EXTRACT

Market Trends

# **SOURCE**

# MARKE

The Australia Consulting Market in 2025

Report

# What's included in this report

Our reports offer a wealth of market sizing, growth, and forecast data alongside engaging, in-depth analysis of the trends that matter. Using our highly flexible, multidimensional model we provide firms with robust, trusted data to make informed decisions about strategic investments and plan for the future.

#### Geography model

#### Countries covered

China

Colombia

Croatia

Cyprus

Egypt Ethiopia

Finland

Germany

Ghana

Denmark

Côte d'Ivoire

Czech Republic Iraq

India

Albania Algeria Angola Argentina Australia Austria Bahrain Belarus Belgium Bosnia Brazil Bulgaria Cameroon Canada

Greece Libya Hong Kong Luxembourg Hungary Malaysia Mexico Indonesia Myanmar Ireland Netherlands Oatar Israel New Zealand Nigeria Russia Japan North Kenya Macedonia Norway Serbia Lebanon

Pakistan Slovakia Papua New Slovenia Guinea South Africa South Korea Philippines Spain Sri Lanka Portugal Sudan Sweden Romania Switzerland Rwanda Tanzania Saudi Arabia Thailand Singapore Turkey

Ukraine United Kingdom United States Venezuela Zambia

#### Sector model

#### Sectors

- 1 Energy & resources
- 2 Financial services
- 3 Healthcare
- 4 Manufacturing
- 5 Pharma & life
- sciences
- 6 Public sector
- 7 Retail
- 8 Services
- 9 Technology, media & telecoms

	Sub-sec
	1 A Energ
	1 B Prima
2 $3$	1 C Utilit
	2 A Bank
	2 B Capit
	2 C Insur
	2 D Inves
	mana
8 7 6	2 E Priva
	3 A Healt

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Energy	4 A Aerospace
Primary resources	4 B Automotive
Utilities	4 C Construction
Banking	4 D Consumer electroni
Capital markets	4 E Consumer packaged
Insurance	4 F Industrial products
Investment and wealth	5 A Pharma
management	6 A Defence
Private equity	6 B Education
Healthcare	6 C Not-for-profit
	6 D Public sector
	7 A Retail

#### 8 A Business services 8 B Leisure

- 8 C Logistics
- 8 D Real estate
- goods 8 E Transportation
  - 9 A High-tech
  - 9 B Media
    - 9 C Telecoms

#### The revenue-earning model





18 G Payroll outsourcing18 H Regulation & remediation outsourcing 18 I Supply chain management & distribution outsourcing 19 A Building & engineering analytics
 19 B Engineering project management
 19 C Infrastructure design 19 E Transport infrastructure, planning & engineering 19 F Urban design & planning 20 A Corporate & transaction law 20 B Criminal law 20 C Digital & technology law 20 D Domestic & family law 20 E Intellectual property law 20 F International trade, regulatory & government law 21 A Dispute advisory services 21 B Expert witness 21 C Trial services 22 A Brand activation 22 B Brand strategy 22 C Creative production 22 D Customer relationship management 22 E Marketing & communication production 22 F Marketing & communication strategy 22 G Marketing mix optimisation 22 H Public relations & affairs 23 A Network installation 23 B Network optimisation 23 C Network strategy & architecture 24 A Physical product guality assurance & testing 24 B Physical product R&D 24 C Product & industrial design 24 D Technical feasibility assessment, prototyping & mock-ups 25 A Contract staffing supply 25 B Executive interim 25 C Executive search 25 D Talent sourcing 26 A Application development 26 B Digital product quality assurance & testing 26 C DevOps 26 D Digital product R&D 26 E IoT and connected devices 26 F Solution architecture 26 G Virtual, augmented, and mixed reality 27 A Functional & industry application integration 27 B Microsoft 27 D Salesforce 27 E SAP 27 F Workday 28 A Corporate tax 28 B Global employer/mobility services 28 C Indirect tax 28 E Private wealth tax 28 G Transaction tax 28 H Transfer pricing

18 E IT outsourcing

The Australia Consulting Market in 2025

**Market Trends** 

## Contents

Underpinned by our MegaModel, our reports deliver an independent and objective understanding of the markets that matter most; including everything from key trends and growth opportunities to the latest views of consulting leaders and a detailed analysis of the buyer's voice.



