

A large, circular network diagram composed of numerous small grey dots connected by thin grey lines. Some dots are highlighted in red and orange, and the overall shape resembles a globe or a complex web.

World Future Skills Index

Australia Spotlight

**Transforming higher education
for the skills economy**



Higher education’s role in future workforce readiness

Welcome to the Australia Spotlight on the QS World Future Skills Index, where we explore higher education’s critical role in shaping the workforce of tomorrow. This tailored resource empowers you to analyse Australia’s future skills supply and demand, benchmark key industry jobs and skills gaps against over 80 countries, and align your higher education system with the skills training required for economic transformation.

By 2030, an estimated 375 million workers will need to switch occupational categories, requiring tailored reskilling initiatives and modular, lifelong learning opportunities.

Source: Jobs Lost, Jobs Gained report from McKinsey

The QS World Future Skills Index in numbers

190+
countries analysed

4
indicators, informed by
13 sub-indicators

280m+
job postings assessed

5m+
employer skill demands reviewed

5,000+
universities measured

17.5m+
research papers examined

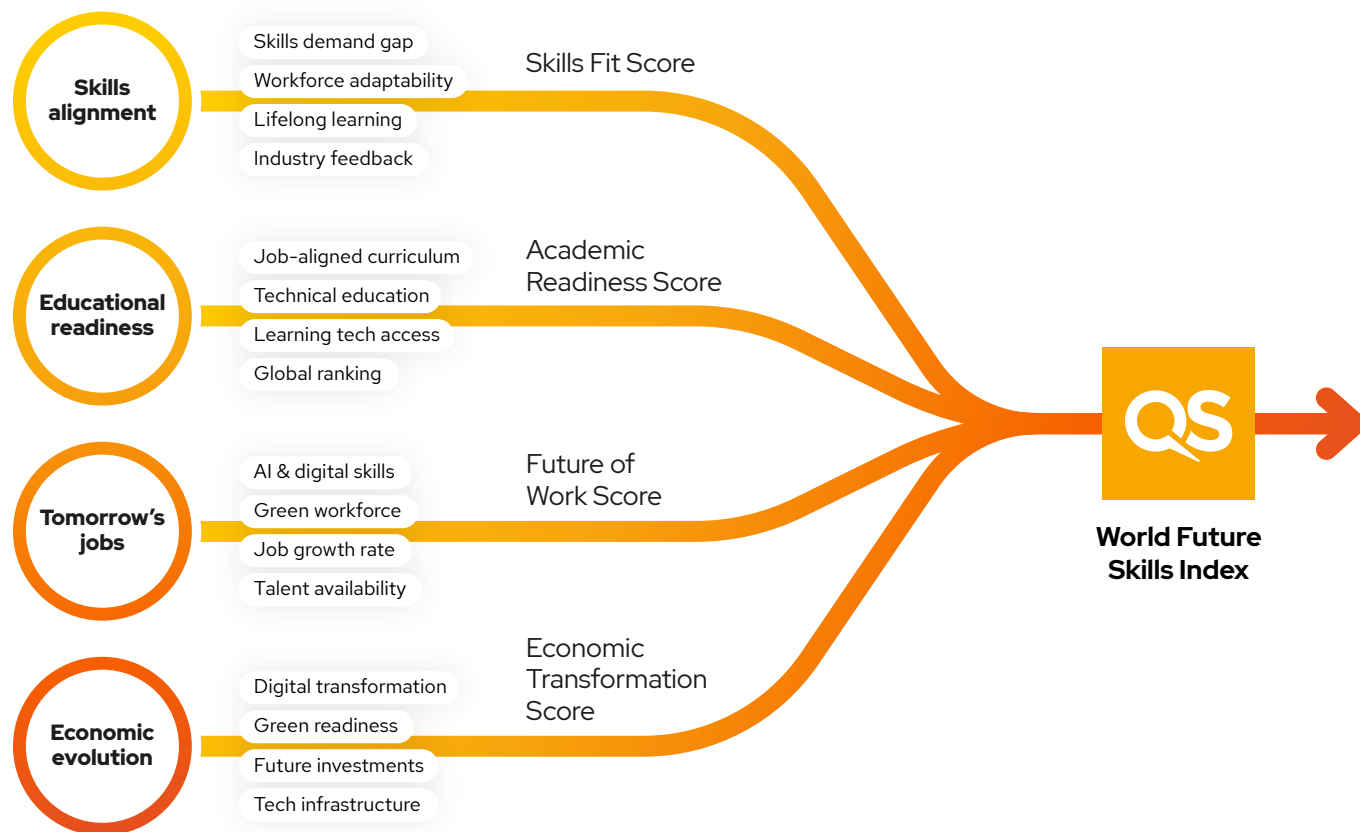


How to use the QS World Future Skills Index



The QS World Future Skills Index is designed to assess how prepared countries are to tackle the shifting demands of the global workforce, particularly in the context of digital transformation, AI, sustainability, and the broader economic changes impacting jobs.

Skills like AI proficiency, digital literacy, and environmental sustainability will form the bedrock of the industries of tomorrow. Countries that fail to adapt risk losing their competitive edge and missing opportunities for economic growth.



