JLT

7th Edition

JLT Public Sector Risk Report

NOTE FROM GARY OKELY

GARY OKELY
Head of JLT Public Sector, Pacific

The release of the 7th edition provides insights into the strategic risks that are significant for local government across Australia. The local government operating environment is complex, driven by the need to meet ever expanding community expectations, moderated by the fine balance of achieving financial sustainability within a robust legislative framework.

In our established role as a specialist risk advisor, local government executives engage with our teams on a daily basis, and the Risk Report proves a powerful tool to consolidate this collaboration to assist all councils, Audit & Risk Committee's, regional bodies and LGA's across the country.

Over the years, we have seen the distribution of the Risk Report be adopted as an important tool for Audit and Risk Committees as they support the management of specific local challenges through strategic, financial and risk mitigation planning.

The early part of 2025 has seen significant geopolitical change, and our recent Federal election has seen the continuation of a Labour Government. However, community focussed issues like cost of living, housing affordability, interest rate variations, insurance affordability, natural hazard events, continue to drive uncertainty. While direct impact on local economies across Australia vary, we know that the uncertainty will have ripple effects within the communities that local government serve.

This uncertainty places the lens squarely on the importance of a financially stable local government environment. One that communities can trust and rely upon. It is no surprise therefore that financial sustainability continues to rank as the key strategic risk in 2025, as Council Executives continue to share concern about how then can deliver to the expectations of their communities.

This, along with cybersecurity, management of significant asset portfolios and the impact of disaster events remain high on the list of significant strategic risks.

Attracting and retaining skilled people within local government also continues to present challenges, noting these challenges are more pronounced in regional Australia.

As with previous years, the JLT Risk Report underscores the interconnected nature of the various risks facing Australian councils. As councils continue to navigate this complex landscape, a comprehensive and integrated approach to risk management remains essential for ensuring resilience and sustainability in the face of evolving, and uncertain, challenges.

Through the JLT Risk Report, we are pleased to be able to support local government with their strategic planning, community engagement and investment in risk mitigation – in order to serve their communities effectively while safeguarding their futures.

"

Uncertainty places the lens squarely on the importance of a financially stable local government environment.

GARY OKELY
Head of Public Sector

AUSTRALIAN LOCAL GOVERNMENT RISK RANKINGS FROM THE 2024 JLT RISK SURVEY

01 FINANCIAL SUSTAINABILITY

Financial sustainability remains the foremost risk for Australian councils, primarily driven by funding challenges. Cost shifting from higher levels of government and insufficient rate revenue exacerbate this issue. Many councils face the ongoing challenge of prioritising various risks that impact financial sustainability while striving to maintain service delivery and community well-being.

02 CYBER SECURITY

Cybersecurity is an increasing concern for Australian councils, with many expressing doubts about their IT infrastructure's capacity to manage emerging threats. This underscores the necessity for councils to implement robust preventive measures and effective incident response plans to mitigate potential breaches and ensure continuity of services.

03 ASSETS & INFRASTRUCTURE

Managing assets and infrastructure ranks as a significant challenge for councils, influenced by financial constraints, workforce shortages, and inflation. These factors hinder maintenance and upgrades, while declining financial capacity and difficulties in attracting skilled personnel complicate effective management. Strategic planning and innovative funding solutions are essential for long-term sustainability.

04 DISASTER & CATASTROPHE

The risk of disasters, both natural and man-made, is a top concern for Australian councils. While confidence in disaster preparedness is improving, councils increasingly acknowledge the unpredictable nature of climate change, prompting the need for adaptive planning and community engagement to enhance resilience.

05 PEOPLE & CULTURE

Attracting and retaining professional staff remains a significant challenge for Australian councils. While improvements in staffing levels and health and safety compliance are noted, substantial issues persist, emphasising the continuation of strategic initiatives to enhance workforce engagement and well-being.

06 CLIMATE CHANGE

Climate change is a critical concern for Australian councils, particularly due to insufficient revenue for necessary adaptation measures. Key challenges include inadequate assessments of climate impacts and limited disaster recovery funding, highlighting the need for federal and state government support to bolster resilience and facilitate the transition to a net-zero economy.

07
BUSINESS CONTINUITY PLANNING

Business continuity planning is a key risk area for councils, particularly regarding asset destruction from disasters. Other significant factors include workforce stability and IT outages, emphasising the need for councils to strengthen resilience strategies and invest in risk management to ensure operational continuity.

08
STATUTORY/REGULATION

Many councils face ongoing risks related to non-compliance with regulatory requirements, with access to qualified staff being a major concern. Growing apprehensions about legislative changes and planning regulations underscore the need for strategic workforce development and enhanced compliance.

09
WASTE MANAGEMENT

Waste management has emerged as a leading concern for councils, driven by rising costs and environmental challenges. Councils are increasingly aware of the need to continually reassess their strategies, enhance recycling programs, and improve community communication to maintain public trust and satisfaction.

10
INEFFECTIVE GOVERNANCE

Despite slight improvements in financial controls, ethical standards, and human resources, significant governance challenges remain. Councils are encouraged to continue to address issues of ethical governance and effective management to meet community expectations for transparency and accountability.

11
REPUTATION

A council's reputation depends on informed investment decisions, value-for-money services, and financial management. Trust-building efforts are compromised by a loss of confidence in a council's capacity to manage local affairs. Consequently, community engagement has shifted from merely informing to fostering conversation, highlighting the importance of a strong brand, leadership, and strategy to enhance trust.

12
LIABILITY CLAIM

Civil liability claims against councils can harm their reputation and erode public trust if not managed effectively. Often arising from negligence in land management, planning, and service delivery, these claims can lead to financial losses and damage the council's image, especially with media attention. Implementing strong risk management strategies is essential to prevent incidents and minimise claims.

TOP **FIVE** RISKS BY STATE

NORTHERN TERRITORY

1. Financial Sustainability
2. Asset & Infrastructure
3. Cyber Security
4. Waste Management
5. Reputational Risks

QUEENSLAND

1. Financial Sustainability
2. Cyber Security
3. Asset & Infrastructure
4. People & Culture
5. Disaster/Catastrophic Events

NEW SOUTH WALES

1. Financial Sustainability
2. Cyber Security
3. Asset & Infrastructure
4. Disaster/Catastrophic Events
5. People & Culture

TASMANIA

1. Cyber Security
2. Climate Change
3. Financial Sustainability
4. People & Culture
5. Disaster/Catastrophic Events

VICTORIA

1. Financial Sustainability
2. Cyber Security
3. Asset & Infrastructure
4. Climate Change
5. Disaster/Catastrophic Events

SOUTH AUSTRALIA

1. Financial Sustainability
2. Cyber Security
3. Asset & Infrastructure
4. People & Culture
5. Climate Change

WESTERN AUSTRALIA

1. Asset & Infrastructure
2. Financial Sustainability
3. Cyber Security
4. Climate Change
5. Disaster/Catastrophic Events

RISKS BY **REGION**

CAPITAL CITY - NSW | VIC

1. People & Culture
2. Ineffective Governance
3. Financial Sustainability
4. Waste Management
5. Cyber Security
6. Assets & Infrastructure
7. Climate Change
8. Statutory & Regulatory
9. Reputation
10. Disaster/Catastrophic Events
11. Civil Liability Claims
12. Business Continuity Planning

METROPOLITAN - NSW | QLD | SA | TAS | VIC | WA

1. Financial Sustainability
2. Cyber Security
3. Climate Change
4. Assets & Infrastructure
5. Business Continuity Planning
6. Statutory & Regulatory
7. Waste Management
8. Disaster/Catastrophic Events
9. People & Culture
10. Ineffective Governance
11. Reputation
12. Civil Liability Claims

REGIONAL CITY - NSW | QLD | SA | TAS | VIC | WA

1. Financial Sustainability
2. Assets & Infrastructure
3. Cyber Security
4. Disaster/Catastrophic Events
5. People & Culture
6. Reputation
7. Climate Change
8. Business Continuity Planning
9. Ineffective Governance
10. Statutory & Regulatory
11. Waste Management
12. Civil Liability Claims

REGIONAL - SW | NT | QLD | SA | TAS | VIC | WA

1. Financial Sustainability
2. Cyber Security
3. Assets & Infrastructure
4. Disaster/Catastrophic Events
5. People & Culture
6. Business Continuity Planning
7. Climate Change
8. Waste Management
9. Statutory & Regulatory
10. Ineffective Governance
11. Reputation
12. Civil Liability Claims

RURAL/REMOTE - NSW | NT | QLD | SA | TAS | VIC | WA

1. Financial Sustainability
2. Cyber Security
3. Assets & Infrastructure
4. Disaster/Catastrophic Events
5. People & Culture
6. Business Continuity Planning
7. Climate Change
8. Statutory & Regulatory
9. Waste Management
10. Ineffective Governance
11. Reputation
12. Civil Liability Claims

TABLE OF CONTENTS

01	13		05	29		09	41

Financial Sustainability

People & Culture

Waste Management

02	17		06	31		10	45

Cyber Security

Climate Change

Ineffective Governance

03	21		07	35		11	49

Assets & Infrastructure

Business Continuity Planning

Reputation Risk

04	25		08	39		12	51

Disaster & Catastrophe

Strategy/Regulation

Liability Claims

EXECUTIVE SUMMARY

According to the 2024 JLT Public Sector Risk survey, financial sustainability remains the foremost concern for councils. This finding indicates that while financial sustainability is still a priority, councils are facing increasing challenges in maintaining this risk amid rising costs and fluctuating revenue streams. The implications of financial sustainability extend beyond budget allocations: it directly impacts councils' ability to make better informed investment decisions in essential services, infrastructure and community programs. Further, the impact of other key risks has a cascading effect on the financial viability of councils. As financial pressures mount, councils may find it increasingly difficult to allocate resources effectively, exacerbating other risks such as managing ageing infrastructure and responding to natural disasters.

Cybersecurity and investment in IT infrastructure continue to rank in second place by 59% of respondents in 2024. This reflects a recognition of the importance of safeguarding digital assets and information systems against increasingly sophisticated cyber threats. As councils rely on technology to deliver services and engage with the community, the potential for cyber incidents poses a significant risk to operational continuity and public trust. The interconnectedness of cybersecurity with other risks, such as business continuity planning and reputation risks is stark. A "successful" cyberattack will disrupt services, likely leading to business downtime, reputational damage and financial losses; further straining councils' already limited resources.

The management of ageing property, assets and infrastructure remains in third position, with a notable increase in concern, rising from 40% of respondents ranking this position in 2023 to just under 47.5% in 2024. This trend highlights the need for councils to collaborate with other tiers of government, to address the challenges associated with maintaining and upgrading legacy and critical assets. Ageing and vulnerable infrastructure attracts increased maintenance costs, community safety threats and service disruptions, all of which can have cascading effects on financial sustainability. The challenge for local government is to have in place strategic asset management and investment plans that require a careful balance between immediate repairs and long-term, enhanced investment.

Natural hazards and catastrophic events remain a significant risk, ranked fourth by 24.75% of respondents. The unpredictability of these occurrences can make it difficult for local government to have in place disaster management planning which is able to engage with the community and be responsive to the impacts. Contributing to this key risk is the ongoing focus on climate adaptation. The relationship between natural hazards and climate change impacts is interconnected, as the increasing frequency and severity of extreme weather events may intensify the risks associated with ageing infrastructure, vulnerability and financial sustainability.

The key risk for people and culture remains in fifth position, reflecting ongoing challenges in community resilience, extending to retaining council resources. This risk is closely linked to the effectiveness of governance and the ability to implement strategic initiatives. A strong organisational culture is essential for fostering innovation and resilience, particularly in times of uncertainty. The ranking of this key risk, along with the potential for ineffective governance, reflects challenges for CEOs in implementing protections to enable effective management of elected member and staff behavioural matters.

Statutory and Regulatory requirements, Reputation Risks, and Ineffective Governance remain lower on the risk spectrum. While these risks may appear less pressing, they are nonetheless critical to the overall functioning of councils. Non-compliance with regulations can lead to financial penalties and reputational damage, while ineffective governance can hinder decision-making and strategic planning.

Rank
4 - 8

MEDIUM

HIGH

LOW
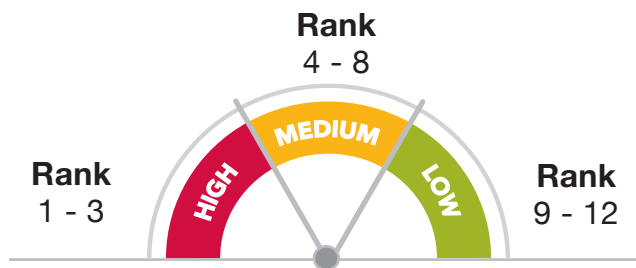
Rank
1 - 3

Rank
9 - 12

The decline in the ranking of business continuity planning, which dropped one place, illustrates the fluid nature of risk prioritisation and the impact of a particular risk on councils. While effective business continuity planning is vital for ensuring that councils can maintain essential services during crises, the immediate impact of People & Culture and the impact on service delivery has overtaken the placement of Business Continuity.

As with previous years, the 2024 JLT Public Sector Risk Survey results underscore the interconnected nature of the various risks facing Australian councils. As councils continue to navigate this complex landscape, a comprehensive and integrated approach to risk management remains essential for ensuring resilience and sustainability in the face of evolving challenges. By prioritising strategic planning, community engagement, and investment in risk mitigation, councils can better position themselves to serve their communities effectively and safeguard their futures.
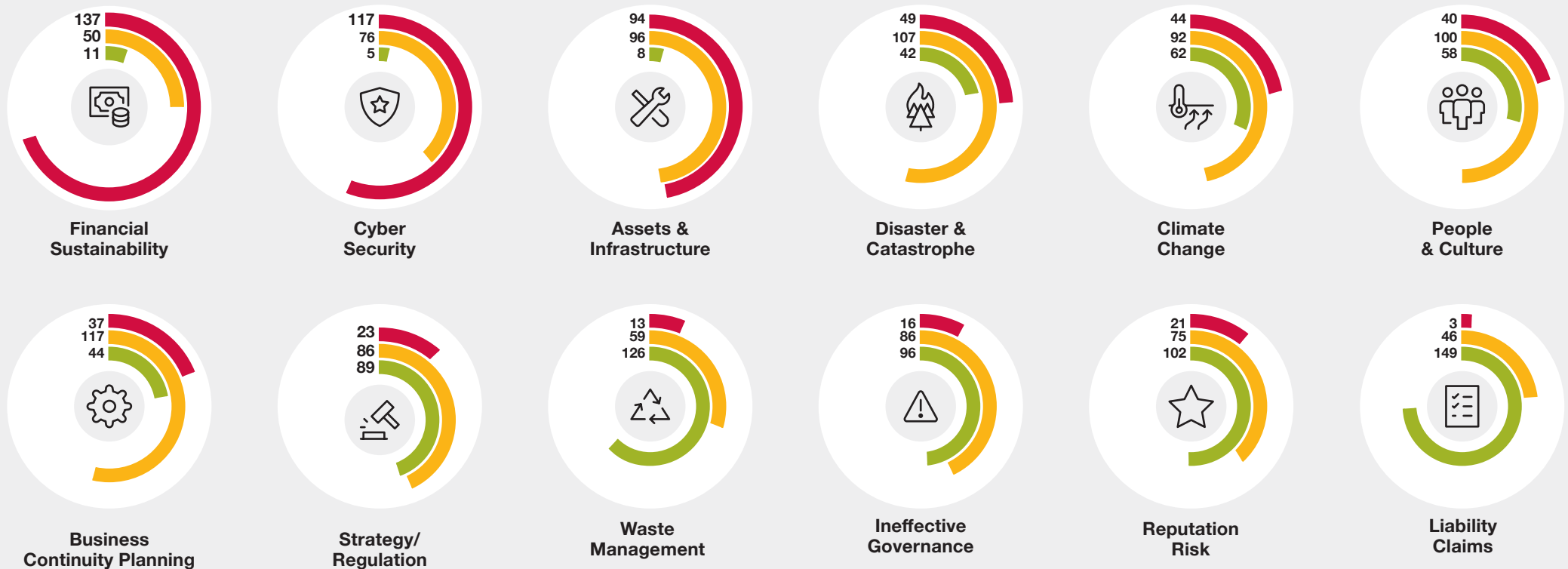
Financial Sustainability 137 50 11	**Cyber Security** 117 76 5	**Assets & Infrastructure** 94 96 8
Disaster & Catastrophe 49 107 42	**Climate Change** 44 92 62	**People & Culture** 40 100 58
Business Continuity Planning 37 117 44	**Strategy/ Regulation** 23 86 89	**Waste Management** 13 59 126
Ineffective Governance 16 86 96	**Reputation Risk** 21 75 102	**Liability Claims** 3 46 149

Figure 1: Rankings of Risk - national risk/heat map

■ High   ■ Medium   ■ Low

TOP RANKING OF RISK BY STATE/TERRITORY

Financial Sustainability - NSW, NT, QLD, SA, TAS
Managing ageing property, assets and infrastructure - WA

THE MOVEMENT OF RISK 2018-2024

This chart illustrates the changes in the top five risks from 2019 to 2024, emphasising the evolving nature of these risks. Notably, the top five risks have exhibited minimal movement over the past year. Climate Change has dropped out of the top five, while, for the first time, People & Culture has entered this ranking. This shift underscores the importance of having skilled personnel with a deep understanding of the community, as many risks require adequate resources to deliver services and support the community effectively. Additionally, having the necessary support for recovery and rebuilding efforts following an event is crucial. This year's top five risks highlight a strong interconnectivity among them, which remain a key focus for local government.

