



Market Report

AUSTRALIA





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The executive search industry in Australia is at a pivotal moment, shaped by dynamic market forces, evolving client needs, and significant socio-economic changes. As a critical segment of the broader \$27.9 billion recruitment industry, executive search plays an indispensable role in shaping Australia's leadership landscape.

This report explores the state of executive search in Australia, highlighting key trends, economic impacts, client behaviors, and the shifting competitive landscape. From talent shortages and regional disparities to the post-pandemic recovery and the integration of technology, the industry is redefining its value proposition to meet new challenges.

Through expert insights and data-driven analysis, this report offers a comprehensive view of the opportunities and obstacles facing executive search firms in Australia today. As firms evolve from transactional talent placement to strategic advisory roles, their ability to adapt and innovate will determine their success in navigating the complexities of a rapidly changing business environment.



1. The State of Executive Search in Australia

The executive search market is served by a mix of global, national and boutique firms. Legacy global firms such as Heidrick & Struggles, Russell Reynolds Associates, and Spencer Stuart are present in Australia, alongside global networks, regional, and boutique firms who often cater to specific industries or functional areas, and offer deep local expertise.

Executive Search in Australia has grown at a 11.6% CAGR between 2018 and 2023. Ibis World

Australia faces a significant talent shortage, particularly at the executive level and for highly-specialised roles.

Recent years have seen some consolidation, with larger firms acquiring smaller players, and more search firms are being acquired or going public.

The profession can feel defined in terms of firms' locations and geographic focus. "Pretty much everything is in Sydney and Melbourne with small teams in Brisbane," according to Sean Garvey, partner, technology, digital & CIO practice at Odgers Berndtson, adding, "There are firms who are Canberra-centric and that's all they do, but most search firms are Sydney centric [and may have] a Melbourne presence. There's quite a bit of money being spent in Adelaide, predominantly around defence and a little bit in technology."

Sydney and Melbourne have more listed multinationals and large firms offering financial services, technology, and consulting. "Western Australia has resources and mining. Queensland has more government, health and aged care, utilities and transport infrastructure," says Brisbane-based Will Wilson, managing partner at Executive Quarter.

THE COVID CONTEXT

According to IBIS World, "Despite setbacks caused by the COVID-19 pandemic, the Executive Search Recruiters industry has shown resilience. Following the pandemic, demand for executive recruitment services recovered strongly as the national unemployment rate dropped.

During the Covid-19 pandemic, executive search activity was high across all sectors in Australia. "There was a lot of demand for talent, and we experienced significant job

creation within our client base. There was a push to hire leaders with digital acumen. It was a very busy time for us and the industry as a whole,” says Ed Michelsberg, managing partner, EMU Search, in Melbourne.

Covid changed the search process, and client and candidate expectations.

- ▶ The adoption of remote and hybrid work has expanded the candidate pool.
- ▶ Virtual assessment methods including video interviews have streamlined the recruitment process.
- ▶ The pandemic brought about a shift in client priorities, including digital acumen, emotional intelligence, and resilience.
- ▶ Candidates globally are more likely to seek employers whose values align with their own and demand flexibility in terms of remote and hybrid work, and work-life balance.

Post-pandemic, Australia—and the world—saw a bounce. “Our industry saw 20% year-on-year growth which we’ve not seen, at least in my lifetime,” Garvey says. In fact, the market size of the industry in Australia was nearly AU \$786 million in 2023 according to IBIS World.

Alun Parry, managing partner, Boyden, says after Covid, “All those people [who had left the profession] flooded back in, and it’s actually a really competitive market for search consultants right now. There’s less work than there was in the previous couple of years. So, it’s a really competitive landscape I feel across the industry.”

COMPETITIVE LANDSCAPE

Executive search and leadership consulting are facing competition from multiple directions. Many client organisations have taken on executive search functions internally to cut costs. This has led, in many cases, “to a reduction in fees and in the number of organisations that are willing to pay the top-level fees that they would’ve in the past,” says Sydney-based Jason Hunt, partner, Executive Quarter.

Allan Rae is Managing Partner Australia at Cornerstone International Group. “Increasing our challenge is the fact that Australia is not alone in attempting to attract skilled migrants to help meet the skilled energy sector talent demand. Many other economies globally are striving to reach their own ‘net zero’ ambitions.”

Because of the nature of the Australian marketplace, which is “fairly insular in the different cities and states,” there’s a “convoluted recruitment sector with generic recruitment management and executive search. Therefore, you’ve got a lot of providers that are unbundling services and providing the minimal viable product at very low cost, but going for the volume. It’s a dangerous phenomenon that is a real issue, particularly in Queensland at the moment,” Wilson says.

