



**CivicRisk**  
Mutual

Annual Report **2019/20**



Welcome to CivicRisk Mutual Limited's 2019/20 Annual Report. This year our annual report provides information about the journey and growth of the Mutual, the highlights and challenges, the member benefits and the financial performance for the combined group as well as the financial statements for CivicRisk West, CivicRisk Metro and CivicRisk Mutual.



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# Chairman's Report



I am pleased to present the first combined annual report following the recent decision by members to amalgamate our joint venture insurance pools into CivicRisk Mutual Limited.

This strategic decision to amalgamate CivicRisk West, CivicRisk Metro and CivicRisk Mutual into a single member owned mutual builds on our philosophy of working together in the spirit of mutuality to manage risk and minimise the financial impact of insurance.

2019/20 has been an extremely challenging year with insurance costs increasing, devastating bushfires, flood events and the impact of COVID-19. Even with these challenges the combined CivicRisk group achieved an excellent financial result with a surplus of \$3.1 million. The consolidation of funds will improve our overall capital position and enable the Board to return \$10 million to foundation members whilst maintaining a capital position of 175% of APRA benchmark.

The CivicRisk Mutual group, through its prudent financial strategies, has saved members collectively \$85 million since inception and returned \$20 million to members over the past 10 years.

The member contributions have increased on average by only 1% over the last 10 years while membership has doubled.

**The Mutuals accumulated surplus is \$63.4 million and \$430,000 of risk management support was provided to our members in 2019/20.**

CivicRisk Mutual has continued to provide stability in insurance costs in a traditionally volatile market. Although we have benefited recently from a relatively soft market, insurance costs are increasing, and we are well placed to respond to the hardening market. CivicRisk Mutual achieves stability by setting contributions at a prudent level, which covers all costs while building provisions to address peaks and troughs of the insurance market. The Mutual also reviews its self-insured layers to take best advantage of market conditions and negotiating favourable bulk purchased insurance.

In 2019 CivicRisk Mutual increased the level of support to respond to member needs, facilitate risk sharing, organise training and provide a single contact for risk enquiries. We also introduced on-line training sessions and organised numerous onsite Council training and information sessions.

CivicRisk Mutual has now completed the second stage of our Continuous Risk Improvement Program (CRIP) which involved a review of each member's risk management systems and programs.

The reviews uncovered excellent examples of risk management whilst highlighting areas where we can focus more efforts to manage risk. To assist the members in implementing recommendations, CivicRisk Mutual provides \$10,000 annually to each member towards risk initiatives and \$3,000 for motor vehicle risk projects.

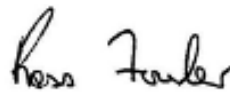
This year the executive team, with the assistance of the service providers, tendered for six new Councils and I am pleased to confirm all six Councils joined the Mutual on 1 July 2020. This represents our most significant growth in membership, and we welcome the new members to CivicRisk Mutual. The steady growth in membership demonstrates the excellent reputation the Mutual maintains for risk management and quality insurance solutions.

Willis Towers Watson (WTW) and Claims Management Australasia (CMA) continue to provide outstanding service to the Mutual and play a key role in maintaining a strong relationship with our underwriters. Both service providers assist the Mutual by delivering a greater variety of products and support services. Finity Consulting continue to provide excellent actuarial advice to the Mutual while our legal panel provide sound legal advice and defend claims on behalf of the members.

The success of our Mutual is largely a result of the commitment and efforts of our members. In this regard, I would like to congratulate all members of the Board, Members Assembly, Risk Management and Finance Committees on this year's 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 2020/21.



**Councillor Ross Fowler OAM**  
Penrith City Council  
Board Chairman

**\$3.1m**

surplus this financial year

**\$10m**

returned to foundation members in 2020

**\$85m**

saved collectively through our members since inception

**\$20.3m**

returned to members over the last 10 years



# Message from the CEO



## **Our Mutual Journey**

**CivicRisk Mutual owes its existence to foundation members who in 1988 decided to pool their risks in response to an insurance crisis that left Councils without an insurance solution.**

The Mutuals had humble beginnings commencing with a self-insured pool for public liability. The first 12 years were difficult for pooling as Councils continued to manage the ever-increasing cost of liability claims and litigious environment that heavily favoured plaintiffs at the expense of Councils.

