



Annual Report
2018 - 19

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Chairman's Report



Craig Wrightson
Lane Cove Council
General Manager

I am pleased to present the annual report for CivicRisk Metro which continues to provide excellent risk and insurance services to its members.

Our financial performance is outstanding having achieved another surplus result which is equivalent to over 50% of member contributions. The surplus position was achieved through strong investment returns, cost effective insurance program and well managed claims. Member equity now stands at \$14,647,835 and members can be proud that we have now exceeded our capital adequacy benchmark of 166% of the APRA Minimum Capital Requirement for insurance entities.

CivicRisk Metro has continued to provide stability in insurance costs in a traditionally volatile market. Although we have benefited recently from a relatively soft market, indications are that insurance costs are increasing, we are well placed to meet these and any other challenges. CivicRisk Metro achieves this stability by setting contributions at a prudent level, which covers all our costs while building in provisions to address the peaks and troughs of the insurance market. CivicRisk Metro also reviews its self-insured layers to take best advantage of market conditions and negotiating favourable bulk purchased insurance using its collective buying power.

CivicRisk Mutual a joint initiative of CivicRisk Metro and CivicRisk West, has in recent years welcomed six new councils to the membership and this year we were pleased to welcome both Dubbo City Council and Wollondilly Shire Council. The steady growth in our membership demonstrates the excellent reputation our Mutuals have for risk management and quality insurance solutions.

CivicRisk Mutual is committed to risk management excellence and through our continuous risk improvement program (CRIP), all members are required to participate in regular

reviews of their risk management systems and programs. The first round of audits uncovered excellent examples of risk management whilst highlighting areas where we can focus more efforts to manage risk. The risk enhance program has been implemented to assist the members to implement the recommendations of the CRIP and support motor vehicle loss prevention strategies. In 2018/19 CivicRisk funded members to a total of \$170,000 towards these risk projects. In addition, we provided a comprehensive professional development program which includes annual training, conference funding and a study assistance program to encourage our risk staff to pursue studies in strategic risk management.

Willis Towers Watson and Claims Management Australasia continue to provide outstanding service to the Pool and play a key role in maintaining a strong relationship with our underwriters and other service providers. Both have assisted the Mutual by delivering a greater variety of products and supported the growth of CivicRisk Mutual. My thanks to the teams, at both Claims Management Australasia and Willis Towers Watson. I would also like to acknowledge the team from Finity Consulting who provide excellent actuarial advice and our legal panel who defend the claims on behalf of the members.

CivicRisk Mutual's success is largely a result of the commitment and effort of our members. In this regard, I would like to congratulate the Board, Management, Risk Management and Finance Committees as your contribution is a large contributing factor to our achievements.

Finally, a personal thanks to our executive team, Andrew Armitstead, Lisa Williams, Nicole Mahon and Kaye-Anne Goodshaw. The achievements of the Mutual are only possible through the hard work and commitment of our administrative team and they continue to provide excellent service to the Mutual.

Well done to all and I look forward to a successful 2019/20.

Craig Wrightson
Chairman

Board & Committee Members

CivicRisk Metro's strength is built on the commitment of its Board and Committee members. The leadership skills and insight you bring has contributed to our success and we appreciate the time and effort you give to our organisation.

Board

Craig Wrightson
Lane Cove Council

Chairman

Councillor Mark Honey
Kiama Council

Deputy Chairman

Fausto Sut
Bayside Council

Councillor Christina Curry
Bayside Council

Bruce Macdonnell
Burwood Council
(Past Member)

Brian Mortimer
Burwood Council
(Past Member)

Tommaso Briscese
Burwood Council
(Current Member)

Greg Cummings
Cumberland Council

Hamish McNulty
Cumberland Council

Councillor Mark Bennett
Hunters Hill

Lisa Miscamble
Hunters Hill Council

Kerry McMurray
Kiama Council
Craig Dalli
Lane Cove Council

Risk Management Committee

Renee Winston
Kiama Council

Chairman

Mark Smith
Hunters Hill Council

Deputy Chairman

Belinda Doig
Cumberland Council

Doris Lum
Bayside Council

Amanee Elarja
Bayside Council

Fausto Sut
Bayside Council

Militsa Zelenovic
Burwood Council

Stephen Golding
Lane Cove Council

Finance Committee

KG Bascaran
Lane Cove Council

Chairman

May Vilaythong
Hunters Hill Council

Deputy Chairman

Matthew Walker
Bayside Council

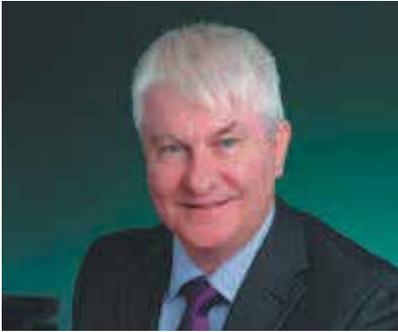
Wayne Armitage
Burwood Council

Richard Sheridan
Cumberland Council

David Mead
Kiama Council



Executive Officer's Report



Andrew Armitstead
Executive Officer

It gives me great pleasure to present the 2018/19 CivicRisk Metro annual report and I congratulate the members on an excellent result.

This year the Mutual continues to thrive benefitting from some creative insurance placement decisions and sound risk management strategies. Claims performance has been excellent and the financial strategies implemented by the Board, in cooperation with the Finance Committee, have achieved our capital adequacy target well ahead of schedule.

CivicRisk Metro extended a long-term deal with our lead underwriter that provides certainty at a time when insurance costs are increasing. The insurance arrangements provide an

optimum structure which rewards good performance through financial savings while adequately protecting members against catastrophic loss. In addition, our actuary has reviewed our claims and adjusted our provisions to reflect our performance. The insurance arrangements, along with a reduction in claims costs, has resulted in the Mutual achieving a surplus of \$1,098,995 which increases our capital adequacy ratio to 166%.

Our members are committed to managing their risks and together we have been able to reduce our costs and build reserves in the Mutual. CivicRisk Metro's commitment to risk management is evident in the adoption of a Risk Enhance Program which provides funds for risk projects and supports the members' continuous risk improvement program. The second stage of our continuous risk improvement program involves a funded 3-year rolling audit program which will further improve our performance and highlight areas where we can channel our energies to address any weaknesses.

CivicRisk Metro is proudly affiliated with CivicRisk Mutual and together with our CivicRisk West councils, we continue to manage the risks of motor vehicle, property, officers' liability and crime. In July 2018 we welcomed Orange City Council as a new member to CivicRisk Mutual and in July 2019

we welcomed Wollondilly Shire Council and Dubbo Regional Council as members.

We incurred a series of storm and hail events in 2019 which fully eroded our annual self-insured retention. Fortunately, we had reserves to cover these losses. This is the nature of the risk and the purpose of the self-insured fund to reduce the impact on our insurers and therefore minimise future increases in premiums. Full details are contained in the CivicRisk Mutual section of this report.

CivicRisk Metro is appreciative of the efforts of the Willis Towers Watson team who provide sound broking advice and responsive insurance solutions. Thanks to Chris Nelson, Shane Redman, Emma Annakin and the team for their excellent support. Claims Management Australasia continue to work productively with our risk managers to effectively manage claims and reduce costs. Congratulations to Ian Barker, Tony Hatgis and the Claims Management Australasia team for a job well done. The success of the Mutual is also dependent on the contributions of our other service providers and in particular, I would like to extend thanks to our panel lawyers, the team from InConsult who support our risk management program; our valuer, Scott Fullarton; our actuary, Finity Consulting led by David Minty; and finally, our investment advisors at CPG.