“Our industry saw 20% year-on-year growth”

How are executive search firms combatting the risk of a fee-lowering race-to-the-bottom spiral? Those successful in the executive search industry know their value proposition is well beyond search and recruitment. Firms engage closely with the board, the CEO and the executive team.

“We develop knowledge of the organisation and trust with the Board,” says Melbourne-based Bill Sakellaris, CEO and managing director of Australian operations for TRANSEARCH International. “When you know an organisation well, The Board, CEO or CPO bring you inside the tent and you become a trusted advisor, and more importantly, a strategic partner.” The discussion is often broader than just about a particular appointment. We are bringing strategy, culture, organisational structure, leadership capability and succession into play. This often removes the discussion about cost.”



2. Economic Impact

AESC conducted a global survey of leaders across industries. When asked about the greatest risks in the current business environment, respondents in Australia ranked “Economic Downturn” number one.

Over the past 24 months, the landscape has changed, Michelsberg says. “Inflation, rocketing interest rates, wars in Ukraine and the Middle East. The whole geopolitical context has taken the heat out of the market. It’s much more subdued, and the scale of supply and demand [for executive talent] has changed. There are a lot more great people competing for fewer opportunities.”

Economic activity remained weak throughout 2024, with the September quarter 2024 National Accounts revealing 0.8% quarterly GDP growth, according to KPMG. Through

2024, Australia struggled through higher interest rates, persistent inflation, and global concerns. These are the facts on the ground informing the country’s executive search consultants.

According to Stephen Lennard, managing partner, Signium Australia, “Some market sectors are still under pressure. Residential building, construction, retail and hospitality; particularly premium goods and services. Health, natural resources, agriculture, infrastructure and energy are strong. The latter are keeping our economy afloat.”

“When you have 13 interest rate rises over two years and ‘sticky’ inflation, it puts concern in the minds of decision makers about investing in new products and

services, plants, equipment, warehouses, offices, and people,” says Sakellaris.

More than half the Australian respondents (54.55%) to the 2024 AESC Member Outlook Survey reported that year-over-year business growth was flat for executive search; only 18.18% reported gains in that area. And while 50% said their leadership advisory business was flat; 50% saw a rise in their leadership line of business.

Michelsberg sees hope. “The Reserve Bank of Australia (RBA) retained its cash rate at 4.35% during its final meeting of 2024, keeping borrowing costs unchanged for the

Q: What are the greatest risks in the current business environment?

- 1 Economic downturn
- 2 Cybersecurity threats
- 3 Increased competition
- 4 Difficulty retaining talent
- 5 Market volatility
- 6 Increased talent shortage

From the AESC’s global leadership survey

ninth straight gathering,” according to TradingEconomics.com. The RBA cut rates for the first time since 2020 to 4.1% at the February meeting. “This could be very positive for business and the wider economy.” Michelsberg believes there will be more confidence in business and an increase in hiring.

CLIENT CHANGES

When it comes to executive search, client companies are trying to do more with less.

Business declined during Covid, says Hunt. Coming out of the pandemic, many organisations “started to try and do a lot of things themselves including executive search functions. That has put a bit of pressure on the search market, even in Sydney which is a more mature and robust executive search market,” Hunt says.

Sakellaris is seeing the same in Melbourne with organisations “reducing their reliance on executive search, delaying decisions, relying more heavily on internal talent teams, consolidating roles or promoting from within as cost containment measures.”

“We’ve had to change the conversation to offering bespoke services such as culture and talent mapping. This has become more prevalent in our industry and helped us overcome, in part, the reduction in executive search assignments,” he says

Parry has had more clients asking to portion out search work step by step, rather than committing to the full process. “They’ll say, ‘You do the mapping first, and we’ll go on to see if we can engage you for full searches.’”

According to Michelsberg, “You’ll often have a different experience with a boutique firm in comparison to one of the large, established global firms. We felt that there was an opportunity to be more customer centric. We became agile with a capital A initially in terms of working on the business and then it morphed into how we work with our clients.”

GROWTH SECTORS

Despite the sluggish economy in 2024, some industry sectors are seeing growth. The top sectors currently are iron ore, coal, and education, Parry says. “Education is big business here, employing around 250,000 people. If it wasn’t for international education in particular, Australia probably would have gone into recession during the last global downturn,” he says.

Rae identifies an impediment to growth in the energy sector. “The Australian Energy Council and Jobs and Skills Australia report that the talent shortage in the energy sector both in terms of professional engineers/operational leadership ranks as well as skilled electricians has the potential to ‘short-circuit’ the government achieving its ambitious objectives. Simply put, current demand exceeds supply, and this situation is forecast to accelerate towards 2030/2050.”