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"The survey data in this report tells us that clients are no longer in a state of paralysis—they're moving towards action."

Dane Albertelli, Source

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There are signs that clients are ready to move from paralysis to action, and from survival mode to growth.



of clients have a clear idea of what will be required to address their business challenges

Although clients believe that macroeconomic uncertainty is going to be a persistent feature for at least the foreseeable future, this does not mean they are in a state of paralysis. In fact, our data suggests that clients in Australia are ready to act to protect their businesses and grow.

As large a proportion as 97% of clients in our survey say they know what is required to address the challenges in the Australia market. These plans will primarily deal with the key weak spots in organisations, including supply chain optimisation, investment in digital transformation, and improving productivity. This will all have the aim of generating growth, even if the global situation shows no signs of improvement.

Where the market is split, however, is in clients' ability to actually implement these changes. Only 49% say they have actually made the necessary changes, leaving another half of the market needing support to carry out their plans.

For firms, this means working in close partnership with clients, finessing their ideas and providing a clear roadmap for making the necessary changes. As clients have a somewhat tarnished perception of consultants in the region, this is also an opportunity for the industry to rebuild trust by helping clients in this crucial period.





"The public sector and defence remain the most sluggish segments. Financial services was slow earlier but is now returning to more typical levels of activity. Meanwhile, mining and resources continue to show resilience."

Paul Howes, KPMG Australia

### Market overview

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Following a year of weaker growth in 2024, the consulting market in Australia is expected to see an uptick in demand, driving 2025 growth projections to 5%	15
Consulting market growth was low across all sectors in 2024, with the exception of energy & resources and pharma	16





Leigh Parsons, State of Matter

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### **S**OURCE

### Clients are struggling to recruit skills that are essential to their plans

To understand more about the recruitment challenges in organisations in Australia, we asked clients two questions: Firstly, how important a given set of skills is to their organisation, and secondly, how difficult these same skills are to recruit.

Our survey indicates that the skills that clients see as the hardest to recruit are also some of the highest priority for their businesses—particularly skills relating to emerging technologies and productivity improvements. As these capabilities are essential to clients' plans for growth, consultants are likely to find themselves in demand to bridge this gap between transformation strategies and what is available in the Australian talent pool.

Aside from technology, HR, change & people know-how is also listed by clients as an important skillset that's relatively hard to find. Technology change and people challenges often go hand in hand, and the need to upskill staff is likely to be pressing to clients in the region.

#### Figure 12

Areas that are important to have expertise in compared to areas that are difficult to recruit



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SOURCE

# Where are clients set to invest?

# Restructuring supply chains and adopting emerging technology are the most urgent investment priorities

Over half of clients say they are prioritising investment into supply chain restructuring in the next 18 months (56%)—the most popular target area for the immediate term. This comes as no surprise as clients ready themselves to respond to tariffs that could be imposed by the US on Australia and its crucial trading partners. Investment in supply chain restructuring will most likely take the form on of bolstering domestic production of key components as well as diversifying suppliers to avoid bottlenecks.

As clients also look both to grow and to tackle the problems within their businesses caused by high inflation and the ongoing need to reduce costs and increase efficiency, many are now pinning their hopes on the application of new and emerging technologies, with 54% saying they'll invest in this area in the next 18 months. Firms should take note of this: Clients are unsure where their organisations can most benefit from new technologies and will need to rely on the expertise of external support to help them make the right decisions about how emerging technology is applied to specific sectors and business functions.

Where is your organisation planning to make significant investment in the next 18 months and three years?						
Supply chain restructuring	56%		37%	7%		
The application of new and emerging technologies	54%		38%	8%		
Business risk and resilience	50%		43%	7%		
Business/target operating model transformation	48%		43%	9%		
Changes to work / our workforce	47%		47%	7%		
Responding to ESG / sustainability / climate change issues	47%		45%	9%		
Organisational restructuring	45%		46%	9%		
Merger and/or acquisition	41%		52%	7%		
Digital transformation	40%		53%	7%		
<ul> <li>18 months</li> <li>Three years</li> <li>No plans for significant investment</li> </ul>						

#### Figure 13

SOURCE 🌀

"While no one yet knows exactly how to transform their companies through AI, all major consulting firms have already begun integrating it internally."

