LGIS
MUTUAL SERVICES

RISK MATTERS

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lgiswa.com.au

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us via the details above
for assistance.

LGIS is the unifying name for
the dedicated suite of risk financing
and management services for WA
local governments, established
by the WA Local Government
Association in conjunction
with JLT Public Sector (part of
the Marsh group of companies).

Risk Matters is an LGIS journal
to keep members, their staff
and elected members informed
on topical risk management
and insurance issues and LGIS
programs and services.

CEO's Message

JONATHAN SETH
CEO LGIS WA
jonathan.seth@lgiswa.com.au

Just like that, we're into Q2 for the year, and hurtling towards membership renewal time. Most of you will have been visited by our member services account managers to discuss your membership, and as such it's a great opportunity to look at the benefits and services of your mutual Scheme.

The Mutual model is proven to be more resilient, innovative, and stable because every member is also an owner. Your Mutual Scheme incorporates protection for property, civil liability exposures, bushfire volunteers, and workers' compensation – and is a superior alternative to what is made available by the traditional insurance market, due to our shared understanding of the local government industry, its purpose, the risks involved, and our ultimate philosophy of working with you to deliver the best outcome for your communities.

The LGIS Board includes five members from the Scheme membership (including WALGA President), Chief Executive Officer of WALGA, and three independent members who are selected on the basis of a particular expert skill or specialty.

A key point of difference and benefit of LGIS is the broad range of risk management programs and services offered that focus on key identifiable insurable risks for WA local governments, with a focus on sector specific prevention and mitigation.

Furthermore, LGIS continues to identify opportunities and expansion into additional areas of coverage to meet the changing needs of members. Indeed, on this point I am pleased to flag the transition of LGIS fleet protection across from traditional insurance placements to Scheme protection arrangements. This model enables the Scheme flexibility and enhanced risk and

claims management to provide further pricing stability, in an environment where cost escalation is in focus. You can read more about this exciting expansion of cover on page 4.

With increased local tourism a welcome relief for many regional businesses and attractions, it's an important time to ensure public safety at your local government facilities, places, and spaces. Managing public safety reduces the likelihood of visitors suffering harm and as a consequence reduces your exposure to associated liabilities.

Also in this edition, we look at how to identify if asbestos is lurking in your workplace, and how LGIS can help; our Head of Strategic Risk Solutions, Ben Galvin, answers some common questions about the risk management program available to members; and Marsh Advisory's Head of Cyber Consulting shares his expertise in our Ask an Expert column about why cybersecurity is important for local governments – among many other articles I'm sure you'll find valuable.

I do hope you enjoy this edition, and if you have a question for our Ask an Expert column please send it through to me or our editorial team at olivia.lawley@lgiswa.com.au

As always, if you have any questions about the magazine, or if you'd like to discuss any matter regarding your membership, cover, claims, or risk management services with LGIS, please contact me directly on 9483 8855.

Jonathan Seth
CEO

LGIS e-newsletter

Sign up today...

At LGIS we are committed to bringing you relevant information on local, national and global risk-related matters and issues impacting local governments in Western Australia.

Register now: lgiswa.com.au

Liability risks - tourism to public places

With limits on international travel boosting tourism within WA, it is essential to consider public safety at local government facilities, places, and spaces.

The COVID situation has compelled Western Australians who normally travel overseas to explore the state, with popular local amenities and tourists destinations now consistently operating at or over capacity. People are also flocking to regional areas in record numbers and exploring remote sites.

This is a trend that is likely to continue into the foreseeable future. Whilst it is a welcome boost to our local economies, it also places pressure on existing infrastructure and the resources required to manage this infrastructure.

There has never been a more relevant time than now to consider public safety at local government facilities, places, and spaces. Managing public safety reduces the likelihood of visitors suffering harm and as a consequence reduces your exposure to associated liabilities.

Two of the common liability themes we see emerging from public spaces relate to:

- The condition of infrastructure - poorly maintained facilities can pose defects and hidden hazards to users.
- The lack of information available to visitors - people who are inexperienced and unfamiliar with local conditions are unable to make informed risk decisions.

Here are some of the things you can do and questions you can ask that will assist in managing your liability exposure in this current climate.

Step up the frequency of inspection and maintenance routines in line with increased usage

- Ensure all inspections and works are documented for future evidence.
- Look at bringing forward plans for asset replacement where infrastructure is showing advanced signs of wear.
- Don't hesitate to remove/isolate infrastructure or access where there is a risk of harm or damage, or highlight hazards so they are obvious.

Review signage at existing sites

- Does the signage provide appropriate information (including warning of known and new risks)?
- Does the information consider the broad range of potential site visitors/users?
- Is the signage aligned to relevant standards?
- Has the nature of site use changed – are there new uses?