The unbalanced legal system caused the State Government to introduce the Civil Liability Act in 2002 which provided a much more favourable legal system with sound defences for Councils to apply and placing personal responsibility on claimants. The members of the Pools contributed to this change, joining forces to lobby the government for change and providing statistics that clearly demonstrated a need. The Mutuals were also instrumental in the change by taking a claim (Ghantous vs Hawkesbury Council) to the High Court, winning a landmark decision which led to legislative reform.

From 2003 the insurance pools of Westpool and Metro Pool combined forces establishing a centralised single service team of providers and investigating new products and services.

In 2005 they approached the Minister for Local Government and established, what is today called, CivicRisk Mutual Limited. Together the members developed a suite of products including Public Liability & Professional Indemnity, Property, Motor Vehicle, Directors and Officers plus Fidelity Guarantee insurance. They also began building a healthy reserve which would ensure financial security and protect the Mutual in hard times.

The members made a strategic decision not to seek additional members until they had the financial stability and suite of insurance products to satisfy the member needs. They also developed a new member due diligence review and a continuous risk review process for all members to benchmark ongoing performance and support members to build risk resilience.

In 2010 CivicRisk Mutual was ready to welcome new members and 14 new Councils have joined the Mutual over the past 10 years.

Through the Mutual we strive to protect the members from the volatility of the insurance market and channel savings back to the members. From 1 July 2020 CivicRisk Mutual provides risk services, insurance protection, claims management, training, and professional development to 24 Councils from as far north as Richmond Valley, Parkes in the west and Snowy Monaro to the south.

CivicRisk Mutual is member owned and managed with a dedicated service team that deliver a wide range of member products and provide quality service.

**Our values are to work together for the good of all in the spirit of mutuality with equal representation, financial stability and transparency.**

Over the past 2 years the members have taken action to review our corporate structure and member services to ensure we continue to deliver this quality risk service to an ever-increasing membership. We believe in measured growth and only accepting Councils who are committed to sound risk management and the principles of mutuality.

It has been a steep learning curve and we owe our success to the vision and courage of the founding members. For they have created a Mutual that provides a range of member benefits, bespoke insurances and risk management services which enables today's members to take control of their risks.

In these times of uncertainty and responding to a natural crisis there has never been a better time for us to work together for the good of all. CivicRisk Mutual continues to thrive and is a perfect example of what can be achieved if Local Government work together.

Congratulations to our members for all that you have achieved, and we look forward to continuing to deliver excellent service for many years to come.



**Andrew Armitstead**  
Chief Executive Officer  
CivicRisk Mutual Limited



# Our Story

Westpool created to provide Public Liability & Professional Indemnity (PL/PI) insurance for Western Sydney Councils

