

Public Sector Services and Solutions

A research report comparing provider strengths,
challenges and competitive differentiators



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atturra

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Australia intensifies shifting public services towards trusted, simpler, data-led digital delivery

Australia's public sector in 2025 and 2026 is being reshaped by a practical shift from digitalising transactions to redesigning services around data, trust and better service delivery. The strongest signals across government, healthcare, education, social services, infrastructure and public safety point to simplification, AI adoption, cloud rationalisation and stronger operating control.

Market Context:

The Australian public sector is entering a more mature phase of digital transformation, where the central question is no longer whether to modernise, but how to do so without adding complexity. Government guidance (Australian Government's Data and Digital

Government Strategy (2023–2030)) for this period (2025 implementation plan) identifies AI, data, connected service delivery and cyber resilience as priority areas, signalling a shift from isolated technology projects to whole-of-system improvement. This matters across departments and agencies because citizen expectations now mirror the speed and convenience of private sector services, while public institutions must continue to strengthen assurance, privacy and accountability.

Another key trend is the growing focus on programme governance and delivery discipline. The Major Digital Projects Report 2026 positions digital projects as vehicles for public benefit while emphasising the need for stronger central oversight and more effective risk management. In practical terms, agencies are being encouraged to adopt clearer portfolio governance, reusable platforms and more consistent delivery standards. For service providers, the market is becoming less about selling standalone tools and more about enabling execution, integration and operational resilience.

Public sector entities
are **prioritising AI**,
cyber trust
and **integrated
service delivery**.



Enterprise Priorities:

One of the clearest enterprise priorities is the move towards simpler, faster service experiences. Government messaging in 2026 emphasises making services simple, clear and fast, an important signal for departments managing high-volume interactions across welfare, licensing, taxation, healthcare, education and frontline citizen services. This is driving demand for service redesign that combines process improvement, case management, CX and digital self-service, rather than technology refresh alone. Providers that can reduce friction across channels, rather than simply automate individual steps, are likely to remain well positioned.

AI is another major enterprise priority, but the emphasis has shifted from experimentation to practical implementation. The 2025 implementation agenda identifies AI as a core priority alongside data, connected service delivery and cyber trust. This combination is significant because it suggests agencies will adopt AI where data quality, governance and security can support it. In practice, this is accelerating use cases such as assisted

casework, knowledge retrieval, document triage, customer service chat and operational forecasting, particularly in high-pressure operating environments.

Data governance has become a frontline issue rather than a back-office function. The public sector's digital outlook highlights the need to strengthen skills and help agencies deliver services that are simple, clear and fast. This points to a broader enterprise need for stronger data foundations, greater interoperability and improved digital capabilities across government. Across healthcare, education, social services and infrastructure, agencies are increasingly seeking platforms that can connect legacy systems, support evidence-based decision-making and reduce duplication across programmes.

Cyber trust and resilience also remain central priorities. The implementation plan explicitly links cyber trust to AI, data and connected service delivery, positioning security as an enabler of transformation rather than a standalone control function. For buyers, this is increasing demand for identity and access management, monitoring, managed detection,

secure cloud and compliance services. It also raises the bar for vendors, which must demonstrate that they can operate within government assurance frameworks while maintaining service continuity.

Provider Dynamics:

Provider dynamics in Australia's public sector are increasingly shaped by a preference for integration over fragmentation. The market is signalling that disconnected databases and siloed systems continue to slow progress, even as digital adoption expands across the workforce. This creates a significant opportunity for providers that can unify data, orchestrate workflows and modernise core systems without requiring agencies to undertake high-risk, large-scale replacement programmes. The providers most likely to succeed are those that can bridge legacy and modern environments, rather than simply advocate a clean-slate approach.

This is also changing the competitive structure of managed services engagements. Agencies are moving towards multiyear transformation programmes with stronger governance, increasing demand for integrated advisory,

architecture, implementation, testing and managed services. In this environment, pure-play software providers face growing pressure to demonstrate ecosystem value, while larger systems integrators and service providers benefit from taking end-to-end accountability for outcomes. The market increasingly favours providers that can align with whole-of-government standards, demonstrate disciplined delivery and operate effectively across departmental boundaries.