Pierre Briand, SCD Advisory

# **Implications for firms**

New issues that clients haven't experienced before and short staffing are both likely to drive a boost in consulting demand33
Clients are divided on whether prices will rise or fall, but the key to charging higher fees is bringing proprietary tools and specialist expertise
Clients want to work more with the Big Four and strategy houses35
Clients are no longer looking for a consultant that stands out in one area—but instead an allrounder that impresses across the board

About this report

# Clients are no longer looking for a consultant that stands out in one area—but instead an allrounder that impresses across the board

As client priorities have shifted due to pressing concerns around the global economy, so too have the things clients rely on to choose a firm from a shortlist. This data doesn't tell us how firms decide who to shortlist in the first place but gives us an indication of what clients might look at to make their final decision.

Whereas, in previous years, the strength of relevant expertise stood out as the most important factor, in 2025 clients are more likely to value a firm that doesn't focus on one particular attribute but instead takes a holistic approach. Firms therefore need to impress in a number of different areas—not just in the expertise they can demonstrate, but also in aspects like their brand, as well as the quality of the proposed project team.

Although not asked about in last year's report, clients also tell us they value a prior relationship with a firm; this comes as no surprise as having a reliable partner is particularly important in Australia where the reputation of consultants has taken a hit in the past. This data also highlights that even where clients are looking to use consultants for smaller, business as usual assignments, this stands firms in good stead for the possibility of winning more lucrative repeat work when more high value projects start to be implemented by clients.



About this report



"While technology and sustainability consulting thrived, traditional management consulting faced headwinds from government austerity and reputational challenges."

Parag Patki, Tata Consultancy Services

# **Insights from consultants**

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"Almost all clients now say they have some form of plan to transform their businesses, to make them more resilient and even explore growth opportunities."

Dane Albertelli, Source

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# Our approach to gathering data

The market for professional services is vast and highly dynamic, with deep roots spread out across the business world. The Source MegaModel helps you get to grips with the facts.

The MegaModel is the largest and most comprehensive database of its kind, anywhere in the world. It's used by the world's leading firms to identify where growth is coming from, which markets to invest in, and which sectors are driving demand.



### Methodology—The MegaModel

#### MegaModel: Our Global Data Model

The quantitative market data in this report comes from our unique model of the global professional services market.

Rather than making high-level assumptions, this model has been built from the bottom up, sizing the market capability by capability—assessing how much work a firm earns delivering each professional capability within each sector and country. This results in a robust view of the size of the supply-side market, which can then be broken down to view the size of the market by country, sector, line of business, capabilities, and service.

Alongside this market segmentation, we also limit our market sizing and analysis to what we at Source call "big consulting"—work done by mid and large-sized firms (those with more than 50 people). Please note that we don't track the long, thin tail of work done by contractors and very small firms, as most readers of this report would not seek or be able to compete in this part of the market. All of the data in the model is calibrated through extensive interviews with, and surveys of, professional services firms and their clients, allowing us to discuss broader trends in the market alongside detailed dimensions such as headcount. These interviews and surveys are supplemented with desk research, which allows us to assess the impact of wider macroeconomic trends on professional services. This, combined with our detailed modelling, results in a long-term view of the market that is able to support both historic and forecast data.

All figures given in this report are in US dollars.

US dollar to British pound US\$1 = £0.78

US dollar to euro US\$1 = €0.92

The data in this report is rounded to the nearest whole number or stated decimal place. As a result, totals may display small discrepancies.

**Respondents by function** 

### Who did we speak to

#### **Client perspective**

We carry out a client survey to help us build a rich picture of how different trends in Australia are affecting clients' organisations and their use of consulting. Our survey focuses on trends in Australia, providing detailed insights into the nuances of the market. For this, we surveyed 150 senior clients of consulting firms from across Australia, all of whom work in organisations with more than 1,000 employees. This survey focuses on the following areas:

- How they expect to use consultants during 2025 and the first half of 2026
- Factors that affect the way clients work with consulting firms
- The ways consulting firms market themselves to clients and the impact this has on client decision making.

#### Insights from consultants

Throughout the year, Source analysts remain plugged in to the global consulting market through our bespoke research and consulting projects, adding further depth to our understanding of the consulting industry.

#### In-depth desk research

We also conducted a thorough PEST analysis in Australia that drills down into finer macroeconomic details on a holistic and sector-by-sector basis and allows us to fit our research into a wider macroeconomic picture.









