

Date: 5th November 2018

Australia's energy & resources consulting market passes US\$1bn to remain the second largest in the world

Australia's energy & resources consulting market remained the second largest in the world as it grew 4.7% to over US\$1bn (US\$1.065bn) in 2017. This growth is a huge step up from the performance of 2016, when revenues in this sector increased by only 0.3% from the previous year.

These findings are published in a new report from [Source Global Research](#), the leading research and strategy firm for the global management consulting industry. The report finds that although Australia's energy & resources market remains the second largest in the world—behind only the massive US market.

The reason why this gap has closed is partly because Australia's energy & resources market grew slightly slower than both the DACH market and the global market as a whole—both of which increased by 5.9% in 2017. The global energy & resources consulting market is now worth US\$15.53bn.

Edward Haigh, a Director at Source Global Research said:

“Rising commodity prices boosted energy & resources companies' margins through 2017, which created greater consulting demand than we've seen in recent years. The release of pent-up demand was particularly welcome in the energy and primary resources industries where lower commodity prices put the pause button on a number of large projects in 2015 and 2016.”

Ilesh Patel, a Partner at Baringa Partners added:

“We've seen the most significant growth in Australia and South East Asia—these markets are absolutely booming from a consulting perspective. There have been some deep market reforms to the power industries in those regions, which resulted in a lot of change and a lot of investment in clean technology over the last 18 months. The changes are affecting both the utilities and the oil & gas industries.”

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The Source Global Research report also identifies the following as key drivers of consulting growth in Australia's energy & resources consulting market:

Transformation and restructuring in energy:

An improved oil price freed up energy companies to invest in efficiencies and restructuring across the whole value chain, with numerous proofs of concept starting to be seen around the effective use of emerging technologies.

Digital transformation in mining:

Miners are the biggest buyers of consulting in the primary resources industry, and they benefited from improving commodity prices in 2017. This enabled them to increase their investments in emerging technologies, particularly as a driver of greater efficiencies.

Improving customer interaction in utilities:

Faced with an increasingly competitive market, utilities clients continued to invest in customer service and maintaining market share in 2017, generating good revenue growth for consultants in this space.

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Notes to the editors:

About Source Global Research

Source Global Research (Source) is a leading provider of information about the market for management consulting. Set up in 2007, Source serves both consulting firms and their clients with expert analysis, research, and reporting. Source draws not only on its extensive in-house experience, but also on the breadth of its relationships with both suppliers and buyers.

PRESS RELEASE



The Source [global consulting data model](#) is the biggest and most sophisticated model of the consulting industry ever created, and the model on which many of the world's leading consulting firms now base their understanding of the size and shape of the consulting industry. It provides data on market size, growth rates, and forecasts across 29 sectors, six service lines, 84 countries, and five firm types.

All of Source's work is underpinned by its core values of intelligence, integrity, efficiency, and transparency. For further information, please visit: www.sourceglobalresearch.com.

About this Source report:

Sources:

This Source report is based on quantitative and qualitative research of consulting firms in the energy & resources sector. This includes the following:

Megamodel: The Source global data model

The quantitative data contained in this report focuses on consulting done by mid-and large-sized consulting firms (those with more than 50 consultants) and typically includes work they have carried out for mid- and large-sized clients—what Source calls “big consulting”.

Source analysts work out the addressable size of the market through desk research, identifying the number of firms that meet its criteria, and extrapolating from that to reach a figure for the market as a whole.

Using this definition, Source has built a bottom-up model of the global consulting market from the information it gets from consulting firms and its own research, and uses it to size the industry and its growth rates. This is based on the Source global model which contains detailed data about almost 1,600 firms, plus higher-level estimates about a further 400,000 firms, all with more than 50 consultants apiece, in addition to comprehensive primary research carried out by Source analysts.

Client view

For this report, Source also surveyed 217 senior clients of consulting firms across the energy & resources sector, all of whom work for private sector organisations. All work in organisations with over 250 employees.

Interviews with senior consultants

In addition to quantitative research, Source interviewed 20 very senior consultants for this report (typically the most senior person in their country) from most of the leading consulting firms in the sector and many smaller specialists to understand more about how the consulting market is performing, and what the major trends, changes, and challenges are.

All figures given in this report are in US dollars

For reference, Source is using the following exchange rates in its reports this year:

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

US dollar to euro US\$1 = €0.89