Wilson sees opportunity in the aged care and health care sectors where, he says, “the workforce is fatigued. It’s a huge, short-force for now and likely to be for the next five to 10 years.” Statistics from the 2024 AESC Member Outlook Survey

There was opportunity to be more customer centric. We became agile with a capital A.

Current demand exceeds supply, and this situation is forecast to accelerate towards 2030/2050.

bear this out, showing that the number one growth sector according to respondents in Australia is healthcare, followed by the energy/resources and education sectors.

Garvey says defence and aerospace is one of Odgers Berndtson’s busiest practices, which, he says, “speaks volumes [in regard] to our geopolitical situation globally.”

Demand for interim executives is also rising, driven by an aging workforce seeking flexible roles. Caroline McAuliffe, senior partner at Watermark Search explained, “There will be an uptake in the interim executive world as an aging population wants to work differently.”

Q: What are the top opportunities in the current business environment?

- 1 Improve operational efficiency
- 2 Innovate new products
- 3 Adapt to shifting trends
- 4 Opportunity to disrupt market
- 5 Synergies thru strategic partnerships

According to the Watermark Annual Interim Survey 2024, 70% of interim executives now undertake C-suite level assignments. This trend highlights the increasing reliance on interim executives for high-level strategic roles. Interim executives are now engaged across various sectors, including government, education, health, and technology.

Australian respondents to AESC’s global survey of leaders identify top opportunities in the current business environment, leading with improving operational efficiency. There may be alignment between where clients see opportunity and the consulting executive search and leadership consulting firms provide.



Market Report AUSTRALIA

3. Key Trends

The executive search profession in Australia is undergoing a period of rapid transformation, driven by technological advancements, evolving business expectations, and regulatory changes. As firms adapt to new challenges and opportunities, their roles are expanding beyond traditional search.

TECH DISRUPTION AND ADOPTION

Technology continues to transform the executive search profession, with artificial intelligence (AI) the biggest trend in executive search across all sectors.

Executive search firms agree that AI can help improve process, i.e., conduct more effective candidate screening, sorting and mapping, and provide data and greater insights into trends. It also can be used to remove unconscious bias, “but that ability may only be as good as the person who wrote the code,” says Sakellaris. Use cases include:



Applicant Tracking Systems (ATS) with built-in AI capabilities help identify candidates from vast databases



Large Language Models (LLMs) accelerate workflows



Natural Language Processing algorithms analyse resumes, LinkedIn profiles, and interview transcripts



Video interviewing platforms are also gaining traction providing insights into candidate communication styles and emotional intelligence

Michelsberg says, “We transformed technologically and our speed to market and efficiencies improved. The way we engage with clients is now more nimble and fast-paced. We manage to execute and get quick outcomes – but the process is still thorough.”

For now, at least, Parry says, AI will not take away the human element of what search consultants do. “It won’t take away the need for humans to be able to engage with each other

Q: What are the highest impact ways you are using AI?

- 1 Data analysis and insights
- 2 Operational efficiency
- 3 Marketing and sales optimization
- 4 Enhance customer experience
- 5 Learning and development

and talk about their journeys, to talk about the narrative of their dreams, their career, their ambitions.” Australian respondents to AESC’s global survey of leaders identified their use cases for AI.

Businesses, including executive search firms, are grappling with the ethical implications of AI, particularly its impact on organisational structure and employment. “If organisations can do the same work, if not better, but with 20% less people, do they have a moral obligation to keep those people employed?” asks Garvey, who anticipates significant changes in how organisations operate and

make decisions in the coming years. AI tools are accelerating processes once measured in months, with platforms now capable of formulating corporate strategies in days. “Multiply that over every business process... you’re going to see this real, iterative pace of change, and it’s going to be significant,” Garvey notes.

EXECUTIVE PERSPECTIVE

As more people consider the impact commerce and industry have on employees, stakeholders, communities, and the world at large, the importance of purpose and values is trending among candidates. “If they can understand, engage, and connect with

Q: What are the keys to attracting and retaining leaders?

- 1 Culture
- 2 Company brand & reputation
- 3 Alignment w/personal values
- 3 Flexible work environment
- 3 Meaningful work
- 3 Opportunity to contribute
- 3 Work/Life balance

an organisation’s values and their purpose, the likelihood of [candidates] engaging in a discussion with us is much higher, as is the likelihood of them staying in the process, accepting the role and staying with the organisation for a longer period,” Sakellaris says.

According to Australian respondents to AESC’s global survey of leaders, the number one key to attracting and retaining leaders is culture.

The same respondents identify “Emotional Intelligence” as the number one competency they need to succeed in their role.

REGULATORY ENVIRONMENT

Legislative changes have increased regulatory and compliance reporting, Hunt says. “It’s leading to a higher level of risk and a need for board-level leaders with strong business process reporting and a greater understanding of compliance.”