The QS World Future Skills Index uses data from over 280 million job postings via QS iMentor, the QS Global Employer Survey, and economic and demographic statistics from the World Bank Group. The Index assesses countries across four key indicators: Skills Fit, Academic Readiness, Future of Work, and Economic Transformation. Each indicator plays a vital role in providing a comprehensive view of a country's preparedness to thrive in an increasingly skills-driven global economy.

QS World Future Skills Index indicators

Skills Fit

The Skills Fit indicator measures how well countries are equipping graduates with the skills that employers desire. This is assessed by determining the gap between what employers find important and their level of satisfaction with the skills provided by graduates.

This is done using data from the QS Global Employer Survey, the largest of its kind, and data from the World Bank Group. Since 2021, over 100,000 employers have rated the importance of certain skills and their satisfaction in their graduate hires.

Future of Work

The Future of Work indicator evaluates a country's readiness to recruit for the skills needed in the jobs of tomorrow. Specifically, it measures how well the job market is prepared to meet the growing demand for digital, AI, and green skills, all of which are becoming critical as economies transition towards technology-driven and sustainable industries.

Academic Readiness

This dimension measures how well a country is prepared for the future of work. We look at the number of universities assessed for the QS World University Rankings by Subject, and how they perform.

We then measure this in tandem with population size – if a country has a large population but few well-ranked institutions, for example, the country will be penalised.

Economic Transformation

Economic Transformation uses a weighted formula to assess a country's readiness to support the growth and future of work and skills by examining various key indicators. The Index highlights whether a country has the infrastructure, investment power, and talent available to transition to industries driven by AI, digital transformation, green technologies, and high-skilled work, using data from the World Bank Group, UNESCO Institute for Statistics and the Education Policy Institute.