Consider emerging and new sites

- Are you aware of areas of unsanctioned public access or emerging areas of use?
- Does the area present risks to the users that may not be obvious (e.g. locally known hazards, hidden hazards, past land uses)?
- Is it possible to restrict or prevent access?
- Is management by signage a reasonable option? If unsure, LGIS can help you assess this.
- What is the impact of use on the environment and surrounding land/properties?
- Is formalising this area for public use a better option over preventing access?

Of course, liability risk is not the only risk to be aware of – there is often a reputational risk element. The quality of infrastructure and information available affects the visitor experience. This can influence a person's decision of whether to return to the site or promote it in a positive light to others.

We recognise not everyone will have the capacity to manage this increased demand on public areas. If you need advice concerning a related issue or assistance with prioritising and managing risk in a particular area, please contact the LGIS risk and governance team on 9483 8865 or your regional risk coordinator.

LGIS Scheme expansion – fleet protection

We are pleased to announce the continued transition of LGIS fleet protection across from traditional insurance placements to Scheme protection arrangements.

In 2019, the WALGA State Council included the recommended strategy of "transitioning additional covers currently provided by the LGIS broking service into the mutual Scheme" in its resolutions.

In 2020, the Scheme completed phase 1 of this long-term transition, by offering protection across a number of types of coverage (e.g. Motor, Journey, Commercial Crime and Cyber, Personal Accident etc.), and therefore all the benefits your Scheme provides.

LGIS fleet protection

The motor portfolio protects approximately $780 million of fleet and plant assets across all Scheme members. Sixty eight percent of assets within the portfolio sit in regional WA and contribute 50% of the losses incurred. Metropolitan local governments make up the remaining 32% of assets and also contribute 50% to loss history.

Losses are typically driven by 'own fault' type claims, with 70% of the costs incurred by metropolitan local governments attributable to driver error, and further evidenced by the low third party recoveries, of which only 10% of total are incurred.

The stability in the portfolio has assisted the Scheme in offering members the benefit of a fully funded motor protection.

The Scheme will carry a significant portion of the risk, minimising its cost of indemnity cover and releasing the benefits of Scheme arrangements back to members.

The model will provide the Scheme flexibility to provide further pricing stability, in an environment where cost escalation is in focus.

Claims management

Members will be pleased to hear that LGIS will take control of the claims process and decision making. It is here that your Scheme distinguishes itself from traditional insurance. Transitioning your fleet protection across to the Scheme means your claims are handled by our local claims consultants and gives you the benefit of a single point of access for claims.

The objective of the LGIS team is to provide advice, guidance and management of claims to reduce downtime, potential liability exposures, and claims costs by prompt identification and processing.

From 30 June, all motor claims can be lodged at motorclaims@lgiswa.com.au

Motor Fleet Protection Claims

Member contacts LGISWA

Accident / occurs

Assess extent of loss / indemnity decision

Claim

Vehicle returned to fleet

Manage repair cycle

We make payment to member /repairer
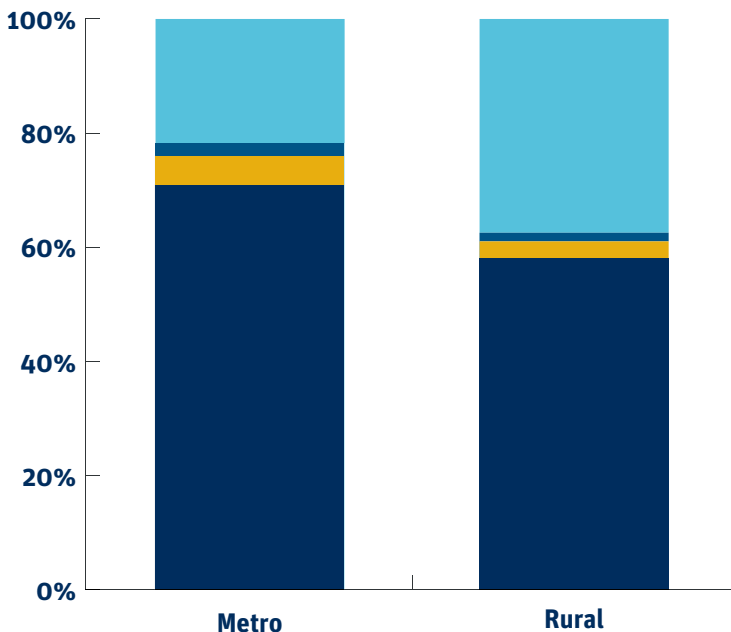
Risk management

Your LGIS Scheme has been successful on the back of strong risk management practice. Fleet risk (including privately used vehicles for Council purpose) accounts for over $700M in assets, and there are certainly areas for improvement in implementing risk management around fleet policy.

Many local governments are not as risk aware in this space as they could be, and may consider procurement policy and driver access control adequate, these processes do little to influence driver behaviour.