The key strength of our organisation is the commitment shown by the Board members led by our Chairman Craig Wrightson, as well as our Finance and Risk Management Committees.

The past twelve months have been rewarding and I would not have been able to deliver support to the Pool without the excellent assistance of Nicole Mahon who ensures that the office operations continue to run smoothly and Lisa Williams who manages the finances of all three Mutuals. In 2019 we also welcomed a new member to our team, Kaye-Anne Goodshaw, who will provide great support to the team and strengthens our risk and training service.

Well done to all and I look forward to another successful year in 2019/20.

A handwritten signature in black ink, appearing to read 'A. Armitstead', written over a white background.

Andrew Armitstead
Executive Officer



Strategic Plan – A sustainable model for the future

CivicRisk Metro was established in 1991 and, continues to deliver quality risk management services which meet the members' needs and protect their assets.

CivicRisk Metro is an alliance of councils who have joined together to protect member assets and liabilities through establishing manageable levels of self-insured risk and minimise the cost of insurance.

CivicRisk Metro achieves this by:-

1. Implementing a risk management framework that is compliant with international standard ISO31000.
2. Proactively managing claims to reduce costs.
3. Involving all our staff through an enterprise-wide risk management philosophy.
4. Determining manageable levels of self-insurance.
5. Maintaining adequate levels of insurance at affordable rates.

CivicRisk Metro has continued to meet the members' needs and deliver quality service over 30 years.

CivicRisk Metro has been able to achieve this by:-

- Committing to a strategic plan that ensures the organisation continues to provide excellent service.
- Involving the members and seeking commitment within a governance structure which ensures equal representation.
- Supporting each other and working together to manage risks.
- Establishing a range of products that meet the members' insurance needs.
- Educating our members about risk management through a professional development program.
- Engaging a range of service providers who deliver quality service and add value to the Mutual.
- Applying APRA standards as our benchmark to ensure the organisation's financial sustainability and good governance.

CivicRisk Metro is constantly looking to improve its services by:-

- Working in partnership with CivicRisk West councils through the CivicRisk Mutual organisation to protect our physical assets.
- Developing new products and services that meet the changing needs of the members.
- Establishing a culture that supports members through mutuality and respect.
- Working with our government to ensure public risk is protected within a legal framework that is fair and sustainable.

CivicRisk Metro will ensure its future by:-

- Regularly reviewing its Strategic Plan to ensure it continues to meet members' needs and accommodates growth in membership, products and services.
- Developing strong business partnerships bound by clear service agreements which are regularly market tested.
- Maintaining an up to date risk management framework that encourages commitment and understanding to the principles of managing risk.
- Ensuring that the organisation maintains a high standard of governance and sound financial strategies.
- Seeking out partners that are able to demonstrate a similar commitment to risk and add value to our organisation.
- Maintaining a learning organisation.
- Ensuring regular communication with our members and informing them of progress and achievements.

Risk Management Committee Chairman's Report



Renee Winston
Chairman
CivicRisk Metro Risk
Management Committee

The last 12 months for CivicRisk Metro have been more settled than the previous. Our recently amalgamated Councils no longer being in the acute stages of aftermath and could get back toward business as usual, and focusing on our core business of ERM and claims management.

We now closely follow the proposal that the three arms of CivicRisk prepare to merge toward one mutual. We appreciate that we are being well informed on inherent finance and compliance issues and consulted regarding proposed governance structure and members' surplus.

Congratulations to the team from Burwood Council, the Mobileye Pilot Program winning the 2018 Civic Risk Metro Risk Management Award, and Kiama Council as Highly Commended for their Contractor Management program.

CivicRisk Metro Councils have utilised risk enhance funding this year on projects including four business continuity exercises, a consultant risk review and evacuation training.

Thanks to service providers - Claims Management Australasia, Willis Towers Watson, Inconsult, panel solicitors, Pitcher Partners and Finity. This team are readily available to assist with advice or and participate in claim management which lead to timely, fair and best practice issue resolution, a very significant resource for smaller councils.

On behalf of all CivicRisk Metro Risk Management Committee members, I would like to thank the CivicRisk Mutual team of Andrew Armitstead, Nicole Mahon and Lisa Williams, and this year we welcome Kaye-Anne Goodshaw to the team. We really appreciate them as an extremely approachable, efficient and excellent support to our Councils.

Thank you to all of the Risk Committee team members, from both CivicRisk Metro and our peers in CivicRisk West. These meetings facilitate robust discussions and all of us gain from insight, innovation and experience from the members. Finally, I welcome the many new faces that have joined us this year from Orange, Dubbo and Wollondilly councils, I suspect that they will soon agree that this opportunity is one of the most valuable benefits of being a member with CivicRisk Mutual.

Renee Winston
Chairman
CivicRisk Metro Risk
Management Committee



Financial Report

CivicRisk Metro (formerly Metro Pool) has had another great financial year reporting an operating surplus of \$1,098,995.

This result continues to build on a number of consecutive years of solid performance and consolidates CivicRisk Metro's healthy financial position.

The financial results of CivicRisk Metro for 18/19 were based on the following major factors:

1. Solid returns on interest on investments generating \$1,013,130 in interest income which was above budgeted levels and is an annualised return of 4.6%.
2. Underwriting costs which include insurance premiums, net claims costs, claims provisions, claims handling and brokerage were \$504,380 less than budgeted due to the current insurance deal where almost all the risk was transferred to the insurer.

As a result, the total equity of CivicRisk Metro rose by \$1,098,995 from \$13,548,840 to \$14,647,835.

The Pools Capital Adequacy Ratio exceeded the target again this year reaching 166%, an increase from 157%

last year. The plan developed by the Board and finance committee over the past few years to meet this target has been achieved.

The Board of CivicRisk sent the CivicRisk West Chairman, Ross Fowler and Executive Officer, Andrew Armitstead to London in August 2018 to negotiate the insurance renewal for the Pools. The trip covered 1 week of meetings. Also, a delegation of 5 attended the ALARM conference in Manchester and meetings with UK insurance pools over 2 weeks in June 2019. The cost of this overseas travel was \$95,072 in total which was shared by the group and cost CivicRisk Metro \$32,325. The investment in attending these meetings and conferences has resulted in many new ideas on pool management, underwriting and risk management being implemented by CivicRisk over the years.

CivicRisk Metro's Finance Committee remained active throughout the year, meeting to recommend budget levels and member contributions, monitor the Pool's investments and consider strategic financial matters.

I would like to express my appreciation to CivicRisk Metro's Actuary, David Minty, Investment Advisor Andrew Vallner and its Auditor, Carl Millington for their ongoing commitment and effort.

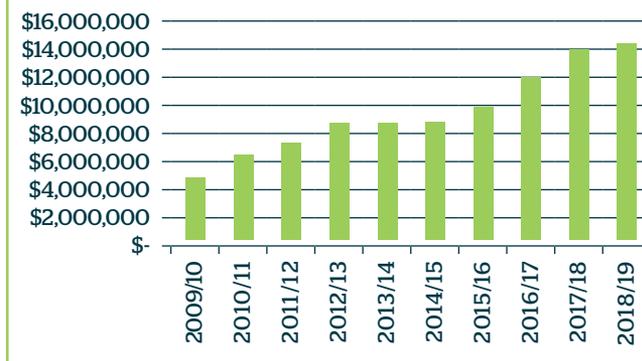
Finally, I would like to thank CivicRisk Metro's Executive Officer, Andrew Armitstead, Finance Manager, Lisa Williams, Office Manager, Nicole Mahon and Business Support Officer, Kaye-Anne Goodshaw for their support provided during the year.

In summary, CivicRisk Metro has again improved its financial position during 2018/19 and in doing so has strengthened its long-term viability.