	2018	2019	2020	2021	2022	2023	2024
1	Financial Sustainability	Financial Sustainability	Financial Sustainability	Financial Sustainability	Financial Sustainability	Financial Sustainability	Financial Sustainability
2		Cyber Security	Assets & Infrastructure	Cyber Security	Cyber Security	Cyber Security	Cyber Security
3			Disaster or Catastrophic	Asset & Infrastructure	Asset & Infrastructure	Asset & Infrastructure	Asset & Infrastructure
4		Disaster or Catastrophe	Cyber Security	Disaster or Catastrophe	Business Continuity	Climate Change	Disaster or Catastrophe
5		Climate Change			Disaster or Catastrophe	Disaster or Catastrophe	People & Culture
6	Asset & Infrastructure	Asset & Infrastructure	Business Continuity	Business Continuity	Climate Change	People & Culture	
7	Disaster or Catastrophe			Climate Change			
8	Cyber Security				People & Culture		
9			Climate Change				
10		People & Culture	People & Culture				
11	People & Culture						
12				People & Culture			

RISK RANKINGS

	2018	2019	2020	2021	2022	2023	2024
1	Financial Sustainability	Financial Sustainability	Financial Sustainability	Financial Sustainability	Financial Sustainability	Financial Sustainability	Financial Sustainability
2	Theft, fraud/ crime	Cyber Security	Assets & Infrastructure	Cyber Security	Cyber Security	Cyber Security	Cyber Security
3	Reputation	Reputation	Disaster/Catastrophic	Asset & Infrastructure	Asset & Infrastructure	Asset & Infrastructure	Asset & Infrastructure
4	Statutory/Regulatory	Natural Catastrophes	Cyber Security	Disaster/Catastrophe	Business Continuity	Climate Change	Disaster/Catastrophe
5	Environmental Mgt	Climate Change	Reputation	Reputation	Disaster/Catastrophe	Disaster/Catastrophe	People & Culture
6	Asset & Infrastructure	Asset & Infrastructure	People & Culture	Business Continuity	Climate Change	People & Culture	Climate Change
7	Natural Catastrophes	Statutory/Regulatory	People & Culture	Climate Change	Statutory/Regulatory	Business Continuity	Business Continuity
8	Cyber Security	Ineffective governance	Statutory/Regulatory	Impact of Pandemic	People & Culture*	Ineffective governance	Statutory/Regulatory
9	Business Continuity	Business Continuity	Climate Change	Statutory/Regulatory	Waste Management	Statutory/Regulatory	Waste Management
10	Ineffective governance	People & Culture*	People & Culture*	Ineffective governance	Ineffective governance	Waste Management	Ineffective governance
11	People & Culture*	Environmental Mgt	Ineffective governance	Waste Management	Reputation	Reputation	Reputation
12	Errors/omissions	Errors/omissions	Theft, fraud/ crime	People & Culture*	Impact of Pandemic	Civil Liability Claims	Civil Liability Claims
13		Theft, fraud/ crime	Errors/omissions	Civil Liability Claims			
14		Terrorism	Terrorism	Terrorism			

* Previously title HR/WHS Mgt

THE RANKING OF THE 12 RISKS

Financial Sustainability has consistently been indentified as the foremost risk for councils primarily due to the substantial influence that various other risks exert on this critical area.

Cybersecurity and the Vulnerability of IT infrastructure continues to be significant concern for councils. The swift pace of technological advancement, coupled with the constantly evolving tactics employed by cybercriminals, heightens this risk.

Additionally, the effects of Climate Change and/or adaptation challenges, and the occurrence of natural disasters contribute to the deterioration of properties, assets, and infrastructure, positioning these factors as the third leading risk for local governments.

Risk	Percentage
Financial Sustainability	69.09%
Cyber Security	59.09%
Assets & Infrastructure	47.47%
Disaster & Catastrophe	24.75%
People & Culture	22.22%
Climate Change	20.20%
Business Continuity Planning	18.69%
Strategy/Regulation	11.62%
Waste Management	10.61%
Ineffective Governance	8.08%
Reputation Risk	6.57%
Liability Claims	1.52%
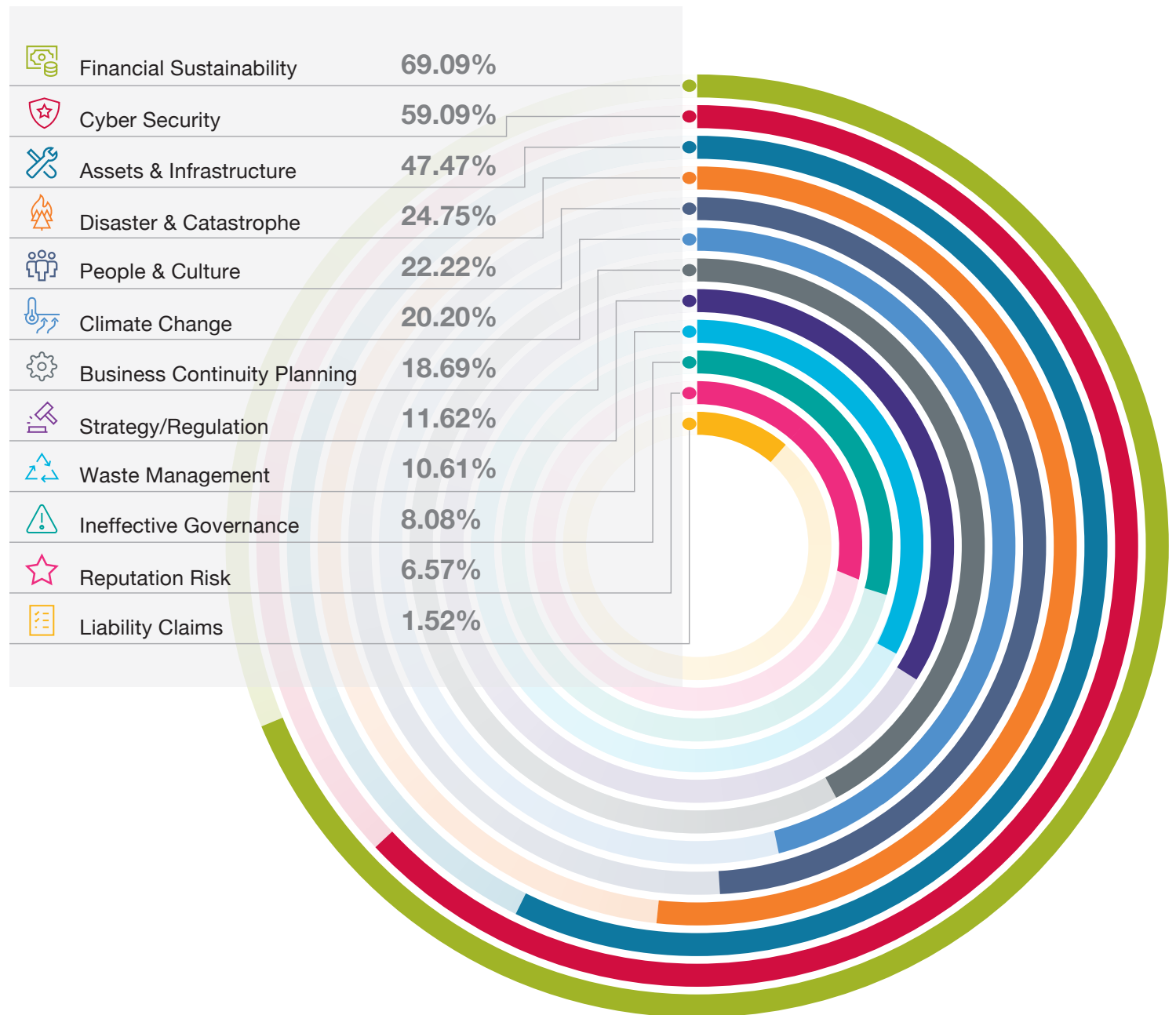
This graphic illustrates the list of risks in order of highest ranking by CEO/GMs

IMPACT OF RISKS

AVERAGE RANKING

This diagram illustrates the average rankings of the risks councils face and their alignment with four key business practices: strategic, events, business management/operations, and governance.

It highlights the critical importance of Financial Sustainability and Cyber Security; as well as the continued interconnected effects of these risks – especially with Assets & Infrastructure and Disasters & Catastrophes. Additionally, the diagram also emphasises the impact these risks have specifically on business management and operations and the governance of the organisation.

1. Financial Sustainability
2. Cyber Security
3. Assets & Infrastructure
4. Disaster & Catastrophe
5. People & Culture
6. Climate Change
7. Business Continuity Planning
8. Strategy/Regulation
9. Waste Management
10. Ineffective Governance
11. Reputation Risk
12. Liability Claims

High   Low

Strategic   Events

Management & Operations   Governance
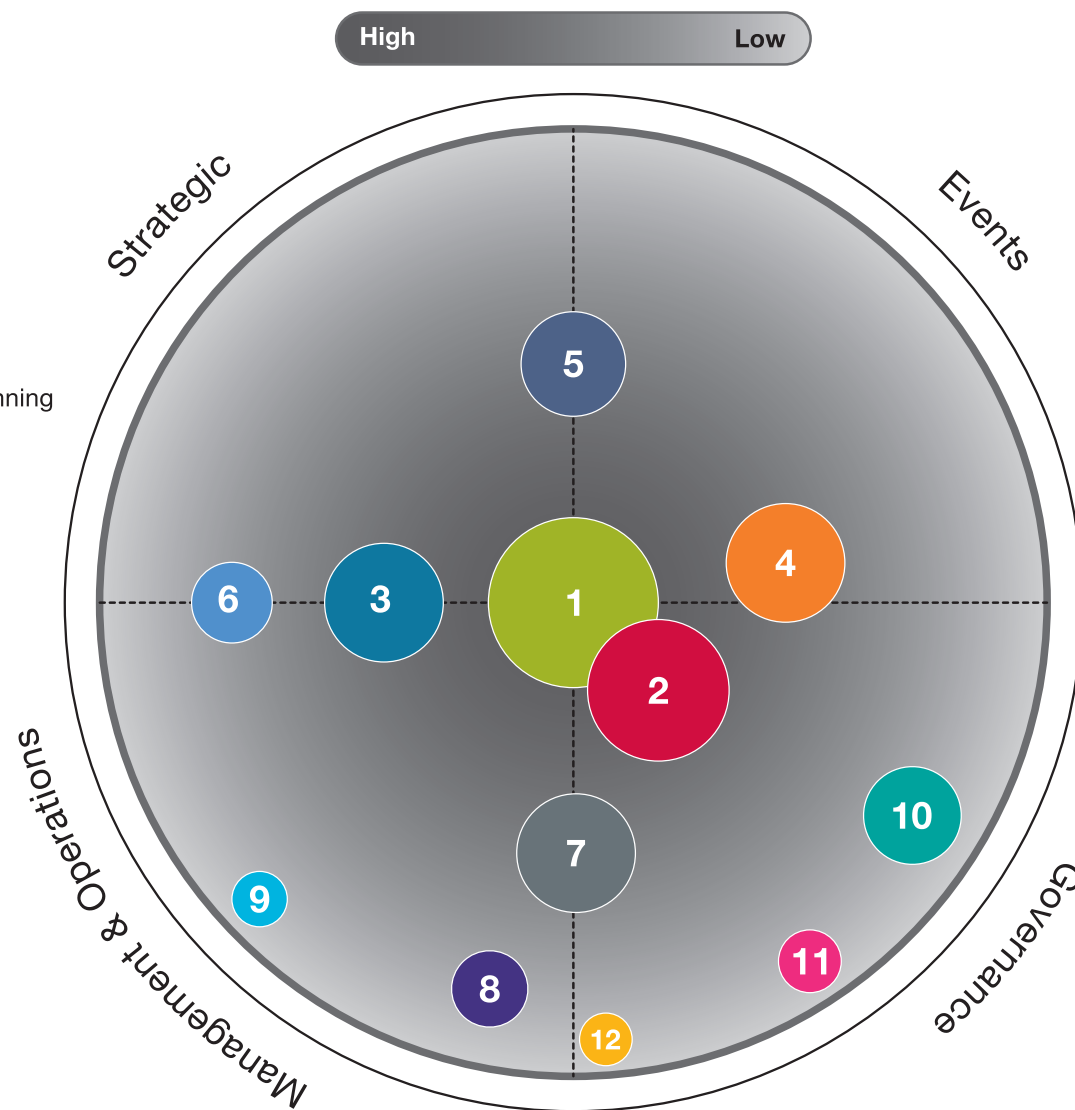
1 Affected by all risks

2 3 The infrastructure of council

5 8 10 11 Administrative Operations

4 6 7 12 Events

9 Operations

1

FINANCIAL SUSTAINABILITY
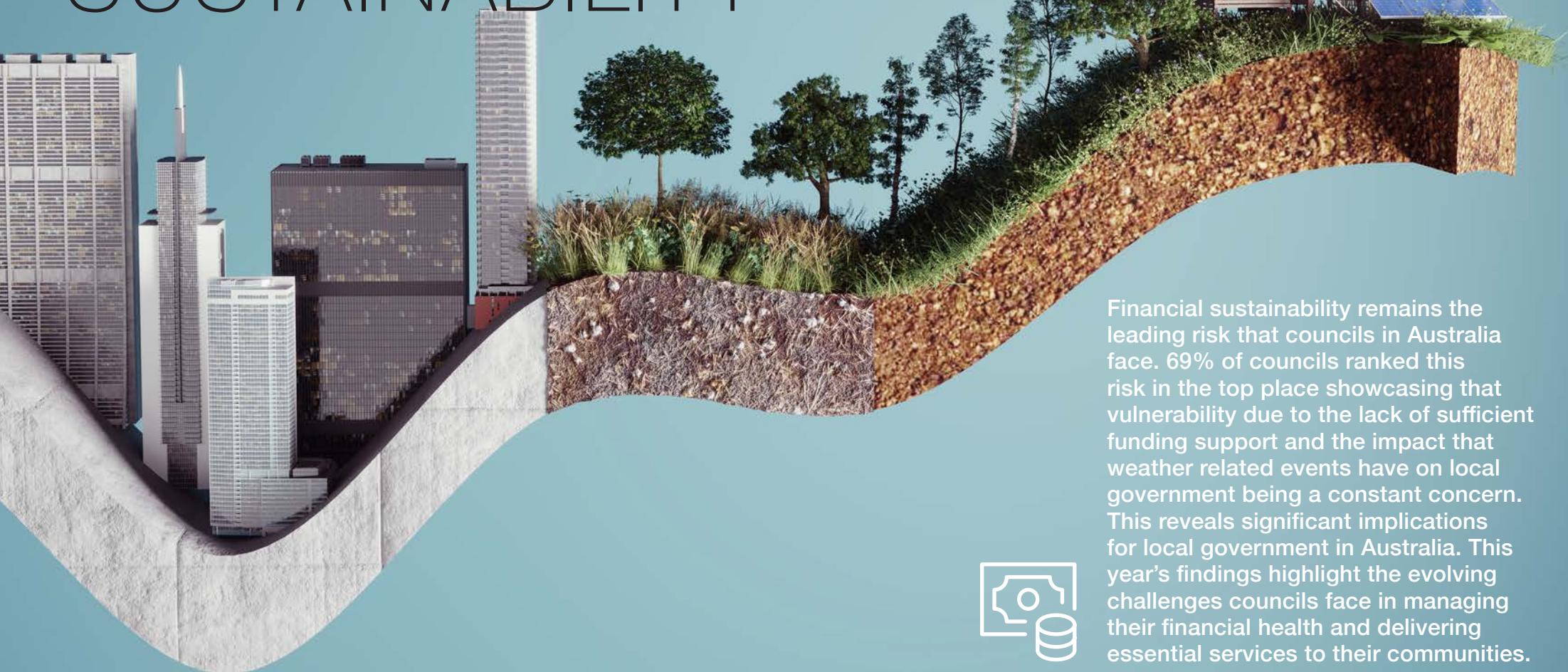
Financial sustainability remains the leading risk that councils in Australia face. 69% of councils ranked this risk in the top place showcasing that vulnerability due to the lack of sufficient funding support and the impact that weather related events have on local government being a constant concern. This reveals significant implications for local government in Australia. This year's findings highlight the evolving challenges councils face in managing their financial health and delivering essential services to their communities.

In 2023, the risk survey indicated that over 77% of respondents identified cost shifting from other tiers of government as a major concern. This issue reflects the pressures local governments face when higher levels of government transfer responsibilities without adequate funding, leading to financial strain. By 2024, this concern decreased to over 60%, suggesting that while cost shifting remains a significant issue, there may be a growing recognition of the need for collaborative solutions or improvements in funding arrangements with other tiers of government.

The second major concern in 2023 was insufficient rate revenue to deliver functions and services, third position ranked by over 53% of respondents. In 2024, this figure fell to third position ranked by 49.5%, indicating that while the concern remains prevalent, there is a slight improvement in the perception of rate revenue sufficiency. This shift may suggest that councils are finding ways to enhance their revenue streams or that there is a growing awareness of the importance of sustainable financial practices. However, the persistent concern about insufficient rate revenue underscores the ongoing challenges local governments face in balancing budgets and meeting community needs.

In 2023, over 49% of respondents expressed concern regarding inadequate government funding and grants. However, this issue did not feature prominently in the 2024 results, suggesting a shift in focus towards more pressing financial sustainability challenges, particularly the costs associated with infrastructure and asset management. In 2024, nearly 67% of respondents identified the cost of funding infrastructure and asset management and renewal from existing revenue sources as the primary concern. This risk links directly to the second ranked risk regarding cost-shifting as Councils face the challenge of maintaining critical assets installed by State Government and are managed under a lease arrangement.

Additionally, the adequacy of disaster recovery funding arrangements to reimburse councils for rebuilding damaged assets ranked fifth among the underlying factors contributing to this risk. By broadening the scope of the inquiry to encompass the associated costs of infrastructure and asset management, CEOs and General Managers highlighted the mounting pressure on local governments

to maintain and renew aging infrastructure while navigating tight financial constraints. This growing recognition underscores that councils are increasingly prioritising infrastructure sustainability as a vital element of their financial planning.

Overall, the comparison of the 2023 and 2024 risk survey results illustrates a nuanced understanding of financial sustainability challenges facing local governments in Australia. While cost shifting from other tiers of government and insufficient rate revenue remain significant concerns, there is a noticeable shift towards recognising the importance of infrastructure funding and asset management. This evolution in priorities indicates that local governments are increasingly aware of the need to develop sustainable financial strategies that address both immediate funding challenges and long-term infrastructure needs.