LABOR

Sakellaris says, “The pace of change to workplace laws is unprecedented. Board Directors and Executives are now responsible for compliance with many of these legislated changes and in some cases, can be held personally liable for contraventions.” The redefinition of independent contractors and casual employees, the right to disconnect, and the status of non-competes are among several complicating factors for employers.



IMMIGRATION

Government policy around education, immigration, and student visas that affect the education sector, according to Parry. “But when you compare that with what’s going on elsewhere in the world, Australia still looks like a relatively positive environment, so we are seeing international mobility returning to the candidate pools that we’re pulling together for education,” he says.



CLIMATE

Mandatory reporting of climate-related disclosures begins in January 2025. “As part of mandatory climate reporting, entities will be required to report scope 3 emissions (the emissions of their customers, suppliers, and others in their value chain) not because they control them, but because they can influence them,” according to a 2023 report by the Australia Institute of Company Directors. This is likely to mean a sharp increase in the demand for sustainability executive roles and Board directors with climate risk competencies.

DIVERSITY, EQUITY AND INCLUSION

The principles around DEI are represented in the work search firms are doing in Australia, as organisations increasingly recognise the need for leadership teams that reflect diverse perspectives. The work is not without its challenges, from misunderstanding and difficulty identifying diverse slates, however the benefits of diverse thinking and points of view are largely uncontested.

REFRESHING THE DEFINITION

Many consultants feel that DE&I attempts in Australia landed too heavily on gender and missed the boat on the diversity of thought that’s the true impetus behind the concept.

David Evans is managing partner at Watermark Search. “Watermark launched the Board Diversity Index 10 years ago to advocate for improved diversity and inclusion on boards, building on our efforts to help organisations recruit executives and interim executives from more diverse talent pools. Over the years we’ve seen considerable progress in some areas of board inclusiveness – mainly the rise of women on boards – though very little progress in other areas, such as cultural background and representation of LGBTQ+ or people with disability. The big takeaway is actually a call to action: boards need to be more inclusive across all diversity types.”

Wilson shared a different perspective, noting “diversity and inclusion have moved beyond gender quotas to encompass a broader range of metrics, including First Nations representation,

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disability, age, and geographical diversity.” He highlighted the legislative requirements mandating board diversity, adding, “We must engage with unique channels to find diverse talent and address gaps, such as partnering with institutions to upskill candidates from underrepresented groups.”

CLIENT ACCOUNTABILITY

DE&I “impacts the industries we work in, the boards, and ultimately how the CEOs operate,” Wilson says, adding that they have to “be able to demonstrate [DE&I] within our search processes.” He says, “There are different metrics we must have a really strong lens on, and we have to make sure that if we’re going to market, we’re servicing the diversity of candidates, diversity of thought, and diversity of experience.”

According to Evans, “Avoid groupthink and embrace true diversity of thought by recruiting new talent from outside the ASX300. At the very least, recruit people with experience on government, not for profit, community, and private company boards. Better still, tap the growing cohort of highly qualified and highly mobile executives who are driving growth for businesses internationally. You can meaningfully change board composition.”

UPSKILLING FOR SUCCESS

In addition, when it comes to underrepresented groups there is sometimes a need for upskilling and developing opportunities for them to be strong board directors. “There’s a huge amount of risk you carry sitting on some of these boards, more so now than ever before,” Garvey says. It’s important to build a framework and a platform for individuals who are typically underrepresented to be upskilled and develop the governance insight that they need to be sitting on professional boards.

Striving to meet DE&I criteria can mean extra work for executive search. “It means engaging with unique channels where those talent pools may be. And sometimes those talent pools don’t exist.” Firms are engaging with the Australian Institute of Company Directors and other organisations to, as Wilson says, “help upskill that community to be available for boards.”

LOOKING HARDER

Evans advises “Look outside your networks of influence for talent. If you’re recruiting the same people who’ve been on the board or executive level of a similar company because they’re seen as a least risk hire, you’re not listening to your markets:

investors, the buying public, the media and all levels of government are demanding greater diversity.”

McAuliffe reinforced this broader view: “True diversity isn’t just about gender balance. Boards that bring in members with unique perspectives—be it cultural, geographical, or industry experience—are far more effective. By fostering partnerships, addressing systemic gaps, and redefining DEI as a driver of organisational success, executive search firms are helping their clients achieve leadership excellence through inclusivity.”