A recent survey undertaken by WALGA for the *High Occupancy Vehicle Survey Report*, reported only 19 councils (of 33) had a fleet policy. Apart from potential physical loss, workers' compensation, and loss of utility, a vehicle is a workplace for a large number of local government workers which equates to a WHS legislative exposure – highlighting the opportunity for work in this area.

The below table shows the historical experience of the motor insurance portfolio, from 2013 – 2020, indicating that members will benefit from risk management processes to reduce member-fault claims.

Incurred split cost by fault

- Third Party
- Shared
- Natural Occurrence
- Member

LGIS will be implementing a risk gap analysis program which will provide members with an overview and score of their fleet risk programs. The assessment will include a review of areas such as:

- Depot aggregation of assets
- Heavy equipment configuration – visibility/ergonomics/fire suppression
- Pre-start (including fatigue management)
- Fleet policy on purchase of vehicle (ANCAP 7 rating)
- Change in vehicle appetite (is there a move for more hybrid engines?)
- Opportunities for behaviour (driver education) training
- The use of engineered solutions – cameras/alarms /e-driver training modules.

Member benefits

- Surplus retained by LGISWA - larger claims surplus returned to members
- Access to scheme risk services focused on motor
- Local claims consultants dedicated to local government
- Better opportunity to apply discretionary claims philosophy
- Limit impact of market cycles on the member
- Opportunity to build and support local procurement policy
- Freedom to develop and enhance product innovation

Fleet protection is most likely the fourth highest expense in a Member's total Scheme contribution expenditure. The Board's decision to pursue this model will provide for the expansion of a Scheme that has served the sector through over $58 million in returns and opportunity to ensure members continue to be protected in uncertain times.

For more information, please contact your LGIS member services account manager or Andrew Grieg on 9483 8867.

Asbestos - is it lurking within your workplace?

Asbestos is a fibrous, naturally occurring mineral that was once used extensively due to being lightweight and resistant to high temperatures, electricity, and chemical corrosion.

It was regularly used in building and construction materials, machinery, plumbing and electrical materials, plant and other equipment. However, when asbestos is broken or disturbed, its small fibres can become airborne where they are easily inhaled and swallowed. Once in the body, these fibres can irritate organ tissue and cause insidious diseases such as asbestosis, lung cancer and mesothelioma.

What should you be doing?

Due to the variety of applications and its often robust nature, materials containing asbestos still exist in our workplaces – and can present a hazard to the health of workers, contractors and members of the public.

All local governments have a duty of care under the *Occupational Safety and Health Act 1984* (WA) and the *Occupational Safety and Health Regulations 1996* (WA), as well as the national codes of practice to ensure the following is in place:

- An **asbestos management plan** to identify, assess and effectively control asbestos containing materials within the workplace, including all organisational owned properties and items within.

- An **asbestos register** is developed and regularly reviewed to demonstrate all properties have been considered for asbestos containing material, regardless of age and associated risk.

- **Training:** workers, and others where identified, are trained in how to identify, assess, and effectively control asbestos containing materials within the workplace, and be informed of the associated health risks of being exposed to uncontrolled asbestos containing material.

- **Access:** provide workers, contractors, and others with access to the asbestos register and associated risk assessments of the identified asbestos containing materials within the workplace.

How can LGIS help?

Here at LGIS we provide a number of services to ensure local governments are equipped to not only comply with the legislative requirements for asbestos management but to ensure asbestos hazards can be effectively controlled.

Our specialist LGIS consultants can:

- Develop an asbestos management plan.

- Conduct in-depth property inspections to identify materials containing asbestos.

- Complete risk assessments for all identified asbestos containing materials.

- Develop an asbestos register.

- Train workers in asbestos awareness and identification as it applies to the local government industry.

- Provide notification stickers to be affixed to asbestos containing material to alert workers, contractors and others of the potential hazard.

For further information regarding asbestos management and controls please contact our dedicated team member Katherine Kempin on 0409 770 789 or email on katherine.kempin@lgisw.com.au, or your regional risk coordinator.

Local government bushfire volunteers returning safe and well – a practical guide

LGIS in collaboration with WALGA have developed a guide specifically for bushfire volunteers – to supplement their existing risk awareness and encourage positive safety behaviours.

Local governments in Western Australia manage firefighting brigades made up of volunteers from the local community.

The role of these volunteers is highly valuable and important to local communities, but the nature of the work can pose hazards to volunteers, which if not managed properly can lead to harm.