For local governments, these findings underscore the importance of proactive financial management and strategic planning. Councils are continuing to advocate for fair funding arrangements with higher levels of government while exploring innovative revenue-generating opportunities. Additionally, prioritising infrastructure investment and asset management will be crucial for ensuring the long-term sustainability of local services and community well-being. By addressing these financial sustainability challenges head-on, councils can better position themselves to meet the needs of their communities in an increasingly complex fiscal environment.
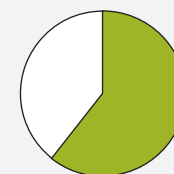
Top Three Ranking Factors
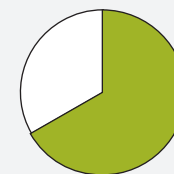
66.67%
RANKED 1
Cost of funding A&I management/renewal from existing revenue sources

60.61%
RANKED 2
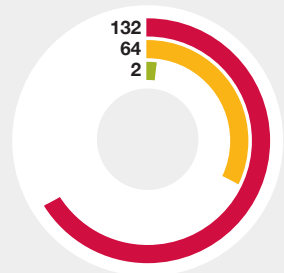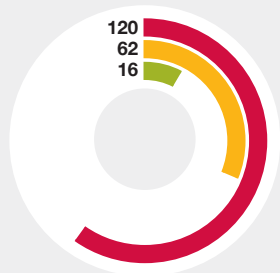Cost shifting from other tiers of government

49.49%
RANKED 3
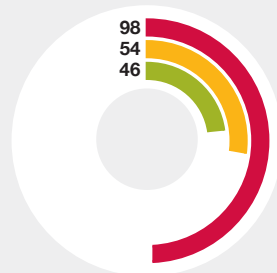Insufficient rate revenue/ growth to deliver functions, services

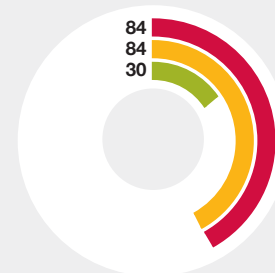**Figure 3: Financial Sustainability – top three underlying factors - nationally**

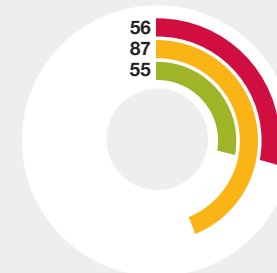**Cost of funding A&I management/renewal from existing revenue sources**
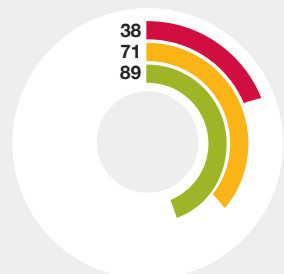132
64
2

Cost shifting from other tiers of government
120
62
16

Insufficient rate revenue/ growth to deliver functions, services
98
54
46

Inadequate Government funding/grants
84
84
30

Awaiting funding from disaster relief
56
87
55

Economic uncertainty
38
71
89
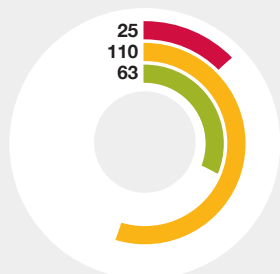
Inflationary pressure
25
110
63
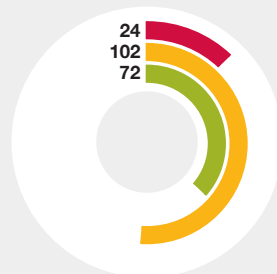
Disaster funding arrangements to reimburse for rebuilding damaged assets
24
102
72
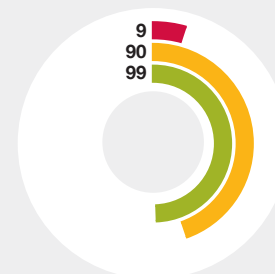
Impact of Climate Change & maintaining assets
9
90
99
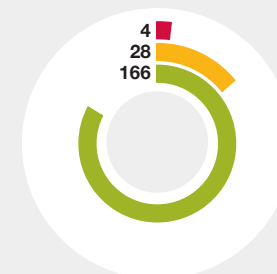
Other
4
28
166
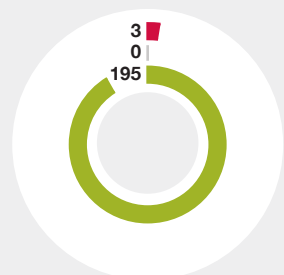
Inadequate insurance protections
3
0
195
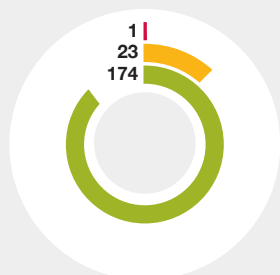
Lack of awareness & understanding of catastrophic risk exposures
1
23
174
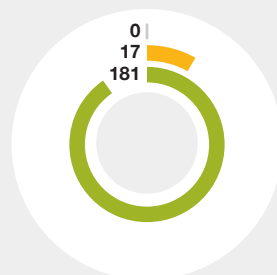
Loss of revenue due to impact of catastrophic event/s, business disruption
0
17
181

Figure 2: Financial Sustainability – national mapping for the underlying factors

Rank
4 - 7

MEDIUM
HIGH
LOW
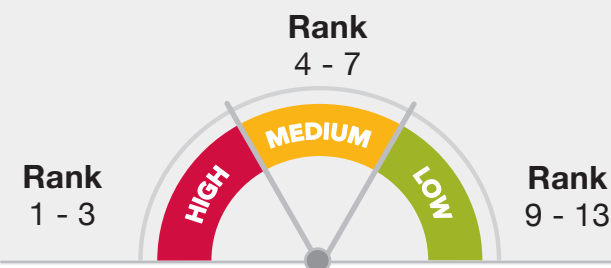
Rank
1 - 3

Rank
9 - 13

69%

Of respondents ranked Financial Sustainability as the leading risk they face.

Top ranking underlying factors for Financial Sustainability by State/Territory

NSW TAS WA	Cost shifting from other tiers of government
NT QLD SA	Cost of funding infrastructure & asset management and renewal from existing revenue sources
VIC	Insufficient rate revenue (and/or growth) to deliver functions, services

Top three underlying factors for Financial Sustainability risk by region nationally:

City

1. Cost shifting from other tiers of Government

2. Cost of funding infrastructure & asset management and renewal from existing revenue sources

3. Insufficient rate revenue (and/or growth) to deliver functions, services

Metropolitan

1. Insufficient rate revenue (and/or growth) to deliver functions, services

2. Cost shifting from other tiers of Government

3. Cost of funding infrastructure & asset management and renewal from existing revenue sources

Regional City

1. Cost of funding infrastructure & asset management and renewal from existing revenue sources

2. Cost shifting from other tiers of Government

3. Insufficient rate revenue (and/or growth) to deliver functions, services

Regional

1. Cost of funding infrastructure & asset management and renewal from existing revenue sources

2. Cost shifting from other tiers of Government

3. Insufficient rate revenue (and/or growth) to deliver functions, services

Remote/Rural

1. Cost of funding infrastructure & asset management and renewal from existing revenue sources

2. Cost shifting from other tiers of Government

3. Inadequate Government funding/grants

2
CYBER SECURITY

The JLT Public Sector Risk Survey data highlights the significant concerns that Australian councils have regarding cybersecurity, data breaches, and the vulnerabilities of their IT infrastructure. For the fourth consecutive year, 59% of respondents identified cybersecurity as the second leading risk faced by councils.

The 2024 findings reveal that nearly 70% of respondents expressed that their leading concern was the ability of their IT infrastructure and providers to proactively manage cybersecurity. This indicates a strong recognition of the need for robust cybersecurity measures. Councils are increasingly aware of the growing threats posed by cybercriminals and the importance of implementing proactive strategies to prevent potential breaches. The emphasis on proactive management underscores the necessity for councils to structurally invest, where possible, in a Chief Information Security Officer (CISO) or similar role to ensure accountability for the implementation and on-going management of advanced security technologies, regular system patching, and lead comprehensive training programs for staff to mitigate risks.

Another key finding is that 68% of respondents expressed their second leading concern being their ability to respond to a cyber-attack, highlighting the critical need for effective incident response plans. While councils acknowledge the importance of proactive measures, they recognise the reality that cyber-attacks can and do occur. The ability to respond swiftly and effectively to such incidents is crucial for minimising damage and ensuring the continuity of essential services. This finding highlights the need for councils to prioritise the development and testing their incident response plans, that should be in consultation with their outsourced incident response management company, part of the JLT Public Sector cyber risk transfer offering. In addition, ensuring that all staff are trained and aware of their specific roles in the event of a cyber-attack.

The underlying factor regarding cybersecurity failure, was ranked third by 58%, highlighting the potential consequences of inadequate cybersecurity. A failure in cybersecurity can lead to significant data breaches, loss of sensitive information, and disruption of services, which can have serious implications for the reputational risk and operational effectiveness. This finding emphasises that councils not only need to focus on prevention but broaden their understanding of the potential impacts of a cybersecurity failure and implement strategies that can help them recover quickly.

Overall, the survey data indicates that councils in Australia are increasingly aware of the potential vulnerabilities in their IT infrastructure and the critical importance of cybersecurity. To address these concerns, councils need the means to invest in both proactive measures to prevent cyber threats and effective response strategies to mitigate the impact of any potential breaches. With this support, they can enhance their resilience against cyber risks and ensure the security of their data and services.

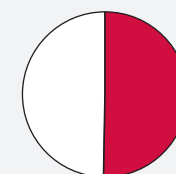**Top four underlying factors council identified with this Risk**
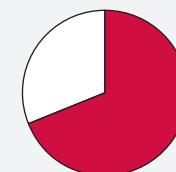
69.07%
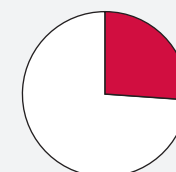Ability of IT infrastructure/ provider to proactively manage cyber security
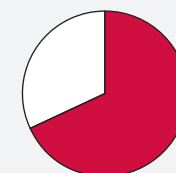
68.18%
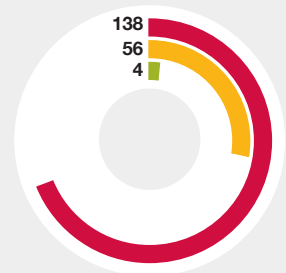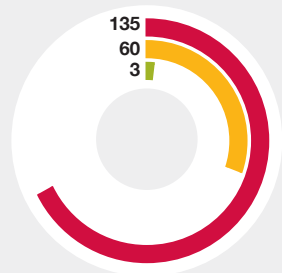Ability to respond to a cyber attack

50.08%
Cyber security failure

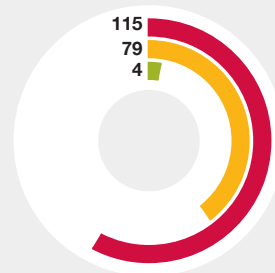**26.26%**
Reliability & integrity of critical IT infrastructure

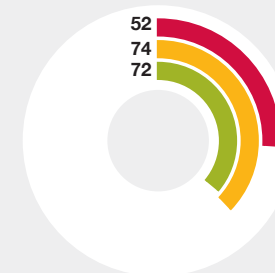**Figure 4: Cyber Security - Top four underlying factors – national rankings**

138
56
4

Ability of IT infrastructure/
provider to proactively
manage cyber security

135
60
3

Ability to
respond to a
cyber attack

115
79
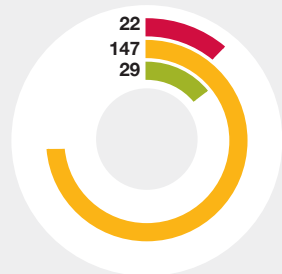**4**

Cyber security
failure

52
74
72

Reliability and
integrity of critical
IT infrastructure

35
118
45
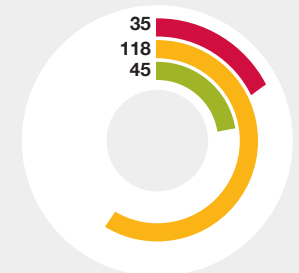
Key supplier
failure/Third
party contracts

23
50
125
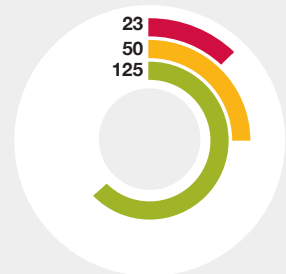
Whole of business
protection not in place in
the case of cyber event

22
147
29

Internal/external
theft of information

19
154
25
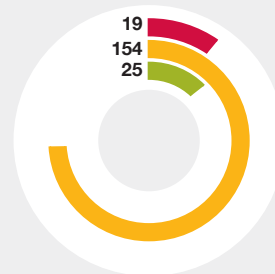
Internal data
fraud/security breach
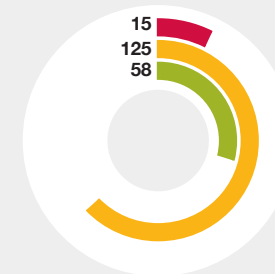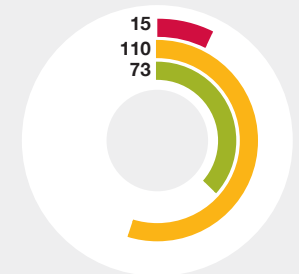
15
125
58

Employee
threat

15
110
73

No or poor policy/processes
to mitigate human error,
internal deception

14
147
37
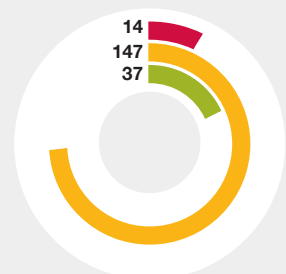
Disaster recovery plans not
incorporating cyber

9
68
121
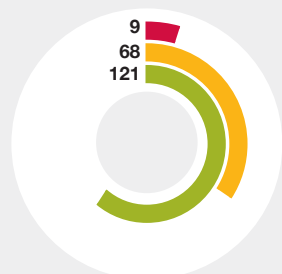
No or poor policy/processes to
respond to ransom or extortion threats

2
0
196

Other

Rank
4 - 8

Rank
1 - 3

Rank
9 - 12

HIGH MEDIUM LOW
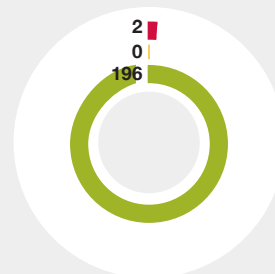
Figure 5: Cyber Security – national mapping for the underlying factors
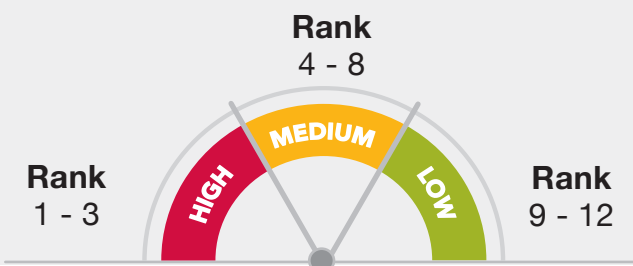
59%

Of respondents identified cybersecurity as the second leading risk faced by councils.

Top ranking underlying factors for Cyber Security by State/Territory	
NSW	Ability to respond to a cyber attack
NT SA VIC WA	Ability of IT infrastructure/ provider to proactively manage cyber security
QLD TAS	Cyber security failure

Top three underlying factors for Financial Sustainability risk by region nationally:

City
1. Ability to respond to a cyber attack
2. Ability of IT Infrastructure/provider to proactively manage cyber security
3. No or poor policy/processes to mitigate human error, internal deception

Metropolitan
1. Ability of IT Infrastructure/provider to proactively manage cyber security
2. Ability to respond to a cyber attack
3. Cyber security Failure

Regional City
1. Ability of IT Infrastructure/provider to proactively manage cyber security
2. Ability to respond to a cyber attack
3. Cyber security Failure

Regional
1. Ability of IT Infrastructure/provider to proactively manage cyber security
2. Ability to respond to a cyber attack
3. Cyber security Failure

Remote/Rural
1. Ability to respond to a cyber attack
2. Ability of IT Infrastructure/provider to proactively manage cyber security
3. Cyber security Failure

3

ASSETS & INFRASTRUCTURE

The effective management of their assets and infrastructure will be crucial for ensuring the sustainability and resilience of public services.

The management of assets and infrastructure remains a significant concern for councils, ranking as the third leading risk they face. This can be attributed to a combination of factors, including financial constraints, the challenges of attracting and retaining qualified personnel, severe weather events and the ongoing impact of inflation on maintenance and upgrade costs. As councils navigate these complexities, the effective management of their assets and infrastructure will be crucial for ensuring the sustainability and resilience of public services.

The survey findings for 2024 revealed significant insights regarding the management of property, infrastructure, and assets, particularly when compared to the results from 2023. The data indicates a shift in priorities and challenges that councils face, which will be critical for strategic planning and resource allocation in the coming year.

Of note, nearly 67% of 2023 respondents indicated that the capacity to finance asset and infrastructure management was the leading factor and though remaining as the leading factor, 62% of respondents ranked this position in 2024. This decline suggests that councils may be experiencing tighter financial constraints, which could hinder their ability to effectively manage and maintain essential infrastructure. The reduction in financial capacity could be attributed to various factors, including increased operational costs, community pressure to contain upward rate pressure, reduced funding from state and federal governments, and shifting budget priorities. As councils grapple with these financial limitations, they are exploring innovative funding mechanisms, such as public-private partnerships and alternative revenue streams.

The ability to attract and retain suitably qualified and experienced human resources has emerged as a pressing concern, with 33% of councils reporting this as the third leading factor for this risk this year. This ranking highlights

a significant challenge for councils, as the effective management of assets and infrastructure heavily relies on skilled, qualified and experienced personnel. The decline in workforce capacity and capability could lead to inefficiencies in project execution and maintenance, ultimatelyimpacting the quality and longevity of public assets. Councils may need to invest in workforce development initiatives, including training programs and competitive compensation packages, to attract and retain the talent necessary for effective asset management.

Inflation continues to exert pressure on councils, with close to 25% of respondents indicating that it impacts the costs associated with maintaining, upgrading, or replacing assets and infrastructure.

This figure represents a slight increase with nearly 23% of respondents ranking this third in 2023, (noting that the factor of attracting and retaining qualified and experienced human resources was introduced in the 2024 survey) suggesting that inflationary pressures are becoming more pronounced. As costs rise, councils may find it increasingly challenging to balance their budgets while ensuring that infrastructure remains safe and functional. This situation may necessitate continual evaluation of asset management strategies, prioritising essential upgrades and maintenance while deferring less critical projects.

The cost of upgrading or betterment when repairing assets has decreased to 30.3% of respondents ranking this second in 2024 from 38% in 2023, remaining in the same position. This notable decline may indicate a shift in councils' approaches to asset management, potentially reflecting a more conservative strategy focused on essential repairs rather than enhancements. It may also be indicative of relatively fewer disaster events occurring during the 2023/24 than previous periods. While this may help councils manage immediate financial pressures, councils are likely to remain concerned about the long-term sustainability and resilience of infrastructure. Without support from other tiers of government, Councils have to carefully consider the implications of prioritising repairs over upgrades, which could lead to a gradual deterioration of asset quality and increased future costs. This risk is particularly heightened in the context of increasing climate variability, which will only place further pressure on existing infrastructure systems and Council resourcing and capacity.