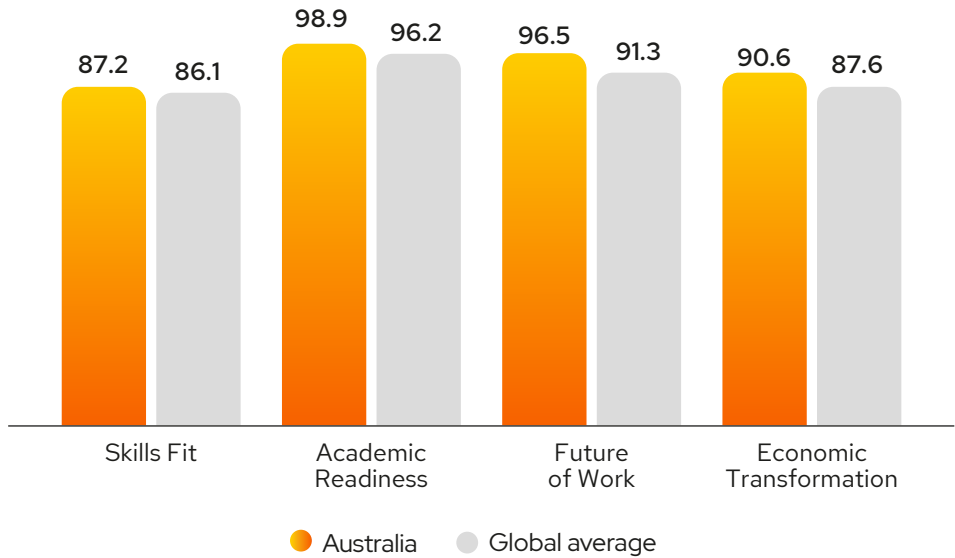
Australia | Performance overview

Australia performs strongly in the QS World Future Skills Index, with a score of 93.3. Only Germany, the US, and the UK have a higher overall score. Australia is part of the Rapid Industry Innovation Cluster, where strong demand for future skills outpaces supply. With higher education playing a key role, Australia excels in producing skilled graduates, particularly in AI, Digital, and Green sectors. Australian employers have among the highest demand for green skills among their

employees, and Australian universities perform well in green subject areas. However, addressing gaps between skills supply and industry demand remains critical. Strengthened collaboration between government, universities, and industries will be essential to fostering innovation and ensuring workforce adaptability. Continued investment in education and R&D will solidify Australia's global competitiveness and economic resilience.

Overall score: **93.3/100**

QS World Future Skills Index
Australia performance vs G7 average



Skills Fit
(87.2/100)

Skills Fit measures the alignment between workforce skills and employer needs. It highlights how effectively education systems prepare graduates for key industries, especially in emerging fields like AI, green technology, and digital innovation. Addressing gaps here boosts employability, drives economic transformation, and ensures the workforce remains competitive internationally.

Academic Readiness
(98.9/100)

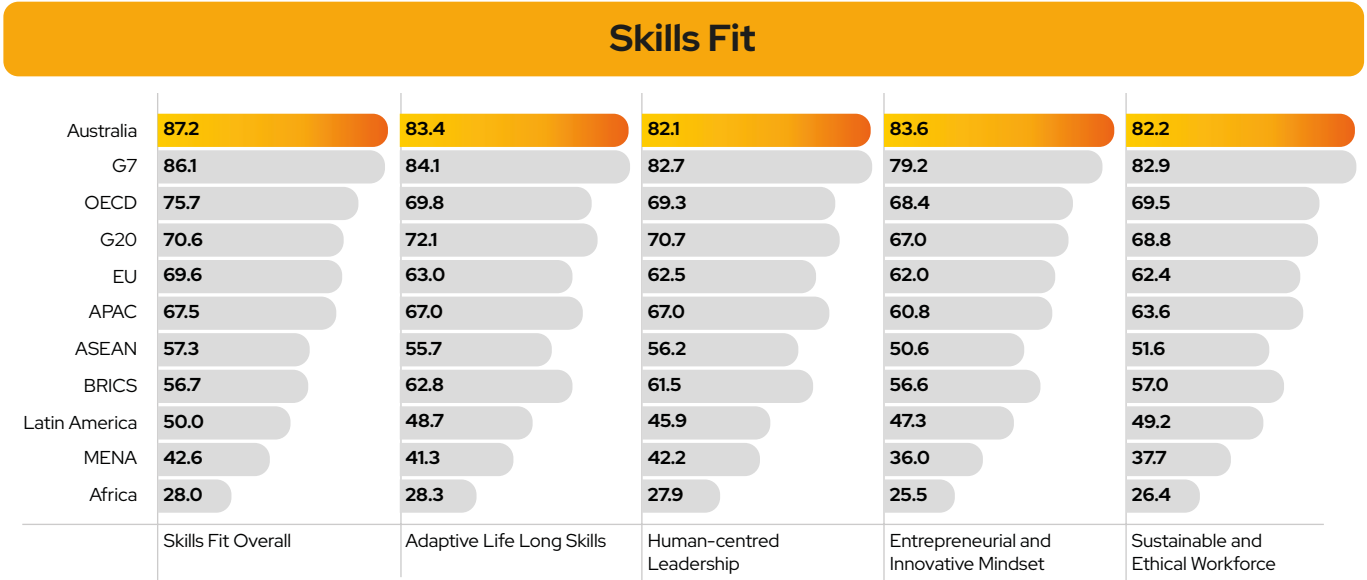
Economic Transformation examines the interplay between education, workforce skills, and industrial growth. Higher education underpins this by driving productivity, innovation, and sustainability. Universities that align their programmes with industry needs not only strengthen national competitiveness but also ensure a balance between economic momentum and workforce adaptability.