“When we talk with leaders about appointing new directors on boards, we often hear them say they want to de-risk those hires by only looking for people who’ve performed at a comparable company,” Evans says. “This mindset is why we are still struggling to shift the needle on board diversity. We want to have more conversations about the other skills,

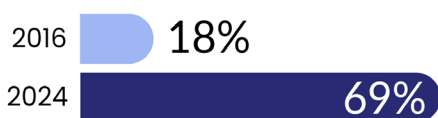


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perspectives and experiences you could gain by recruiting from a more diverse talent pool – and we need to see these conversations drive meaningful change. Diverse talent shouldn't be seen as risky. Instead, you stand to gain the opposite of groupthink: true diversity of thought... Improving diversity on boards encourages more business innovation, strengthens relationships with customers and broadens accountability. And, of course, diversity on a board fosters organisation-wide inclusiveness, which helps attract (and retain) great talent.”

Diversity, equity, and inclusion (DEI) remain critical focal points for executive search firms in Australia. Garvey shared his candid perspective on the challenges of DEI implementation, stating, “The conversation has often been reduced to gender balance, but true diversity is about diversity of thought, backgrounds, and experiences. Ticking boxes without addressing the underlying need for varied perspectives only creates an illusion of progress.”

WOMEN ON BOARDS



From 54 (18%) of ASX300 boards in 2016 to 208 (69%) in 2024

CULTURAL DIVERSITY



Anglo-Celts remain steady (90.5% in 2017 and 91.2% in 2024).

Watermark Search International, Board Diversity Index 2024

INDUSTRY DIVERSIFICATION

The Australian executive search industry is evolving beyond traditional talent placement into advisory roles addressing leadership, culture, and strategy. Garvey observed, “The search firm product is starting to evolve and diversify. It’s no longer just about filling roles; it’s about assessing teams, supporting leadership, and ensuring organisations have the right people for what’s next.” Garvey highlighted that this trend is still nascent in Australia, estimating “it’s about 90-10 in search versus assessment and coaching in Australia, and about 60-40 in international markets.”

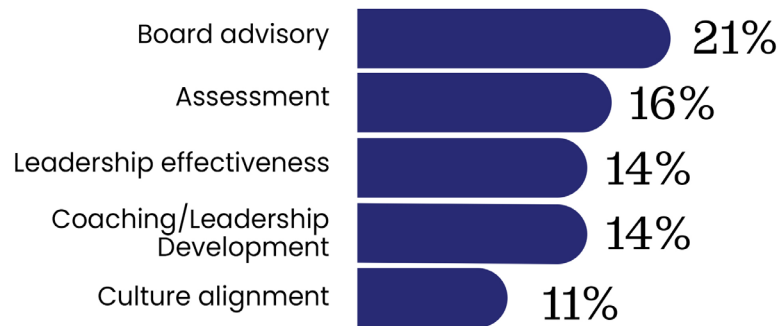
Sakellaris noted, “A growing number of organisations will offer specialist services and be quite deep subject matter experts. Working this way can provide an alternative revenue stream.” The AESC 2024 Member Outlook Survey identified board advisory, assessment, leadership effectiveness, coaching, and leadership development among the top offerings from Australian AESC member firms.

- Transactional to Advisory: Parry described the growing client demand for guidance on leadership restructuring to support organisational transformation: “In the past, the ask was to fill a vacancy. Now, clients are coming to us for guidance on how to restructure leadership to drive transformation.”
- Leadership assessment and coaching: Michelsberg stated, “Executive search has matured into a holistic practice. It’s not just about finding talent; it’s about enabling leadership teams to thrive.”

- Interim Leadership: Demand for interim executives is rising, driven by an aging workforce seeking flexible roles. McAuliffe explained, “There will be an uptake in the interim executive world as an aging population wants to work differently.”
- Post-placement support: Sakellaris underscored the importance of onboarding: “Our role doesn’t end with signing the contract. We work closely with appointed executives to accelerate their integration and performance.”

Australian firms are embracing this transformation, becoming strategic partners in solving complex leadership challenges. This comprehensive approach is redefining what it means to be an executive search firm, blending expertise in talent identification with strategic advisory services to drive sustained organisational success. Wilson summarised the shift: “It’s about getting into the DNA of our clients’ value proposition—helping them attract and support top talent for long-term success.”

Q: What Advisory Services does your firm provide?



Australia responses to “What Advisory Services does your firm provide?”


4. FUTURE OUTLOOK

According to Vanguard , “Australia’s economy is poised to recover gradually in 2025, having likely experienced its slowest growth in 32 years in 2024 amid sticky inflation and elevated interest rates.”

Australia is resilient. Lennard sees “salaries are still rising in some sectors.” He says, “Overall the Australian market demand for Board Directors and Senior Executives slowed in 2024 but I expect an improvement in 2025.”