Some of these hazards include:
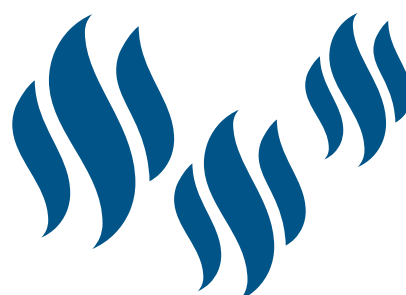
1. Fire and smoke

2. Ember attack

3. Falling objects

4. Debris

5. Fumes

6. Manual handling

7. Fatigue

8. Emotional distress

9. Road hazards

This list is not exhaustive, but highlights the importance that volunteers are prepared and protected when they attend fire grounds.

This guide covers hazard and risk assessment, roles and responsibilities, the value of training, and other important factors.

We encourage you to make this guide available to your bushfire volunteers. Knowledge is power, and everyone deserves to go home safely each night.

For more information, please contact Emma Horsefield, LGIS Safety Program Manager on 0407 957 932 or emma.horsefield@lgiswa.com.au

DFES Incident Photographer Evan Collis

Defamation, social media and local government

What is Defamation?

In Western Australia, if an individual's reputation is tarnished by another who has published untrue statements about that person, the individual with the tarnished reputation may have a cause of action for defamation.

'Publication' is broadly defined in the *Defamation Act 2005* (WA) to purposefully include all written forms of communication as well as speech.

If a person feels that a comment made by a councillor or council officer has negatively impacted their reputation, that person may claim they have been defamed. Defamation claims against council, councillors or council employees can fall under LGIS Liability Protection where the comment is made in the course of local government business or within the scope of a councillor or employee's duties.

Elements of defamation

You have deframed a person if you make a statement which:

▶ Tends to lower the person's reputation in the eyes of ordinary members of the community;

▶ Leads people to ridicule, avoid or despise the person, or

▶ Injures the person's reputation in business, trade or profession.

The statement in question must be:

▶ A communication that carries a defamatory meaning;

▶ Of and concerning the plaintiff;

▶ To a person other than the plaintiff (it need only be disseminated to 1 other person to satisfy the requirement of audience)

Whether an imputation is defamatory is to be determined by reference to general community, moral or social standards, presumed to be uniform and common to society generally and not by reference to sectional attitudes. If careful thought is not always given to the choice of words in a publication, the risk of defaming someone is high.

Publications

Written forms of communication which may be defamatory include:

▶ Writings

▶ Printed media

▶ Blog posts

▶ Social media statuses and updates

▶ Drawings

Due to the internet providing many social media platforms for individuals to publish statements that are potentially defamatory, defamation has become increasingly pursued. The law of defamation does not hold the internet platform, service provided or content host liable for defamatory statements published on their platform without their knowledge. That said, the courts have recently issued orders against various service providers ordering them to reveal the identity of anonymous postings of defamatory publications. However, if an individual copies and pastes, emails, or links to defamatory information, they are considered a publisher for defamation actions.

Council executives and elected councillors ought to be acutely aware that whilst using their private accounts, they may be deemed to be representing the council when expressing their views and opinions online. The council's own social media pages can be held to be the publisher of defamatory material and council's should regularly check those pages to ensure any potential defamatory material is promptly removed.

The more people that receive the publication, the larger the potential injury caused by a defamatory imputation and, consequently, the larger the potential damages awarded to the injured plaintiff. As such, council Members should be extra vigilant with those publications likely to reach a large audience. The LGIS Scheme has paid out in excess of half a million dollars for defamation claims in the past.

Even though a publisher might make a statement or otherwise publish information that seems defamatory, they may have a defence or excuse. These include:

▶ **Truth** – otherwise called justification, where the publication was true, there will be no defamation.

▶ **Contextual truth** – the publication was substantially true so any imputation could not have harmed the aggrieved.
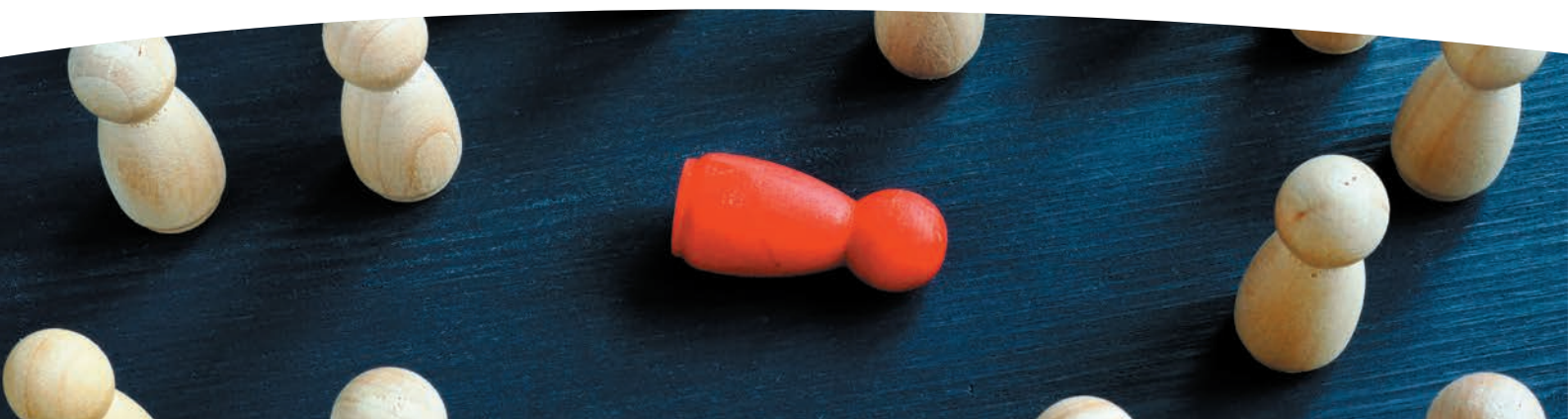
- **Qualified priviledge** – the publication may have been defamatory, but the publisher was obliged to publish it for a legal, moral, or social reason and so is excused from liability.