Future of Work
(96.5/100)

Academic Readiness reflects the capacity of a country's higher education system to equip students with relevant skills for future jobs. A robust system fosters innovation, aligns curricula with industry demands. This ensures graduates are not only employable but also capable of adapting to a rapidly changing global economy

Economic Transformation
(90.6/100)

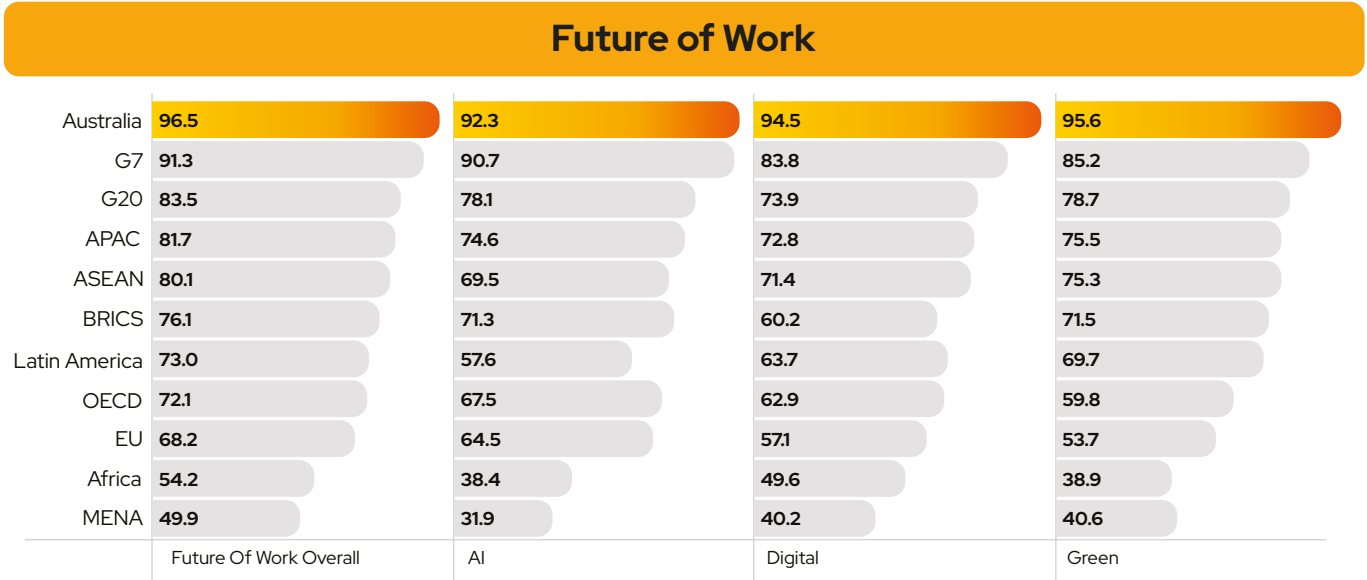
Future of Work assesses a country's preparedness for jobs of the future, focusing on adaptability to technological and industrial changes. It reflects innovation, R&D investments, and sustainable practices in education. Higher education plays a vital role in fostering a future-ready workforce equipped with the skills required for evolving global industries.



QS Analysis

Australia outperforms the G7 overall, and particularly in Entrepreneurial and Innovative Mindset underscoring the nation's ability to produce adaptable, innovative professionals. However, across the other three sub-indicators we see skills gaps, particularly in Human-centred Leadership and Sustainable and Ethical Workforce. To address this, universities must integrate these skills into curricula, while fostering deeper partnerships with industries to drive alignment between education and workforce demands. For Australia to sustain its excellent Skills Fit score, graduates must be ready to meet future challenges.