The top three underlying concerns CEO/GM's ranked as the leading factor for this risk.

157

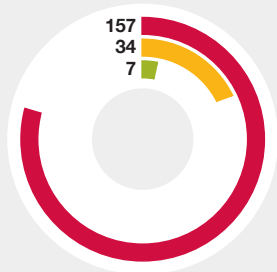respondents ranked Capacity to finance asset & infrastructure management.

99

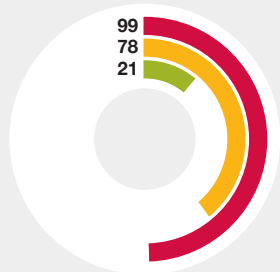respondents ranked Cost of upgrading/ betterment when repairing assets.

86

ranked Ability to adequately and appropriately insure assets/infrastructure.

The ongoing impact of inflation underscores the need for strategic planning and innovative solutions. Councils are navigating these challenges whilst working to maintain the integrity and functionality of public assets. As they move forward, support from other tiers of governments to assist with workforce development, financial support for infrastructure delivery and management and a balanced approach to repairs and upgrades will be essential for fostering resilient and sustainable infrastructure in the years to come.
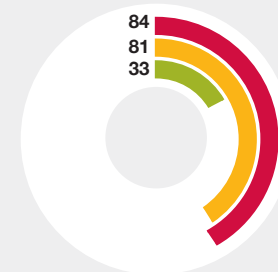
Capacity to finance
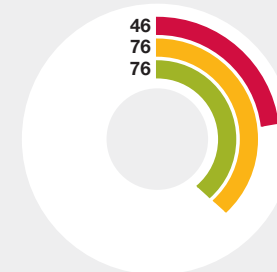asset & infrastructure
management

157
34
7

Cost of upgrading/
betterment when
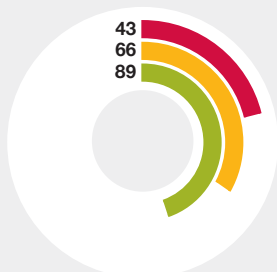repairing assets.

99
78
21
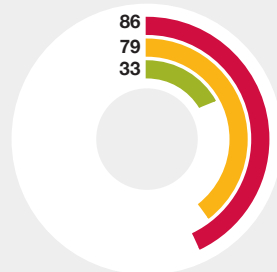
Ability to attract & retain
suitably qualified &
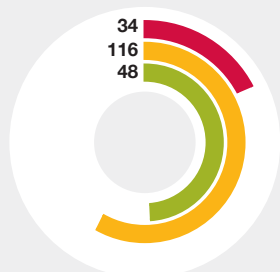experienced human resources

86
79
33

Inflation impact on costs to
maintain/upgrade/replace
assets & infrastructure

84
81
33

Significant increase in
funding required due to
limited supply chain &/
or inflation

46
76
76

Ability to adequately
& appropriately insure
assets/infrastructure

43
66
89

Impact of supply of
resources & materials

34
116
48
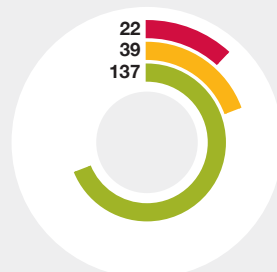
Natural disaster/
catastrophe damage
to critical infrastructure

22
39
137
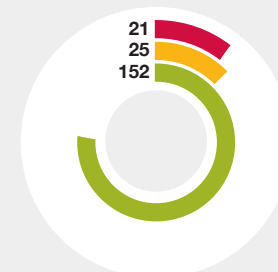
Responsibility to maintain
State Government
owned assets

21
25
152

Other

2
0
196
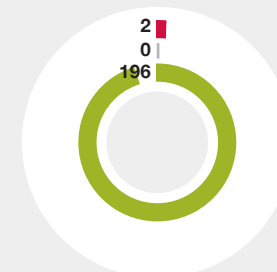
Figure 6: Assets & Infrastructure – national mapping for the underlying factors

Rank
4 - 8

Rank
1 - 3

MEDIUM

HIGH

LOW

Rank
9 - 12

The ability to attract and retain suitably qualified and experienced human resources has emerged as a pressing concern.

Top three underlying factors for the Management and/or damage to Property, Assets & Infrastructure risk by region nationally:

City

1. Capacity to finance asset & infrastructure management
2. Ability to adequately and appropriately insure assets/infrastructure
3. Ability to attact and retrain suitably qualified and experience human resources

Metropolitan

1. Capacity to finance asset & infrastructure management
2. Inflation impact on costs to maintain/upgrade/replace assets & infrastructure
3. Cost of upgrading/betterment when repairing assets

Regional City

1. Capacity to finance asset & infrastructure management
2. Cost of upgrading/betterment when repairing assets
3. Ability to attact and retrain suitably qualified and experience human resources

Regional

1. Capacity to finance asset & infrastructure management
2. Cost of upgrading/betterment when repairing assets
3. Ability to attact and retrain suitably qualified and experience human resources

Remote/Rural

1. Capacity to finance asset & infrastructure management
2. Ability to attact and retrain suitably qualified and experience human resources
3. Cost of upgrading/betterment when repairing assets

4

DISASTER &
CATASTROPHE

Insights from the JLT Public Sector Risk Survey concerning disasters and catastrophic events, both natural and man-made, highlight considerable implications for local government in Australia, placing the risk disaster and catastrophe as the fifth highest concern overall.

In 2023, a striking 86.67% of respondents identified bushfires, floods, cyclones, storms, droughts, earthquakes, and terrorism as the leading underlying hazard for this risk. These events can seriously threaten public health and safety, infrastructure, and community well-being, leading many local governments to focus on preparing for and responding to a potential disaster. In 2024, this concern remained the leading factor although by slightly less than in 2023, by 82.32% of respondents, suggesting that councils may be making some progress in their preparation efforts. This progress could be attributed to enhancements in emergency management planning frameworks to guide prevention, response, and recovery and organisational capacity and capability. However, the high percentage is also indicative that the underlying risk remains a significant concern for councils.

The second-ranking concern in 2024, identified by 50% of respondents, relates to the unpredictability, uncertainty, and severity of extreme events which moved up from fourth position in 2023. The inherent unpredictability of these events necessitates flexible planning and response strategies that can adapt to changing circumstances.

This outcome could relates to the emergence of climate change as a significant driver of the unpredictability of disasters and catastrophic events which was identified as the third leading factor in 2024 by 47% of respondents.

The increasing recognition of climate change's long-term implications such as unpredictability, suggests that councils are not only addressing immediate threats but are also taking proactive measures to mitigate underlying factors contributing to disaster risk. This includes developing comprehensive climate action plans that encompass both mitigation strategies aimed at reducing greenhouse gas emissions and adaptation strategies designed to prepare for the impacts of climate change on the frequency and severity of disasters.

A positive in the results of the 2024 survey was that community awareness of councils' emergency response plans, dropped significantly to sixth place in 2024 when compared to the 2023 survey. This may indicate that councils are improving community awareness about disaster hazards, risk and preparation planning through effective engagement and engagement. Effective disaster preparedness relies heavily on informed and engaged communities, and local governments are recognising the importance of fostering this awareness to build resilience.

Overall, the comparison of survey data from 2023 to 2024 is indicative of incremental changes in the disaster risk profile and priorities of councils. While immediate threats from natural hazards remain a top concern, there is a clear shift towards recognising the complexities introduced by climate change. Councils are increasingly adopting flexible and adaptive planning approaches, prioritising disaster preparedness, and taking proactive measures to address long-term impacts.

This ongoing commitment to improving disaster management strategies reflects a growing understanding of the interconnectedness of immediate threats and long-term environmental challenges. It's a little spare ain't it... here are some figures - I've chosen top three but you might just go with two.

67.68%

Bushfire, flood, cyclones, storm, drought, earthquake, terrorism as the leading underlying factor.

50%

ranked the unpredictability, uncertainty and severity of extreme events as the second leading underlying factor.
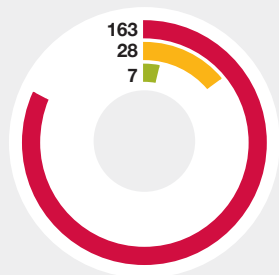
Bushfire, flood, cyclones, storm, drought, earthquake, terrorism
163
28
7

The unpredictability, uncertainty & severity of extreme events
99
32
67

Climate Change (unpredictability of events)
93
67
38
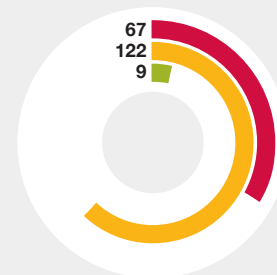
Immediate response to damaged council assets & infrastructure
67
122
9
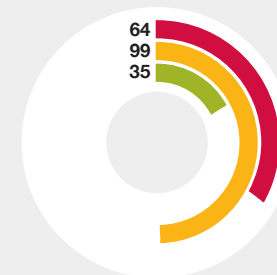
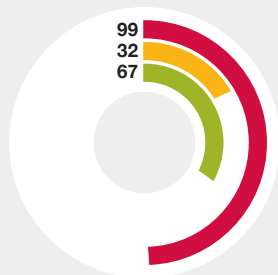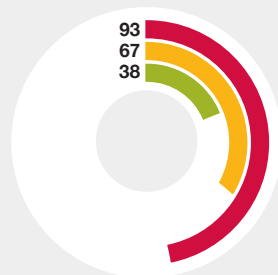**Inadequate funding for mitigation of assets in a catastrophe/disaster**
64
99
35

Community awareness of council's emergency response plans
34
136
28

Role as community leader to manage disruption & recovery processes
25
48
125
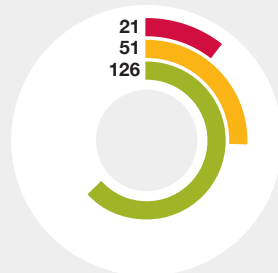
Preparation & partnering with state & federal government agencies
21
51
126
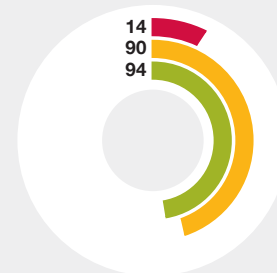
Inadequate preparation & understanding of mitigation risks & vulnerabilities
14
90
94
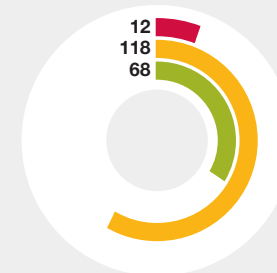
Inadequate/poorly implemented emergency management response plans
12
118
68

Other
2
1
195

Rank 1 - 3
Rank 4 - 8
Rank 9 - 12
HIGH
MEDIUM
LOW
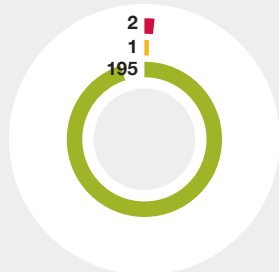
Figure 7: Natural Hazard, Disaster/Catastrophic Events– national mapping for the underlying factors
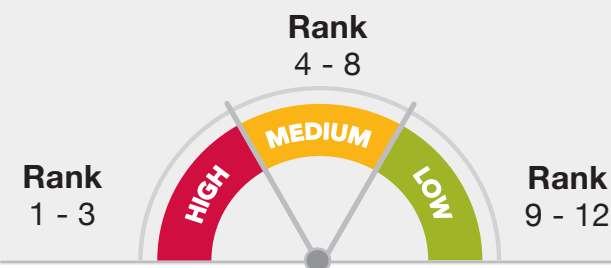
46.97%

of respondents ranked Climate Change (unpredictability of events) as the third underlying factor.

82.32%

of respondents ranked bushfire, flood, cyclones, storm, drought, earthquake, terrorism as the number one concern for this risk.

Top ranking underlying factors for or disaster/catastrophic event natural or man-made risk by State/Territory

NSW NT QLD TAS VIC WA	Bushfire, flood, cyclones, storm, drought, earthquake, terrorism

Top three underlying factors for Financial Sustainability risk by region nationally:

City
1. Bushfire, Flood, Cyclones, Storm, Dought, Earthquake, Terrorism
2. Climate change (unpredictability of events)
3. Immediate response to damaged council assets & infrastructure

Metropolitan
1. Climate change (unpredictability of events)
2. Bushfire, Flood, Cyclones, Storm, Dought, Earthquake, Terrorism
3. The unpredictability, uncertainty and severity of extreme events

Regional City
1. Bushfire, Flood, Cyclones, Storm, Dought, Earthquake, Terrorism
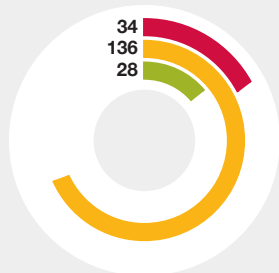2. The unpredictability, uncertainty and severity of extreme events
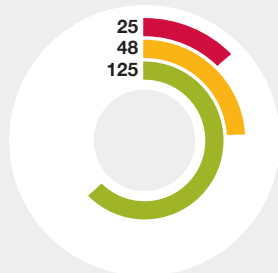3. Climate change (unpredictability of events)

Regional
1. Bushfire, Flood, Cyclones, Storm, Dought, Earthquake, Terrorism
2. Climate change (unpredictability of events)
3. Inadequate funding available for mitigation of assets in a castrophe/disaster

Remote/Rural
1. Bushfire, Flood, Cyclones, Storm, Dought, Earthquake, Terrorism
2. The unpredictability, uncertainty and severity of extreme events
3. Climate change (unpredictability of events)

5

PEOPLE & CULTURE

People & Culture is at the heart of councils. It is the fabric of the organisation that interacts and connects with the community. The 2024 survey results reveal important insights into the challenges faced by local governments across Australia when it comes to its employees, particularly when compared to the findings from 2023.

In 2024, the limited capacity to attract and retain professional staff remains the leading concern, with over 65% of respondents indicating this issue. While this figure represents a slight decrease from 68% in 2023, it still underscores a persistent challenge for councils. The marginal improvement suggests that some councils may be implementing more effective recruitment and retention strategies, yet the issue remains critical, indicating that the competition for skilled professionals continues to be fierce in the public sector.

The results also show a decrease in the percentage of councils reporting inadequate employee numbers, from 56% in 2023 to 51% in 2024, remaining as the second ranking. This decline may reflect a growing awareness of workforce needs and a potential improvement in staffing levels, possibly due to better workforce planning or recruitment efforts. However, the fact that over half of the councils still report inadequate employee numbers highlights ongoing challenges in meeting staffing requirements, which can impact service delivery and operational efficiency.

Concerns regarding rapidly rising employment market costs remained in third position, but it did see a decrease from over 42% in 2023 to just over 40% in 2024. This reduction may indicate that councils are adapting to economic pressures, perhaps by adjusting budgets or refining their hiring practices. Nevertheless, the issue remains significant, suggesting that councils must continue to focus on cost management while ensuring they remain competitive in attracting talent.

The most notable change is within the area of compliance with employee health, safety, and wellbeing regulations, where concerns have dropped from 44% in 2023 to nearly 38% in 2024, but remained in fourth position. This decline may reflect improved practices and a greater emphasis on employee wellbeing within councils. It suggests that councils are becoming more proactive in ensuring compliance and prioritising the health and safety of their workforce, which is crucial for fostering a positive work environment People & Culture is at the heart of councils. It is the fabric of the organisation that interacts and connects with the community.

Overall, the 2024 survey results indicate a mixed landscape for human resources in Australian councils. While there are signs of

improvement in some areas, such as compliance with health and safety regulations and a slight reduction in inadequate employee numbers, significant challenges remain, particularly in attracting and retaining professional staff. The ongoing issues highlight the need for councils to invest in strategic initiatives that enhance their appeal as employers, improve workforce planning, and address the rising costs associated with employment. As councils navigate these challenges, a focus on employee engagement, development, and wellbeing will remain essential in building a resilient and effective workforce capable of meeting the demands of the communities they serve.

Figure 8: People & Culture – The number of CEO/GM's who ranked each factor as number one - nationall

The leading factor 'the limited capacity to attract and retain professional staff' significantly outweighs the remaining factors with a 29 points difference between it and the second leading factor, 'inadequate employee numbers.' This second factor also shows a 21 point compared to the third highest factor.

50.51%

Of respondents ranked the underlyng factor 'Limited capacity to attract and retain professional staff' as the leading issue for the risk People and Culture.

37.88%

Found the underlying factor of 'inadequate employee numbers' as the second ranking issue for this risk.

Top ranking underlying factors for People & Culture by State/Territory	
NSW NT QLD SA TAS WA	Limited capacity to attract and retain professional staff

Top three underlying factors for People & Culture risk by region nationally:

City
1. Compliance with employee health, safety and wellbeing regulation
2. Workplace safety
3. Managing staff productivity and performance

Metropolitan
1. Workplace safety
2. Compliance with employee health, safety and wellbeing regulation
3. Limited capacity to attract and retain professional staff

Regional City
1. Limited capacity to attract and retain professional staff
2. Inadequate employee numbers
3. Workplace safety

Regional
1. Limited capacity to attract and retain professional staff
2. Inadequate employee numbers
3. Rapidly rising employment market costs

Remote/Rural
1. Limited capacity to attract and retain professional staff
2. Inadequate employee numbers
3. Rapidly rising employment market costs

6

CLIMATE CHANGE

In the latest JLT Public Sector Risk Survey, CEOs and GMs ranked Climate Change as the sixth risk, a decline of two positions from the previous survey in 2023. Though moving down two places, this highlights the ongoing challenges that councils in Australia face in proactively addressing climate change, and their capacity to effectively mitigate and adapt.

The most pressing concern, ranked by 52% of respondents, is the insufficiency of available revenue that is required to adequately fund necessary climate adaptation measures, moving from second position in 2023. This finding indicates that many councils will struggle to implement the strategies necessary to cope with both the predicted and unknown impacts of climate change. Without the appropriate investment in funding by state and federal governments, councils may find it challenging to invest infrastructure improvements, community resilience initiatives, and other essential adaptation measures.