- **Absolute priviledge** – no action for defamation will lie if the publication was made during a parliamentary debate, in a court, or tribunal judgment.

- **Public document** – if the defamatory content has also been published in a public document that is a parliamentary debate, tribunal or court judgment or other public government publication, no liability will lie for republication.

- **Fair report** – a publication in a fair report of public concern is not defamatory.

- **Honest opinion** – a publication which is not read as a fact, but merely as someone's honest opinion is not defamation.

- **Innocent dissemination** – no liability will arise where the publication distributor did not know about the defamatory content, or did not write, create, or control the content or what was said.

- **Parody** – a publication which is obviously a parody or satire is not defamatory.

- **Triviality** – where a publication is too trivial or inconsequential to cause harm, the publisher will be excused from liability.

Please note that liability covers do not extend to fund legal action taken to pursue a defamation claim against a party for defamatory comments made about them, for example if a Councillor or officer is defamed by a member of the public. The cover applies to provide protection and if appropriate, to defend claims.

Minimising the risk of getting sued for defamation

As a result of the very nature of a council's public function, elected councillors, council executives and council employees are predisposed to being at high risk of defamation allegations.

- Be careful not to unintentionally identify a person if what you are saying could lower their reputation;
- Avoid sweeping statements and generalisations;
- Avoid criticising the character of any person you do identify – concentrate on the issue, rather than the possible motives of the people involved;
- Carefully check that your statements are true and can be backed up;
- Councils review their media and conduct policies regularly;
- Stakeholders be reminded of their obligations on a regular basis;
- Only give your opinion when it is an "honest opinion" on facts you have stated; and
- If in doubt, check with a lawyer first.

Defamation claims can be difficult and expensive to defend. Investing in training and materials to avoid a defamatory publication being made is worthwhile and can provide protection for council's own reputation.

Ensuring you access and egress plant safely

Local governments regularly use plant and equipment in their day to day operations.

It is necessary in providing services to your community - whether through road maintenance, working in parks and garden, workshops and depots, or in libraries and leisure centres.

Using plant and equipment brings with it risk, and if not properly managed can lead to serious injuries.

To minimise the risks associated with plant and equipment, you can follow these simple and practical steps:

- Follow maintenance schedules for each item
- Undertake pre-start checks before you use the equipment
- Ensure operators have been trained and are competent to use the equipment
- Develop safe work procedures to ensure the equipment is used correctly
- Ensure you are using the right equipment for the right job
- If the equipment is damaged, ensure it is taken out of use until it is repaired

Plant access and egress

Since 2019, there have been 140 claims relating to plant access and egress Scheme wide – one of which included a finger amputation.

To combat errors when accessing and egressing, and protect local government workers from risk of injury when performing this task, LGIS regional risk coordinator Chris Gilmour worked with members in the Great Eastern Wheatbelt region to implement procedures for the many different types of plant utilised by local governments.

The safe work procedures include:

- Do's and don'ts for access and egress
- Personal Protective Equipment required
- Potential hazards
- Images of the plant
- Employee and manager signature to declare the procedure has been read

Since implementation, injuries have reduced significantly, and cost along with them.

For more information on the safe work procedures on plant access and egress, please contact the LGIS risk and governance team on 9483 8865 or your regional risk coordinator.

Q&A with Ben Galvin

BEN GALVIN
Head of Strategic Risk Solutions

As the manager of the Risk and Governance Program for LGIS, Ben has responsibility for the delivery of the risk management program LGIS provides to its members. Ben oversees a team of risk consultants who deliver tailored risk solutions to current and emerging risks impacting LGIS members.