Another notable shift is the emergence of agentic and assisted AI in public service delivery. Deloitte's government trends for 2026 highlight technology leadership as becoming integral to mission delivery, with agentic AI and human-AI collaboration among the themes reshaping government operating models. In Australia, this does not imply a rapid move towards autonomous systems. Instead, it reflects a shift in provider conversations from traditional automation towards decision support, productivity enhancement and service personalisation. Providers that combine responsible AI governance,



Executive Summary

workflow automation and measurable staff productivity improvements are likely to gain a competitive advantage.

Managed services are also being reframed around operational stability and user experience. As agencies modernise, they increasingly expect providers to absorb complexity across cloud operations, application rationalisation, identity management and security operations. The combination of central reforms and stronger project assurance suggests buyers will become more selective when choosing providers to manage critical environments, particularly where digital initiatives have a direct impact on public trust. This places a premium on providers with strong local delivery capabilities, proven public sector experience and mature compliance practices.

Another important trend is the growing expectation that technology partners help build internal capability rather than create long-term dependency. Government sources emphasise capability uplift, and the maturity of Australia's digital landscape means agencies are increasingly expecting providers to transfer

knowledge, improve operating models and strengthen internal decision-making. In practice, the most successful providers will operate less as external contractors and more as long-term capability partners. This favours firms that embed training, change management, design thinking and adoption services into their delivery models.

Outlook:

The outlook for Australia's public sector is positive, but it is not a broad-based technology investment story. Instead, it is a targeted modernisation agenda centred on trust, simplification and better use of data. Agencies will continue to prioritise service redesign, cloud optimisation, AI-supported operations and a stronger security posture, while operating under greater scrutiny than before. This is expected to sustain demand across government, healthcare, education, social services, infrastructure and public safety, especially for providers that can enable cross-agency interoperability and deliver measurable service improvements.

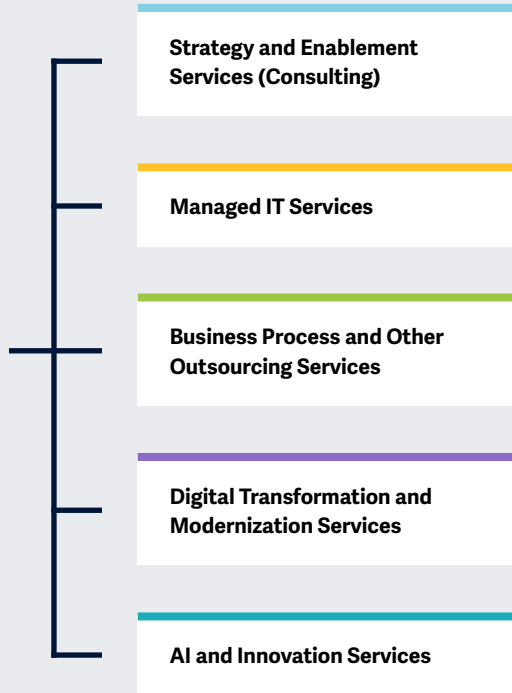
A distinctive feature of the Australian market is that central government direction is becoming stronger while service delivery expectations are becoming more local, accessible and citizen-centred. The result is a greater emphasis on reusable platforms and common standards, alongside an increased focus on frontline experience and accessibility. Over the coming years, the strongest opportunities are likely to arise from programmes that reduce administrative burden, improve data sharing and make intuitive service journeys for citizens and public sector employees. Providers that combine policy expertise, engineering capabilities and practical service design will be best placed to succeed.

Government buyers are increasingly favouring providers that can modernise platforms, improve UX and strengthen operational resilience across healthcare, education, social services, infrastructure and frontline government services, while enabling cross-agency interoperability and measurable service improvements.



Key focus areas of the **Public Sector Services and Solutions 2026** study.

Simplified Illustration Source: ISG 2026



Definition

Public sector leaders are navigating a critical moment in 2026 globally, where fiscal pressures are meeting bold innovation demands. Governments balance tight budgets while responding to citizens' demands for seamless, equitable services amid ongoing economic uncertainties.

After years of disruption from pandemics and geopolitical shifts, agencies now prioritize resilience over reaction. Technology adoption is accelerating to achieve improved efficiency. Funding streams are tightening as taxpayers demand proof of impact, pushing public entities toward public-private partnerships.