# Definitions of sectors and services

#### Sectors

#### Energy & resources

#### Energy

Includes the exploration and production of energy, including oil, gas, coal, and renewables.

#### Utilities

Includes the delivery of electricity, gas, water, sanitation, and other related services.

#### **Primary resources**

Includes agriculture, chemicals and chemical products, commodities, forestry, fishing, metals, mining, and plastics.

#### Financial services

#### Banking

Includes retail banking, commercial banking, and lending. **Insurance** 

Includes general insurance (e.g., motor, home, pets, health—anything on an annual contract), life insurance, pension products, and retirement planning.

#### Private equity

Includes both consulting work for private equity firms and consulting work with private equity portfolio businesses.

#### **Capital markets**

Includes investment banking, trading of stocks and financial products, corporate finance, and broking.

#### Investment and wealth management

Includes private banking, high net-worth banking, investment management, trust funds, the management of pension funds, and asset management.

#### Manufacturing

#### Aerospace

Includes space research and technology, the manufacture of aircraft, aircraft parts, rockets and other space equipment, and tanks and ammunition.

#### Automotive

Includes the manufacture of motor vehicles, industrial vehicles, and vehicle supplies and parts.

#### Construction

Includes surveying, architectural, and engineering services, heavy construction, house building, and the building of infrastructure.

#### Consumer packaged goods

Includes the manufacture of clothes, foods, alcohol, tobacco, furniture, home furnishings, cleaning products, small arms, children's toys, and sports equipment.

#### **Consumer and industrial electronics**

Includes electrical components, household and industrial appliances, commercial and professional equipment.

#### Industrial products

Includes industrial machinery, steel and metal products, and plastic products.

#### Pharma & life sciences

Includes research into and the production of drugs, biological products, medicinal chemicals, and life sciences.

#### Healthcare

Includes private and publicly-funded healthcare, hospitals, laboratories, and medical equipment.

#### **Public sector**

#### Government

Includes federal/national, state/regional, local government, emergency services, justice, social services, public transport, and conservation.

#### Education

Includes public and private schools, universities, and libraries. **Defence** 

Includes national security and consulting around defence issues.

#### Not for profit

Includes non-commercial research organisations, religious, political and professional membership organisations, trusts, labour unions, and business associations.

#### Retail

Includes the selling of clothes, food, consumer goods, and automobiles.

#### Services

#### Logistics

Includes warehousing, storage, packing and crating, and distribution including cargo, freight, and haulage.

#### **Business services**

Includes services relating to law, accountancy, IT maintenance, security systems, advertising, employment agencies, and vehicle leasing.

#### Leisure

Includes museums, art galleries, theatre, golf courses, hotels, hospitality, travel agencies, restaurants, and bars.

#### Real estate

Includes estate agencies and operators of residential and commercial buildings.

#### Transportation

Includes private and people-related transportation, including airlines, airport management, train operators, rail infrastructure management, water transportation, courier services, and private bus services.

#### Technology, media & telecoms

#### Telecoms

Includes telephone, mobile, digital, and other communication services.

#### High-tech

Includes IT-related devices, computer and computerrelated devices, audio and video equipment, broadcasting and communication equipment.

#### Media

Includes radio, television, and digital broadcasting stations and services as well as printing and publishing of newspapers, periodicals, and books.

for firms



#### Services

We've taken the lines of business and capabilities from our taxonomy that broadly align with traditional definitions of consulting and divided them into services that include the following. Please note that for some lines of business, for example, forensics, we've taken a subset of the relevant capabilities and excluded others.

#### Cybersecurity consulting

Cybersecurity advice, Cybersecurity incident response, Penetration testing & wargaming, Technology & security risk services.

#### HR, change & people strategy

Benefits, compensation & pensions, excluding actuarial & investment advice, Change management, Diversity & inclusion, Employee engagement, Governance & board effectiveness, HR strategy & effectiveness, Leadership, Organisational design & culture, Organisational training & development, Outplacement, Pension fund evaluation & advice, Performance management, Stakeholder management, Talent management, Team effectiveness & collaboration, Resource-efficiency strategy, Purpose-led strategy & change, Resource-efficiency implementation, Social impact & trust.

