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New data shows size, growth and potential of Australia's cyber security sector

Today, AustCyber is launching the **2020 Update to Australia's Cyber Security Competitiveness Plan (SCP)**.

This year, through market and administrative data, as well as insights from AustCyber's inaugural sector-wide Digital Census, AustCyber has produced the **first comprehensive measurement** of the Australian cyber security sector – including state-by-state analysis.

CEO of AustCyber, Michelle Price said, "The aim of the Cyber Security Sector Competitiveness Plan is to provide the economic evidence base for the cyber security industry across business, research and consumer segments to drive growth in the ecosystem, increase exports of Australian solutions, and support Australia to become the leading global centre for cyber security education.

"It draws on extensive industry consultation and research to provide a fresh picture of the global outlook, challenges, opportunities and priority actions needed to grow a vibrant and globally competitive cyber security sector that enhances Australia's future economic growth."

Cyber security continues to be one of the most rapidly expanding sectors worldwide, with global spending on cyber security products and services increasing by **30 per cent from 2017 to 2020**. This year alone, Australians spent approximately **A\$5.6 billion** on cyber security from both local and international providers, a figure that is expected to increase to **A\$7.6 billion by 2024**.

While the pandemic is having economic impact on Australia's cyber security providers, it has accelerated digitisation trends and driven unprecedented domestic demand for cyber security. Trust in digital infrastructures and the data they carry is the mainstay of recovery from the pandemic – but also the means to drive productivity and effective diversification of the economy's base.

Over the next decade, the Australian cyber security sector will become larger, more diverse and more sophisticated. There are now approximately **350 sovereign providers** in the sector, supported by **26,500 workers** employed in full time cyber security roles. A closer look at the sector reveals it is characterised by new, innovative small and medium-sized enterprises (SMEs), with **88 per cent of providers having fewer than 100 employees**.

"A clear view of the maturity and size of Australia's cyber security sector is essential for strategic growth," said Ms. Price. "Good policy and future investments are contingent upon policymakers, entrepreneurs and investors having a strong picture of the sector on which to make informed decisions.

"The measurement of fundamental economic metrics such as the size of the sector and its value added to the economy can serve as a foundation to more sophisticated analysis, such as the broader impacts of cyber innovation across the economy, including its role as an enabler of growth and its contribution to overall prosperity."

For the first time, the gross value added (GVA) of Australia's cyber security sector can be estimated, at \$2.3 billion. The cyber security sector's GVA is already comparable to other digital sectors such as computer software (\$4.2 billion) and retail e-commerce (\$3.2 billion).

"While GVA estimates the direct contribution of cyber security to the economy, it does not account for its role in enabling economic activity in other sectors, of which it plays a critical role," said Ms. Price.

The **2020 Update to Australia's Cyber Security Sector Competitiveness Plan** joins a list of reports published by AustCyber as part of a premier suite of knowledge guiding sector growth – including *Australia's Digital Trust Report 2020*, the *Australian Cyber Security Industry Roadmap* and *CISO Lens Benchmark 2020* (produced in partnership with CISO Lens).

Key statistics from the Update:

- 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**
- **43%** of cyber security businesses are exporting globally
- **26,500 workers** are employed in cyber security in Australia
- 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

All documents are available online:

- [2020 Update to Australia's Cyber Security Sector Competitiveness Plan](#)
- [CISO Lens Benchmarking 2020 Report](#)
- [Australian Cyber Security Industry Roadmap](#)
- [Australia's Digital Trust Report 2020](#)

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