1988

Joint pools obtain insurance through London market

1996

Civil Liability Act introduced

Westpool and Metro Pool sign joint agreement sharing services and management

City of Parramatta Council joins Westpool

2003

Motor Vehicle pool formed

GFC caused downturn in investments

2008

1990

Metro Pool created to provide PL/PI insurance for Sydney Metropolitan Councils

1999

HIH Insurance collapses  
Joint Pools buy 'ground up' cover for 3-year deal

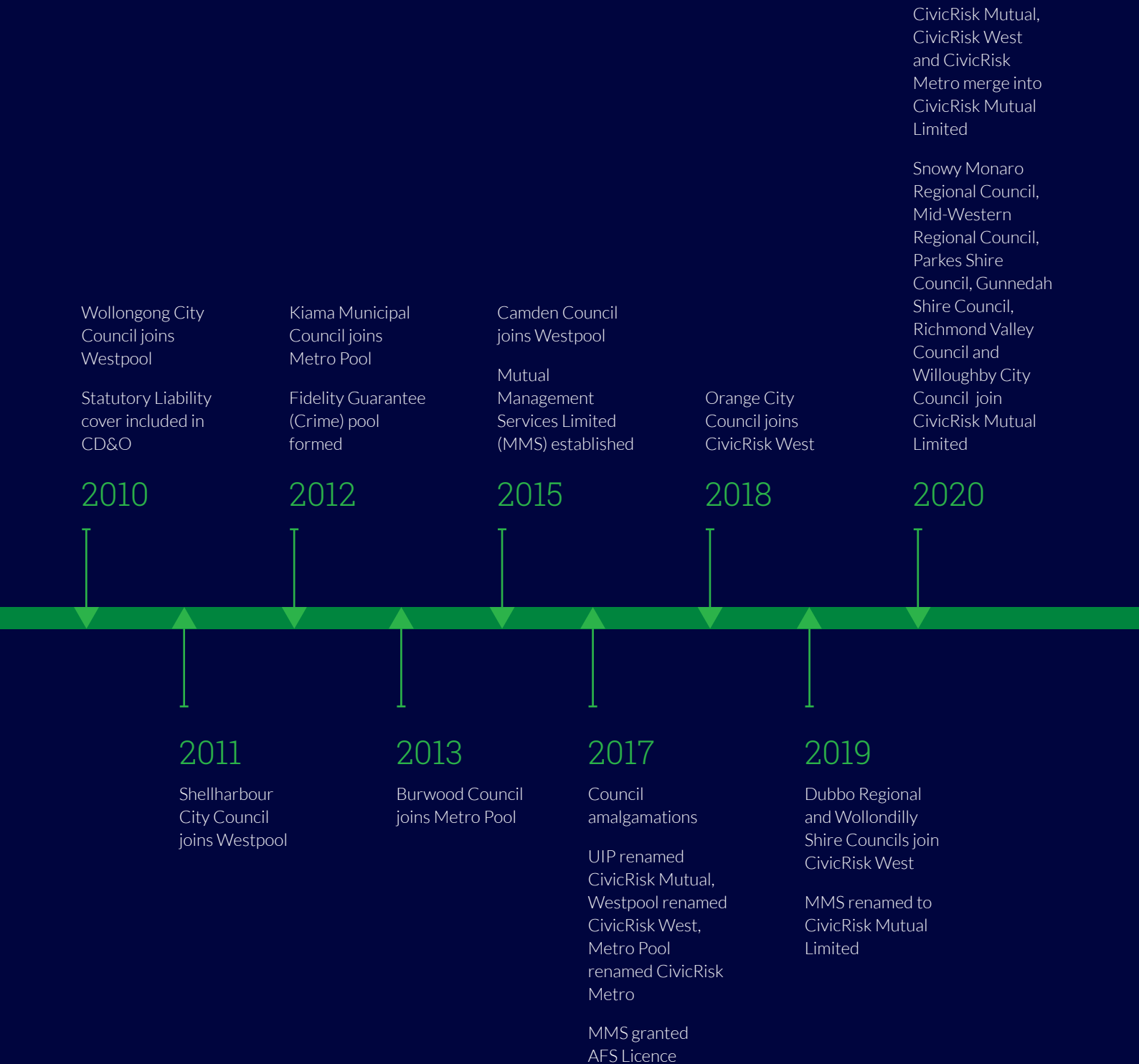
2005

United Independent Pools (UIP) established to provide Property, Travel, Volunteers and Councillors/Directors & Officers (CD&O) insurance

2009

Risk support program introduced CRIP with Risk Enhance pool funded projects





# Highlights & Challenges

## Highlights

### One Mutual project

The One Mutual project came to fruition with the combination of CivicRisk West, CivicRisk Metro and CivicRisk Mutual into CivicRisk Mutual Limited on 1 July 2020. Members designed a Constitution and Member Rules to govern the combined mutual to facilitate continued transparency, member involvement and right to fund year surplus which will maintain the core value of our members.

A consultation strategy was implemented to ensure the Board, Committees and Members were consulted throughout various meetings, presentations and communication. A working party was established to amend the Constitution, develop Member Rules and attend to all compliance matters, accounting, actuarial and legal advice.

### Growth in membership

In 2019/20 two new members joined the Mutual, being Dubbo Regional Council and Wollondilly Shire Council. Both councils have fully embraced the values of our Mutual and the benefit of an open, transparent and supportive community. Following further tender submissions this year, six new members joined the Mutual in July 2020.