The second major issue, ranked by 36% of respondents, pertains to the assessment of predicted climate change impacts on council operations and functions, moving from the leading position in 2023. While councils recognise the importance of understanding how climate change will affect their operations, these results identify that there appears to be a lack of integrated and comprehensive assessments and tools to evaluate these impacts effectively. This gap can hinder proactive planning and decision-making, making it difficult for councils to prepare, plan and respond to the projected impacts of climate change on their services and communities.
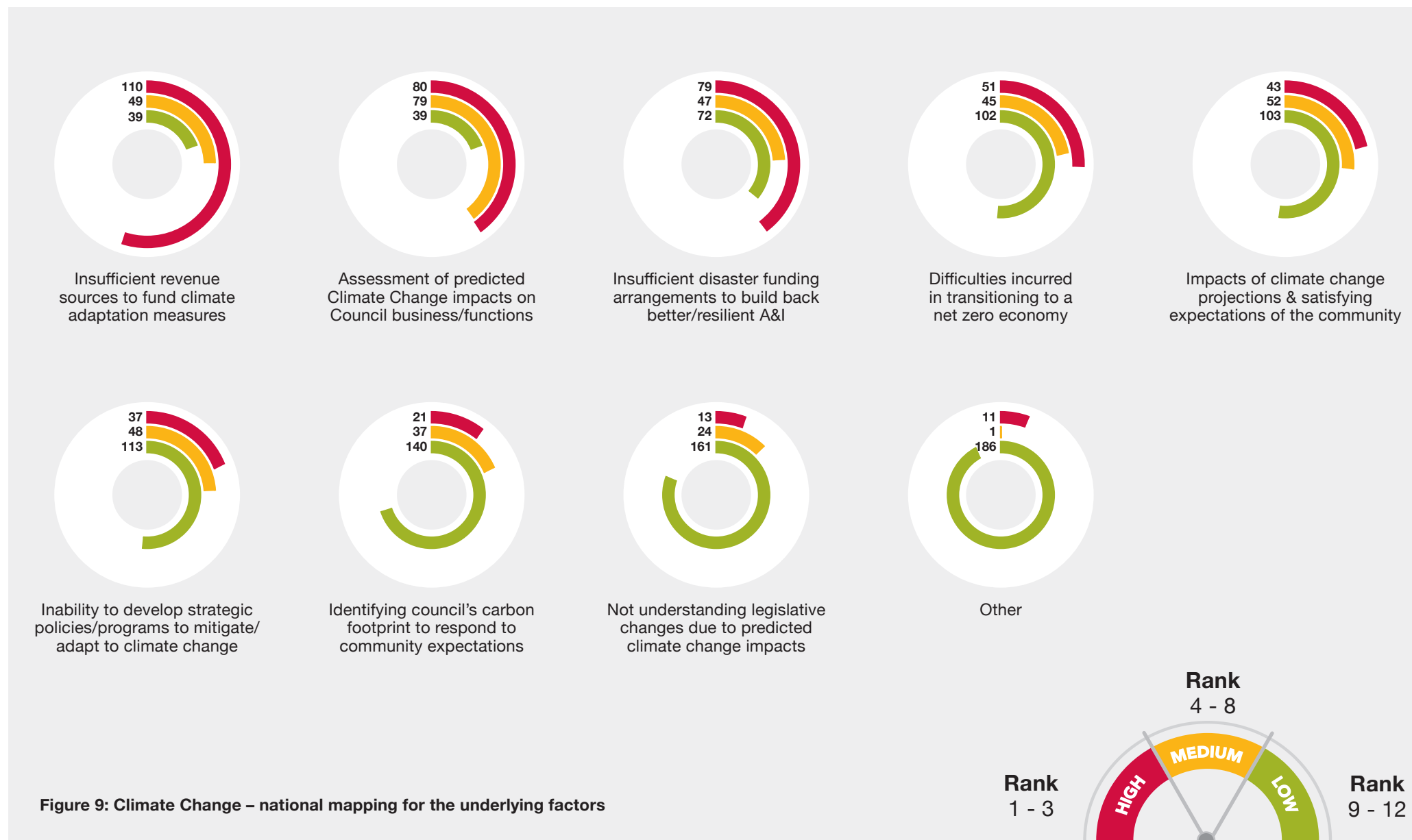
Concern regarding the adequacy of disaster recovery funding arrangements was also identified as a major concern by 36% of respondents ranking this factor equal second. Councils are expressing the need for better funding mechanisms to rebuild infrastructure and assets that are not only restored but are capable of withstanding future climate scenarios. This indicates a desire for a shift towards more resilient infrastructure that can endure the increasing frequency and severity of climate-related events, such as floods, storms, bushfires and heatwaves.

Remaining in fourth position, 22% of respondents ranked the difficulties in transitioning to a net-zero economy as a concern. This reflects the challenges councils face in mitigating their emissions and aligning their operations and policies with broader climate goals. Transitioning to a net-zero economy requires significant changes in energy use, transportation, waste management, and other areas, which can be complex and resource-intensive. This transition is also likely to result in broader impacts for many councils and their communities due to the scale and magnitude of the technological, social and economic changes involved.

Overall, the survey data underscores the urgent need for councils in Australia to receive support from other tiers of government to address the financial constraints they face in tackling climate change. Enhanced information and resources should assist to improve their understanding of climate impacts on their local government area and their communities. This support may also help to ensure the adequacy of disaster recovery funding and navigate the complexities of transitioning to a sustainable future.

However, councils may need to consider both mitigation and adaptation strategies. Mitigation efforts, such as reducing greenhouse gas emissions, should assist to limit the severity of climate change impacts. At the same time, adaptation measures can be prioritised to enhance community resilience against the inevitable changes that are already underway. By fully understanding these challenges and the need for a dual approach, councils can better strategise their responses to climate change and work towards building more resilient organisations and communities.

It is important to note that there is a significant ranking difference between two factors identified in the survey: 'insufficient revenue sources to adequately fund required climate adaptation measures to cope with predicted impacts' and 'the assessment of predicted climate change impacts on council business functions,' which differ by 15.15 percent in the high rankings. However, when combining the high and medium scores for both factors, they are equally ranked, indicating that respondents consider each factor to be of strong importance.

110 / 49 / 39
Insufficient revenue sources to fund climate adaptation measures

80 / 79 / 39
Assessment of predicted Climate Change impacts on Council business/functions

79 / 47 / 72
Insufficient disaster funding arrangements to build back better/resilient A&I

51 / 45 / 102
Difficulties incurred in transitioning to a net zero economy

43 / 52 / 103
Impacts of climate change projections & satisfying expectations of the community

37 / 48 / 113
Inability to develop strategic policies/programs to mitigate/ adapt to climate change

21 / 37 / 140
Identifying council's carbon footprint to respond to community expectations

13 / 24 / 161
Not understanding legislative changes due to predicted climate change impacts

11 / 1 / 186
Other

Rank 4 - 8

MEDIUM

HIGH   LOW

Rank 1 - 3

Rank 9 - 12

Figure 9: Climate Change – national mapping for the underlying factors

Top three underlying factors for Climate Change and/or adaption risk by region nationally:

Capital City

1. Assessment of predicted Climate Change impacts on Council business/functions

2. Insufficient revenue sources to adequately fund required climate adaptation measures to cope with predicted impacts

3. Identifying council's carbon footprint to respond to community expectations

Metropolitan

1. Insufficient revenue sources to adequately fund required climate adaptation measures to cope with predicted impacts

2. Assessment of predicted Climate Change impacts on Council business/functions

3. Difficulties incurred in transitioning to a net zero economy

Regional City

1. Insufficient disaster recovery funding arrangements to adequately build back better and more resilient infrastructure and assets that are capable of withstanding future

2. Assessment of predicted Climate Change impacts on Council business/functions

3. Insufficient revenue sources to adequately fund required climate adaptation measures to cope with predicted impacts

Regional

1. Insufficient revenue sources to adequately fund required climate adaptation measures to cope with predicted impacts

2. Assessment of predicted Climate Change impacts on Council business/functions

3. Insufficient disaster recovery funding arrangements to adequately build back better and more resilient infrastructure and assets that are capable of withstanding future

Remote/Rural

1. Insufficient revenue sources to adequately fund required climate adaptation measures to cope with predicted impacts

2. Insufficient disaster recovery funding arrangements to adequately build back better and more resilient infrastructure and assets that are capable of withstanding future

3. Assessment of predicted Climate Change impacts on Council business/functions

Top ranking underlying factors for Climate Change by State/Territory

NSW, NT QLD, TAS	Insufficient revenue sources to adequately fund required climate adaptation measures to cope with predicted impacts
SA	Assessment of predicted Climate Change impacts on Council business/functions
VIC WA	Insufficient disaster recovery funding arrangements to adequately build back better and more resilient infrastructure and assets that are capable of withstanding future climate scenarios. The unpredictability, uncertainty and severity of extreme events

7

BUSINESS CONTINUITY PLANNING

Business Continuity Planning has maintained its ranking as the seventh risk for councils in Australia. The 2024 JLT Public Sector Risk Survey results reveal several critical factors underpinning business continuity, emphasising the recognition among CEOs and General Managers of the profound impact disruptions can have on council operations and financial sustainability.

In 2023, nearly 75% of respondents identified the destruction of council assets and infrastructure due to natural and other disasters as a primary concern. This issue remains paramount in 2024, with 64% of respondents reiterating its critical role in shaping business continuity planning. The consistency in these findings underscores a growing awareness among council leaders of the necessity for robust disaster recovery and risk management strategies. As natural disasters are becoming more frequent and severe, councils may be compelled to adapt their resilience planning to help safeguard their assets and ensure the continuity of essential services.

Nearly 63% of respondents expressed concern about the destruction of council assets due to insured perils, such as fire and vandalism. This concern remains relevant in the 2024 findings, as councils increasingly recognise the importance of risk assessment and insurance coverage, ranking this factor second among the factors associated with business continuity planning. This trend indicates that councils are becoming more proactive in evaluating their insurance policies and risk mitigation programs; they are likely understanding the necessity of developing plans for rapid recovery and rebuilding in the aftermath of disasters or catastrophic events to maintain operational integrity.

The loss of key team members emerged as another significant factor, with 57% of respondents ranking it second. The 2024 findings echo this sentiment, indicating that workforce stability is increasingly recognised as vital to operational effectiveness. This connection between workforce stability and overall council culture is particularly pronounced in a competitive employment market. The challenge of retaining staff often leads to frustrations in implementing effective succession planning and knowledge transfer strategies. Acknowledging this factor demonstrates that councils understand the detrimental impact of losing team members on operational effectiveness.

There has been a notable increase in the number of CEOs and General Managers identifying IT and communication outages as a concerning factor, keeping this issue in fourth place. This shift highlights the growing concern regarding cyber risks and the necessity for councils to respond effectively to unplanned outages of IT, social media, and telecommunications. The emphasis on having contingency plans for technology failures is crucial. Councils require support from other tiers of government to invest in appropriate backup systems, alternative communication methods, and staff training to ensure they can maintain operations and communicate effectively during outages.


These findings suggest that councils in Australia are increasingly adopting a comprehensive and proactive approach to business continuity planning. This approach addresses both physical and human resource vulnerabilities while ensuring technological resilience. By prioritising these factors, councils can enhance their ability to respond to crises and maintain essential services for their communities. As the landscape of risks continues to evolve, the commitment to robust business continuity planning will likely be essential for the sustainability and effectiveness of council operations in the face of future challenges.
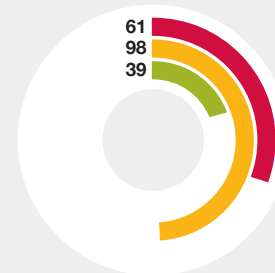

Figure 10: Business Continuity Planning – national mapping for the underlying factors
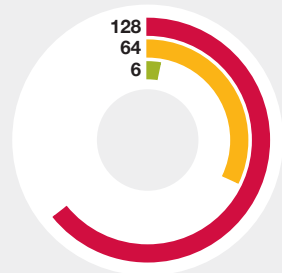
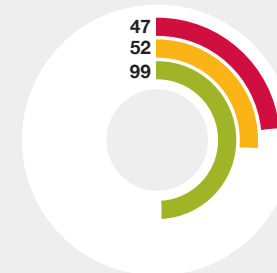Destruction of council A&I due to natural & other disasters
128
64
6
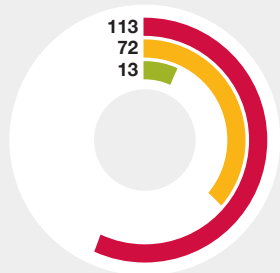
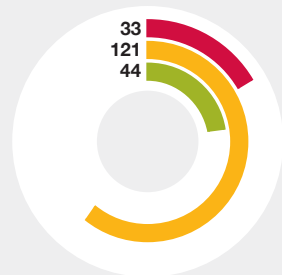Destruction of council A&I due to an insured peril
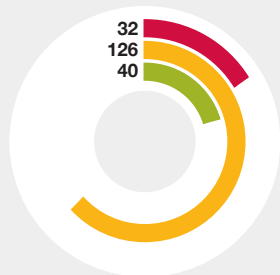113
72
13
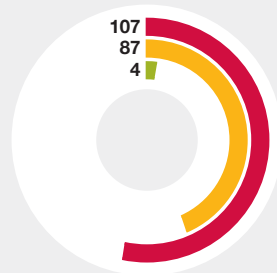
Loss of key team people
107
87
4

Response process to unplanned outages of IT/social media/telecommunications
61
98
39

Criminal or terrorist act
47
52
99

Inability to maintain relationships between elected members & administration
33
121
44

Failure to manage the reputation of the organisation
32
126
40
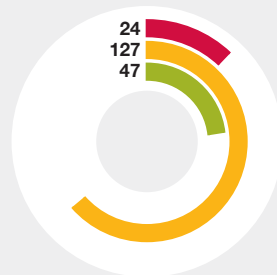
Not considering future impacts of climate change which impact the community
24
127
47
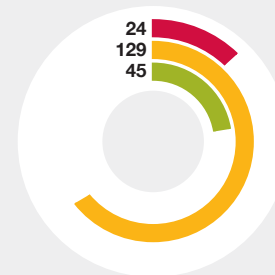
No or minimal community resilience plans/processes to mitigate impact of council services
24
129
45
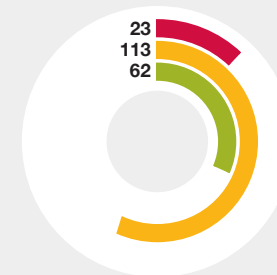
Processes to ensure clear, consistent communication with affected community/ies.
23
113
62

Other
2
1
195

Rank
4 - 8

Rank
1 - 3

HIGH   MEDIUM   LOW

Rank
9 - 11

Top three underlying factors for Business Continuity Planning risk by region nationally:

City

1. Destruction of council assets/infrastructure due to an insured peril (fire, storm, vandalism)

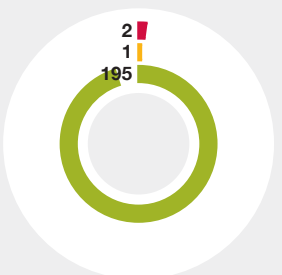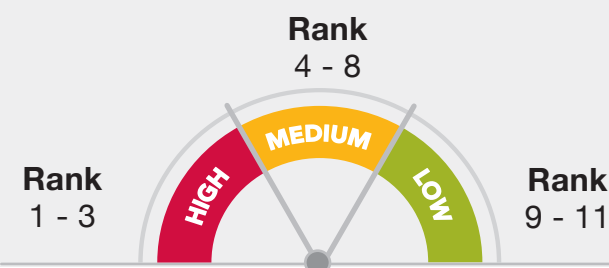2. No or minimal community resilience plans and processes to mitigate impact of loss of/reduced council services, functions

3. Criminal or terrorist act

Metropolitan

1. Destruction of council assets/infrastructure due to an insured peril (fire, storm, vandalism)

2. Destruction of council assets/infrastructure due to natural and other disasters (bushfire, flood, extreme storms, pandemic, drought, earthquake, act of terror etc.)

3. Loss of key team people

Regional City

1. Loss of key team people

2. Destruction of council assets/infrastructure due to an insured peril (fire, storm, vandalism)

3. Destruction of council assets/infrastructure due to natural and other disasters (bushfire, flood, extreme storms, pandemic, drought, earthquake, act of terror etc.)

Regional

1. Destruction of council assets/infrastructure due to natural and other disasters (bushfire, flood, extreme storms, pandemic, drought, earthquake, act of terror etc.)

2. Destruction of council assets/infrastructure due to an insured peril (fire, storm, vandalism)

3. Loss of key team people

Remote/Rural

1. Destruction of council assets/infrastructure due to natural and other disasters (bushfire, flood, extreme storms, pandemic, drought, earthquake, act of terror etc.)

2. Loss of key team people

3. Destruction of council assets/infrastructure due to an insured peril (fire, storm, vandalism)

Top ranking underlying factors for Business Continuity Planning by State/Territory	
NSW, NT, WA	Destruction of council assets/infrastructure due to an insured peril (fire, storm, vandalism)
QLD, TAS, VIC	Destruction of council assets/infrastructure due to natural and other disasters (bushfire, flood, extreme storms, pandemic, drought, earthquake, act of terror etc.)
SA	Loss of Key Team People

8

STATUTORY/REGULATORY REQUIREMENTS

Statutory and regulatory obligations continue to be at the forefront of the list of issues that keep CEO's awake at night remaining in eighth position in the 2024 JLT Public Sector Risk Survey. The findings regarding the underlying factors contributing to this risk reveal significant insights when comparing the data from 2023. These insights not only highlight the evolving challenges faced by local governments but also underscore the need for strategic adjustments in their operational frameworks.

In 2024, the most pressing concern identified was access to qualified staff, with just under 70% of respondents indicating this as a critical factor. This marks a notable decline from the number of CEO's/GM's 2023, where the figure stood at 84%. This decrease in the number ranking this as the leading factor suggests that while staffing remains a significant challenge, there may be a growing capability in the sector for targeted recruitment and retention strategies within councils. The reduction in perceived severity could also indicate that councils are adapting to staffing shortages through alternative means, such as training existing employees or leveraging technology to fill gaps. However, the issue of access qualified staff extends beyond this risk and is a broader issue, particularly for regional Councils.