KG Bascaran

Chairman
CivicRisk Metro
Finance Committee

Equity Position 2010-2019



Financial Statements

Balance Sheet	2018/19	2017/18	2016/17
Assets			
Cash and investments	\$22,023,351	\$23,439,868	\$22,815,542
Receivables	\$286,950	\$308,431	\$427,237
Other	\$613,214	\$600,646	\$690,968
Total Assets	\$22,923,515	\$24,348,945	\$23,933,747
Liabilities			
Current liabilities	\$1,624,680	\$1,815,105	\$1,593,023
Non-current liabilities	\$6,651,000	\$8,985,000	\$10,730,000
Total Liabilities	\$8,275,680	\$10,800,105	\$12,323,023
Total Members' Equity	\$14,647,835	\$13,548,840	\$11,610,724
Income Statement			
Revenues			
Income from continuing operations	\$3,129,130	\$3,192,162	\$3,869,364
Total Revenues	\$3,129,130	\$3,192,162	\$3,869,364
Expenses			
Other expenses from continuing operations	\$2,030,135	\$1,254,046	\$1,680,657
Total Expenses	\$2,030,135	\$1,254,046	\$1,680,657
Net operating result for the year	\$1,098,995	\$1,938,116	\$2,188,707
Members' equity beginning of year	\$13,548,840	\$11,610,724	\$9,422,017
Members' equity end of year	\$14,647,835	\$13,548,840	\$11,610,724

Full copy of the financial statements is available upon request



Actuarial Valuation At 30 June 2019 - Executive Summary

We were asked by the Board of CivicRisk Metro to undertake a review of its public liability and professional indemnity risk sharing pool. The purpose of the review is to:

- determine the net liability as at 30 June 2019 for outstanding claims, after council deductibles and allowing for insurance, for inclusion in the annual accounts of the pool, and
- allocate the net equity of the pool between member councils.

Detail of our review is contained in our full report which is available to members on the CivicRisk website.

Performance in 2018/19

Table 1 summarises the results of our valuation and shows the corresponding aggregates at the June 2018 valuation for comparison.

Our discounted gross central estimate of CivicRisk Metro's outstanding claims liability as at 30 June 2019 for public and professional liability claims is \$12.5 million, with \$5.9 million of this expected to be recovered from insurers. Our discounted net central estimate of CivicRisk Metro's outstanding claims liability as at 30 June 2019 after recoveries is \$6.6 million.

This result assumes:

- future investment income of 1.2% per annum and
- that any insured amounts will be met in full as they fall due from insurers.

Allowing for claims handling expenses and a prudential margin in accordance with CivicRisk Metro's policy increases the estimate to \$8.0 million. This is the total provision that CivicRisk Metro has included in its balance sheet. This provision compares with a provision of \$10.7 million as at 30 June 2018, a decrease of \$2.7 million (the movement last year was a decrease of \$1.5 million).

At our previous valuation, we had projected the provision to be \$9.2 million at June 2019. The overall provision is therefore \$1.2 million lower than we projected at June 2018.

The major drivers of the reduction in provision are:

- Actual payments on claims were more than expected.
- Changes to average claim size assumptions.
- Maturing pool years relying more on the incurred development rather than the claim number times average claim size approach.

These decreases are partially offset by:

- Changes to claim costs in the aggregate deductible layer.
- Reduction in the discount rate from 2.4% per annum.
- Increase in the claims handling expense allowance.

By June 2020, we expect the net outstanding claim provision to reduce to \$7.1 million as payments are made for older pool years while the net cost of the latest pool year is relatively less.

Any assessment of the financial position of the pool is uncertain, particularly because of the variability of large claim experience from year to year, and so the true financial position of the pool may differ significantly from our net central estimate.

Holding a prudential margin in addition to our net central estimate is an appropriate response to uncertainty, made possible by the discipline of the Board and members in including a margin when setting contributions.

Member Equity at 30 June 2019

After adopting the above provisions, CivicRisk Metro has net equity of \$14.6 million at 30 June 2019, compared with a 30 June 2018 net equity figure of \$11.6 million. This is an increase of \$1.1 million and follows a \$1.9 million increase last year.

We have allocated the net equity between member councils in accordance with Board policy as described in our full report. On that basis, the net equity at 30 June 2019 attributable to each member is as shown in Table 2.

The equity for all councils has increased due to the benign claims payment experience, good investment returns and release of prudential margins in the provisions as older years run off.

Reliances and Limitations

Please see Section 5 of our full report which sets out the reliances and limitations of our advice of which a reader must be aware before using our results.

David Minty | Mark Hurst

Fellows of the Institute
of Actuaries of Australia



Table 1 - Recommended Outstanding Claim Provision

	At June 18	At June 19
	\$000	\$000
Discounted gross central estimate	11,495	12,499
<i>Less: expected recoveries</i>	(2,798)	(5,876)
Net discounted central estimate	8,698	6,623
<i>Add: claims handling expenses (CHE)</i>	435	596
Liability including CHE	9,132	7,219
<i>Add: prudential margin</i>	1,566	745
Liability including prudential margin	10,699	7,965

Table 2 - Net Equity as at 30 June 2019

Council	Net equity as at		Change
	30 June 18	30 June 19	
	\$000	\$000	\$000
Bayside	4,431	4,758	328
Burwood	40	67	27
Cumberland	4,219	4,656	437
Hunters Hill	529	564	35
Lane Cove	1,026	1,100	74
Kiama	83	123	40
Marrickville (former)	3,221	3,379	159
Total	13,549	14,648	1,099

Broking Services Report

We are pleased to submit our report for the 2018/19 period. Firstly we would like to thank CivicRisk Metro for their support in Willis Towers Watson being retained as your Broker following the tender in April 2019.

Secondly we would like to take this opportunity to thank Andrew, Nicole, Lisa, Kaye-Anne, the Risk Managers of all Members, the Executive, Boards and Management Committees, CMA and all other partners to CivicRisk Metro and CivicRisk Mutual for your ongoing support and assistance. The overall team effort without doubt ensured we continued to professionally & effectively manage the various challenges that were encountered throughout the last 12 months.

2018/19 - Year in Review

30 June 2019 was the first anniversary of Orange City Council joining as a Member of CivicRisk Mutual. On the back of this success there were a number of opportunities to tender for more new Members. The results were fantastic with Dubbo Regional and Wollondilly Shire both agreeing to join CivicRisk Mutual. Willis Towers Watson was extremely pleased to have played our part in both Councils agreeing to join the Mutual.

The October 2018 renewals saw the first signs of a hardening Property (ISR) market in Australia after many years of premium discounting across most industries. The excellent Liability/Professional Indemnity claims record resulted in no premium increase and a further extension of the Long Term Agreement with Swiss Re. Despite very difficult market conditions for Management Liability an exceptional renewal result was achieved. For Motor increased claims resulted in a slight increase in the Annual Aggregate. All other classes renewed with very little change.

Property (ISR)

Claims for 2018/19 have been significant for the 2nd year running. However at this stage the cost of claims is unlikely to exceed the \$3m Annual Aggregate. CGU has been the Mutual's Insurer since 2013. Unfortunately due to a decision to dramatically down size their Client portfolio CGU advised us in March this year that they would not be offering renewal in October 2019. CGU stated categorically that this decision had nothing to do with Council risks & exposures but simply a decision to exit very large asset Clients. At the time of writing we are undertaking a very comprehensive re-market exercise.

Motor

The December 2018 and February/ March 2019 hail storms across Sydney resulted in catastrophic losses for all Motor Insurers. CivicRisk Member Councils were not spared. A total of 405 claims were reported for a claims cost of \$2,961,584. This will impact the 2019 renewal.

