

of Australia's business community, undermining confidence and profit margins.

The survey results, compiled from the responses of 2,146 of Australia and New Zealand's largest organisations across the public and private sectors, show that 47% of all respondents experienced at least one fraud during the survey period (April 2004 to January 2006). This figure was up from 45% reported in the previous biannual survey.

The most common instances of fraud from within businesses included fraudulent use of corporate credit cards, theft of cash, theft of stock and false invoicing.

Although the rate of reported fraud in Australia is alarming, what is truly staggering is the cost it represents to business. The survey found that the total value of fraud reported was \$154.9 million with an average cost to each organisation of some \$714,000. Furthermore, in 42% of major frauds, none of the money or goods stolen was recovered.

These figures are supported by the Australian Institute of Criminology (AIC) which estimated that fraud accounts for 24% of the total cost of crime to Australia. Based on these estimates, the latest figures suggest that fraud now costs Australia more than \$8.5 billion each year.

EBM Insurance Brokers Managing Director Jeff Adams said while the figures are concerning, if businesses remain vigilant they can go a long way in guarding themselves against the impact of fraudulent activities.

"Organisations are increasingly becoming aware of the risks of fraud and are investing more time and resources into the management of fraud issues," Mr Adams said. "That's important particularly with the evolution of fraud, with increasing instances of crimes such as identity fraud and cybercrime."

Having adequate insurance is just one measure that should be part of an effective fraud management plan.

As the figures show, in over 40% of cases, no recovery of stolen goods is made and in instances where items are recovered, 57% of the total value is recovered from insurance claims, 39% from the perpetrator and 4% from third parties.

In addition the cost of fraud investigations can represent significant expense to businesses as well, usually involving the services of specialist investigators and accountants.

Strategies to reduce fraud in the workplace

- Allocate financial and staffing resources to fraud control
- Conduct fraud awareness training
- Screen all suppliers and contractors working with the business
- Conduct fraud risk assessments
- Focus senior management on fraud risk
- Conduct pre-employment screening
- Establish a code of conduct

Plugging into Gen Y potential

They're young, smart, and full of confidence. They are part of the burgeoning Generation Y workforce and they're set to have an increasingly important influence on corporate Australia.

Aged between 17 and 28, 'Gen Y' has emerged as the most influential generation since the baby boomers. Going by such varied names as the



Internet Generation, Echo Boomers and iGens, there are now about 4.5 million 'Gen Y' Australians.

Workforce commentary over the past decade has focused on Generation X, but with many 'Gen Xers' now in their 30s and increasingly leaving the workforce to start families, the focus has shifted to 'Gen Y', with their influence tipped to inspire great change across social, political and business landscapes.

Already accounting for one in five workers, the proportion of Gen Y employees is set to double from 20% to 40% of the Australian workforce in just five years as more people leave the workforce than enter as baby boomers begin to retire.

Studies into the 'Gen Y' workforce are showing they expect to have a very different relationship with their bosses than their predecessors. In terms of recruitment and workplace issues, those born between 1980 and 1994 are touted as the hardest staff to retain and the most difficult to mould.

In their analysis of 'Gen Y' workers, international recruitment firm Drake found that 86% of respondents expect to be promoted within two years, and over half (52%) think it's easy to find a new job.

Not only are 'Gen Y' workers ambitious and confident in their job prospects, it would seem they are also not adverse to job hopping until the right opportunity arises.

An Australian Bureau of Statistics labour mobility report showed that of 9.9 million people surveyed, 'Gen Y' workers changed their employer more frequently than older workers.

Of those surveyed, 22% of workers aged between 20 and 24 had changed their place of work within the last 12 months. This compares to 4.9% of those aged 55-59 and just 3% of those aged 60 years and over.

While research shows that 'Gen Y' workers are more likely to move on from a workplace, there are also indications, that if the conditions are right, they will also be incredibly loyal.

A survey of 1,200 'Gen Y' workers conducted by Hays Recruitment found that they are more career-focused than their predecessors, yet are self-confessed risk-takers when it comes to their career. They value honesty and respect and want ongoing learning and development from their employers. Adding to that, the survey found that 72% of respondents would not apply for a role with an organisation if they do not believe in what it stands for.

As the demographic of the Australian workforce continues to shift, social researchers are prompting managers to embrace 'Gen Y' and look at working with, rather than against the new breed workers.

What generation are you?

Generation	Year of birth	Age	% of population
Builders	Before 1946	62+	18%
Baby Boomers	1946-1964	44-62	25%
Gen X	1965-1979	29-43	21%
Gen Y	1980-1994	14-28	20%
Gen Z	1995-2009	Under 13	16%

Source: Australian Bureau of Statistics, 2006 Census.

EBM on board for industry conference

EBM Insurance Brokers has taken on the major sponsorship of the 2008 TCE National Property Management Conference.

Aligning itself with EBM Insurance Brokers highly successful RentCover



division, the annual event is also seen as a valuable networking opportunity, attracting leading figures in property management from across Australia.

The conference, attended by property managers, business development managers and business leaders, is well known throughout the property management industry for providing unique insights and entertaining presenters. This year, the conference is being held at the Marriott Resort, Surfers Paradise on the Gold Coast across June 22 and 23.

Through a variety of seminars and learning sessions, the two day conference offers solutions, strategies and concepts to further develop property management techniques. Specially selected speakers seek to challenge, motivate, educate and encourage business leaders to new levels of professionalism

Along with this advice, a key focus of the conference has been to help participants achieve a profitable rent roll, including ways to make it more productive and sustainable.