Sakellaris believes that organisations that broaden their horizons and their service offering beyond just the recruitment piece and offer other leadership consulting services will be successful. He also thinks small specialist service firms that don’t offer end-to-end services may fare well. He likens them to the way an organisation might choose to work with a specialist in remuneration and benefits. “A growing number of organisations will offer specialist services with a view of being seen as subject matter experts. This seems to have delivered mixed results. Other executive search firms have hired dedicated individuals who are experts in a particular field. This area of specialisation augments the firm’s service offering and adds an additional revenue stream.”

And, those using technology — not just AI, but the digitalisation of processes, are going to be more successful. “In the future, I can see a time where firms unable to embrace new technology and adapt to changing demands from the market and clients will fall by the wayside... AI will not replace you, but someone using AI will.” Sakellaris says.



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Market Report AUSTRALIA

5. CONCLUSION

Many believe the search industry must better articulate its message, define itself in comparison to recruitment, and improve its value proposition. “We talk about moving what’s typically a fairly transactional experience for candidates and making it really transformational,” Wilson says. “If we embed the right tools, activities and exercises into the experience and support people with the right coaching throughout the process, then regardless of whether candidates are successfully placed, they’ll turn around and say ‘That was an incredible experience.’ It’s another opportunity for us as an industry to differentiate as we educate executives who will become clients at some point in the future.”

As firms
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With an uncertain economy and organisations trying to replicate executive search functions internally, it’s imperative executive search consultants hone this message. “The number one deciding factor around a business choosing a firm to work with is the depth of skillset or experience that a particular consultant has,” Hunt says. “They want someone who has a deep understanding of their sector and can provide a consultative service back. It really adds value to what we do as a service.”

As firms evolve and chart their course, AESC membership is an important differentiator. “They run a lot of training programs around assessment and selection, how we can better identify skills in people, how we can use technology to generate better outcomes,” Michelsberg says.

Through continuous learning, sharing best practices and a commitment to AESC’s demanding Standards, AESC members set themselves apart in a competitive industry.

MEMBER PERSPECTIVES



JENNIFER D'ARCY-SMITH,

Partner, Boards and Executive Search, Watermark Search, Australia

Of concern to the Watermark Board Practice is the apparent backwards step by ASX300 companies to a default position of what are perceived to be “safe” skillsets. Our view is that Boards should reflect the changing societal demographics, the external environment and an organisation’s customer base. Shareholders are increasingly looking towards the contemporary boardroom who bring fresh, current and future-focused mindsets to challenge and foster diversity of thinking. We are increasingly being asked for director’s who bring expertise in digital and cyber, customer, marketing, human capital and entrepreneurial backgrounds. There is an appetite to have a genuine skills matrix with a range of experiences across the spectrum to position Australian companies to successfully navigate challenging times.



MICHAEL DE SANTIS & PAM LUBRAINSCHIK,

Managing Consultants, Ccentric, Australia

The Australian health sector, including public and private healthcare, and extending to health academia, has been impacted by volatile changes for a number of years. Political and fiscal pressures continue to create common challenges on both the public and private healthcare systems and there is wide recognition that change needs to continue to ensure a sustainable future for Australian healthcare.

In health organisations, there are wide moves towards restructuring workforce profiles and care delivery models, and outside-the-box thinking to uncover efficiencies, while educational bodies are refocusing efforts and realigning investments to ensure relevancy for future students while optimising economic benefit.



MALCOLM DUNCAN,

Managing Partner, The Insight Group, Sydney

The key factors shaping the executive search industry in the Australian industrials and not for profit sector are talent shortages and evolving leadership demands.

In industrial clients, technological advancements and sustainability goals are driving demand for specialised skills. The not-for-profit sector needs to attract leaders with commercial acumen and strategic vision at a time when public and private funding is declining in the face of increasing service demand. Both sectors face ongoing regulatory changes, tough economic conditions, and digital transformation. That requires us to find leaders who are adaptable, have strategic vision, resilience, digital fluency, and strong, interpersonal and communication skills to navigate these challenges.

RICHARD FORTUNE,
Managing Partner, Alto Partners, Australia

At AltoPartners Australia one of our key focus areas is the primary industries that drive the economy—mining, energy, infrastructure, and the industrial businesses that support them. Mining is in a consolidation phase, while energy, infrastructure, and industrials continue to expand, buoyed by government investment.

A common theme in our work is helping clients navigate the generational leadership shift and fostering strong Board-CEO relationships. Next-generation leaders bring fresh ideas, technological savvy, and “their whole selves” to the workplace, which can be transformative, but only if they respect the core business and the “shoulders of giants” upon which they stand.

Looking ahead, we see key themes being protectionist global geopolitics and technological evolution of primary industries.