Insurance Market Update

This time last year we noted a continuation of a changing Property market leading to an increase in pricing, restricted capacity for some risks and a great deal more underwriting scrutiny being applied to risk selection. This has accelerated significantly in the 1st half of 2019 and we expect all Insurers to continue to impose premium increases through to 2020.

For Management Liability (CD&O/ EPL/Stat Liab) increased claims activity is putting pressure on all Insurers to remediate their portfolio in an effort to return to a profitable position on this class.

For Public Liability market pricing and capacity has remained competitive and stable throughout 2018/19. Premiums remained largely flat through to moderate increases (depending on the exposures) with market competition remaining. Excess Layers continued, by and large, to attract minimum premiums.

However it was evident that Insurers were pushing hard to increase their minimum premium levels.

Without a doubt the most challenging insurance at this moment for Insureds, Insurers & Brokers is Professional Indemnity. Globally we are seeing Insurers including Lloyd's of London Syndicates exiting the PI market completely. This has in turn allowed the Insurers who are prepared to continue offering PI insurance the opportunity to:

- put upwards pressure on premium rates and policy excesses;
- reduce the limits they offer;
- tighten policy conditions to restrict cover;
- impose more scrutiny on risk selection.

Looking Ahead

The 2019 October renewals for ISR, PPL/PI, Management Liability & Motor will be challenging.

We see the next 12 months as a perfect opportunity to capitalise on the success of Dubbo & Wollondilly joining CivicRisk Mutual and we are excited that 2019/20 will provide more opportunities to work with CivicRisk Mutual to bring new Member Councils on board.

Whilst the current market conditions will continue to challenge us all we see the ensuing 12 months as a period where CivicRisk Mutual will rise above those challenges and continue to provide Members with the best insurance & risk protection available. We remain committed to partnering with CivicRisk Mutual to ensure that all current and any new members benefit from a tailored, competitively priced insurance program with first class broking service.

Willis Towers Watson remains proud of its 15 year relationship with CivicRisk Mutual and CivicRisk West. We look forward to delivering a strong outcome to CivicRisk Mutual and CivicRisk West in October, and to working with you in partnership to design and implement an insurance strategy that will complement the growth and strength of CivicRisk Mutual and CivicRisk West.



Willis Towers Watson Service Team

Leadership and Strategic Direction

Strategic Advisor
Mike Baker

Client Advocate
Shane Redman

Executive Stewardship
Chris Nelson

Delivery

Placement and Marketing

Property
Jarrod Tilbrook

Liability and PI
Chris Nelson / Shane Redman
& Ed Hunter (*London*)

CD&O / EPL / SL
Jodi Upton / Simon Carter

General Insurances
Shane Redman / Emma Annakin

Core Service Team

Account Director
Shane Redman

Account Executive
Emma Annakin

Placement & Marketing

Professional Risks
Tracy Grant

Construction
Gavin Parkinson

Risk & Analytics
Debbie Pilling

Workers Compensation
Clint Hitchcock

Claims Management Service Report

Overview

Claims Management Australasia (CMA) will shortly conclude its 15th year of claims management on behalf of CivicRisk Metro. CivicRisk Metro is a valued client of CMA and the relationship extends back to the early 1990s with investigation services being provided to members prior to CMA becoming the claims manager.

Trends

The very positive trends noted in the 2017-2018 year have continued with claim numbers reducing due to excellent results in litigated claims. Across the pools 6 matters were won in the courts in 2019 alone, one in the Court of Appeal.

Last year, we reported an increase in claims where Telstra joined councils as co-defendants. In the 2018 year, we successfully defended two such litigated matters (one which resulted in costs being paid by Telstra) which has demonstrated to Telstra that the member councils will not bow to pressure and simply pay claims when there is no liability. We are hopeful the stance will reduce the number of occasions that councils are joined.

Major Claims

There is only two open claims currently under review by our Board and we have good prospects that these will be resolved through redirection or settlement in 2019/20.

There have been no other claims of any significance reported by the respective councils.

New Members

CMA has welcomed the addition of Orange City Council, Wollondilly Shire Council and Dubbo Regional Council to CivicRisk West. CMA has attended upon those councils to provide training on the online Claims Management System. The three councils appear to have embraced the system and were grateful for the personalised service provided.

The feedback on the system, particularly from the new members continues to be extremely positive.

Tender

We would like to thank the members for the confidence and commitment shown to CMA by reappointing us for a further term as claims managers.

Training Sessions

CMA continues to support the various training sessions and would like to thank the members for their wholehearted support which was greatly assisted in the 16 court victories since 2015 and the many non-litigated successes.

Conclusion

Finally, and again the staff at CMA would like to pass on to members their appreciation for the continued support and the courteous and professional manner in which members participate in the relationship.

We look forward to a further successful year.

Ian Barker
Director
Claims Management
Australasia Pty Limited



Annual Report

2018 - 19

Chairman's Report



Councillor Ross Fowler
Penrith City Council
Board Chairman

It gives me great pleasure to present the 2018/19 CivicRisk Mutual Annual Report on behalf of the members. A year where we welcomed both Wollondilly Shire Council and Dubbo Regional Council to the Mutual and consolidated our strong financial position.

2018/19 has been a year of consolidation after managing some significant claims development associated with storm events. The reserves we have retained and our insurance structure has protected us from the impact. In response, the members implemented several risk management strategies and restructured our insurance products to take best advantage of

insurance market trends. This is an example of the benefit of Councils working together in the spirit of mutuality to come up with creative risk and insurance solutions as the market hardens.

One of the core strategies of CivicRisk Mutual is the provision of stability in insurance costs in what is a traditionally volatile market. The property and motor vehicle pools both performed within the expectations of the new insurance arrangements from 31 October 2017 which saw CivicRisk Mutual take higher self-insured retentions due to increasing costs of insurance premiums. After a couple of years of unusual claims activity CivicRisk Mutual has experienced a significant reduction in both our Fidelity Guarantee (Crime) and Councillors, Directors & Officers insurance. In regards to Property and Motor these lines of business were impacted by several storm events and costs were covered by reserves. Total members' equity now stands at \$6,944,803.

In 2018/19 the Board requested our actuary to undertake a stress test exercise to assess our capacity to withstand multiple significant events and review the impact on our capital adequacy to ensure the Mutual maintains resilient reserves.

CivicRisk Mutual has continued its risk support program to provide \$10,000 to each council to assist them in implementing the

recommendations that came from the Continuous Risk Improvement Program (CRIP). Members were granted \$145,000 for risk and motor projects delivered in 2018/19. CivicRisk Mutual has also continued its support to members, funding professional development to the value of \$170,564 including training, attendance at industry conferences and our study assistance program.

CivicRisk Mutual has been well supported by our key professional advisors in the past year, including CGU for property and Vero for motor vehicle issues. The claims team work in partnership with our member councils' risk managers and operational staff to ensure our claims are dealt with efficiently and with the minimum of interruption to our councils' services. The engineering and technical advice we gain from the CGU team helps to protect our assets and prevent losses. We are pleased to acknowledge our advisors' support and assistance and thank them for it.

Willis Towers Watson and Claims Management Australasia have again provided excellent service to CivicRisk Mutual. They provide an important role in maintaining a strong relationship with our insurers and deliver a variety of products which assist in the growth of the Pools. I also acknowledge the support of our valuer, Scott Fullarton, and actuarial team at

Finity Consulting who provide us with important and timely advice throughout the year.

CivicRisk Mutual has been a shining example of how councils in NSW, working cooperatively and in a mutual arrangement, can achieve significant benefits to all involved, both in terms of lower insurance costs and in claims control. It succeeds because of the involvement of our member councils, with commitment and enthusiasm from both elected and staff representatives. I thank the Board members and everyone involved for their contribution in 2018/19 and look forward to that strong support continuing in the future. With that support we will continue to prosper.