### Member return of surplus

The result of many years of member's decisions has seen a healthy reserve being built which has protected members during hard times and enabled the return of

**\$10 million surplus to members in 2019/20.**

### Investment performance

The Mutual's \$96 million investment portfolio continued to achieve a respectable result of 1.87% annualised despite current economic challenges with COVID-19.

### COVID-19

The Mutual's strength and adaptability has been highlighted with the executive team and service providers maintaining a high level of customer service and business as usual. This has been made possible by the Office Manager's excellent planning of the IT network, online communication and availability of portable devices.

### Strategic forum

In November 2019, the Mutual hosted its Annual General Meeting and Strategic Forum in Orange where the members voted to amalgamate into One Mutual. Members also enjoyed a formal evening where the awards for risk excellence were announced.

### Dedicated member liaison and risk management support

Through the addition of an extra staff member within the executive team in 2018/19, members now have a dedicated resource to facilitate and respond to risk and day to day queries, risk enhance and driver training funding initiatives as well as provide support and assistance to the Risk Management Committee. Additionally, in conjunction with service providers, the resource facilitates training and workshop sessions.

### Member portal

Our portal was updated with additional information and resources for members, including financial, meeting and insurance information, as well as past training and workshop sessions, presentations and legal advices.

### Opportunities and connections with other Mutuals

The Chief Executive Officer and Finance Manager attended the International Cooperative and Mutual Insurance (ICMIF) Conference and the Business Council of Co-operatives and Mutuals (BCCM) Annual Summit in 2019 and gained significant connections and information about mutuality, member values and advocacy.

### **Video conference technology**

In 2019 the Mutual purchased video conference technology to supplement our meetings, training and workshop sessions. This proved to be a valuable asset during COVID-19 social distancing and lockdown restrictions and enabled the Mutual to adapt quickly by continuing to provide our high level of service to members. It has also provided members with easier access to Mutual discussions and decisions without the need for travel.

### **Office relocation**

In December 2019 the Mutual relocated from within Penrith City Council's Civic Centre into a new office which provides a welcoming corporate environment complete with room for conferences, meetings, training and workshops.

The executive team are truly grateful for the long term support, kindness and hospitality of Penrith City Council and its staff.

We look forward to welcoming everyone to our new office in the future.

## Challenges

### **COVID-19**

As all businesses around the world are experiencing the economic impact of COVID-19, the Mutual adapted quickly to the change and the return on investments reduced to 1.87%, which is a testament to the resilience of our portfolio in these unprecedented times.