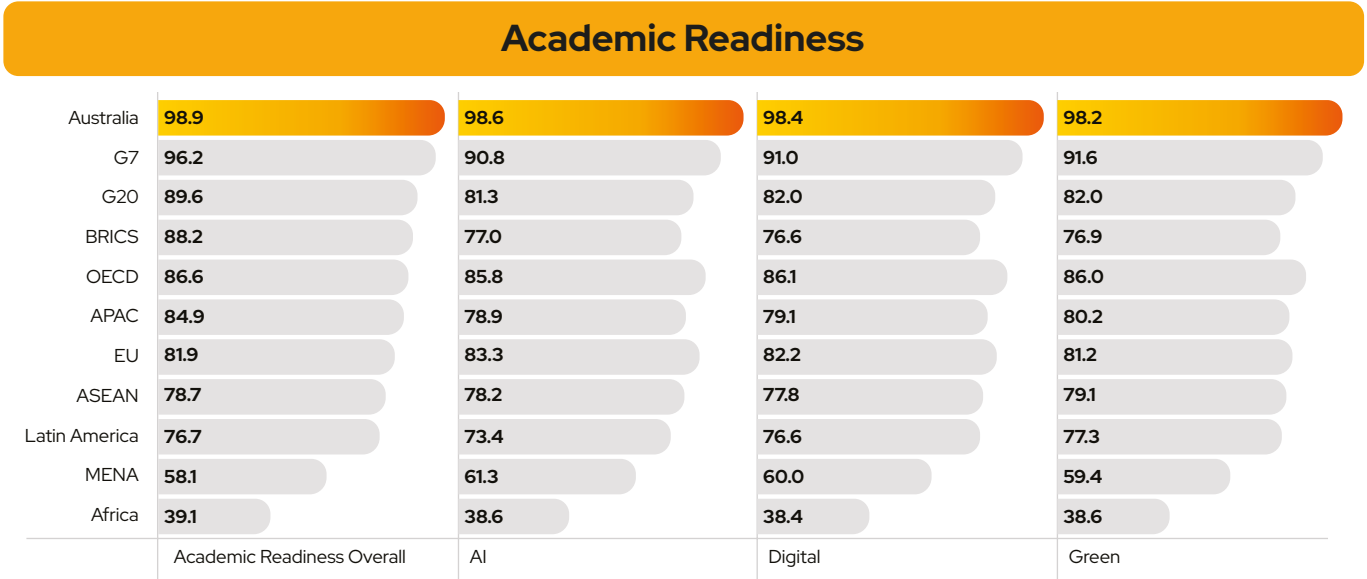
Note: The Skills Fit score is derived from over 5 million skills nominations, reflecting insights from more than 100,000 employer responses to the QS Global Employer Survey over the past four years. Employers identified key skills they value and their satisfaction levels. By analysing this data at the country level, and integrating it with the World Bank's Human Capital Index, the QS Insights and Consulting team developed the final scores. Skills nominated by employers have been grouped based on the findings.



QS Analysis

Australia is well-positioned for the future of work, with high demand for AI (92.3), Digital (94.5), and Green (95.6) skills. These strengths indicate a forward-thinking and innovative job market in Australia. Green skills are in particularly high demand in Australia, further emphasising the country's green credentials. However, rapid advancements require ongoing investments in upskilling and reskilling. By fostering stronger collaboration between universities, industries, and government, Australia can ensure its workforce remains competitive, adaptable, and globally relevant.