We would not be as effective without the enthusiasm of our management team, Andrew Armitstead, Lisa Williams, Nicole Mahon and Kaye-Anne Goodshaw. Their work enables our Mutual to continue to perform most effectively. I thank them for their loyalty and commitment. With the support of them and of our member councils, we can look forward to a bright future.

A handwritten signature in black ink that reads "Ross Fowler". The signature is written in a cursive, slightly slanted style.

Ross Fowler
Chairman

Claims Management Services Report

Overview

Claims Management Australasia (CMA) has been the claims administrator for the Industrial Special Risks, Statutory Liability, Council & Officers, Employers Liability, Cyber and Fidelity Guarantee covers from their inception.

ISR (Property Damage Claims)

The 2019 and 2018 years have both run close to the 3-million-dollar aggregate. In 2018 the major losses were due to fire with a significant arson attack on the 12ft Sailing Skiff Club at Lane Cove.

The 2019 year has been adversely affected by the numerous storms that were experienced causing widespread hail, wind, lightning and water damage. Again, arson also played a role in major damage.

Councillors and Officers (Claims resulting from allegations of wrongdoing by individuals such as made by the ICAC)

This year has seen several minor notifications which is a good reversal in the trend over recent years.

Statutory Liability (Claims involving alleged breaches of Statutes such as those governing work health and safety)

This year we have seen minor notifications only which is again, good news following several years including major losses.

Employers Liability (Generally, claims of unfair dismissal)

This year has been unusual in that there have been several claims in the Employers' Liability area with a number of senior staff alleging unfair dismissal. Normally the Pool has a very low instance of such claims.

Fidelity Guarantee/ Crime Policy (Theft with employee involvement)

An excellent year with no claims.

Cyber

This year has seen several minor claims and members continue to report a high level of satisfaction with the Insurer and their experts. There is daily news of companies and Government agencies being affected and the low number of claims under the policy demonstrates that the members are vigilant.

Summary

In respect of the ISR losses there is little that can be done to stop major weather events. However, the inspections by the insurer are designed to provide solutions to decrease the exposure of existing and new assets to storm and other forms of losses. The evidence is that this process is working as demonstrated by the relatively low value of the storm losses considering the number of storm events and their severity.

In terms of the remaining classes CMA continues to work with the Risk Managers on programmes and training to reduce the risks and exposure.

CMA looks forward to working with the members again this coming year.

Ian Barker
Director
Claims Management
Australasia Pty Limited



Financial Report

The 2018/19 financial year for CivicRisk Mutual (formerly United Independent Pools) was a challenging year due to significant claims experience in three of the four pooled products. This year produced an operating deficit of \$1,523,831. This was the combined result of the four individually reported pool products including coverage for Property, Motor, CDO/Statutory Liability and Fidelity Guarantee/Cyber.

Property (ISR) was budgeted to make a deficit in order to lessen the impact from increased costs in other pooled products but was also impacted by several large losses which eroded the full self-insured retention and resulted in a deficit to the amount of \$1,921,427. The Motor Vehicle pool was impacted by two large hail events which although mainly covered by the self-insured retention, contributed to the deficit of \$181,950. CDO/Statutory Liability had significant claims activity which has contributed to larger than budgeted claims reserves and resulted in a deficit of \$253,004. Fidelity Guarantee/Cyber had very little claims experience and has reported a surplus of \$832,550. Whilst the last two years saw some replenishing of equity, CivicRisk Mutual's claim experience has reduced the capital adequacy benchmark to 89%.

CivicRisk Mutual is now in its 14th year and still holds substantial funds which are invested and for the 18/19 year was provided a return on investments of \$447,540 or an average of 3.41%. As at 30 June 2019, CivicRisk Mutual's total investment portfolio was \$11,180,963.

The surplus in assets over liabilities as at 30 June 2019 was \$6,944,803, which is a decrease from last year of \$1,523,831. It is worth noting that although there has been some movement between years CivicRisk Mutual's equity has been maintained over the last 8 years, which is highlighted in the graph.

The commitment of the CivicRisk West and the CivicRisk Metro Finance Committees is most satisfying and they have worked effectively together towards the goal of improving the overall financial position of CivicRisk Mutual by setting appropriate contribution levels, capital targets and careful consideration of the strategic financial issues for the group.

I would like to express my appreciation to CivicRisk actuary, David Minty, investment advisor, Andrew Vallner and its auditor, Carl Millington, for their ongoing commitment and effort. Finally, I would like to thank the members of the administration team, Andrew Armitstead, Lisa Williams, Nicole

Mahon and Kaye-Anne Goodshaw for the great support they have provided during the year.

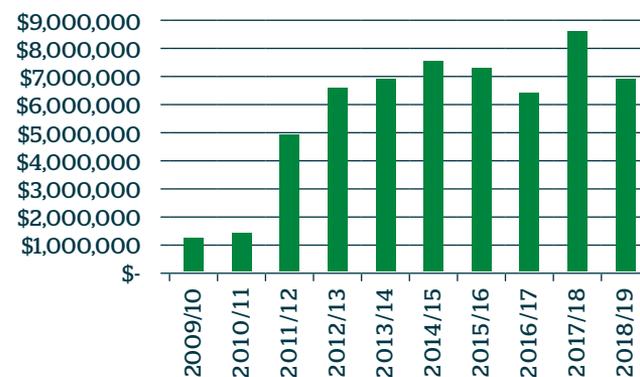
In summary, CivicRisk Mutual has maintained a sound platform whilst managing reasonable claims experience to ensure a sustainable financial position.

Alistair Cochrane

Chairman

CivicRisk West Finance Committee

Total Equity 2010-2019



Financial Statements

Balance Sheet	2018/19	2017/18	2016/17
Assets			
Cash and investments	\$11,180,963	\$10,147,034	\$9,144,458
Receivables	\$1,353,831	\$1,087,045	\$1,379,133
Other	\$1,861,637	\$1,671,640	\$2,110,277
Total Assets	\$14,396,431	\$12,905,719	\$12,633,868
Liabilities			
Current liabilities	\$5,172,808	\$2,988,643	\$3,313,757
Non-current liabilities	\$2,278,820	\$1,448,442	\$2,829,872
Total Liabilities	\$7,451,628	\$4,437,085	\$6,143,629
Total Members' Equity	\$6,944,803	\$8,468,634	\$6,490,239

Income Statement

Revenues			
Income from continuing operations	\$11,767,539	\$9,864,379	\$8,885,395
Total Revenues	\$11,767,539	\$9,864,379	\$8,885,395
Expenses			
Other expenses from continuing operations	\$13,291,370	\$7,885,984	\$9,681,672
Total Expenses	\$13,291,370	\$7,885,984	\$9,681,672
Net operating result for the year	(\$1,523,831)	\$1,978,395	(\$796,277)
Members' Equity Beginning of Year	\$8,468,634	\$6,490,239	\$7,286,516
Members' Equity End of year	\$6,944,803	\$8,468,634	\$6,490,239

Full copy of the financial statements is available upon request



Actuarial Valuation At 30 June 2019 – Executive Summary

We were asked by the Board of CivicRisk Mutual to undertake a review of its risk sharing pools as at 30 June 2019. The purpose of the review is to:

- determine the net liability as at 30 June 2019 for outstanding claims, after council deductibles and allowing for insurance, for inclusion in the annual accounts of the mutual, and
- allocate the net equity of the pool between member councils.

Detail of our review is contained in our full report which is available to members on the CivicRisk website.