The second most significant factor in 2024 was changes in legislation or its application to shifting regulatory requirements, as ranked by 63% of respondents. This represents a substantial increase from 53% ranking this as a factor in 2023, indicating that councils are increasingly grappling with the complexities of evolving legal frameworks. The rise in concern over legislative changes may reflect a broader trend of regulatory reform at both state and federal levels, necessitating councils to remain agile and responsive to new requirements. This growing complexity can strain resources and highlight the need for councils to invest in legal expertise and compliance training to navigate these changes effectively.

Interestingly, the data also reveals that though remaining the third ranking factor for this risk, there was a slight decline in concern regarding the lack of local government-specific resources and systems to meet regulatory requirements, which dropped from 45% in 2023 to nearly 39% in 2024. This shift may suggest that councils are making progress in developing or investing in tools and systems to assist with complying with regulations. However, it also raises questions about whether councils are adequately addressing the specific needs of their local contexts or if they are merely adapting existing resources without fully meeting the unique challenges they face.

Lastly, the concern regarding changes to planning regulations or other functional requirements saw a significant increase from just over 14.5% in 2023 to 28% in 2024, ranking this factor in fourth position. This concern indicates that councils are becoming more aware of the implications of planning regulations on their operations. As urban development pressures increase and community expectations evolve, councils must navigate a complex landscape of planning requirements. This heightened awareness may necessitate a re-evaluation of planning processes and stakeholder engagement strategies to ensure that councils can effectively manage these changes. Changes to various State Government legislative planning frameworks and strategies may likely be increasing these concerns. In certain communities, the challenge of balancing local community expectations and State Government planning strategies becomes very difficult.

The comparison of the 2024 and 2023 data reveals a dynamic landscape for councils in Australia as they confront the challenges of meeting increased statutory and regulatory requirements. While access to qualified staff remains a critical issue, there is a notable shift in the focus towards legislative changes and planning regulations. Councils are prioritising strategic workforce development, investing in compliance capabilities, and enhancing their planning processes to effectively navigate the evolving regulatory environment. By addressing these underlying factors, councils can better position themselves to meet the demands of their communities and fulfill their statutory obligations.
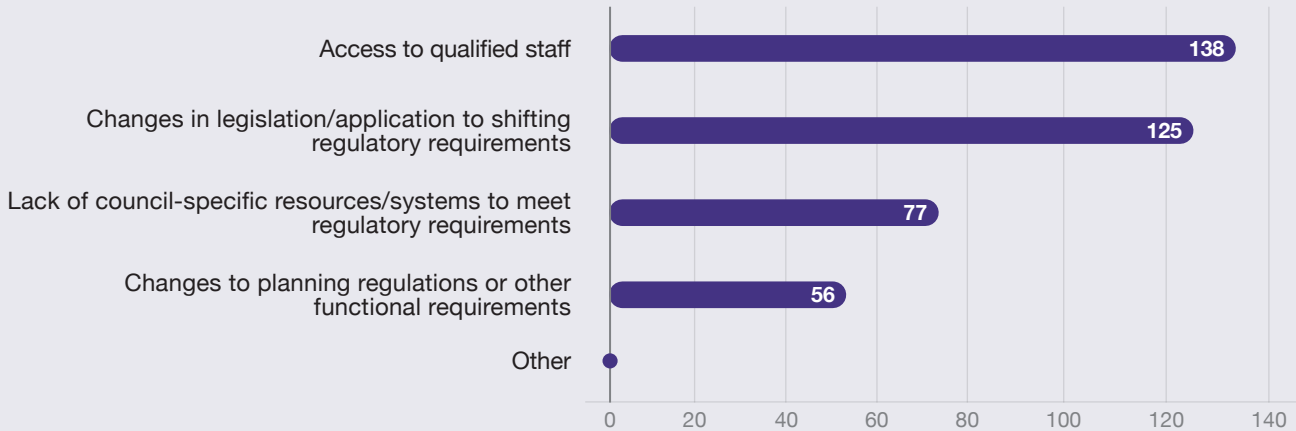

Figure 11: : Statutory & Regulatory Requirements – The number of CEO/GM's who ranked each factor as number one - nationally

Top ranking underlying factors for Statutory/Regulatory Requirements by State/Territory	
NSW, VIC	Changes in legislation or its application to shifting regulatory requirements
NT, QLD, SA, TAS, WA	Access to qualified staff

Top three underlying factors for the inability for council to meet increased statutory and/or regulating requirementsnationally:

City
1. Access to qualified staff
2. Changes in legislation or its application to shifting regulatory requirements
3. Changes to planning regulations or other functional requirementse

Metropolitan
1. Changes in legislation or its application to shifting regulatory requirements
2. Access to qualified staff
3. Changes to planning regulations or other functional requirements

Regional City
1. Changes in legislation or its application to shifting regulatory requirements
2. Access to qualified staff
3. Changes to planning regulations or other functional requirements

Regional
1. Access to qualified staff
2. Changes in legislation or its application to shifting regulatory requirements
3. Lack of local government-specific resources/systems to meet regulatory requirements

Remote/Rural
1. Access to qualified staff
2. Changes in legislation or its application to shifting regulatory requirements
3. Lack of local government-specific resources/systems to meet regulatory requirements

9
WASTE MANAGEMENT

Waste management as a risk has moved up from 10th to 9th position from 2023 to 2024. The survey results regarding waste management for councils reveal significant shifts in perceptions and challenges faced by local governments during this period. In 2023, councils expressed a relatively low level of confidence in their ability to manage waste effectively, with just over 65% of respondents indicating this as the leading factor for this risk. This suggests that councils felt they may not be adequately resourcing resourcing management of waste, which is crucial for maintaining community health and environmental standards.

The 2024 findings indicate a decline in the number of respondents concerned with this factor, with 55.5% of respondents expressing concern with the cost and ability to manage waste effectively. Though there is nearly a 10% drop, this shows continued concerns due to rising costs, changes in regulations, or evolving community expectations. As waste management becomes more complex, councils may be struggling to manage budget constraints and operational challenges.

It is estimated that Australians produce 22Kg of e-waste per person and the prolific use of solar energy create significant hurdles for the sector in relation to the management of these waste streams. Recent estimates indicate that there have been between 10,000 and 12,000 battery-related fires in waste and recycling facilities over the past year. (ACOR/WCRA, Industry survey: Battery fires in waste & recycling, June 2024) This trend not only poses significant safety risks (e.g. hazardous materials and fire) but also adds to the operational burdens on councils, which are now expected to implement additional safety measures and training to mitigate these risks.

The ability to assess and mitigate environmental risks associated with waste disposal methods remained as the second contributing factor to this risk. However it did see a decline in the number of respondents ranking this issue, dropping from nearly 59% in 2023 to 49% in 2024. This significant decrease indicates that councils are increasingly aware of the environmental implications of their waste management practices (including legacy landfills, new waste types, stockpiling, regulatory changes (e.g. handling, monitoring and remediation of PFAS contamination) but may feel less equipped to address these challenges effectively. The decline in confidence could stem from a lack of resources, expertise, increased urban in-fill, or support in implementing sustainable waste disposal methods (e.g. targets to reduce waste to landfill and export restrictions in the recycling chain). As environmental concerns continue to rise, councils are encouraged to prioritise developing strategies to mitigate these risks to protect public health and the environment.

Inflationary pressures on costs and overheads for waste management services have also become more pronounced, 40% ranking this factor fourth in 2023 to being ranked in second position by nearly 46.5% of respondents in 2024. This increase highlights the financial strain that councils are experiencing as they attempt to manage waste services amid rising operational costs. Inflation can significantly impact budgets, forcing councils to make difficult decisions about resource allocation and service delivery. As costs continue to rise, councils may need to explore innovative solutions or partnerships to maintain effective waste management services without overburdening their budgets.

Balancing community expectations for managing recycling and reuse operations in accordance with regulations has also seen a decline in rankings, dropping from nearly 43% in 2023 to just over 38% in 2024.

This decrease suggests that council are still facing challenges in meeting community expectations regarding recycling and reuse, which are increasingly important to residents, but not as concerning as other factors. Data produced by the Productivity Commission show around 10-13% growth in waste recovered for recycling, reuse or energy. The growing emphasis on sustainability and environmental responsibility means that councils are encouraged to find ways to enhance their recycling programs while adhering to regulatory requirements.

The perecentage of CEO/GMs ranking each factor as a high concern
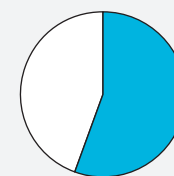
55.56%
Cost & ability to effectively manage waste relevant to your Council area
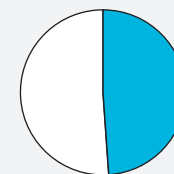
48.99%
Ability to assess/mitigate risks/impacts of waste disposal
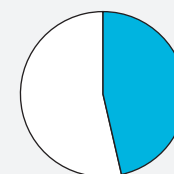
46.46%
Inflationary pressure on costs & overheads for waste management services

Figure 13: Waste Management - Top three underlying factors – nationally

Failure to meet these expectations could lead to community dissatisfaction and a loss of trust in local government.

In March 2025, the Productivity Commission released its interim report, "Australia's Circular Economy: Unlocking the Opportunities." The report highlights that Australia's progress toward a circular economy is slow, hindered by complex and inconsistent regulations. It emphasises that growing the circular economy can enhance economic growth and productivity, leading to a more efficient life cycle.

Cost & ability to effectively manage waste
110
78
10
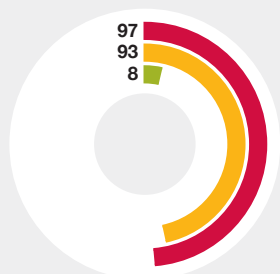
Ability to assess/ mitigate risks/impacts of waste disposal
97
93
8
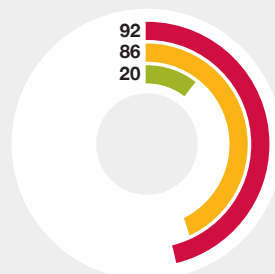
Inflationary pressure on costs/overheads for waste management
92
86
20
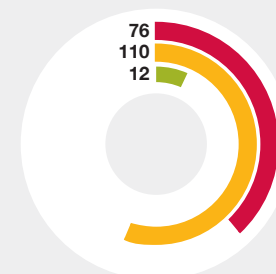
Balancing community expectations & regulations for managing recycling/reuse operations
76
110
12
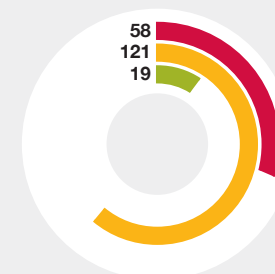
Monitor improper waste disposal to assess contamination & wildlife impacts
58
121
19
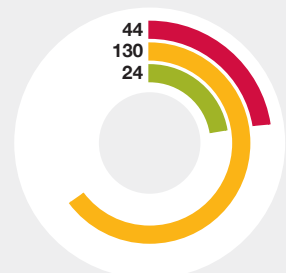
Complex waste management requirements & relevant procurements
44
130
24
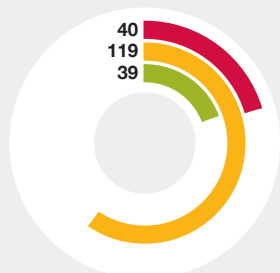
Managing community expectations on management of environmental responsibilities
40
119
39
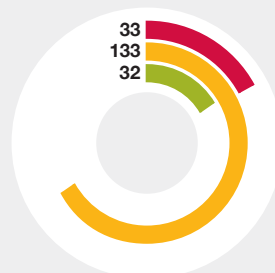
Environmental land/air/ water management & compliance
33
133
32
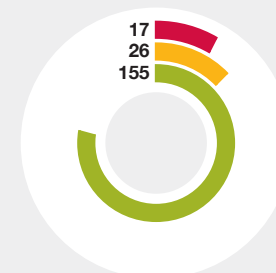
Risks of harm to people/the environment due to waste facilities/activities
17
26
155
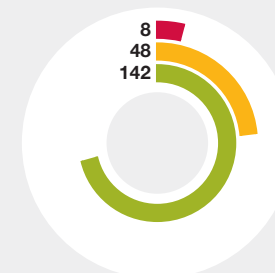
Managing environmental impacts on human health risk from waste site/s
8
48
142
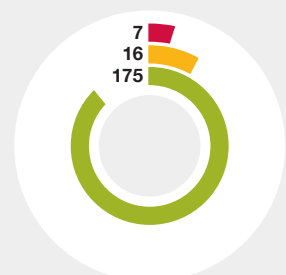
Policy & procedures for managing recycling operations
7
16
175
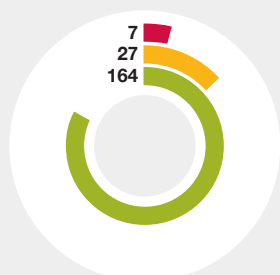
Management of injury to workers during handling of waste onsite/offsite
7
27
164
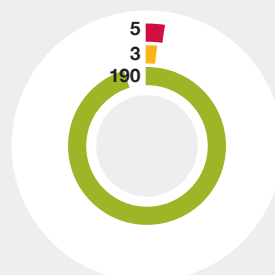
Other
5
3
190

Figure 12: Waste management – national mapping for the underlying factor
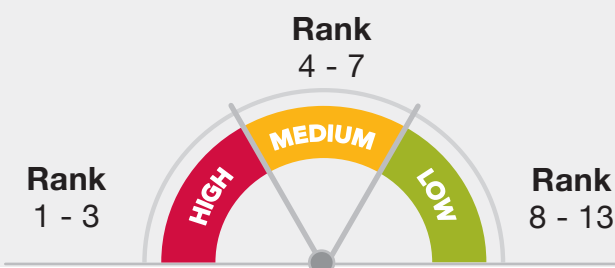
Rank
1 - 3
HIGH

Rank
4 - 7
MEDIUM

Rank
8 - 13
LOW

In March 2025, the Productivity Commission released its interim report, "Australia's Circular Economy: Unlocking the Opportunities." The report highlights that Australia's progress toward a circular economy is slow, hindered by complex and inconsistent regulations. It emphasises that growing the circular economy can enhance economic growth and productivity, leading to a more efficient life cycle. For councils, this means adopting international best practices to create a harmonised waste management framework that minimises waste and maximises resource efficiency. Whilst the report advocated for the long-term opportunities and benefits of the transition, in the short term councils are expected to face increase cost, risk and uncertainty.

For councils, these findings underscore the need to continually reassess their waste management strategies, practices and controls. Prioritising transparency and communication with the community to address concerns and expectations is to continue to help achieve goals. Additionally, councils should continue to explore innovative approaches to waste management, such as investing in or having providers with new technologies, enhancing recycling programs, converting waste to energy, and collaborating with other local governments or organisations to share resources and expertise. By proactively addressing these challenges, councils can work towards improving their waste management practices, ultimately fostering a more sustainable and resilient community.

Top ranking underlying factors for Waste Management by State/Territory	
NSW, QLD VIC	Ability to assess and mitigate the environmental risks and impacts of waste disposal methods
NT	Balancing community expectations for managing recycling/reuse operations in accord with regulations
SA, WA	Cost and ability to effectively manage waste relevant to your Council area
TAS	Inflationary pressure on costs and overheads for waste management services

Top three underlying factors for the waste management risk nationally:

City
1. Ability to assess and mitigate the environmental risks and impacts of waste disposal methods
2. Ability to monitor improper waste disposal to measure contamination, greenhouse gas missions, habitat loss and health impacts for wildlife
3. Complex and competitive market conditions for waste collection, disposal, recycling and re-use Procurement processes relevant to all aspects of contract arrangements

Metropolitan
1. Ability to assess and mitigate the environmental risks and impacts of waste disposal methods
2. Balancing community expectations for managing recycling/reuse operations in accord with regulations
3. Inflationary pressure on costs and overheads for waste management services

Regional City
1. Cost and ability to effectively manage waste relevant to your Council area
2. Ability to assess and mitigate the environmental risks and impacts of waste disposal methods
3. Inflationary pressure on costs and overheads for waste management services

Regional
1. Cost and ability to effectively manage waste relevant to your Council area
2. Inflationary pressure on costs and overheads for waste management services
3. Ability to assess and mitigate the environmental risks and impacts of waste disposal methods

Remote/Rural
1. Cost and ability to effectively manage waste relevant to your Council area
2. Ability to assess and mitigate the environmental risks and impacts of waste disposal methods
3. Inflationary pressure on costs and overheads for waste management services

10

INEFFECTIVE
GOVERNANCE

Ineffective governance has shifted from ninth to tenth position in the rankings. The findings relating to the underlying factors contributing to this risk in Australian councils reveal trends when comparing the survey data from 2023 to 2024. These insights highlight the evolving challenges that councils encounter and emphasise the necessity for continuous focus on enhancing governance practices. This finding may also be attributed to legislative changes implemented in recent years that have mandated councils to establish processes that align with principles of good governance and transparency.

In 2024, the adequacy of financial controls was reported by 57% of respondents as as the leading concern, reflecting a slight decrease from 58.5% in 2023. This marginal decline suggests that while financial controls remain a critical area of focus, councils may be making incremental improvements in their financial management practices. However, the persistent concern indicates that councils must continue to strengthen their financial oversight mechanisms to ensure transparency and accountability in their operations. The slight reduction in concern may also imply that councils are becoming more adept at managing their financial resources, yet the need for vigilance remains paramount.

The challenges associated with managing code of conduct and behavioural issues remained as the second highest ranked factor, as reported by just under 45% of respondents in 2024, down from 48% in 2023. This decrease suggests a potential improvement in the management of ethical standards and conduct within councils. However, the fact that nearly 45% of respondents still view this as a significant challenge indicates that councils must remain proactive in addressing behavioural issues and fostering a culture of integrity. The decline in concern may reflect the implementation of more effective training and awareness programs, but it also highlights the ongoing need for councils to reinforce their commitment to ethical governance.

Human resource numbers rose to the third highest concern from fourth as ranked by just under 41% of respondents in 2024.

This shift suggests that councils may be continuing to find it challenging to better manage their human resources, even with improved recruitment strategies or workforce planning.

The fact that this remains a significant issue indicates that councils still face challenges in ensuring they have adequate staffing levels to meet their operational needs. As councils continue to navigate workforce shortages and changing demands, it will be essential for them to develop comprehensive human resource strategies that address both current and future needs.