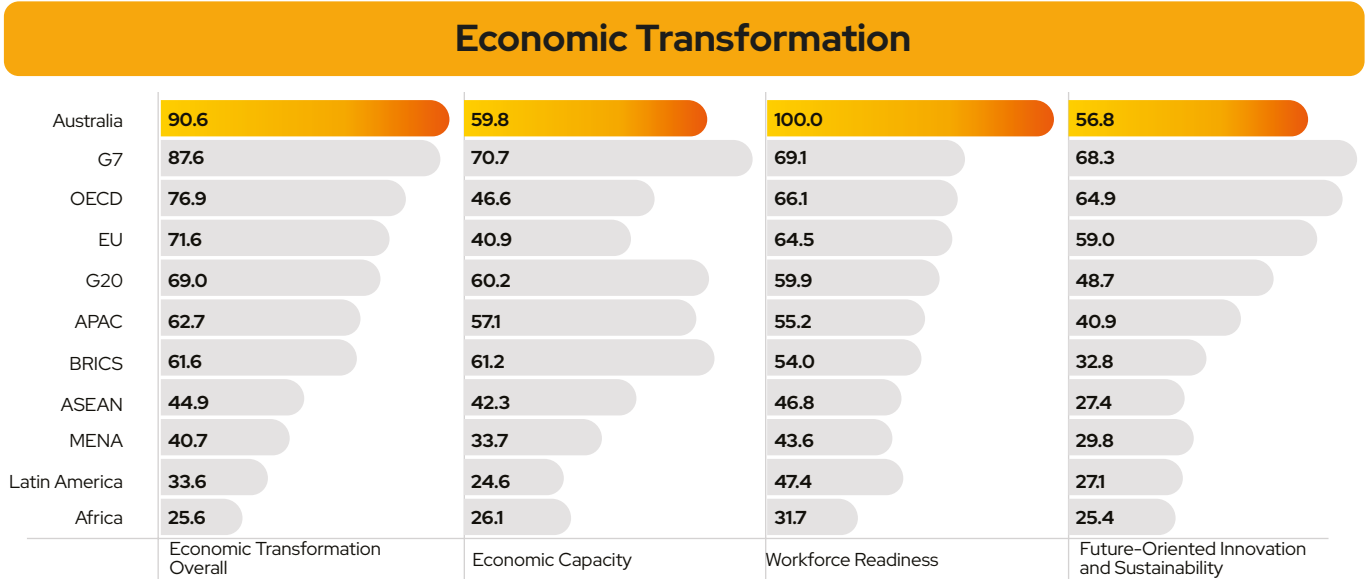
Note: The Future of Work Score measures the extent to which future-focused skills—such as digital, AI, and green competencies—have permeated global job advertisements compared to traditional skillsets. This score is derived from an analysis of over 280 million job postings worldwide, leveraging the QS proprietary skills taxonomy. Over 9,500 emerging skills were identified and benchmarked against conventional skills, providing a clear indicator of how deeply future-oriented capabilities are being prioritised by employers in the global labour market.



QS Analysis

Australia excels in Academic Readiness, achieving exceptional scores in AI (98.6), Digital (98.4), and Green (98.2) subjects. With 36 universities ranked in the QS World University Rankings by Subject 2024, it truly is a global leader. This is especially evident in green subjects - only the Netherlands and Hong Kong are ahead in terms of their academic excellence in green subject areas. To sustain its position, Australia must integrate sustainability, interdisciplinary approaches, and innovation across curricula.

Note: This chart draws on data from the QS World University Rankings by Subject 2024, analysing over 5,000 universities globally. The Academic Readiness score is calculated using the median subject rankings score for each country, adjusted for performance in key areas such as AI, digital, and green-related disciplines. Population size and the number of universities ranked are used as weighting factors to ensure a balanced assessment of scale and quality. This provides a comprehensive view of how effectively higher education systems are preparing for future workforce demands.



QS Analysis

The Australian economy's growth is stalling, as seen in its low Economic Capacity score, but Australia's higher education sector is an opportunity to drive economic transformation and growth. With high demand for green skills and clear talent for teaching green subjects at Australian universities, increasing green-related R&D investment should be a priority for the Australian government. This investment would utilise Australian higher education's strengths, drive research innovation and economic growth, and reaffirm Australia's position as a green leader.

Note: The Economic Transformation indicator is built on three core dimensions: Economic Capacity, Workforce Readiness, and Future-Oriented Innovation and Sustainability. It combines data on GDP growth, labour productivity, employment rates, R&D investment, and infrastructure development. These indicators are weighted and benchmarked globally to assess a country's ability to adapt to skills-driven industrial change, with a focus on AI, digital, and green industries. The methodology ensures a comprehensive view of how effectively economic fundamentals and future-focused investments align with evolving workforce demands.



Note: The scores reflect the final results of the QS World Future Skills Index. Categories are organised alphabetically by economy for clarity and ease of comparison.