Performance in 2018/19

Industrial Special Risk (ISR)

The net outstanding claims liability for CivicRisk Mutual's ISR portfolio is \$5.26 million. This figure includes allowances for Incurred But Not Reported (IBNR) claims, claims handling expenses and a prudential margin and is \$2.09 million more than the net outstanding liability of \$3.17 million at 30 June 2018.

The increase is largely driven by the poor claims experience in the 2018/19 pool year. While the 2013/14 policy year appears likely to be finalised without claims entering the aggregate layer, CivicRisk Mutual

have exceeded the aggregate retention in each of the following four years.

For the 2018/19 year there is a \$0.35 million buffer remaining until the reported claims cost reaches the aggregate limit of \$3 million. However, since we expect further development for the 2018/19 insurance year which runs through to 31 October 2019, there is the potential for the emergence of further claims which could result in the aggregate layer being fully utilised.

As a result of this, and given the incurred cost is already higher than we would expect for seven months of the year, we have retained a pro-rata proportion of the aggregate as IBNR costs for the purpose of setting the outstanding claim provision this year.

Motor

The net outstanding claims liability for CivicRisk Mutual's Motor portfolio is \$560,000, up from \$290,000 at June 2018. This includes an allowance for IBNR, an allowance for claims handling expense as well as a prudential margin. Anticipated recoveries from member excesses not yet invoiced and from third parties total \$686,000 and these are shown as current assets in CivicRisk Mutual's accounts. Experience has been particularly affected by several hailstorms during the year.

Other Covers

CivicRisk Mutual has insured Councillors' Directors' & Officers' and Statutory Liability (CDOSSL) risks of pool members since November 2010.

CivicRisk Mutual has set aside a reserve of \$595,000 in its balance sheet at 30 June 2019, an increase from nil at the 2018 review as there are four known matters that are likely to give rise to payments.

CivicRisk Mutual established a self-insurance arrangement for Fidelity Guarantee and Crime (FGC) in November 2017. A nil reserve has been maintained for known or IBNR FGC claims as there are no known claims for these covers. There are also no claims reported under the Cyber insurance arrangements.

Reinsurance Recoveries

CivicRisk Mutual is dependent on commercial insurance for meeting the full cost of larger claims. For ISR, at 30 June 2019 the total case estimates for amounts that are expected to be met by insurers, based on current knowledge of each individual ISR claim, is about \$4.7 million. The Motor policy has an expected aggregate recovery of \$2.2 million: this is the first time the Motor policy aggregate has been breached since the new aggregate limits in 2017. There are also likely to be recoveries from the CDOSSL insurer for some reported claims.

Overall result

The total net outstanding claims liability for all four classes of cover is \$6.42 million compared to \$3.46 million at June 2018.

Member Equity at 30 June 2019

After adopting the net provision of \$6.42 million for all claims, CivicRisk Mutual has accumulated net equity of \$6.9 million as at 30 June 2019, compared with net equity of \$8.5 million last year.

The decrease in net equity is primarily due to the poor ISR experience, with smaller deficits for CDOSSL and Motor, partly offset by the planned surplus to fund FGC self-insurance.

We have allocated the net equity between member councils in the same way as in previous years as described in our full report. On that basis, the net equity at 30 June 2019 attributable to each member is as shown in the following table. All members saw a decrease in their equity in the pool.

Reliances and Limitations

Please see Section 6 of our full report which sets out the reliances and limitations of our advice of which a reader must be aware before using our results.

David Minty | Mark Hurst
Fellows of the Institute
of Actuaries of Australia

Table 1 - Net Equity of Members

Net equity as at	June 18	June 19	Change
Council	\$000	\$000	\$000
Bayside	637	536	-101
Blacktown	1,086	945	-140
Blue Mountains	413	353	-61
Burwood	93	53	-40
Camden	137	45	-93
Cumberland	758	636	-122
Fairfield	556	496	-60
Hawkesbury	461	322	-139
Hunters Hill	65	61	-4
Kiama	143	50	-93
Lane Cove	248	219	-29
Liverpool	721	629	-92
Marrickville	272	258	-14
Orange	0	-27	-27
Parramatta	762	646	-116
Penrith	728	623	-105
Shellharbour	334	230	-103
Wollongong	1,054	869	-185
Total	8,469	6,945	-1,524



Training Committee Report

Training and education remains as one of the most important ways of providing members with up to date information on the many aspects affecting our specialist role within council. It offers valuable, targeted information and knowledge about a variety of activities through experience of other member councils by providing practical tips for optimising various difficult situations.

The training forums provide a uniform opportunity for the members to respond to the changing needs of managing risks through innovative topic specific seminars and workshops both locally as well as nationally.

During the year your Training Committee delivered several informative learning experiences. All three workshops were held at Twin Creeks Golf & Country Club Luddenham which has proven to be an ideal venue with a good-sized room for the workshops, all AV supplied, good parking and catering and all at a reasonable price.

Managing the Risk of Internal & Cyber Fraud at your Council

The first workshop for the year was held on the 7 August 2018 and was well attended by our risk managers, operational managers, internal auditors, IT staff and others with a role to play in the handling of expenditure.

All Councils had been shocked by the unfolding events that followed the fraudulent embezzlement of huge sums of money at the highest level within Botany Council and the loss of confidence expressed by the Insurers for this class of business.

Fausto Sut Manager Governance & Risk for Bayside Council was joined by Dr. Andrew Howe, Senior Corruption Prevention Officer, ICAC when they provided a very professional outline of the events that emerged from the secrecy and cunning of the Botany perpetrators. Members learned what to watch for and vital lessons in the need to maintain the highest standards of probity.

Mitchell Morley followed up with an equally thorough presentation framed around the work his company InConsult do for members to identify any system weakness and encourage the pursuit of excellence.

A valuable contribution was made by Renee Winston, Risk Management Co-Ordinator, Kiama Council and the role played by Centium in the detection of cybercrime with Dr Stephen James representing Centium.

The Way Forward with One Mutual

The pools growth and legislative changes saw a most informative outline of the proposed changes needed if the current pooling structure is to see an amalgamation of all pools into one entity when a well-attended forum met on the 19 March 2019.

Ross Fowler welcomed attendees from a broad representation of member Councils and gave a historic outline of the pools growth and standing and the need to move with the times and accept the need for change.

Andrew Armitstead assisted by Lisa Williams Finance Manager for CivicRisk Mutual fully briefed members on the process that lay ahead and the timelines for bringing one mutual together.

Marianne Robinson, Special Counsel, Spark Helmore Lawyers provided the legal reassurances for the pool's decision and its implementation. The structural changes were more fully outlined by our long-standing actuarial people at Finity Consulting, David Minty, Sharon Quinn Grady and Jacob Mamutil.

CivicRisk Mutual Risk Awards - Examples of Excellence

This workshop was held on the 7 May 2019 to allow member Councils that had won coveted awards in various award categories to better outline the changes that their entries had made to their representative Council.

Lisa Williams welcomed a good number of attendees and announced the first of the award presenters- Michael Limmos Group Manager Operations Burwood Council who outlined Mobileye Pilot program and the valuable improvement in the safe operation of its selected fleet.

Bruce McGie then announced Telemetrics which was shown to have been a worthy cost saving initiative adopted by Hunters Hill.

This was followed by Depot Security and Safety initiatives that were outlined by Jon Bannister Manager Plant and Energy Blacktown Council.

Then an excellent presentation on Risk Management Development, Strategy & Implementation was provided by Cosette Helou, Enterprise Risk Co-ordinator, Fairfield City Council.

And finally, Peter Tobin Senior Geotechnical Engineer, Council informed us there is more to managing the risk of rock fall than anyone thought.