Ben brings with him over 16 years of experience in risk related disciplines. His career has seen him work in varying roles in differing industries and locations, including New South Wales, London and now Western Australia.
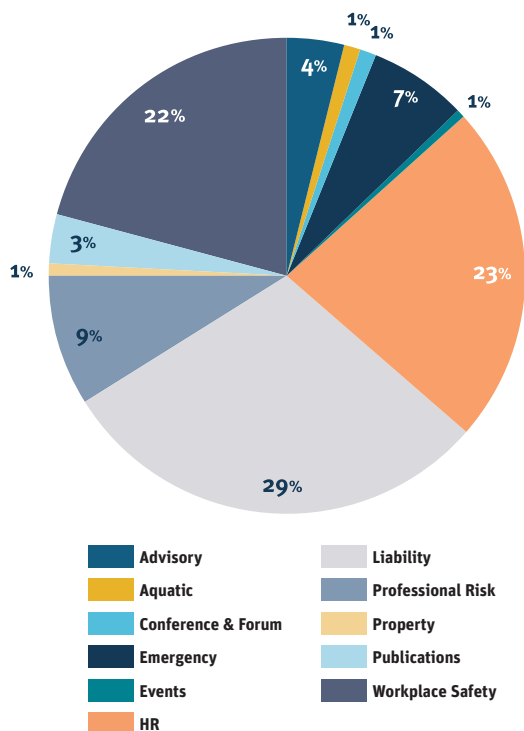
1) What service hours is the risk management program giving members?

In 2020, LGIS delivered over 9500 hours through the risk management program provided as part of your LGIS membership. This was an increase on 2019 which is a great result given the COVID-19 restrictions placed on the sector, and again shows the importance of the program as risks continue to evolve and emerge.

2) Which services are members using most?

As per previous years, LGIS members used our programs across all risk disciplines. Our people risk offerings (combining human resource risk management and workplace safety) remain popular with members, and there was a renewed focus on liability risk in 2020.

Service Hours (%)

Legend:
- Advisory
- Aquatic
- Conference & Forum
- Emergency
- Events
- HR
- Liability
- Professional Risk
- Property
- Publications
- Workplace Safety

3) What's the distribution of hours between metro and regional members?

All LGIS members are supported through this program, but our regional members lead the charge utilising the program slightly more than metropolitan members. This is unsurprising given the resource limitations placed in our regional communities.

Regional v Metro Delivery (%)

Metro   Regional
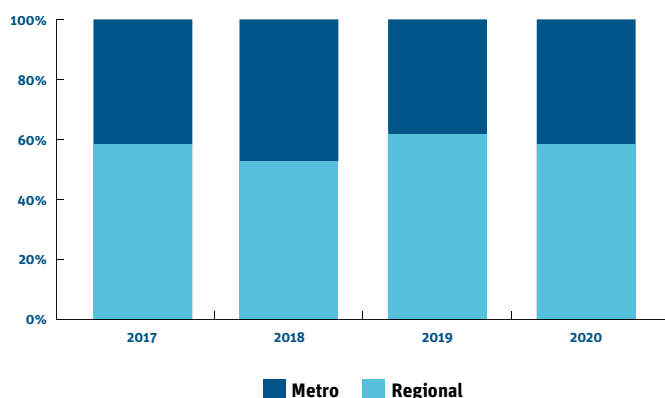
4) Which risk management programs do you think members should know about?

All of our risk programs offer incomparable value to members. These programs, incorporating professional and contract risk, liability and property, emergency management, workplace safety and human resource risks are designed to work with members to mitigate their risks, and that of the Scheme.

In 2020, we commenced targeted projects against specific claim trends including looking at the prevalence of upper limb injuries in parks and gardens crews, and psychological injuries. Through the risk program, we developed guidance materials including the Tree Management Guide, and the materials developed to support our members through the COVID pandemic.

5) What are some key focus areas for 2021?

As we move through 2021, the impact of COVID 19 remains a key focus. This year should see the introduction of the Work Health and Safety legislation and we are working with WALGA on supporting our members through this. You will have already seen some guidance notes on this, including the impact on volunteers.

The workplace safety and human resource risk programs will continue to be highly utilised, as will the liability program through the ongoing introduction of the tiered liability assessment program.

Like always, if you need any information on the LGIS risk program, please do not hesitate to contact me on 9483 8821 or Ben.Galvin@lgiswa.com.au.

ASK AN EXPERT

Each month we take your questions to one of our LGIS team members to answer. If you want to submit a question for next issue, email olivia.lawley@lgiswa.com.au

LAUREN WOJAS
Manager, WorkCare Services, LGIS

Lauren's role as Manager WorkCare services at LGIS has her overseeing LGIS's people risk programs, including the health and wellbeing program, injury prevention and injury management services, and the human resources risk management services. Lauren and her team work collaboratively to provide support, advice and services to assist local governments with the prevention of physical and psychosocial injuries, or in the unfortunate event of an injury occurring, helping the member get the injured worker back to as work quickly and safely as possible.

