

Australia's Cyber Security Sector Competitiveness Plan: 2020 Update

Driving growth and global competitiveness

2020 OVERVIEW



At least **US\$147 billion** was spent on direct cyber security products and services globally in the last year



The gross value added of Australia's cyber security sector is approximately **A\$2.3 billion**



26,500 workers are employed in cyber security in Australia



43% of cyber security businesses are exporting globally



There are now at least **350** sovereign cyber security providers in Australia



Australians spent approximately **A\$5.6 billion** on cyber security from local and international providers in the last year



Australian cyber security providers generated **A\$3.6 billion** in revenue – **A\$3 billion** from the domestic market and **A\$600 million** from international markets



Most of the businesses in Australia's cyber security sector are young – **40%** are under five years old and **66%** are less than ten years old



Collaboration in the sector is very high – **33–44%** of startups partner on product and service delivery solutions



Like most businesses, cyber security providers are having to change how they operate – **51%** report this as an effect of COVID-19

OUTLOOK FOR 2024



A\$1.4 billion in additional revenue generated by the Australian sector



7,000 additional jobs added to Australia's economy, totalling 33,500 in the workforce



\$7.6 billion spent on cyber security in Australia from local and international providers

GROWTH CHALLENGES



- 1. Market access barriers** – procurement processes make it harder for the local sector to access customers



- 2. Innovation maturity** – many younger cyber providers struggle to access finance and skills to commercialise their solutions



- 3. Export presence** – Australian cyber providers are not yet tapping the full potential of regional export markets



- 4. Skills shortages** – while the skills pipeline has grown rapidly, maintaining momentum is critical

ACTIONS FOR SUSTAINED GROWTH



- 1. Support Australia's digitising economy**

- Ensure that Australia's digital growth is secure by design and in application, supporting productivity and trust across the economy
- Improve protection of industries that are rapidly digitising such as healthcare and manufacturing
- Support the Australian Government's cyber security agenda and encourage direct engagement with sovereign cyber capabilities by governments and industries



- 2. Capture global export opportunities**

- Build upon existing relationships with export markets in the US and UK
- Expand Australia's presence into high-potential markets in Asia
- Be ready to take advantage of opportunities in Europe



- 3. Incentivise innovation and capital flows**

- Focus effort on cyber security research hubs to concentrate R&D strength
- Grow and mature Australia's cyber security innovation infrastructure
- Promote increased investment from the right sources at the right time to better support cyber security company growth



- 4. Improve market maturity and access**

- Support businesses in the sector to mature and scale
- Ensure government and large corporate procurement promotes market access
- Provide a supportive regulatory environment that builds and retains resilience and trust



- 5. Develop the skills of the future workforce**

- Ensure growth in the nation's cyber security skill pipeline is maintained
- Lift cyber literacy of leaders and decision makers across governments and private sectors, regardless of organisational size or value chain positioning
- Transform Australia's cyber security workforce to capture benefits of diversity and inclusion



Access Australia's Cyber Security Sector Competitiveness Plan 2020 at:
www.austcyber.com/resources/sector-competitiveness-plan



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