Bruce McGie, Senior Claims Administrator for Blacktown Council paid tribute to the award winners and encouraged all members to lodge entries and highlight important initiatives being implemented at their Council.

RMIA National Conference - Gold Coast

Once again, the beneficial nature of the member's attendance at this foremost industry specific institution came to the fore where members benefit from networking and professional keynote presentations as well a wide selection of plenary workshops.

The Conference brings together more than 450 risk professionals from all areas of endeavour with CivicRisk Mutual funding the attendance of one representative from each of its members. The aim of the Conference is to promote learning at the forefront of risk management practice, and the fostering of creative thinking and networking.

Appreciation from your Training Committee

Once again, the committee wishes to thank David Wilkinson, our training officer, for his dedication and excellent organisational skills assisting speakers as well venue staff at Twin Creeks Function Centre and for the contributions by Militsa Zelenovic and Bruce McGie in supporting David.

Our deeply felt appreciation to our legal panel, brokers Willis Towers Watson, Claims Management Australasia, Andrew Armitstead, Nicole Mahon and Lisa Williams as well the dedication by the Pools newest appointee Kaye-Anne Goodshaw and the Chairman and Board for their continued support.

**Militsa Zelenovic, Bruce McGie
and David Wilkinson**
CivicRisk Mutual
Training Committee



Excellence in Risk Management Awards - 2019 Submissions

Camden Council

Implementation of an Enterprise-Wide Project Management Framework & Establishment of an Enterprise Portfolio Management Office (ePMO)

As the Council responsible for the fastest growing Local Government Area in Australia with a rapidly growing portfolio of capital and corporate projects increasing in risk and complexity, Camden Council's organisational capacity to deliver large scale infrastructure and community projects needed to also grow and improve.

Consequently, Council sought to develop an enterprise-wide approach to project delivery and established a Project Management Framework (PMF). To support the PMF and associated governance arrangements, Council's Executive Team also endorsed the establishment of a small enterprise Portfolio Management Office (ePMO).

The PMF has adopted Camden's Enterprise Risk Management (ERM) approach and is an important risk management tool which, through consistent application, eliminates many common project risks and greatly reduces others.

Camden Council

Event Planning Guide

In 2018 and 2019 staff from branches of Council worked together to improve the support and services provided to external event organisers in Camden. With over 60 event applications received each year the goal was to improve processing times, ensure the external event organisers felt supported through the approvals process and most importantly ensure that any events held on Council-owned land were delivered safely with control measures in place to minimise or eliminate risk.

An Event Planning Guide was created and given to event organisers explaining everything that needs to be considered when organising an event on Council-owned land including:

- Logistics
- Traffic management
- Security
- Equipment
- Contractors and suppliers
- Risk management
- Emergency management
- Public safety
- Food safety

As part of the Event Planning Guide, event organisers had access to information to help them plan and assess the risk and safety of the event and most importantly were

provided with a risk management plan template to complete and provide to Council. By implementing this process, Council is able to ensure that risks and hazards are controlled, and incidents reduced at community-run events. An important aspect to ensure that risk management process was undertaken was that the event application would not be assessed unless the risk management plan had been provided.

Fairfield Council

Alignment of Independent Valuations for Accounting and Insurance

During the year ended 30 June 2019 Fairfield City Council (FCC) achieved savings in fees paid to its property valuer because it used the same valuer for its accounting and insurance valuations. Further, the use of one valuer resulted in savings in time and effort incurred by FCC's finance and operational teams.

For accounting purposes NSW councils are required to have their buildings valued by a registered valuer every 5 years, with the last valuation due as at 30 June 2018. The Audit Office of NSW conducting a vigorous audit of the independent valuers report and their assumptions during the period July to October 2018, after which audited financial statements were signed.

Under Fairfield City's insurance agreement with CivicRisk Mutual, buildings and contents must be independently valued every 4 years, with Scott Fullarton Valuations (SFV) engaged to perform the insurance valuation as at 1 July 2018. Therefore, the valuation dates were effectively aligned which provided FCC with the opportunity to appoint one valuer to undertake both the insurance and accounting valuations at the same time.

Fairfield Council

Motor Vehicle Collision/Incident Management & Status Report

The costs associated with motor vehicle (MV) collisions and related incidents can be reduced through the application of sensible, principle-based risk management, driver education, the right processes and reporting mechanisms.

Accordingly, with better:-

- Motor vehicle information collection through the use of a consolidated OneDrive MV Collision/Incident Status Report that combines both commercial insurance and fleet and stores data;
- Claims administration process through the development of MV processes for heavy fleet, plant fleet and light fleet;

- Collection and reporting of collision/incident details, including the third party as relevant through the modified and improved MV Collisions/Incidents Reporting Form;
- Education of drivers through customised training based on the common causes of collisions/incidents;
- Quarterly reporting to the Executive Leadership Team on MV stats and progress; and
- Monitoring of claims management progress through Vero Central Online;

Council was able to achieve better reporting of collisions/incidents, faster resolution of claims, lower fleet collision costs and safer workplace.

Kiama Council

Public Interest Disclosure Risk Assessment

On 1 July 2019 there were changes to the Public Interest Disclosure Act. The changes affected Commonwealth corporations, however there was varying advice on whether these changes applied to NSW Local Government. Kiama Council were determined to be proactive in this space, as it was predicted to eventually be a requirement for local government, and irrespective of the changes, there was a risk exposure to Council that could be mitigated better.

The changes include:-

- Provisions to strengthen disclosers' protections which now include both current and former staff of an organisation
- Authorising disclosers to seek compensation
- Reversing the onus of proof when seeking compensation
- Higher contravention penalties

Kiama Council focused on the increased protections of not only the discloser, but importantly the subject officer and the investigator/s of the allegation at hand.

Council created a bespoke Public Interest Disclosure Risk Assessment which is a more robust approach than the current NSW Ombudsman's template. Most forms of reprisal are quite tangible, covert and informal and are difficult to identify and investigate. This is why a customised approach was necessary.

Lane Cove Council

Defensive Driving Training for Staff Using Council Fleet

The Defensive Driving Training for staff using Council fleet to develop better on-road defensive driving skills and more solid techniques, including the correction of old habits and improving judgement and reactions of staff who use council vehicles.

The mix of practical and theoretical components of this advanced driver training session deliver actual on-road safety skills that underpin proactive driving.

The practical driving component of the Defensive Driving Program is conducted on wet roads at suburban speeds. It includes a variety of on-road exercises including emergency braking, swerving and multiple direction changes.

Liverpool Council

Cladding Audit & Upgrade Program

The development of the Cladding Audit & Upgrade Program commenced on 16 June 2017 to deal with the complex issue surrounding external wall combustible cladding following multi-level fires in Australia and overseas, particularly the tragic fire at Grenfell Tower. The NSW Government instructed councils to exercise their legislative powers to ensure adequate life safety in buildings with combustible external wall cladding.

The Cladding Audit & Upgrade Program provides Council with a consistent and robust methodology to:-

- Identify buildings which may have potentially combustible cladding.
- Require cladding assessments to determine whether or not the material is combustible and to what extent.
- Where combustible cladding is found to exist; require fire engineering reports to determine the extent of rectification works required.
- Ensure rectification works are carried out and certified to the latest guidelines.



Excellence in Risk Management Awards - 2019 Submissions (Continued)

Penrith Council

Asbestos Management Framework

The Asbestos Management Framework Project was established to review and enhance Penrith City Council's response to asbestos related matters.

The Project was led by Council's Divisional Assurance Team with a 'whole of Council' approach. The Team collaborated within internal council departments and external organisations such as Safe Work NSW.

