HERBERT SMITH FREEHILLS

CYBER

ARE YOU CYBER READY?

Australian businesses grapple with cyber resilience in 2024

We asked legal leaders to share their experience of the cyber risk landscape in Australia.
Our report tracks the evolving perspectives of in-house legal teams amidst a rapidly changing cyber landscape.

Highlight findings include:

Top 3 aspects of cyber risk that are greatest concern:
1. Reputational risk
2. Third party risk
3. Underinvestment in systems/infrastructure

Almost 80% believe the cyber risk threat to their organisation has increased compared with 12 months ago.

93% of companies impacted by a cyber extortion incident did not pay ransom demands.

Over 70% of boards have been educated about cyber risk in the past 12 months.

50% have not held a board simulation.

36% of respondent boards have not decided whether they are open to paying an extortion.

35% of organisations have a director with cyber expertise or experience on the board.

75% of respondents said the legal team is a key member of the crisis response team in the event of a cyber extortion incident.

54% of legal teams have never participated in a simulation.

59% do not have a specific legal cyber incident response plan.

Over 80% of respondents do not have a budget for the legal team specifically dedicated to spend on cyber risk.

40% have an individual tasked with covering data and cyber risks.

14% have a resource dedicated solely to these risks.

Majority of respondents are now concerned about class action risk.

79% believe cyber is a CIO risk to own.

Only 27% are satisfied with their organisation's data collection and retention practices.

58% of respondents consider it would take a cyber attack to meaningfully improve their organisation's focus on data risk management

More than 50% say Government could do more to address cyber risk.

80% say they would not engage a law firm from an insurer's panel.

These findings are from a survey designed and run by Herbert Smith Freehills. Data was gathered from June to August 2024. The survey was anonymous and promoted widely to in-house legal teams in Australia, including via LinkedIn. 164 respondents, 54% of which were General Counsel or equivalent.

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