Among the list of high-profile key note speakers this year is EBM Insurance Brokers own National Marketing and Development Manager Brett Clarke.

For the past 15 years, Brett has played a key role in developing the RentCover range of products including RentCoverUltra, RentCoverPlatinum, HolidayLetCover and TenantCover.

Brett will be joined by the likes of renowned speaker and income acceleration coach Pat Mesiti, business coach and author Simon Treselyan, and internationally recognised business presenter Alan Patching.

For those interested in attending, registration forms can be obtained at www.ppmssystem.com or by calling the PPM Group on 07 5592 6511.

Computer crime – when virtual becomes reality

There is no doubt that information technology - sometimes frustrating and often confusing – has had a revolutionary effect on the global economy and the way business is conducted.

Beginning with fax machines and networked office systems through to Blackberries and tablet PCs, technology has made business more convenient and more accessible than ever.



However, with the new opportunities and possibilities that technology brings, there are also new risks.

Electronic attacks, infections from worms and viruses, theft of proprietary or confidential information and computer facilitated crime are all part of today's corporate reality, not to mention lost productivity from server malfunctions or power failures.

Despite the inherent risks, according to the Australian Government's most recent computer crime and security survey, one in every five respondents had experienced electronic attacks that harmed the confidentiality, integrity or availability of network data or systems in the previous 12 months.

Some 83% of these attacks were waged by an external source and almost 50% of respondents reported an infection by worm or virus.

The survey also found the average loss from electronic attack and computer crime was \$241,150 per organisation - an increase of 63% from the previous year. The findings suggested that the greatest source of financial loss was due to theft of proprietary or confidential information, estimated to be over \$2 million on average.

Given this, it is alarming that despite numerous high-profile cases of computer crime reported in Australia there has been a reduction in IT security levels and adequate IT security training.

Earlier this year, Western Australian Computer Crime Squad Detectives arrested a Nigerian citizen in Perth alleging he was involved in significant African 'Advance Fee' Fraud offences. Police say the 29-year-old was involved in an international syndicate, pretending to be a foreign diplomat and allegedly securing \$1 million from unsuspecting victims in Australia and overseas. His method of deceit involved recruiting supporters online with various fraudulent stories of windfalls and inheritance.

"We use the word virtual in reference to computers – virtual games, virtual worlds, and virtual offices – but the data stored on corporate servers and systems is very real and so are the risks" said EBM Insurance Brokers Managing Director Jeff Adams.

"Corporations and individuals are lulled into a false sense of security believing because a threat cannot be easily seen or well understood, it is not there. Sadly that is not the case."

To help protect businesses against loss, EBM provides insurance policies designed to protect corporations from financial loss resulting from computer breakdown or crime as part of their corporate insurance services.

"In determining whether you need cover for computer related loss, the first step is to speak to an insurance professional about the overall areas of risk for you or your business. The decision then becomes which risks to retain (i.e. not insure) and which risks to transfer through insurance," Mr Adams said.

For more information call 1300 INSURE (1300 467 873) or visit www.ebminurance.com.au.

Building security with BuildCover

Australia's construction industry continues to operate at near full capacity, putting increased pressure on labour and resources. Despite a general slowdown in the housing industry, building and construction sites remain as busy as ever with residential and commercial projects.

According to latest figures from the Australian Bureau of Statistics, 12,799 building approvals were issued for private sector dwellings in the month of March alone. This is on top of a 6.2% increase in home building approvals recorded in the quarter to 31 December 2007 compared to the same period in the previous year.

With more demand on the industry than ever, and new players seeking to enter the market, the importance of building covenants and insurance has never been greater.

Consumer protection legislation dictates that in most states in Australia, builders cannot legally apply for building licenses or quote on projects without being covered by the appropriate insurances.

Securing that cover can be a complicated process with builders often facing lengthy delays, possible re-arrangement of finances and the need to supply specific requirements for bank bonds or guarantees.

In response to this, EBM Insurance Brokers, in collaboration with builders, created BuildCover – a tailored domestic warranty insurance policy which helps overcome those frustrations and gets builders on construction sites faster.



“BuildCover has been created with the input of builders themselves to overcome some of the most frustrating elements in navigating through the approvals process,” said EBM’s BuildCover Business Relationship Manager, Helma Searle.

“The real benefits of BuildCover include fast turnaround of applications, minimal need for financial information, and a flexible cap on the number of projects underway at any given time.”

Like all EBM policies, the key has been to keep it simple. BuildCover promises no need for bank guarantees or bonds, no financial restructuring, and most importantly, fast turn-around.

In addition to domestic warranty insurance, EBM Insurance Brokers also provides other speciality insurances required by builders including owner builder warranty insurance for those building their own homes, contract works insurance to cover contractual requirements, public liability insurance and structural defects insurance.

For more information about BuildCover call 1800 800 544 or visit www.buildcover.com.au.

Contact us

EBM Insurance Brokers has offices in New South Wales, Victoria, Queensland and Western Australia, delivering local expertise combined with the national resources of one of Australia’s largest insurance broking companies.

Email us at ebm@ebmininsurance.com.au or contact one of our local brokers who can help you determine your insurance needs. Call 1300 INSURE (1300 467 873) for your nearest office:

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Margaret River

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Important note: Our advice is provided for your general information and does not take into account your individual needs, you should read the respective insurers product disclosure statement which we can provide upon request before taking out cover.

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