### **Managing growth**

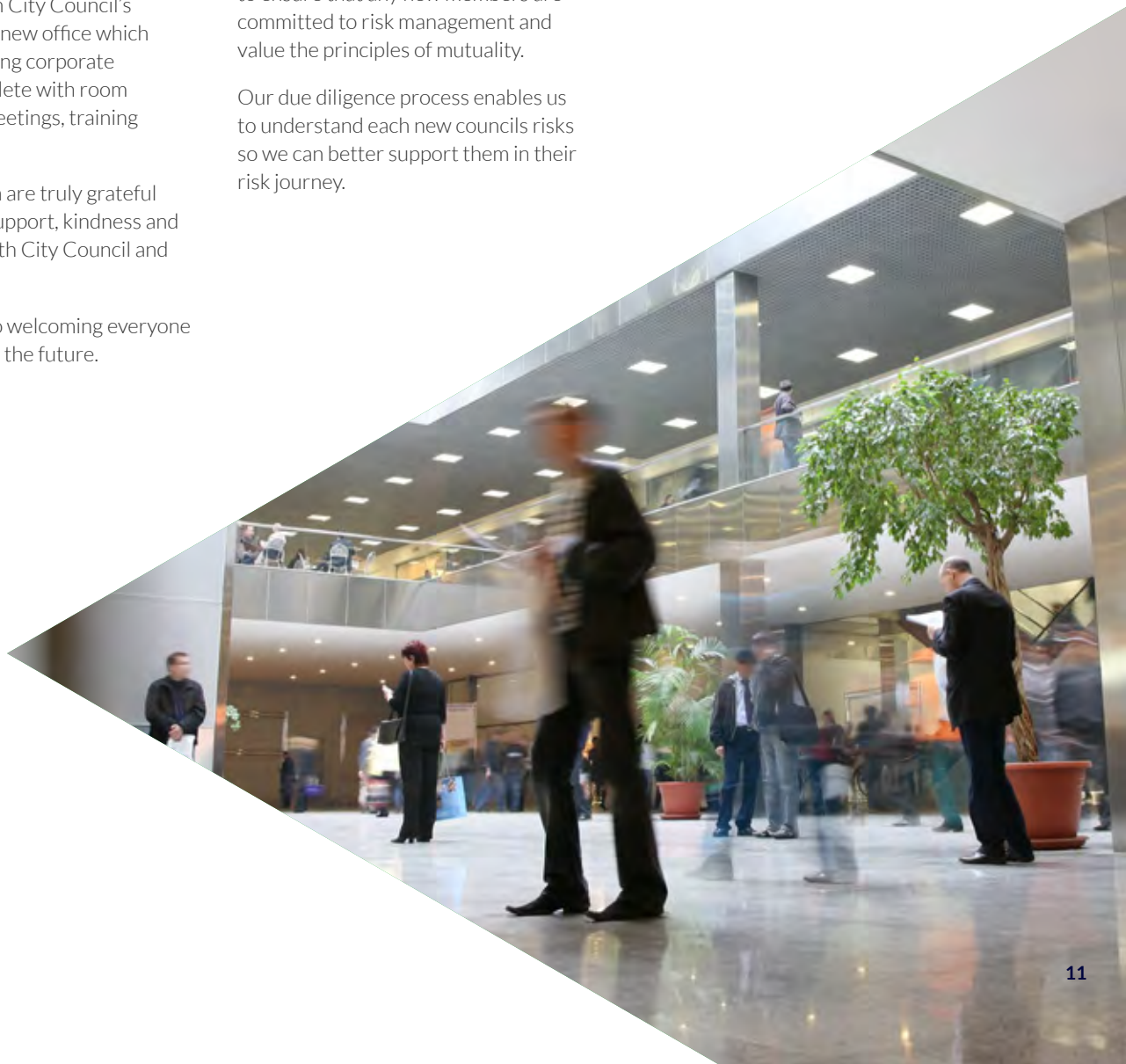
There is an increased interest in our Mutual and we have in place a process to ensure that any new members are committed to risk management and value the principles of mutuality.

Our due diligence process enables us to understand each new councils risks so we can better support them in their risk journey.

### **Hardening market**

As we approach renewals of our group insurance arrangements, there are many elements that are contributing to the hardening market, such as fires, floods and hailstorms. Despite the widespread damage that has been incurred this year, our members have had minimal claims impact.

The continued good performance and efforts of our members has us well placed as we negotiate our insurance renewals.



# Board of Directors

The strength of our Mutual is built on the dedication and commitment of our Board of Directors, Members Assembly and Committee representatives. Their leadership skills, experience and insight has contributed to our success and growth.

We appreciate the time and effort they provide our organisation.



**Ross Fowler OAM**

Penrith City Council  
Chairman

Mayor of Penrith City Council, Chartered Accountant, Registered Company Auditor and Tax Agent, Bachelor of Commerce

Experience and expertise: Chairman of CivicRisk West (since 1994) and CivicRisk Mutual JV. 44 years' experience in business management and 29 years' involvement in Local Government. Chairman AFFORD (Australian Foundation for Disability Ltd).



**Craig Wrightson**

Lane Cove Council  
Deputy Chairman

General Manager of Lane Cove Council,  
Bachelor of Business, Trained Mediator

Experience and expertise: Chairman  
of CivicRisk Metro. Board Member  
StateCover Mutual Limited. 23 years'  
senior management experience in Local  
Government administration.