Lauren is an accredited exercise physiologist with over seven years' experience in the workers' compensation setting including management of the LGIS Injury Management Program since 2020. Lauren's experience extends to on-the-ground delivery of services and providing education and support to employers and workers.

" What is the LGIS health fund – what can we use it for and how can we check how much we have left?

The LGIS health and wellbeing program is designed to assist members in creating a healthier workplace, improving awareness of health issues, lowering risk factors, and improving workers' safety performance.

As part of this program, LGIS members receive an annual funding allocation and access to a wide range of health and wellbeing services through a panel of eight professional service providers. *Funding expires at the end of each financial year so it is important to use it before you lose it!*

Services available for funding use include:

- Health assessments
- Personal Protective Equipment required
- Exercise programs
- Health seminars
- Healthy lifestyle programs i.e. health challenges
- Corporate massage
- Flu vaccinations
- Hearing testing
- Mental health awareness

LGIS provide the initial ground work for you in sourcing quotes for services from our panel providers. There is a shared health inbox (health@lgiswa.com.au) where you can request services.

Your local government may also be able to use local providers with your allocated funding (i.e. smaller, regional members may prefer to use the local GP for flu vaccinations instead of getting an external provider in).

How to access your funds and services

- *Email the health inbox to request the services you want.*
- *LGIS sources quotes from panel providers and provides these to you with a summary to clearly identify the differences between the quotes.*
- *You advise LGIS which provider you want to proceed with.*
- *LGIS advises the providers on who is successful/unsuccessful.*
- *Successful provider then liaises with you directly to determine logistics for delivering the service. This includes completing a service agreement.*
- *Service is delivered by provider.*
- *Following the service, LGIS receives the invoice (and the report if one is part of the service). LGIS pays the invoice with your funding – if cost is greater than the available funding the cost is charged on to the local government.*
- *LGIS provides the report, a survey evaluation link, and an update on remaining funding to you, the member.*

It's important to note that LGIS covers the cost of any travel for providers so the funding allocations are only used for the actual delivery of the service.

Members can send through any questions or request an update on their remaining funding allocation via the health inbox – health@lgiswa.com.au

ASK AN EXPERT

FAIZAL JANIF
Head of Cyber Consulting, Marsh Advisory Pacific

Faizal is a senior security executive who sits on the Australian Information Security Association's (AISA) Executive Advisory Board, on the Australian Cyber Security Centre (ACSC) panel reviewing the Australian Cyber Security Strategy, member of the Joint Cyber Security Centre (JCSC) and has worked closely with Australian Prudential Regulation Authority (APRA), Australian Payments Clearing Association (APCA) and most recently Australian Energy Market Operator (AEMO), Australian Signals Directorate (ASD) and The Department of Home Affairs, In addition Faizal is also the founder of the Cyber 12.

" *Why is cybersecurity important to local governments, and what trends are you seeing?*

In today's day and age, cybersecurity is important to us all because it encompasses everything that relates to the protection of our sensitive data:

- Personally identifiable information (PII)
- Protected health information (PHI)
- Personal information
- Intellectual property (IP)
- Sensitive business driven data

The risk of a breach is ever increasing in this uncertain climate, we are largely driven by global connectivity and our shift towards a cloud first strategy. With poor cyber strategies and increasingly sophisticated cyber criminals, the risk of a successful cyber-attack or data breach is on the rise.

The days of a simple firewall and antivirus software being your sole security measures are long gone, leaders now have to be more proactive than reactive with their cybersecurity.

The importance of cyber awareness and training to educate your staff about simple social engineering scams like phishing and more sophisticated cybersecurity attacks like ransomware play an integral part in the organisation's overall cyber defence strategy.

The importance of a robust cyber framework is on the rise. We are now more reliant on technology than ever before and there is no sign of slowing down. As each generation is more and more reliant on technology, the attack surface is therefore increasing at an alarming rate.

Governments around the world are bringing more attention to cybercrimes. The Notifiable Data Breach (NDB) scheme in Australia is a great example. It has increased the reputational damage of data breaches by forcing organizations that are subject to the scheme to:

- Communicate data breaches to the affected individuals and the Office of the Australian Information Commissioner

- Require user consent to process information
- Anonymize data for privacy

Australia is not the only country with these types of measures, while there are no national laws overseeing data breach disclosure in the United States, there are data breach laws in all 50 states, and the General Data Protection Regulation in the EU. Commonalities with the NDB include:

- The requirement to notify those affected as soon as possible
- Notify the government as soon as possible
- Pay some sort of fine

Why is cybercrime increasing?

Information theft is now one of the most lucrative businesses globally. Industrial controls systems (ICS) that manage power grids and other infrastructure can be disrupted or destroyed and are now quite targeted.

Cybercriminals are becoming more sophisticated, changing what/who they target, how they affect organisations and their methods of attack for different organisations.