STEPHEN LENNARD,
Managing Partner, Signium Australia

New Board and Executive Search mandates slowed markedly in 2024. Moderately strong headwinds will continue in the first half of 2025 as Europe/UK experience low growth. China’s growth rate is expected to be relatively low. Australia is expected to have low growth. There is still a moderate number of new Board searches being mandated which I mainly put down to men coming off Boards and women going onto Boards. The IPO pipeline creating new Boards is much lower than 12-18 months ago. Anecdotally, two out three Board appointments are going to women. That trend, in my view, should continue for the foreseeable future. Likely another three to five years as current Board terms are completed.



ELLIOT LONG,
Managing Partner, Pacific Talent Partners, Australia

SEARCH - Whilst other functions remain strong, priorities have shifted towards commercial officers with proven track records of driving growth. Sourcing talent remains a challenge, and clients continue to seek partners who can access that talent and can provide expert advice.

LEADERSHIP CONSULTING - Consolidation in some sectors has led to leaner leadership teams and an increased demand for services such as organisational design and operating model reviews.

TECHNOLOGY - Clients are challenged by the unprecedented rate of change. Big data, artificial intelligence, machine learning and the like, are affecting all industries, functions and roles more than ever before.



ALLAN RAE,
Managing Partner Australia, Cornerstone International Group

Our work with clients in the energy sector highlights the talent shortfall confronting this vital sector. Home Affairs Minister Clare O’Neil has reported that “for the first time in our history, Australia is not the destination of choice for many of the world’s skilled migrants. The best and brightest minds on the move are instead looking to live in Canada, Germany and the UK.” The search industry here will have opportunities to play an important role in responding to Australia’s energy sector talent requirements by proactively identifying and attracting suitably qualified and talented energy professionals from within Australia and internationally through engaging with their global offices.

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AESC would like to thank the many contributors who participated in extensive interviews, submitted written commentary, and worked closely with us to frame our Australia Market Report.



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Executive Quarter



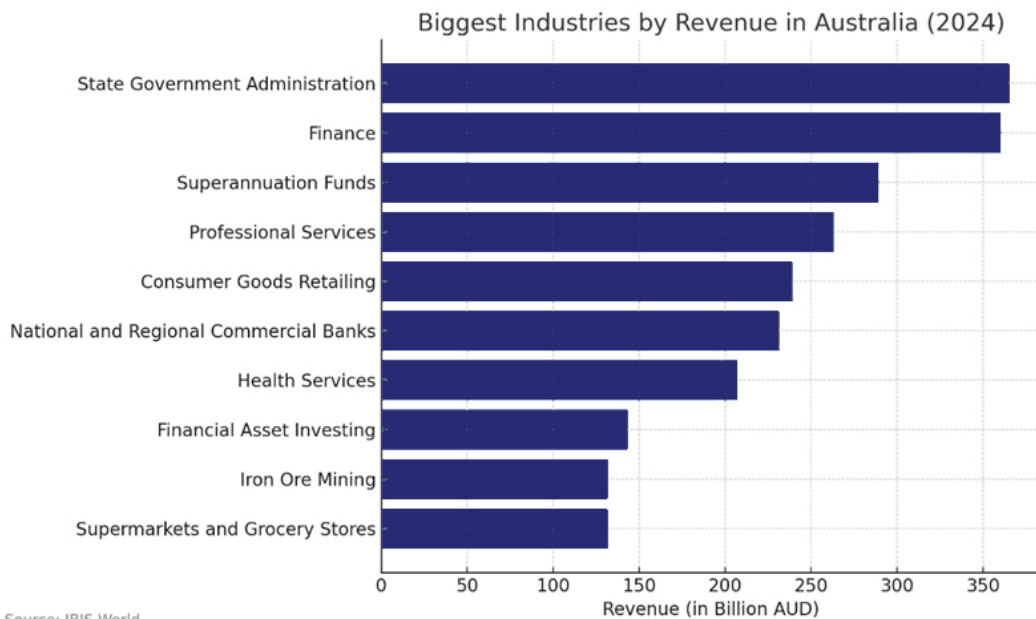
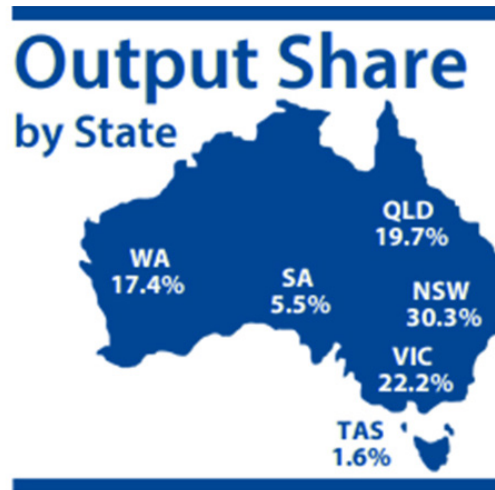
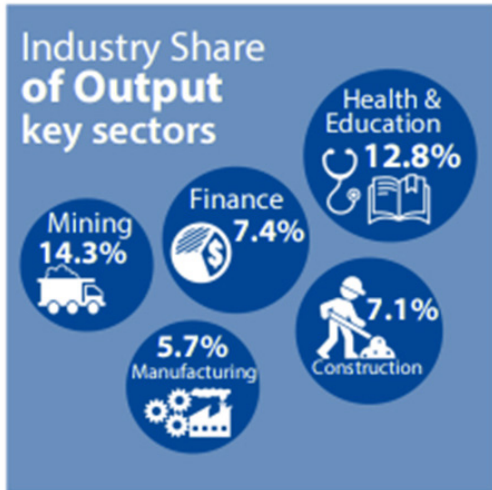
CAROLINE MCAULIFFE,
Senior Partner,
Watermark Search