The public sector's priorities centers on human-centered transformation. Agencies chase outcomes that matter: safer communities, healthier populations and sustainable infrastructure. Digital equity is rising as a core tenet, with interoperability becoming non-negotiable, linking siloed systems for fluid data sharing.

Service providers are adapting swiftly to these shifts. Traditional vendors are becoming strategic allies, offering modular solutions that scale with need. There is increasing competition among consultancies and tech firms vying for contracts that reward lifecycle value over upfront bids. Providers that master transparency and adaptability win trust, as procurement rules evolve to favor flexibility and proven social impact.

The market outlook points toward cautious optimism, anticipating accelerated modernization waves, with AI and automation easing administrative loads to free staff for strategic work. Fiscal discipline is focusing on invest-to-save strategies, such as digitizing legacy processes. By the end of 2026, the most adaptive governments are expected to emerge stronger, poised for a decade of purposeful re-invention.





Sweet Spot

Atturra

Overview

Atturra is an Australian advisory and IT solutions provider headquartered in Sydney, with FY2026 revenue of A\$351.8m. Its public sector portfolio covers sovereign cloud, cyber security, ERP, data and integration, application modernisation, AI and managed services, supporting Federal, State, Local Government and Defence organizations.

Key Provider Capabilities

Atturra combines advisory, implementation and managed services, giving Australian public sector organizations an end-to-end transformation partner.

Its Federal Government capabilities span digital strategy, enterprise transformation, application modernisation, cloud, data, analytics, responsible AI and operational support. The company has more than 350 security-cleared professionals supporting Defence and Federal agencies.

Sovereign cloud and secure infrastructure are core strengths. Atturra designs and operates Australian-based environments supporting data residency, ISM, IRAP, PSPF and Essential Eight-aligned security. Its Defence work includes protected cloud infrastructure,

ERP environments and enterprise application sustainment, alongside cloud migration, modern workplace and managed operations.

Application modernisation is another major capability. Atturra works across Microsoft, TechnologyOne, SAP, Infor and related ecosystems, helping government agencies retire ageing platforms, simplify processes and adopt cloud-based architectures. The company helps Local Councils across Australia build lasting financial sustainability, with key capabilities in finance, HR & payroll, property and rating and more.

Data, integration and automation provide the connective layer. Atturra brings Boomi, Microsoft and enterprise integration expertise to link ERP, CRM, GIS and other systems, improve data quality and

automate workflows. Its data and analytics work increasingly incorporates AI readiness, governance and decision support.

This is backed by delivery experience across Defence ERP transformation, national training, State Government application modernisation and multi-year local-government SaaS programs. The proposition is practical: modernise the technology estate while keeping security, continuity and outcomes in view.

Benefits Delivered

- **Atturra's public sector work delivers measurable technology modernization: consolidation of legacy systems, improved data integrity, streamlined workflows, stronger security and compliance, and migration to scalable cloud platforms. Their advisory approach reduces technical debt and transforms technology complexity. They simplify, optimise and modernise core applications to improve operations, service efficiency and strengthen the foundation for data-driven decision-making.**



Atturra

Sweet Spot

Atturra's sweet spot is where Australian government organizations need to modernise ageing technology while retaining sovereignty, security and operational control. That aligns with the 2026 agenda around cloud adoption, legacy retirement, governance, cyber resilience and responsible AI.

Federal government, especially Defence and other security-sensitive portfolios, is a natural fit. These environments require Australian delivery, cleared personnel, protected infrastructure, enterprise-platform expertise and long-term sustainment rather than a simple cloud migration. Atturra's cleared workforce, Defence ERP experience, sovereign cloud and managed services align with complex programmes.

State government presents a strong opportunity. Agencies are modernizing applications, improving digital experiences and strengthening cyber resilience within regulatory and funding constraints. Atturra's application modernisation, Microsoft capability, cloud services and managed operations support transformation where service continuity remains critical.

Local government is another opportunity. Councils face pressure to improve community experience while managing constrained revenues and ageing platforms. Atturra's TechnologyOne and Infor depth, integration capability, ePlanning expertise and support fit core-system modernisation across finance, HR, assets, property, planning and customer services.