Social engineering remains one of the easiest forms of cyber-attacks with ransomware, phishing, and spyware being the easiest form of entry. Third-party and fourth-party vendors who process/access your data are another common attack vector, making vendor risk management and third-party risk management an imperative part of your holistic cyber strategy.

According to the Ninth Annual Cost of Cybercrime study from Accenture and the Ponemon Institute, the average cost of cybercrime for an organisation (globally) has increased by $1.4 million over the last year to
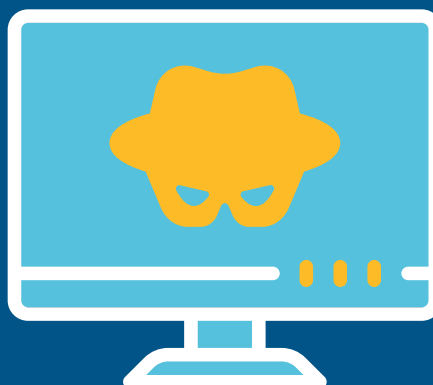
$13.0 million and the average number of data breaches rose by 11% from 130 to 145. Information risk management has never been more important.

From June 2019 to June 2020 in local, state, and federal governments, there were:

- 800 cyber security incidents reported
- 450 targeted central governments
- 350 targeted states and local governments
- 35% impacted critical infrastructure
- 948 government agencies, educational entities, and health care providers impacted by ransomware

What is the impact of cybercrime?

The impacts of cybercrime can be varied and quite wide spread:

- **Economic costs**: Theft of intellectual property, corporate information, disruption in trading and the cost of repairing damaged systems
- **Reputational costs**: Loss of consumer trust, loss of current and future customers to competitors and poor media coverage
- **Regulatory costs**: Data breach laws mean that your organisation could suffer from regulatory fines or sanctions as a result of cybercrimes

All levels of government, regardless of the size, must ensure all staff understand cybersecurity threats and how to minimise/mitigate them. There should be regular training and a framework to work with that aims to reduce the risk of data leaks or data breaches.

Given the nature of cybercrime and how difficult it can be to detect, it is difficult to understand the direct and indirect costs of many security breaches. This doesn't mean the reputational damage of even a small data breach or other security event is not large. If anything, consumers expect increasingly sophisticated cybersecurity measures as time goes on.

Case Study 1

A metropolitan local government received an email from a regular supplier, advising of changes to their bank account details. The email address was checked for authenticity with the current email address on file. Once confirmed, the bank account details of the supplier were updated.

The local government then received genuine invoices from the supplier for work carried out, and made payment in accordance with the changed details. A few days later the supplier contacted the local government advising that payment had not been received. Upon investigation, the most likely cause was that supplier's system had been hacked by a third party and the perpetrator had sent the initial email advising the local government of the changes to bank account details.

Case Study 2

A rural local government received an email from an employee who requested a change to their bank account details. The requisite form was supplied for the 'employee' to fill out. Once the completed form was submitted, it was sent to the payroll team for the employee's bank account details to be updated.

A few weeks later, the employee advised that their wages had not been received. Upon investigation, the initial request to change bank account details had been fraudulent.

Case Study 3

A large metropolitan local government was targeted in a high impact ransomware attack. Hackers gained access to their network and completely took over administrative privileges. The impact to the local government was several days of near-total IT services shutdown including limited/no access to phones, a complete server outage, limited end user computing capacity and a near inability for staff to work using technology at all.

Council had an IT partner and had invested in data-protection, firewalls, anti-malware, anti-spam, and anti-virus products, however due to the targeted nature of the attack, these were all unable to protect from this type of complex incident.

These claims were successfully made on the LGIS policy. Aside from the financial losses suffered by all parties involved, these scenarios also caused reputational damage and conflict with members' business partners, particularly around determining responsibility for the loss and who would therefore bear the financial consequences.

Where we've been

LGIS Workforce Risk Forum

20 April, 2021

Before 2020 hit us with a curve ball, workplace mental health was already a significant issue for WA local governments. COVID-19 and the challenges of 2020 have compounded existing issues and the topics of mental health, stress management, and resilience are more pressing than ever for local government leaders, people, and risk managers.

This special event was curated by LGIS to address issues currently faced by local governments, recognising that safe supportive workplaces don't just happen – they are created with intent and purpose.

We were joined by more than 90 local government workers from across the state. Over the day, experts explored:

▶ Creating happy and resilient teams

▶ Thriving, happy and productive workplaces

▶ Psychological health and stress management

▶ How to fight fairly and be effective at work

▶ Local government insights, sector leaders share strategies and experiences

Upcoming events

Fraud Awareness - 11 May
Asbestos Awareness - 12 May
Contract risk fundamentals - 17, 19, 21 May
OSH roles and responsibilities for leaders - 26 May

Visit our LGIS website to see more details about our upcoming events.

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