ED MICHELSBERG,
Managing Partner,
EMU Search

AUSTRALIA AT A GLANCE

Australia, comprising nine different states/territories and nearly 7.7 million square kilometers (on the mainland), is the world's sixth largest country and the world's 12th largest economy. Its 2023 GDP was \$1723.83 billion (US). As of January 2024, 27 million people call it home including approximately 8.2 million people who were born overseas.



REGIONAL SNAPSHOT



New South Wales

- Population: 8.47 Million; Approximately 4,443,900 people employed
- Top 5 employing industries: Health Care and Social Assistance, Professional, Scientific and Technical Services, Construction, Retail Trade and Education and Training.
- Together these 5 industries accounted for 53% of all employment.
- New South Wales has a diversified, service-driven economy treasury.nsw.gov.au/
- Largest Industries: health and social care, professional, scientific and technical services, retail trade, construction and education.



Victoria

- Population: 6.4 Million; Approximately 3,735,300 people employed
- Top 5 employing industries in Victoria were Health Care and Social Assistance, Professional, Scientific and Technical Services, Construction, Retail Trade and Education and Training.
- Together these 5 industries accounted for 53% of all employment
- Largest industries: Financial and Insurance Services, Health Care and Social Assistance, Professional, Technical, and Scientific Services <https://djsir.vic.gov.au/>



Queensland

- Population: 5.56 Million; Approximately 2,930,600 people employed
- Top 5 employing industries: Health Care and Social Assistance, Retail Trade, Construction, Education and Training and Professional, Scientific and Technical Services.
- Together these 5 industries accounted for 51% of all employment.
- Largest Industries: Mining, health care and social assistance, education and training, tourism
- <https://www.treasury.qld.gov.au/>



Northern Territory

- Population: 254,000; Approximately 139,100 people employed
- Top 5 employing industries: Health Care and Social Assistance, Public Administration and Safety, Education and Training, Construction and Retail Trade.
- Together these 5 industries accounted for 60% of all employment.
- Largest Industries: Mining, Government and community services, construction
- <https://nteconomy.nt.gov.au/>



South Australia

- Population: 1.87 Million Approximately 945,800 people employed
- Top 5 employing industries: Health Care and Social Assistance, Retail Trade, Construction, Education and Training, and Manufacturing.
- Together these 5 industries accounted for 52% of all employment.
- Largest Industries: Construction, Manufacturing, Healthcare and Social Assistance



Tasmania

- Population: 576,000; Approximately 283,300 people employed
- Top 5 employing industries: Health Care and Social Assistance, Construction, Retail Trade, Education and Training and Public Administration and Safety
- Together these 5 industries accounted for 53% of all employment
- Largest Industries: Construction, Health Care and Social Assistance, Manufacturing



Western Australia

- Population: 2.95 Million Approximately 1,608,700 people employed in Western Australia.
- Top 5 employing industries: Health Care and Social Assistance, Construction, Mining, Education and Training and Retail Trade.
- Together these 5 industries accounted for 51% of all employment.
- Western Australia's economy is export-oriented, with around half of Australia's exports of goods originating from the state each year, including minerals, petroleum, agri-food and specialised manufactured goods. (wa.gov.au)
- Largest Industries: Mining, Construction, Healthcare and Social Assistance, Professional, Technical, and Scientific Services



Australian Capital Territory

- Population: 473,000; Approximately 268,000 people employed
- Top 5 employing industries: Public Administration and Safety, Professional, Scientific and Technical Services, Health Care and Social Assistance, Education and Training and Construction.
- Together these 5 industries accounted for 70% of all employment.
- (Source: ABS Labour Force Survey, August 2024)

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