

Committee Secretary  
Senate Education and Employment Committees  
PO Box 6100  
Parliament House  
Canberra ACT 2600

20 April 2026

Dear Committee Members,

### **Submission: Australian university graduates 2026**

I am Nassar Zaytouni, Director of Excel Logistics Pty Ltd, an Australian freight forwarding, customs clearance, and 3PL company. I graduated with a Bachelor of Engineering (ICT) with Second Class Honours from the University of Technology Sydney (UTS) in 2011. During my tenure at UTS, I also worked as IT support staff and was a student representative on the UTS Union Board. I am writing to comment on the systemic dilution of academic standards and the resulting vulnerability of Australian graduates in an increasingly AI-driven economy.

### **The Dilution of Academic Quality and the “Revenue First” model**

The 2026 QS World University Rankings (WUR) revealed that nearly 70% of Australian universities have declined in standing. While global competition is a factor, I believe this reflects a deeper internal crisis: the prioritisation of revenue over academic rigor. Universities are pressured to pass students whether they understand the material or not so that the student does not drop out and the university secures the full potential revenue from each student.

My personal experience of this dilution of standards comes from the subject “*Circuits Analysis*”, as it was a notoriously rigorous course involving complex Laplace transforms and other transform functions. During my time as staff, the senior lecturer was reportedly pressured to simplify coursework to avoid deterring enrollments. When the lecturer refused to lower the standard, they were removed from the course. Furthermore, tutoring staff frequently noted that they were also pressured to give passing marks.

This is not anecdotal, as the *Education Legislation Amendment (Integrity and Other Measures) Act 2025* gave TEQSA (Tertiary Education Quality and Standards Agency) expanded powers to investigate academic integrity breaches more aggressively. Universities Australia also issued a warning in its media release dated 26 February 2026 that institutions are operating on “increasingly thin margins” (*Australia’s Universities under sustained financial strain, New Report Warns*). It quotes that 40% of Australian universities have been operating at a deficit in the past five years.

### **The Coupling of Migration with Academic Outcomes**

International students are widely acknowledged as a key source of revenue for Australian Universities, especially as recent Federal budget updates have reduced funding for domestic student places by around \$900 million. International students are also incentivised to pay a “premium” for Australian tertiary education as it is a known & secure path towards permanent residency. These factors create a perverse incentive for Australian universities to dilute the quality of academic material so that the University attracts students that are seeking an easy path to Australian permanent residency. This has resulted in international students becoming an integral part of balancing the books for institutions, creating a “too big to fail” environment where failing students is seen as a threat to a vital revenue stream.

## The Graduate Employment Crisis in the Age of AI

The dilution of course content has stripped graduates of the “competitive advantage” that they once held. Traditionally, graduates were highly regarded as having the rigor and diligence required to handle difficult and complex tasks. This was useful for employees as graduates could not only perform “low-value” tasks but also contribute and offer their insight. This would provide a pathway for the graduate to gain the context required for more senior roles and decision-making. When universities fail to teach critical thinking and complex problem-solving, and AI automates the “low-value” tasks in line with the IMF’s 2026 warnings, the window for on-the-job training vanishes. We are left with a workforce that lacks both the fundamental academic grit and the opportunity to develop professional expertise.

## Conclusion

I support the efforts of the committee to address this issue, as it is important for the future competitiveness of the Australian workforce in an era when AI will erase the reasons for companies to hire new graduates. I recommend that the committee implement the following:

- **Independent Academic Benchmarking:** Implement mandatory, industry-aligned external audits for “gatekeeper” technical subjects to ensure that passing standards remain consistent and are not subject to internal university revenue pressures.
- **Decouple Migration from Academic Outcomes:** Review migration point allocations to ensure that they reward high-tier academic achievement and specific skill shortages rather than acting as a blanket incentive for enrollment in “simplified” degrees.
- **Transparency in Pass/Fail metrics:** Require universities to publish disaggregated data on student progress and failure rates.
- **AI-resilient Curriculum Reform:** Immediately review course materials to ensure they focus on “high-order” human skills that cannot be replicated by AI, moving away from template-based assessments that are now obsolete.

I appreciate the Committee’s time and look forward to the findings of this inquiry.

Best regards,

**Nassar Zaytouni**

Director

Excel Global Logistics Pty Ltd