The concern regarding the delegation or devolution of regulatory or other functions from the state, along with changes to legislation, saw a notable decline from over 42% in 2023 ranking this third, to nearly 37% ranking it fourth in 2024. This decrease may suggest that councils are becoming more comfortable with the regulatory environment and are adapting to changes in legislation more effectively. It could also indicate that councils are successfully managing the implications of devolved functions, allowing them to focus on their core responsibilities. However, the reduction in concern does not eliminate the need for councils to remain vigilant and responsive to ongoing legislative changes, as these can significantly impact their governance frameworks.

It also highlights the ongoing need for Councils to collaborate and continue to advocate with stakeholders such as their respective State Governments to address the impact that these regulatory changes have on Council operations, financial sustainability, and community impact.

The comparison of the 2023 and 2024 survey data reveals a nuanced picture of the risks associated with ineffective governance in Australian councils. While there are signs of improvement in certain areas, such as the management of financial controls and human resources, significant challenges remain.

These improvements in some cases are slight and make it difficult to draw any significant causative conclusions. Councils must continue to prioritise ethical governance, effective financial management, and adequate staffing to navigate the complexities of their operational environments. By addressing these underlying factors, councils can enhance their governance practices and better serve their communities, ensuring they meet the expectations of transparency, accountability, and responsiveness in an ever-evolving landscape.
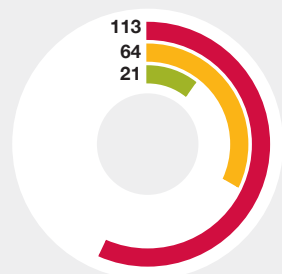
Adequacy of financial controls
113
64
21
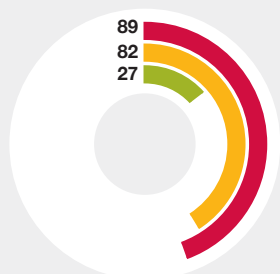
Challenges from managing code of conduct & behaviourial issues
89
82
27

Human resource numbers
81
81
36
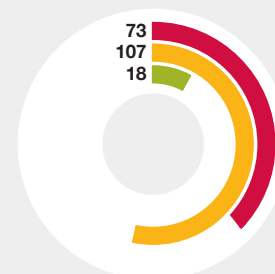
Delegation/devolution of regulatory/ functions from the state & changes to legislation
73
107
18
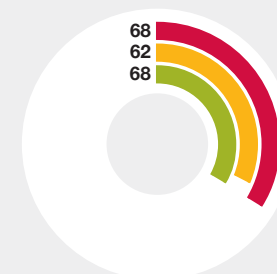
Procurement process issues with contractors, facilities, & events
68
62
68
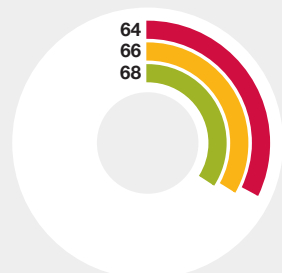
Strategic & budget planning processes (including compliance)
64
66
68
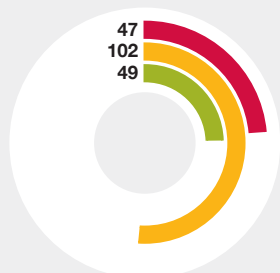
Challenges with managing council meeting protocols
47
102
49
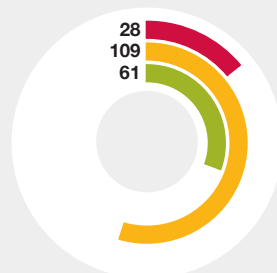
Fraud
28
109
61
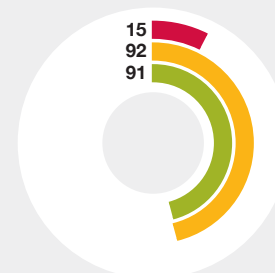
Ineffective complaints handling, procedures & processes
15
92
91
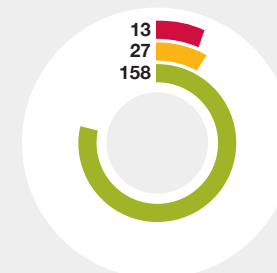
Managing investigations by ICAC or similar bodies
13
27
158
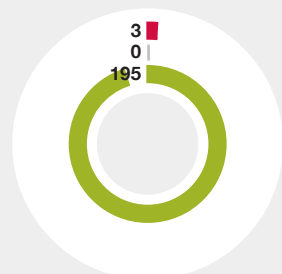
Other
3
0
195

Figure 14: Ineffective Governance - national mapping for the underlying factors

Rank
1 - 3
HIGH

Rank
4 - 7
MEDIUM

Rank
8 - 11
LOW

Top three underlying factors for Ineffective Governance risk by region nationally:

City
1. Challenges from managing code of conduct and behaviourial issues
2. Challenges with managing council meeting protocols
3. Fraud

Metropolitan
1. Adequacy of financial controls
2. Procurement process issues with contractors, facilities, and events
3. Challenges from managing code of conduct and behaviourial issues

Regional City
1. Challenges from managing code of conduct and behaviourial issues
2. Adequacy of financial controls
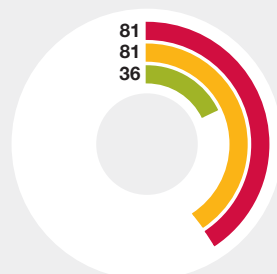3. Human resource numbers

Regional
1. Adequacy of financial controls
2. Challenges from managing code of conduct and behaviourial issues
3. Delegation or devolution of regulatory or other functions from the state and changes to legislation

Remote/Rural
1. Adequacy of financial controls
2. Human resource numbers
3. Delegation or devolution of regulatory or other functions from the state and changes to legislation

Top ranking underlying factors for Ineffective Governance by State/Territory	
NSW	Delegation or devolution of regulatory or other functions from the state and changes to legislation
NT	Strategic and budget planning processes (including compliance)
QLD	Adequacy Financial Contrls
SA TAS	Human Resource Numbers
VIC WA	Challenges from managing Code of Conduct and Behavioural Issues

11
REPUTATION RISK

In 2024, CEOs and General Managers ranked council reputation 11th, moving up one point from the previous year. Though ranking 11th, the findings with respect to the underlying drivers of this risk suggest that is one that can have potentially outsized consequences.

The survey results regarding councils' reputation as a local government and within the community reveal significant shifts in perception from 2023 to 2024. In 2023, councils viewed themselves relatively negatively, with nearly 67% of respondents ranking their leading concern as their ability to administer governance effectively. This was followed by Loss of Community Trust in Council (Elected Members) with 38.8% of respondents ranking this the second leading factor, indicating that while trust issues existed, they were a significant concern for most respondents.

In 2024 the loss of community trust in elected members moved being to the leading factor for this risk with 56% of respondents ranking it such; marking a significant increase in discontent from 2023. This shift suggests that recent events, decisions, or a perceived lack of engagement from elected officials have eroded public confidence. The decline in councils' perceived ability to administer governance effectively, was ranked the second leading factor by 54% of respondents in 2024, dropping from 57% ranking it in first place in 2023. Indicates that community expectations are not being met, leading to continued scepticism about councils' effectiveness in managing their responsibilities.

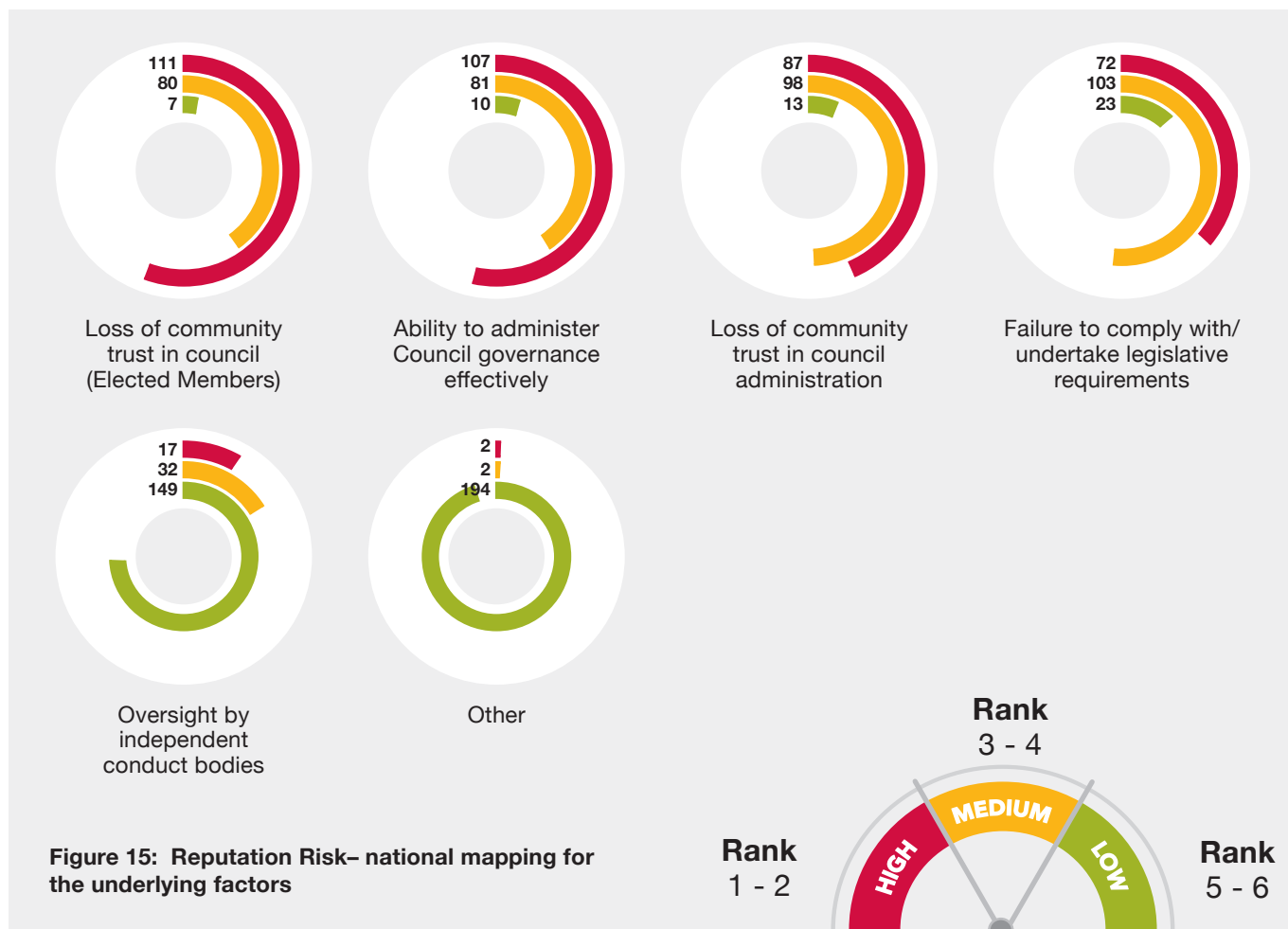The survey results regarding the loss of community trust in council administration reveal a concerning trend in public perception from 2023 to 2024. In 2023, the loss of trust in council administration was ranked fourth indicating that while there were some concerns about the administration's effectiveness and reliability, a significant portion of the community still held a degree of confidence in the council's operational capabilities. However, the 2024 findings show a marked increase in this metric, with the loss of community trust in council administration rising to being the third leading factor. This significant increase signifies concerns of growing discontent among residents regarding how the council is managed and operated.

The survey results regarding the failure to comply with or undertake legislative requirements show that councils see a notable shift from 2023 to 2024. In 2023, the concern regarding the council's compliance with legislative obligations was ranked third by just over 30% of respondents. This high percentage indicated that a significant portion of the community was apprehensive about the council's adherence to legal and regulatory standards, reflecting a broader sentiment of distrust and concern about governance practices. Such apprehension may have stemmed from past incidents, perceived inefficiencies, or a lack of transparency in how the council operated.

In contrast, the 2024 findings reveal a decrease in this concern, dropping to fourth position as ranked by just over 36%. This decline suggests that the community's perception of councils' compliance with legislative requirements has improved over the year. This shift could indicate that councils have taken steps to address previous shortcomings, enhance governance practices, or improve communication regarding adherence to legal obligations. The reduction in concern may also reflect a growing awareness among community members of councils' efforts to be more transparent and accountable in their operations.

Comparing the findings from 2023 to 2024 reveals a concerning trend for councils. The increase in distrust towards elected members and the decline in perceived governance effectiveness signal a growing disconnect between councils and the communities they serve. Councils must recognise that these perceptions can lead to decreased community engagement, lower participation in local governance, and potential challenges in implementing future initiatives.

To address these issues, councils need to prioritise rebuilding trust with the community. This could involve enhancing transparency, improving communication strategies, and actively engaging residents in decision-making processes. By fostering a more inclusive environment where community members feel heard and valued, councils can work towards restoring confidence. Additionally, they should evaluate governance practices and operational procedures to identify areas for improvement. Ensuring compliance with legislative requirements and demonstrating accountability will be crucial in regaining public trust.

111
80
7

Loss of community
trust in council
(Elected Members)

107
81
10

Ability to administer
Council governance
effectively

87
98
13

Loss of community
trust in council
administration

72
103
23

Failure to comply with/
undertake legislative
requirements

17
32
149

Oversight by
independent
conduct bodies

2
2
194

Other

Figure 15: Reputation Risk– national mapping for the underlying factors

Rank
3 - 4

Rank
1 - 2

MEDIUM

HIGH

LOW

Rank
5 - 6

Top ranking underlying factors for Reputation Risk by State/Territory	
NSW, TAS, WA	Ability to administer council governance effectively
NT, QLD	Loss of community trust in council administration
SA, VIC	Loss of community trust in council administration (Elected Members)

Top three underlying factors for the reputation risk nationally:

City
1. Ability to administer Council governance effectively
2. Failure to comply with/undertake legislative requirements
3. Loss of community trust in council administration

Metropolitan
1. Loss of community trust in council (Elected Members)
2. Balancing community expectations for managing recycling/reuse operations in accord with regulations
3. Loss of community trust in council administration

Regional City
1. Loss of community trust in council (Elected Members)
2. Loss of community trust in council administration
3. Failure to comply with/undertake legislative requirements

Regional
1. Cost and ability to effectively manage waste relevant to your Council area
2. Inflationary pressure on costs and overheads for waste management services
3. Ability to assess and mitigate the environmental risks and impacts of waste disposal methods

Remote/Rural
1. Ability to administer Council governance effectively
2. Failure to comply with/undertake legislative requirements
3. Loss of community trust in council (Elected Members)

The findings from the 2024 JLT Public Sector Risk Survey regarding the risk of negligence causing civil liability claims against councils in Australia indicated a shift in the perceptions of survey participants and their priorities compared to the previous year. In 2023, this risk was ranked second last, but it has now fallen to the last position in 2024. This change suggests that councils may be increasingly confident in their risk management practices and their ability to mitigate potential negligence claims, although it also raises questions about the underlying factors contributing to this perception.

The leading underlying factor to this risk is council's ability to apply policy and implement procedures in accordance with the strategic plan has also seen a slight increase in respondence ranking it, from 64% in 2023 to just under 68% in 2024. This increase may represent the continued challenges councils are facing in aligning their operational practices with strategic objectives, which could lead to inconsistencies in risk management efforts. Councils are continually looking for effective implementation of policies for mitigating risks and constantly reassess their strategies to help ensure that they are effectively translating their plans into actionable procedures.

The ability to discharge a reasonable duty of care to the public, which is crucial in preventing injury and loss claims due to negligence, was the second leading factor for this risk by nearly 71% of respondents in 2024 an increase from the 68% in 2023. This suggests that councils may have to address financial pressures and may not have enough resources which can hinder their ability to prevent foreseeable loss. Councils' risk exposure to negligence claims, though ranked last against other areas surveyed, is still a concern to councils who are continually prioritising public safety to help ensure that their practices align with legal and ethical standards to minimise the risk of civil liability claims.

In 2024, 57% of respondents acknowledged that their understanding of councils' risk profiles and the application of risk management policies and processes was the third highest underlying factor for this risk. This figure reflects a slight decrease from 59% in 2023, indicating that while councils are still engaged in risk management, there may be challenges in fully addressing their risks. Councils are facing new and evolving risks and understanding risk profiles is critical to having reasonable procedures in place to address potential liabilities, which is critical for preventing negligence claims. Councils are constantly looking for ways to enhance their training and ommunication efforts to ensure that all staff members are well-versed in risk management policies and the specific risks associated with their operations.

Overall, the findings for 2024 indicate a complex landscape for councils regarding negligence and civil liability claims. While there is a growing confidence in the ability to manage risks and uphold a duty of care, the slight declines in understanding risk profiles and policy implementation suggest that councils must remain vigilant. Continuous improvement in risk management practices, staff training, and community engagement will be essential for councils to navigate the challenges of negligence claims effectively. As they move forward, a proactive approach to risk management will not only help mitigate potential liabilities but is also likely to enhance public trust and confidence in local government.

