AUSTRALIAN MARKET INTELLIGENCE

Australia's cybersecurity gap is *Israel's opportunity*

Australia faces an escalating threat environment, a structural talent shortage, and AU$7.5B in annual security spending. Israeli deep-tech has built precisely what Australian organisations need.

"Where Israeli deep-tech meets Asia-Pacific opportunity"

THE MARKET

Australia spends AU$7.5B on cybersecurity in 2026. The market grows at 9.5% per year.

AU$7.5B

Projected security spend in 2026, up 9.5% year-on-year

AU$3.7B

Security services alone , consulting, managed and professional services

88%

Of ANZ CIOs rank cybersecurity as top technology investment priority , 2nd year running

13.3%

Projected CAGR to 2035 , market expected to reach AU$36B

Source: Gartner 2026 · Expert Market Research

Australia is under sustained *cyber attack*

84K **Cybercrime reports in FY2024-25**
One report every 6 minutes to the ACSC. Average business cost of a cyber incident rose 50% in a single year to AU$80,500.

111% **Rise in attacks on critical infrastructure**
13% of all ACSC incidents involved critical infrastructure. State-sponsored actors from China and Russia explicitly targeting Australian networks.

83% **Increase in threat notifications**
ACSC notified entities over 1,700 times of malicious activity , up 83% year-on-year. Ransomware reports climbed 23%.

Source: ACSC Annual Cyber Threat Report 2024-25

Where Australian security budget flows

Banking & Financial Services — 29.7%

Government & Defence — ~22%

Healthcare , fastest growing — 14.65% CAGR

Energy & Critical Infrastructure — Growing

SMEs (98% of businesses) — <AU$10K avg

> Healthcare is the fastest-growing sector at 14.65% CAGR , driven by the MediSecure breach and systemic vulnerabilities exposed across the sector.

Source: Mordor Intelligence · Gartner 2026

THE STRUCTURAL PROBLEM

Australia cannot hire its way out of this. The talent simply does not exist.

SHORTFALL BY 2026

30,000

Unfilled cybersecurity positions forecast across Australia

WORKFORCE TODAY

70,900

DB admins and ICT security specialists currently employed

54% of Australian cybersecurity teams are understaffed. 58% have unfilled positions. **One cyber professional for every 240 Australian businesses.** The talent pipeline cannot close this gap. Technology must.

Source: CyberCX · ISACA 2025 · ABS · ACS Digital Pulse

WHY ISRAEL

500+ active cybersecurity companies. 36% of all Israeli tech investment. The world's deepest cyber ecosystem.

- **AI-driven threat detection and automated response**
  Replacing headcount with intelligence. Built for organisations that cannot hire fast enough.
- **OT and critical infrastructure security**
  Protecting energy, water, and transport systems , directly mapped to Australia's SOCI Act obligations.
- **Zero-trust architecture and identity security**
  Credential theft drives 40% of Australian breaches. Israeli identity and access solutions address the root cause.
- **Cloud-native data security and posture management**
  As Australian enterprises migrate to cloud, Israeli data security companies are the global benchmark.

Source: Startup Nation Central Cybersecurity Spotlight 2025

THE ENTRY WINDOW

Three reasons Australian doors are open right now

1 **Mandatory reporting is forcing procurement**
Australia's new ransomware reporting regime (May 2025) and the SOCI Act are pushing boards to act. Budget has been released. Decisions are being made now.

2 **Domestic supply cannot meet demand**
30,000 unfilled positions. 54% of teams understaffed. Australian organisations are actively looking offshore for technology that replaces the headcount they cannot find.

3 **The Israeli corridor is still uncrowded**
US and UK vendors have deep Australian relationships. Israeli companies largely do not , yet. The companies that establish reference customers now will be first movers in a AU$36B market by 2035.

SIGMA VENTURES ADVISORY

Meeting in *Tel Aviv* this June?

We are meeting Israeli cybersecurity and deep-tech companies in mid-June. If Australia or APAC is on your roadmap, let's talk fit, GTM, and demand.

sigmaventures.co ↗

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