Country/Location	Skills Fit	Academic Readiness	Future Of Work	Economic Transformation	Final Score
United States	94.4	98.2	100.0	97.9	97.6
United Kingdom	100.0	100.0	95.6	92.7	97.1
Germany	89.2	99.6	94.7	94.7	94.6
Australia	87.2	98.9	96.5	90.6	93.3
Canada	90.9	97.8	97.4	78.1	91.0
Netherlands	88.6	99.3	90.4	81.2	89.9
Switzerland	80.7	97.1	82.6	96.8	89.3
France	84.8	92.6	91.3	84.3	88.2
Singapore	83.2	91.7	92.2	85.4	88.1
South Korea	84.4	88.4	76.5	100.0	87.3
China	78.5	93.9	87.8	88.5	87.2
Spain	76.4	96.3	93.0	70.8	84.1
Israel	70.6	93.0	73.0	98.9	83.9
Sweden	80.4	95.1	72.2	86.4	83.5
Japan	73.4	87.9	74.7	95.8	83.0
Belgium	72.4	95.9	71.3	91.6	82.8
Ireland	81.8	95.5	86.1	67.7	82.8
Denmark	73.0	96.7	66.1	93.7	82.4
Hong Kong SAR	77.0	98.6	69.5	80.2	81.3
Italy	70.3	97.4	85.2	69.7	80.7
Finland	76.1	93.4	62.6	87.5	79.9
New Zealand	75.6	94.7	80.0	63.5	78.5
Norway		94.3	56.5	83.3	78.0
Poland	68.5	85.3	86.9	68.7	77.3
India	59.1	89.9	99.1	58.3	76.6
Portugal	71.0	92.1	66.9	76.0	76.5
Czech Republic	72.4	77.5	82.6	71.8	76.1
Austria	66.5	90.8	64.3	82.2	75.9
United Arab Emirates	71.6	90.3	77.4	60.4	74.9

Country/Location	Skills Fit	Academic Readiness	Future Of Work	Economic Transformation	Final Score
Greece	62.3	85.9	65.2	72.9	71.6
Brazil	44.1	83.1	78.2	77.0	70.6
Malaysia	64.0	91.2	88.6	35.4	69.8
Thailand	58.1	81.4	80.8	52.0	68.1
Mexico	54.8	80.8	98.2	37.5	67.8
Lithuania	61.4	87.4	52.2	66.6	66.9
Hungary	59.3	84.2	68.6	54.1	66.6
Russia	73.4	84.8	33.8	73.9	66.5
Saudi Arabia	56.9	82.5	73.8	51.0	66.1
Türkiye	62.1	73.3	60.0	64.5	65.0
Colombia	58.3	82.0	89.5	27.0	64.2
Costa Rica		67.5	79.1	45.8	64.1
Argentina	57.8	83.7	84.3	23.9	62.4
Philippines	47.6	66.6	93.8	40.6	62.2
Estonia		70.1	53.0	61.4	61.5
Kazakhstan	67.8	75.5	40.8	59.3	60.9
Egypt	45.4	76.9	75.6	44.7	60.6
Indonesia	60.0	74.0	67.8	39.5	60.3
Lebanon	45.9	86.4	46.9		59.7
Chile	63.1	88.9	70.4	13.5	59.0
Qatar	45.5	79.5	59.1	47.9	58.0
Romania	43.0	72.5	58.2	48.9	55.7
Vietnam	58.1	74.7	57.4	31.2	55.4
Jordan	49.2	78.2	49.5	41.6	54.6
Slovenia		49.1	35.6	79.1	54.6
Bulgaria	37.6	56.0	61.7	57.2	53.1
Peru	51.0	80.1	54.7	26.0	53.0
Latvia	56.4	60.7	46.1	46.8	52.5
South Africa	28.3	89.4	81.7	10.4	52.4