AI is the next layer: making government data, processes and platforms AI-ready. As agencies focus on responsible AI, interoperability, reuse, governance and cyber security, Atturra can connect data, integration, cloud and workflow capabilities to governed AI adoption.

In practical terms, its sweet spot is sovereign, secure modernisation where applications, data, cloud and operations work together, across Defence and federal government, state agencies, and councils seeking modernization.

Future roadmap

Atturra's roadmap is moving decisively toward AI-led transformation, built on its existing strengths in sovereign cloud, data, integration and enterprise applications. The company is expanding AI and agentic capabilities through partnerships while deepening its Boomi, Microsoft and enterprise-platform ecosystems. In the public sector, this positions Atturra to move beyond system modernisation into intelligent automation, governed AI, predictive insights and AI-enabled citizen and workforce services. The strategic opportunity is to embed AI into secure, sovereign government environments rather than treat it as a standalone technology layer.





Appendix

Methodology & Team

The ISG Provider Lens® 2026 – Public Sector Services and Solutions study analyzes the relevant software vendors/service providers in the Australia market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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The research and analysis presented in this report includes research from the ISG Provider Lens® program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. The data collected for this report represent information that ISG believes to be current as of August 2026 for providers that actively participated and for providers that did not. ISG recognizes that many mergers and acquisitions may have occurred since then, but this report does not reflect these changes.

All revenue references are in U.S. dollars (\$US) unless noted otherwise.

The study was conducted in the following steps:

1. Definition of Public Sector Services and Solutions market
2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge & experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts & figures received from providers and other sources.
6. Use of the following key evaluation criteria:
 - * Strategy and vision
 - * Innovation
 - * Brand awareness and presence in the market
 - * Sales and partner landscape
 - * Breadth and depth of portfolio of services offered
 - * Technology advancements



Author and Editor Biographies



Lead Analyst

Harish B
Senior Manager and Principal Analyst

Harish brings more than two decades of technology, business and market research experience and expertise to ISG clients. He has rich experience in executing MI/CI and strategy/management consulting projects for Asset Intensive industries (Aerospace & Defense, Oil & Gas, Energy & Utilities, Automotive, Public Sector, Semiconductor, and Manufacturing). Prior to ISG, Harish has worked with leading market research/analytics and consulting firms including Frost & Sullivan and Genpact. At ISG, He is focused on ISG Provider Lens®.

His research and analysis for ISG clients is focused on asset-intensive markets development, disruption and change. He currently contributes to ISG's Provider Lens® global research studies as a principal analyst.



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Varsha Sengar
Research Specialist

Varsha Sengar is a Research Specialist at ISG, responsible for supporting and coauthoring ISG Provider Lens™ studies on Retail and CPG, Manufacturing, Chemicals, and Public Sector. She has over 8 years of experience in technology research and consulting. At ISG, she is responsible for delivering the enterprise perspective for IPL and collaborates with analysts, advisors, and enterprise clients on various

research requests, which include primary and secondary research. She supports the lead analysts across multiple regions in the research process and authors the global summary report. Prior to this role, she has carried out multiple ad-hoc projects,

including competitive benchmarking reports, market sizing and forecasting, vendor profiles and newsletters delivering industry-level actionable insights and recommendations.



Author and Editor Biographies



Study Sponsor

Iain Fisher
Director and Principal Analyst

Iain Fisher is ISG's head of industry research and market trends. With over 20 years in consulting and strategic advisory, Iain now focuses on cross industry research with an eye on technology led digital innovation, creating new strategies, products, services, and experiences by analysing end-to-end operations and measuring efficiencies focused on redefining customer experiences. Fisher is published, known in the market and advises on how to achieve strategic advantage. A thought leader on Future of Work, Customer Experience, ESG, Aviation and cross industry solutioning.

He provides major market insights leading to changes to business models and operating models to drive out new ways of working. Fisher works with enterprise organizations and technology providers to champion the change in customer focused delivery of services and solutions in challenging situations. Fisher is also a regular Keynote speaker and online presenter, having authored several eBooks on these subjects.



IPL Product Owner

Jan Erik Aase
Partner and Global Head – ISG Provider Lens®

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a research director, principal analyst and global head of ISG Provider Lens®, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.



Provider Lens®

The ISG Provider Lens® Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners. ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens® research, please visit this [webpage](#).

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The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.

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