The Project resulted in several key initiatives including:

- Development of in-house asbestos training (both face to face and e-learning)
- Creation of an Asbestos Communication Strategy
- Introduction of technology including a 'smart' reporting platform
- Introduction of an online based Asbestos Management Register which allows for asbestos information (such as building registers) to link to Work Orders
- Improved procedures to address a wide range of asbestos related incidents
- Creation of a specific asbestos management team

The results from the Project have been highly encouraging with an increasing awareness of asbestos amongst staff, an improved culture on how Council manages and views asbestos and improved responses to asbestos matters.

Penrith Council

Development and Implementation of a Street and Park Tree Management Plan

The project involved the development of a risk-based Street and Park Tree Management Plan. This involved development of a draft Street and Park Tree Management Plan reviewed by an external expert; development of tree planning specifications; development of a precinct tree assessment program; and recruitment of appropriately qualified staff.

Shellharbour Council

Building Inspection Checklists

Using the Iauditor software application, Council uses this technology in the field to record the results of critical stage building inspections whereby checklists are customised to suit the purpose of the inspection.

Primarily designed to reduce both public liability and professional indemnity risk exposures, this initiative was introduced to improve efficiencies in the building certification process and convert Council's paper systems to electronic versions. The initiative was also required to improve the quality of records including the management of risks associated with critical stage inspections such as waterproofing.

Wollongong Council

Entry Mat Dapto Ribbonwood Centre

Slip and Fall claims are an ever-present issue for local government. The effective management of slip and fall risks can help prevent councils and their insurers from incurring significant financial costs, as well as preventing members of the public from suffering harm and loss.

Dapto Ribbonwood Centre enjoys 150,892 visitors each year and, until recently, was manifesting an unacceptable slip and fall risk during wet weather due to the floor tiles installed in the front entry foyer.

Previously, this slip and fall risk was managed by centre staff manually placing temporary floor mats in the foyer during rain events. However, the effectiveness of this method of risk control was problematic insofar as it relied upon centre staff intervention each and every rain event to place the mats in position and, significantly, created a trip and fall risk as bad as the slip and fall risk.

With over 300,000 feet entering the foyer per year, the risks of both slip and fall and trip and fall have now been significantly reduced following the installation of a permanent foyer entry mat.

Risk Management Excellence Award Winners

CivicRisk Metro

Auburn Council
2004, 2012

City of Botany Bay Council
2013

Burwood Council
2015, 2018

Cumberland Council
2016

Hunters Hill Council
2011

Lane Cove Council
2006, 2010

Marrickville Council
2005, 2014

Rockdale City Council
2007, 2008

CivicRisk West

Blacktown City Council
2006, 2010, 2018

Parramatta City Council
2008

Penrith City Council
2005, 2007, 2009, 2013, 2014, 2016

Shellharbour City Council
2012, 2017

Wollongong City Council
2011, 2015

CivicRisk Mutual (sponsored by Willis Towers Watson)

Blue Mountains City Council
2009

City of Botany Bay Council
2013

Fairfield City Council
2006, 2008, 2017

Holroyd City Council
2012

Lane Cove Council
2010

Liverpool City Council
2007

Penrith City Council
2005, 2011, 2015

Wollongong City Council
2014, 2016, 2018

Les Emerson Risk Management Award (sponsored by Claims Management Australasia)

Liverpool City Council
2017

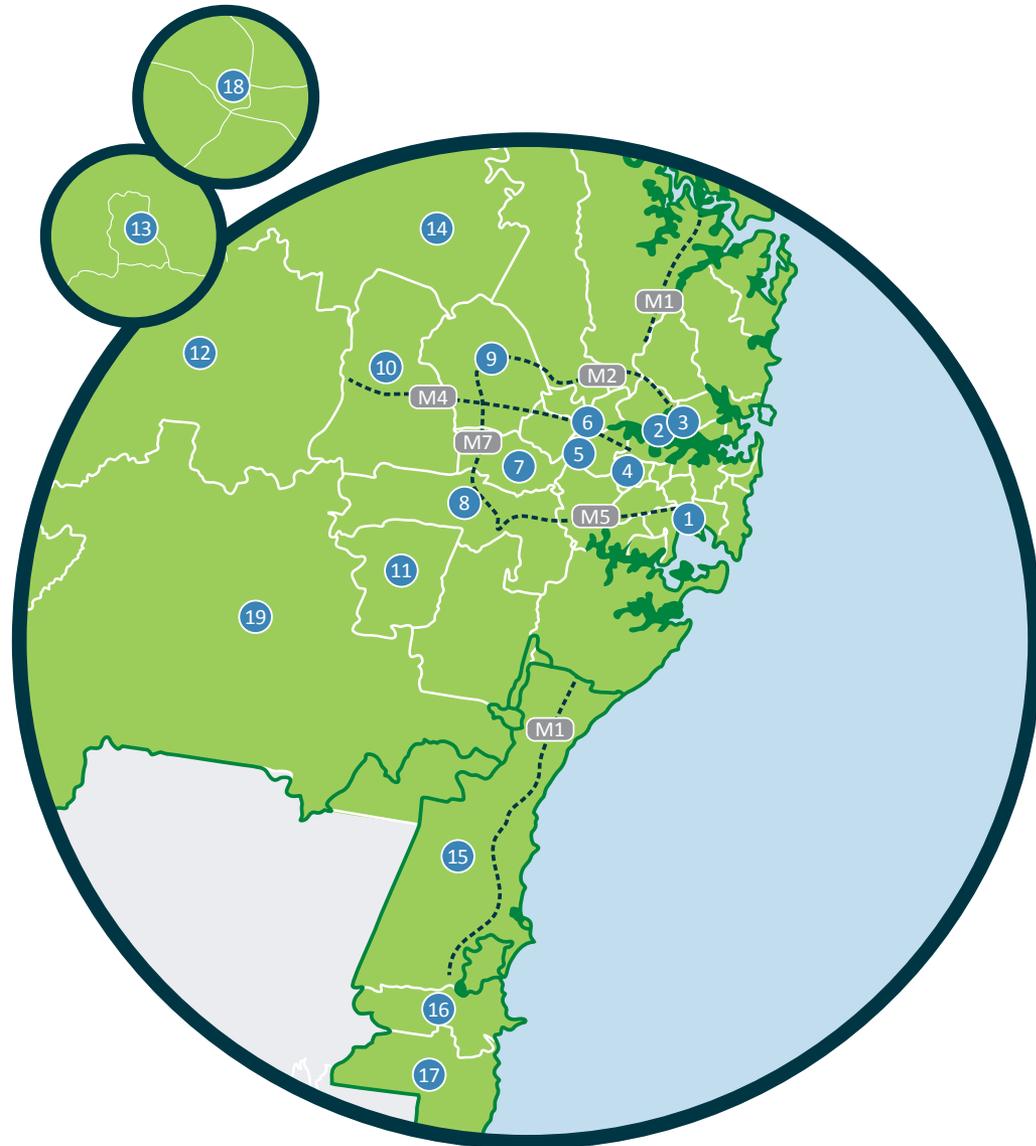
Fairfield City Council
2018



Membership of CivicRisk Mutual

CivicRisk Mutual's membership is made up of 19 major NSW councils. The combined value of these councils represent 20% of total local government expenditure and 30% of the population of NSW.

No.	Council
1	Bayside
2	Hunters Hill
3	Lane Cove
4	Burwood
5	Cumberland
6	Parramatta
7	Fairfield
8	Liverpool
9	Blacktown
10	Penrith
11	Camden
12	Blue Mountains
13	Orange
14	Hawkesbury
15	Wollongong
16	Shellharbour
17	Kiama
18	Dubbo
19	Wollondilly



**For further details on our insurance
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