong, the university course demand is very mixed.

In summary, the signalling from occupation demand in the labour market to course demand seems distorted. If universities are to be at the forefront of skilling the economy this dichotomy needs addressing.

Appendix D

FTB Entry-Level Job Market for Graduates - Case Studies

So, what is happening with university graduates to meet the skill needs of these in-demand FTB occupations? This appendix addresses the state of the entry-level job market for graduates and applications, enrolments, and completions with regard to FTB occupations in Australia, focusing on information technology and on management and commerce.

Information technology relative declining domestic undergraduate course demand

Declining domestic undergraduate demand for information technology courses was weakly apparent in 2024, compared to 2023, with a two percent decline in domestic bachelor commencements. In 2025 domestic undergraduate applications further declined, by 11 percent, and offers by nine percent compared with 2024.

The proportion of IT bachelor degree graduates looking for full-time employment who had found it about four months later was 68 percent in 2024, down from 75 percent the year before.

Domestic IT bachelor degree completions increased from 5,631 in 2023 to 6,537 in 2024. This reflects long term growth in commencing IT bachelor degree students up to 2023 (as noted above when subsequently commencements started to decline). Hence, for the same reason completions are expected to continue to increase in the next few years as the 2023 and earlier commencements complete.

While job vacancies for ICT professionals do not quantify the graduate labour market outcomes, these are a likely trend indicator of hiring intentions.

In early 2024, when many graduates from the preceding year were looking for work, vacancies were nearly 30 percent lower than for the same months in 2023. These vacancies were lower again in late 2025 and early 2026.

As of 2024 domestic postgraduate IT commencements were up on 2022 and 2023 but down from 2020 and 2021 peaks. These peaks, however, may be due to additional graduate certificate places funded by the Government as a response to COVID-19.

Recent domestic IT postgraduates also faced a decline in employment outcomes, but with 81 percent of those wanting full-time work having gained it about four months after course completion it was better than for undergraduates (as noted above).[19]

It is worth noting in the immediate current employment outcomes and hiring intentions, the context provided by JSA that '…too many engineering and IT graduates are not being hired for jobs they are technically qualified for, because they lack the

[19] Unfortunately, the data source does not distinguish between graduates who were already working while studying and continue doing so and those who were looking for work (which may be a needed adjustment to what the data captures.

employability skills required.' If employers are not finding graduates have the broad range of skills needed for their business, this can impact hiring intentions.

For international students 2024 IT commencements were down in bachelor degrees but up for postgraduate coursework. This is important in the flow on effect to temporary and permanent labour supply for the IT sector.

New data for onshore international students shows a reverse of the 2024 pattern – up in bachelor degree courses and down in postgraduate courses. A shift to international undergraduate enrolments has been observed more broadly. Total onshore enrolments in IT in 2025 were down on 2024.

With the international share of bachelor degree IT students at nearly 60 per cent in 2024 this percentage will increase further as domestic enrolments fall while international enrolments increase. This again highlights the importance in the flow on effect to temporary and permanent labour supply for the IT sector of international bachelor degree IT students.

Management and commerce negative enrolment trend since 2016 ends

Domestic undergraduate applications for management and commerce courses increased in both 2024 and 2025, ending a negative trend that began in 2016. The increase was confirmed in domestic bachelor degree enrolments for 2024, although total commencements of 36,816 in 2024 was still the third lowest since 2010. So early days in reversing the near decade decline.

While domestic bachelor degree enrolments were up, international bachelor degree enrolments fell by a larger amount, leaving total enrolments down by 2.5 percent, at 69,852. For 2025, onshore international enrolments increased significantly on 2024.

Reflecting a weak pipeline from previous smaller commencing cohorts, bachelor degree completions were down for both domestic and international students in 2024 on 2023. While this reduced labour market supply competition, as for bachelor-degree graduates generally, short-term full-time employment outcomes deteriorated in 2024 compared to 2023.

In the postgraduate management and commerce market, commencing enrolments fell for both domestic and international students in 2024 on 2023. For onshore international students, postgraduate enrolments fell significantly in 2025 on 2024.