Top ranking underlying factors for the negligence causing civil liability claims against Councilrisk by State/Territory	
NSW, NT, QLD, SA, TAS	Ability to apply policy and implement procedures in accordance with the Strategic Plan
VIC	Understanding of council's risk profile and application of the risk management policy and processes
WA	Ability to discharge a reasonable duty of care to the public to avoid negligence claims for injury/loss

Ability to apply policy & implement procedures in accordance with Strategic Plans

139
58
1

Ability to discharge reasonable duty of care to the public to avoid negligence claims

135
63
0

Understanding of council's risk profile & application of policy & processes

117
81
0

Ability to undertake conduct due diligence in managing statutory/responsibilities & Code of Conduct

92
106
0

Understanding & implementing Council's regulatory requirements

66
132
0

Understanding the risk associated with providing professional advice

41
154
3

Other

4
0
194

Rank 1 - 3 HIGH
Rank 4 - 6 MEDIUM
Rank 7 - 12 LOW

Figure 16: Negligence causing civil liability claims against Council risk – national mapping for the underlying factorsfactors

Top three underlying factors for the negligence causing civil liability claims against Council risk nationally:

City
1. Ability to apply policy and implement procedures in accordance with the Strategic Plan
2. Understanding of council's risk profile and application of the risk management policy and processes
3. Understanding the risk associated with providing professional advice

Metropolitan
1. Ability to apply policy and implement procedures in accordance with the Strategic Plan
2. Ability to discharge a reasonable duty of care to the public to avoid negligence claims for injury/loss
3. Understanding of council's risk profile and application of the risk management policy and processes

Regional City
1. Ability to apply policy and implement procedures in accordance with the Strategic Plan
2. Ability to discharge a reasonable duty of care to the public to avoid negligence claims for injury/loss
3. Understanding of council's risk profile and application of the risk management policy and processes

Regional
1. Ability to discharge a reasonable duty of care to the public to avoid negligence claims for injury/loss
2. Ability to apply policy and implement procedures in accordance with the Strategic Plan
3. Ability to undertake due diligence when administering statutory/regulatory responsibilities including administration of Code of Conduct

Remote/Rural
1. Ability to apply policy and implement procedures in accordance with the Strategic Plan
2. Understanding of council's risk profile and application of the risk management policy and processes
3. Ability to discharge a reasonable duty of care to the public to avoid negligence claims for injury/loss
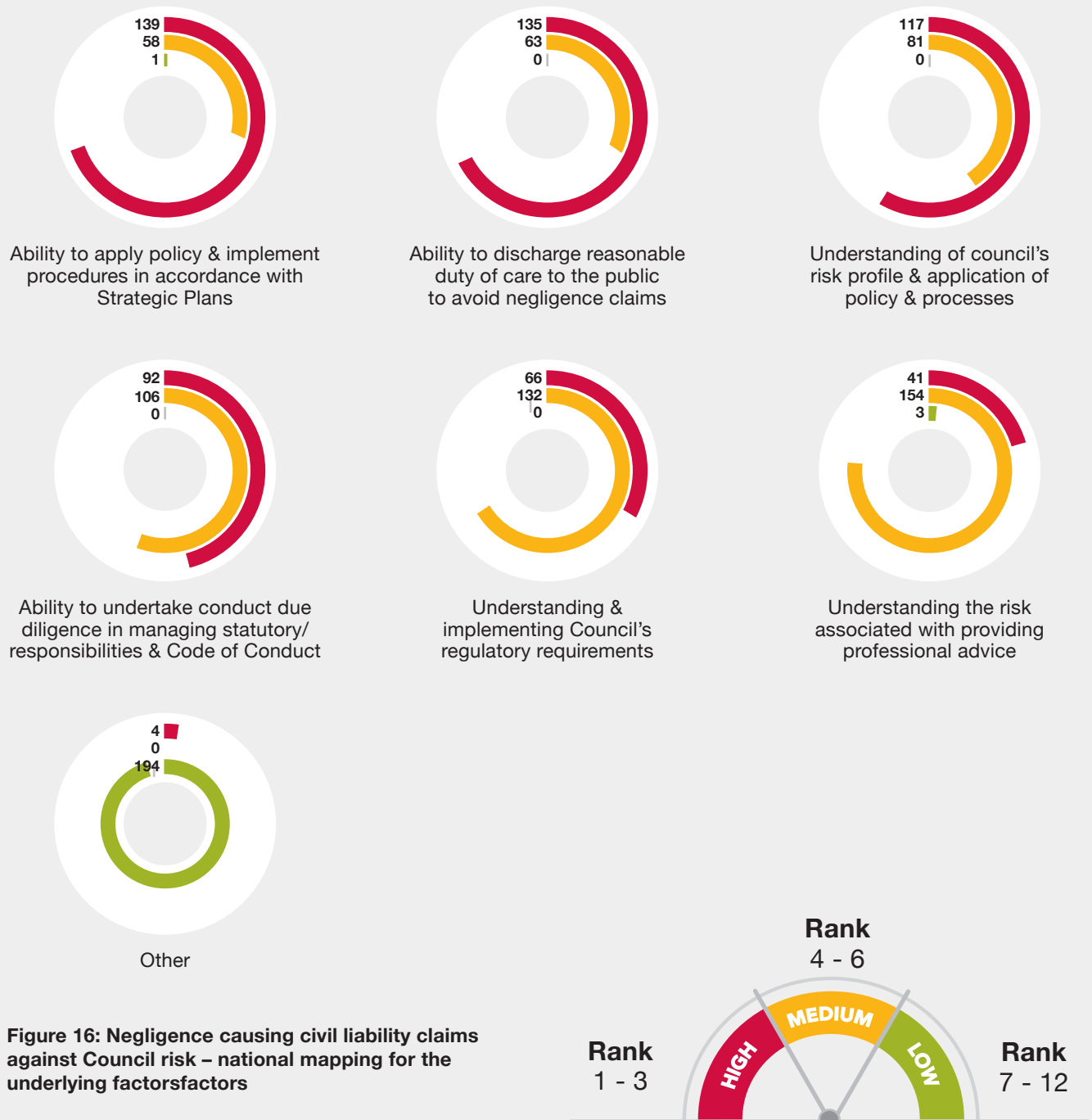
The 2024 JLT Public Sector survey results reflect a nuanced understanding of the risks faced by councils across Australia, and their impact on councils and their communities. A notable shift is observed in the area of housing availability and cost of living pressures, which remains the top concern by respondents decreasing from 88% placing it first in 2023 to just under 77% in 2024. This decline may suggest a slight easing of pressures or a shift in focus towards other emerging risks, although it still underscores the ongoing challenges councils face in addressing housing affordability. It is considered that this risk continues to be a driving force behind the socioeconomic and social impact risks outlined below, which have increased significantly on the previous year.

OUTCOMES
OF RISKS

Investment in community assets remained in second placing with a marginal decrease from just under 51% of respondents placing it in 2023 to 50% in 2024, indicating a continued but slightly diminished emphasis on this area. This stability suggests that investment remains a priority, and that overall sentiment remains largely unchanged.

The response to emergencies and weather events moved from third position in 2023 to fourth in 2024. This change may reflect the growing awareness of the impact of extreme weather events and associated risks councils and their community's face and their growing recognition of the need to enhance preparedness and response strategies in the face of climate-related challenges.

Socioeconomic concerns have rose from fourth to third position, but the number of those responding to this as a concern significantly rose from nearly 19% to 25.25%, indicating that councils are becoming more attuned to the broader social issues affecting their communities. This increase suggests a heightened focus on understanding and addressing the socioeconomic factors that contribute to community well-being and the community expectations of the tier of Government that is closest to the community in terms of local impact.

Social impacts, particularly in community services such as food and shelter, moved one point to fifth position. This perhaps indicates a growing recognition among councils of the importance of social safety nets and support services, especially in light of economic pressures.

Concerns regarding instability in the Pacific region have increased one point in 2024 with 7% acknowledging this risk compared to 4% in 2023, reflecting a growing awareness of geopolitical factors that may influence local governance and community stability. Meanwhile, the perceived impact of infectious diseases and pandemics moved to last position, but was still ranked by respondents, suggesting that it may be viewed as less immediate compared to other pressing issues.

Overall, the 2024 results indicate a shifting landscape regarding the impacts of risks and the broader outcomes associated with them. Councils are increasingly focused on socioeconomic factors and emergency preparedness while maintaining awareness of housing and community investment challenges. This evolution in priorities reflects the dynamic nature of the challenges councils face in effectively serving their communities amidst the risks they need to manage.

Figure 17: Outcomes– national mapping for the underlying factors
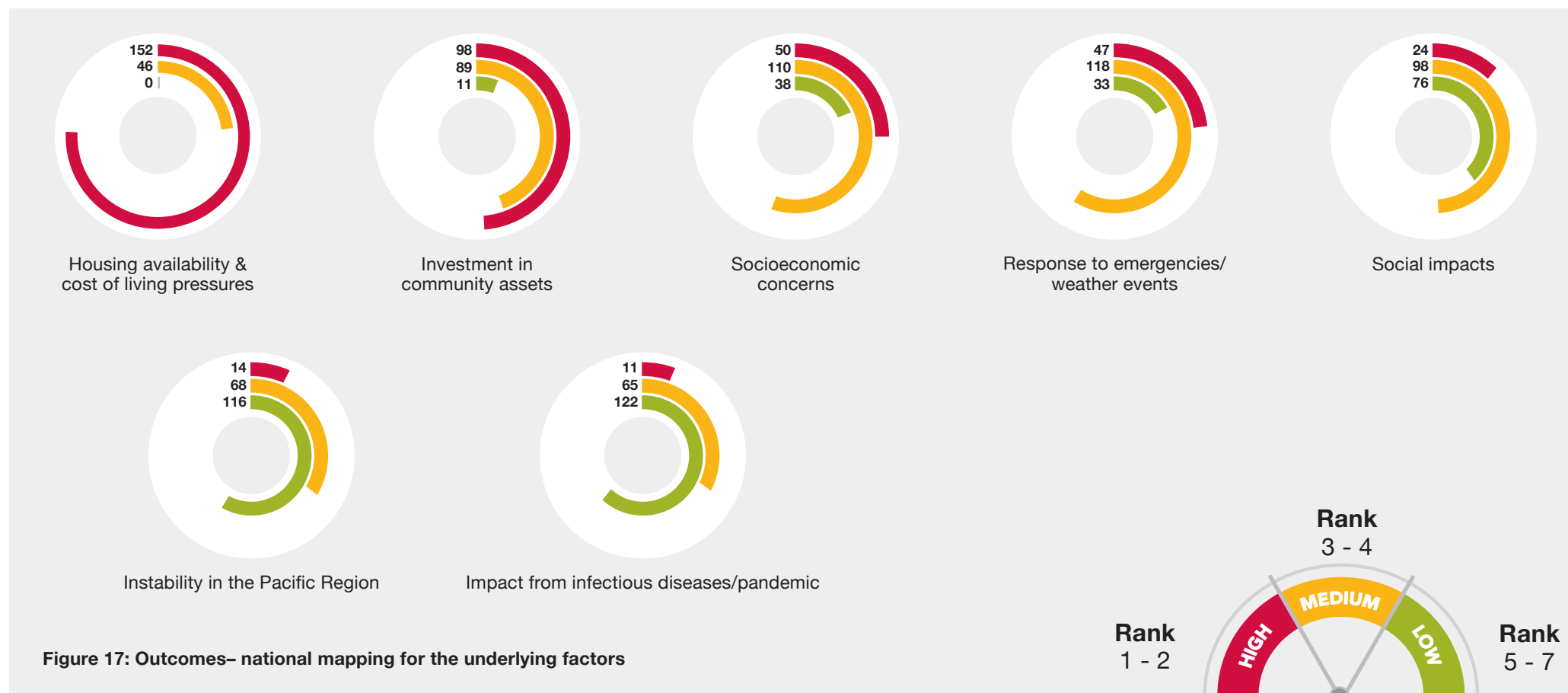
THE KEY RISK INDICATOR REPORT METHODOLOGY

The 2024 JLT Risk Survey was conducted between September and November 2024, with participation from 198 CEOs and General Managers across rural, remote, regional, metropolitan, and city councils.

Survey Approach

The survey provides insigths from local leaders regarding their perceptions of 12 key risks. Respondents ranked these risks based on their level of concern, allowing for a more nuanced understanding of priorities.

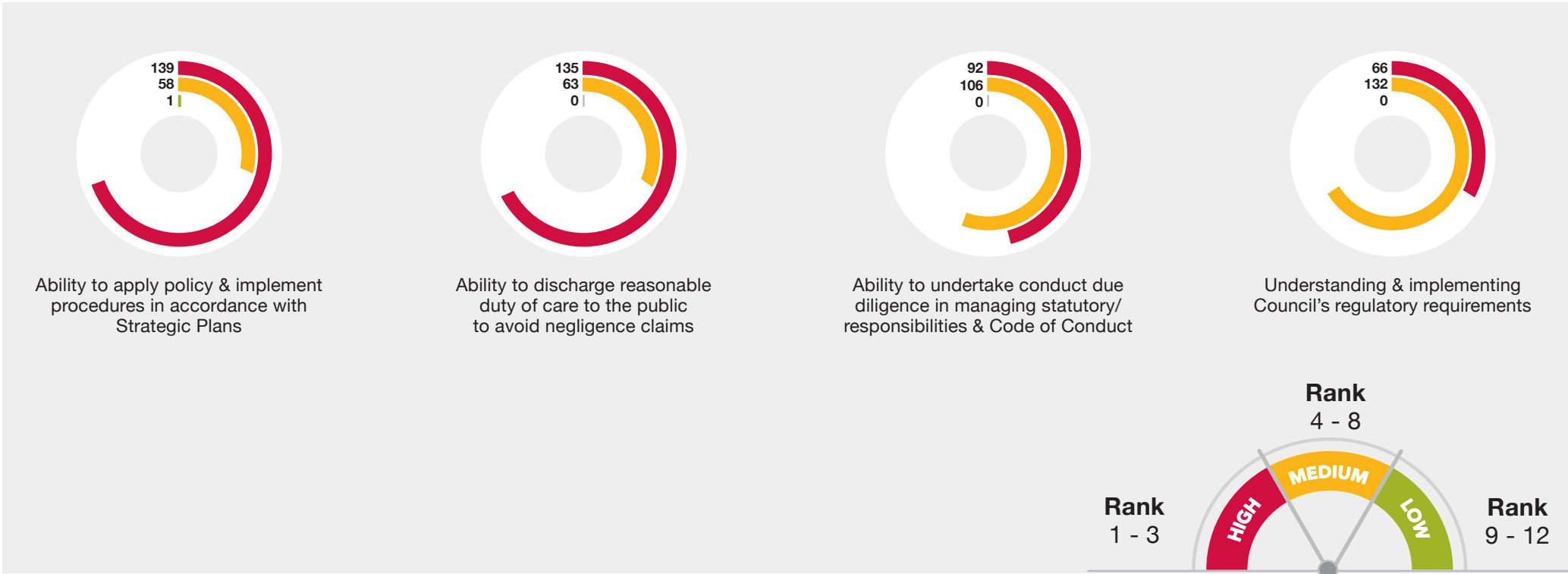The following example illustrates this ranking approach:

If we take the example risk above, the highlighted column above sums to 100% and shows a breakup of all the risks ranked at number one.

To ascertain the highest ranked factors, the rankings are divided into high, medium and low.

The following chart showcases the exact number of responses for high, medium and low ranking for the risk or underlying factor. The three rankings add up to 198 responses.

	HIGH	MEDIUM	LOW
	Rank 1-2	Rank 3-4	Rank 5-6
Ability to administer council governance effectively	58%	37%	5%
Loss of community trust in council (elected members)	48%	45%	7%
Loss of community trust in council administration	41%	50%	10%
Failure to comply with/undertake legislative requirements	39%	52%	10%
Oversight by independent conduct bodies	14%	16%	71%
Other	1%	1%	98%

Example Chart 1

139
58
1

Ability to apply policy & implement procedures in accordance with Strategic Plans

135
63
0

Ability to discharge reasonable duty of care to the public to avoid negligence claims

92
106
0

Ability to undertake conduct due diligence in managing statutory/ responsibilities & Code of Conduct

66
132
0

Understanding & implementing Council's regulatory requirements

Rank 1 - 3

HIGH

MEDIUM

Rank 4 - 8

LOW

Rank 9 - 12

Example Chart 2

Access to qualified staff	138
Changes in legislation/application to shifting regulatory requirements	125
Lack of council-specific resources/ systems to meet regulatory requirements	77
Changes to planning regulations or other functional requirements	56
Other	

(x-axis: 0, 20, 40, 60, 80, 100, 120, 140)

Survey Respondents

In 2024, 198 councils responded to the survey. Representation from the states and territories are in Figure 18.

- 3% NT
- 3% TAS
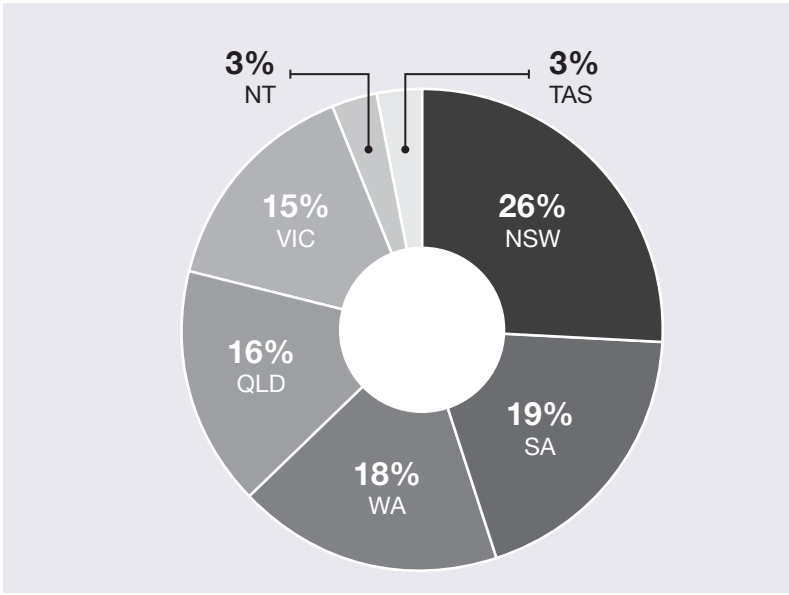- 26% NSW
- 15% VIC
- 16% QLD
- 19% SA
- 18% WA

Figure 18: Number of council respondents

The 2024 JLT Public Sector Risk Survey saw the participation of 198 local government CEOs and General Managers. Representatives came from all states and the Northern Territory, representing metropolitan, city, regional, regional city and rural/remote communities.

CAPITAL CITY
NSW | VIC
3%

METROPOLITAN
NSW | QLD | SA | TAS | VIC | WA
38%

REGIONAL CITY
NSW | QLD | SA | TAS | VIC | WA
20%

REGIONAL
SW | NT | QLD | SA | TAS | VIC | WA
61%

RURAL/REMOTE
NSW | NT | QLD | SA | TAS | VIC | WA
81%

Figure 19: Regional Respondents

GLOSSARY

Business Continuity	Business continuity planning and community disruption
Climate Change/Adaption	Climate Change and/or Adaptation
Cyber	Cyber security/IT infrastructure
Financial Sustainability	Financial Sustainability
Ineffective Governance	Ineffective governance
Assets & Infrastructure	Managing aging, property, assets, and infrastructure
Disaster & Catastrophic	Natural Hazard, Disaster/Catastrophic Events
Liability Claims	Negligence giving rise to civil liability claims
People & Culture	People & Culture
Reputation	Reputation as a local government and with the community
Statutory and/or Regulatory requirements	Statutory and/or Regulatory requirements
Waste Management	Waste Management

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Australian Government, Opportunities in the circular economy, Interim Report, 5 March 2025

https://www.pc.gov.au/inquiries/current/circular-economy/interim,