#### Operations

Benchmarking, Business continuity & recovery, Cost cutting, Customer service, DevOps, Distribution strategy, Lean & Six Sigma, Operational review, Outsourcing advice, Post-M&A integration, Process design, re-engineering & automation, Procurement/purchasing, Property & estate management, Sales & distribution planning, Sales force effectiveness, Supply chain management, Target operating model, Sustainable supply chain, Corporate, occupier services & facilities management, Integrated real estate developer services, Real estate deal/transaction services.

#### **Risk & financial management**

Operational risk, Programme risk, Responding to regulation, Risk management, Budgeting/financial planning process, Debt advisory, Finance function, Financial advisory, Financial restructuring & insolvency, eDiscovery, Forensic accounting.

#### Strategy

Capital allocation strategy, Commercial due diligence & valuation, Financial due diligence, M&A transaction strategy, Operational due diligence, Portfolio & investment strategy, Public-private partnerships, Technology due diligence, Business & financial modelling, Category management, Channel management. Corporate recovery & turnaround. Corporate restructuring, Corporate strategy, Market analysis & strategy, Policy formulation, Pricing, Strategic sourcing/ offshoring services, Real estate strategy, Environmental & social impact research, Macro/microeconomic research, Market research. Customer feedback. Customer segmentation, Employee feedback, Advanced analytics, Sustainable investment.

#### **Technology & innovation**

Ideation, Innovation management, Innovation strategy, Strategies for growth from innovation, Cloud advice, ERP consulting, IT strategy, planning & review, IT training, Programme management, Vendor selection, Clean technology, Green IT, Corporate identity, Graphic & UI design, UX & service design, Customer journey & UX benchmarking, Data visualisation, business intelligence & semantic laver.

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# Contributors

We are extremely grateful to all the people we spoke to for making this report possible. On this page is a list of individuals who have contributed (excluding those consultants who wished to remain anonymous).

Name	Job title	Organisation
Pierre Briand	Founder	SCD Advisory
Paul Howes	National Managing Partner, Consulting	KPMG Australia
Leigh Parsons	Managing Director	State of Matter
Parag Patki	Managing Partner – Consulting Practice APAC	Tata Consultancy Services

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# Meet the expert

### Dane Albertelli

Dane is a Senior Research Analyst within the Market Trends team. He currently conducts research on global market trends within the professional services sector. He has also carried out bespoke mergers & acquisitions scans for clients hoping to enter the US IT services sector. He has written a number of specialised reports on the state of the professional services market in regions such as GCC and Australia.

#### Dane Albertelli

ĭ dane.albertelli@sourceglobalresearch.com



### About us

# We help professional services firms understand what really matters when facing decisions of vital importance.

The best decisions are based on evidence, objectivity, and a willingness to change. That's why, at Source, we tell you what you need to hear, rather than what you want to hear.

We draw upon our deep roots within the professional services sector to provide firms with a clear picture of their clients' worlds. Through comprehensive research and meticulous analysis, we pinpoint what truly matters and deliver actionable insights that help firms map out the right way forward.

We believe in thriving individually and succeeding together. And we would love to help your firm crack its latest conundrum.

Source Information Services Ltd 20 Little Britain | London | EC1A 7DH UK +44 (0) 20 3743 3934 US +1 800 767 8058 info@sourceglobalresearch.com www.sourceglobalresearch.com

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### Publication schedule for 2025

2025		Market Trends Reports	Market Trends Briefings	Client Perceptions Studies	Emerging Trends Programme	White Space Reports	White Space Insights
Q1	January	Forecasts for 2025 UK US GCC France		UK US GCC France			Featured thought leadership (monthly) Quarterly webinar series
	February				ET1		
	March					Quality Ratings Report (QRR)	
Q2	April	Nordics DACH Australia East Asia South East Asia Africa	India South America	Germany Australia China Japan Retail Energy & Resources Financial Services Technology, Media & Telecoms	ET2		Featured thought leadership (monthly) Quarterly webinar series
	Мау						
	June				ET3	Client Perceptions of Thought Leadership	
Q3	July	Energy & Resources Financial Services Technology, Media & Telecoms Sustainability	Healthcare & Pharma	Risk Tax			Featured thought leadership (monthly) Quarterly webinar series
	August				ET4		
	September					Thought Leadership Innovation	
Q4	October	Tax Risk Technology Planning for Growth in 2026	Public Sector	Audit Technology	ET5		Featured thought leadership (monthly) Quarterly webinar series
	November						
	December				ET6	Hot Topic Report	

