

THE AUSTRALIAN

Graduate jobs rate worst in 20 years

ANDREW TROUNSON THE AUSTRALIAN JULY 30, 2014 12:00AM

THE employment rates of newly graduated bachelor degree holders are the worst they have been in 20 years, new figures show.

The data, released yesterday by Graduate Careers Australia, adds to fears of a possible education “bubble” created by an influx of new graduates waiting longer for work, just as student fees rise and HECS loans attract higher interest.

The figures are contained in extended data from the 2013 Graduate Destinations Survey. They show that the proportion of bachelor degree graduates seeking full-time work, and finding it within four months of completing their courses, has fallen to just 71.3 per cent — the lowest since 1993, when just 71.2 per cent were in full-time work.

But back then the market was recovering from the 1990s recession, whereas the 2013 numbers show that job prospects have continued to deteriorate since the global financial crisis in 2008.

Between 2010 and 2012 the prospects for bachelor degree graduates seemed to have bottomed out at about 76 per cent, compared with 85 per cent in 2008. But prospects have continued to worsen. Of the 43,359 survey respondents last year who were seeking full-time work, 18 per cent were only working part-time — compared to 15 per cent in 2012 — while a further 10.6 per cent were unemployed, up from 8.6 per cent.

GCA research manager Bruce Guthrie said ongoing caution among recruiters was being exacerbated by the boom in graduate numbers following the Labor government’s move to uncap places. “It is a classic supply and demand problem,” he said. “A recovery is taking far longer than the 1990s recession recovery and that is a concern for graduates and students.”

He said the prospect of graduates being lumbered with higher fees and debts might lead to more students opting for potentially cheaper and more job-focused vocational qualifications.

Nevertheless, longer term prospects for graduates remain strong. Australian Bureau of Statistics figures from last year show that the unemployment rate for graduates aged up to 34 years was 3.4 per cent, compared with 7.8 per cent among those with no post-school qualifications.

The Australian Technology Network, the Group of Eight and the Regional University Network all had similar rates of graduate full-time employment at about 73 per cent. The Innovative Research Universities lagged at 68.7 per cent.

Hamish Coates, chair of higher education at Melbourne University, said concerns around graduate employment raised questions about whether universities were “equipping students with the right skill sets”.

Disciplines with the worst full-time employment outcomes included visual and performing

arts, with only 48 per cent of new graduates in full-time employment. That rose to 52 per cent in life sciences, 56 per cent in social sciences and 59 per cent in humanities. Yet those disciplines also had the highest proportion of new graduates reporting that their knowledge and skills weren't important for their job.

At the other end of the scale, mining engineering, medicine and pharmacy graduates had full-time employment rates of more than 90 per cent.

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