Country/Location	Skills Fit	Academic Readiness	Future Of Work	Economic Transformation	Final Score
Bahrain	47.2	62.7	33.0	55.2	49.6
Ukraine	57.9	71.8	51.3	15.6	49.1
Bangladesh	39.1	65.7	42.6		49.1
Luxembourg		54.8	47.8	43.7	48.7
Kuwait	36.3	69.3	40.0		48.5
Belarus	57.6	40.4	29.5	65.6	48.3
Iceland		31.6	20.0	89.5	47.0
Pakistan	35.7	78.9	63.4	4.1	45.5
Croatia		36.4	35.6	62.5	44.8
Uruguay	40.6	59.5	60.8	17.7	44.7
Brunei Darussalam	29.8	70.9		30.2	43.6
Ecuador	30.6	64.8	41.7	34.3	42.8
Armenia	25.3		45.2	50.0	40.2
Uzbekistan	48.1	57.2	29.5	16.6	37.9
Cyprus	45.2	44.2	37.4	18.7	36.4
Azerbaijan	31.8	50.6	27.8	29.1	34.8
Oman	32.5	42.5	29.5	33.3	34.4
Panama	24.2		50.4	28.1	34.2
Sri Lanka	43.5		42.6	6.2	30.8
Morocco	17.0		53.8	20.8	30.5
Tunisia		29.0	37.4	19.7	28.7
Algeria	21.3		22.6	32.2	25.4
Tajikistan	16.7		26.9	21.8	21.8

*Where a country lacks an indicator score, this reflects insufficient data available to evaluate overall performance

Australia is the world’s 13th largest economy by nominal GDP according to the World Bank Group. Its universities offer a high volume of world-class AI, digital and green related subjects, as indicated by its near-perfect Academic Readiness score.

However, while the International Monetary Fund projects Australia’s economic growth to increase to 2.1% in 2025, other Economic Capacity sub-indicators highlight a risk. Skills readiness requires continued investment, and Australia falls behind G7 and APAC peers in our economic metrics..

There is high demand for AI, digital and green skills by Australian employers, but a Skills Fit score of 87.2 shows a misalignment between employer needs and the skills Australian students graduate with.

There are clear areas of improvement required.
Our analysis and recommendations:

Connect industry and higher education’s capacity to drive economic stimulus:

Australia has the academic prowess to see it become a AI, digital and green skill powerhouse, but businesses and higher education must forge closer ties to align curricula, and co-develop new courses.

In partnership with business, higher education can work to close skills gaps and nurture graduates with leadership skills, and an entrepreneurial and sustainable mindset.

With an influx of skills-ready graduates entering the workforce, Australia will be well positioned for the future of work.

Leverage the strength of the higher education system to attract international talent to fill short-term, high impact skills gaps:

Targeted policies to encourage highly skilled international talent will help Australian businesses navigate current skill gaps while higher education and businesses align their skills development

Australia must secure its position as a green leader through increased investment and focused skills alignment initiatives:

Australian employers are demanding green skills at a high rate, and Australian higher education has high performing institutions in green subjects. However, employers are reporting a key skills gap related to graduates bringing Sustainable and Ethical skills to their jobs. Higher education must evolve curricula to ensure students are acquiring these skills, and equip those students with evidence and real-life experience to showcase their abilities to employers.

Furthermore, the Australian government should fully utilise the research talent available in Australian higher education by increasing investment in green-related R&D. This would have a positive economic impact, drive innovation and cement Australia’s position as a green leader.



Your future workforce and skills partner

Connecting higher education, government policy, employer demands and student needs

Speak to your QS partnership director to gain access to more insight and advice.

Assess economic risk

We can help you analyse skills supply and demand by industry or region to identify skills shortages

Access data on the industries, occupations and skills driving growth to set your labour market strategy

Address skills gaps

Benchmark your skills shortages against peer nations to assess your relative risk

Identify the countries providing the most skills-aligned talent for your high-growth industries to set a talent attraction strategy

Align higher education with future skills

Assess the top performing universities within your country or region to deliver future skills ready graduates

Establish a future skills strategy for higher education institutions within your country or region, and enhance curricula and learning modes to deliver the skills of tomorrow

Evaluate performance at the subject level to develop an internal benchmark and skills performance improvement strategy

1

Assess economic risks:
Analyse supply and demand imbalances to identify skill shortages and develop strategies to safeguard your economy against workforce misalignment.

2

Address skills gaps:
Benchmark job and skill requirements globally to ensure graduates are equipped to meet industry needs and strengthen economic resilience.

3

Align higher education with future skills:
Transform higher education to embed future skills, ensuring graduates contribute to innovation, economic growth, and reduced workforce displacement.



Read the full QS World Future Skills Index briefing paper



QS can help you transform insights into policy and policy into action.

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