**Kerry Robinson OAM**

Blacktown City Council  
Director

Chief Executive Officer of Blacktown City  
Council, Bachelor of Town Planning (Hons)  
UNSW, Ass Dip Valuation (Syd. CAE),  
Graduate Australian Institute of Company  
Directors

Experience and expertise: Board Member  
Civic Risk West and CivicRisk Mutual  
JV. Chairman, Western Sydney Regional  
Organisation of Councils CEOs' Forum.  
Deputy Chairman, Blacktown Venue  
Management Limited. Deputy Chairman,  
Better Foundation Limited. Director,  
Link Housing Limited. Board Member,  
University of New South Wales' City  
Futures Research Centre advisory panel.



**Bruce Ferguson**

City of Parramatta Council  
Director

Risk and Audit Manager Corporate  
Strategy and Governance,  
City of Parramatta Council

Experience and expertise: Member of  
CivicRisk Mutual's Risk Management  
Committee. Director of Barnwell Park  
Golf Club. Former National President  
& Director of the Association of Risk  
and Insurance Managers of Australasia.  
Former Director of International  
Federation of Risk and Insurance  
Management Associations. Former  
Director and Company Secretary of  
Strata Associates and Strata Choice. 40  
years' experience working in the risk and  
insurance industry as a practitioner.

## Board of Directors con't...



**Hamish McNulty**

Cumberland City Council  
Director

General Manager of Cumberland City Council, Bachelor of Engineering, Master of Business Administration, Australian Institute of Company Directors

Experience and expertise: 42 years' experience in Local and ACT Government with 21 years in senior executive roles. Previously Director of Transport Certification Australia Ltd and Alternate Director of Australian Local Government Association.



**Michael McMahon**

Dubbo Regional Council  
Director

Chief Executive Officer of Dubbo Regional Council. Post graduate qualification in Business and a graduate in Accounting and Management

Experience and expertise: 39 years' senior management experience in Local Government. General Manager in Local Government for over 28 years and Chief Executive Officer within the not-for-profit sector.



**Paul Rasmussen**

Hawkesbury City Council  
Director

Councillor of Hawkesbury City Council, Bachelor of Science, Diploma of Education, Graduate Mt Eliza (Vic) Business School (Advanced Management, Finance, Accounting, Strategic Leadership), Defence Fellow

Experience and expertise: 24 years' involvement in Local Government as a Councillor. 35 years' experience as CEO of private company, business management and management consultant. 30 years' involvement in Defence, strategic planning and command. Base Commander RAAF Base Richmond, NSW. Chair of numerous community groups and associations, including community radio, farmers, art and tourism.



**Mark Honey**

Kiama Municipal Council  
Director

Mayor of Kiama Municipal Council.

Experience and expertise: Deputy Chairman of CivicRisk Metro. 47 years' experience in Agribusiness. 8 years' experience in Local Government and community development projects.



**Jason Cooke**

Orange City Council  
Director

Manager Financial Services, Orange City Council, Fellow Chartered Accountant, Graduate Australian Institute of Company Directors, Master of Management, Bachelor of Commerce (Accounting)

Experience and expertise: Member of CivicRisk Mutual's Finance & Audit Committee. Chair AFL Central West. Board Member Western NSW Local Health District. Director Housing Plus. 24 years' commercial, financial, strategic, regulatory and governance experience across public practice, energy, local government, health, social housing and sport.



**Marianne Saliba**

Shellharbour City Council  
Director

Mayor of Shellharbour Council, Undergraduate in Arts at University of Wollongong

Experience and expertise: 8 years as Mayor Shellharbour City Council. President of Australian Local Government Women's Association (ALGWA). Executive member National Board (ALGWA). Former Member of the Legislative Assembly and former Member NSW Regulation Review Committee.

# Members Assembly & Committee Representatives

Member Council	Members Assembly Representatives	Finance & Audit Committee Representatives	Risk Management Committee Representatives
Bayside Council	Councillor Christina Curry Fausto Sut	Matthew Walker	Fausto Sut Ray D'Angelo Doris Lum (Alt) Amanee Elarja (Alt)
Blacktown City Council	Councillor Chris Quilkey Kerry Robinson OAM	Steven Harris	Geoff Hoad Bruce McGie (Retired) Steve Woods
Blue Mountains City Council	Councillor Darryl Bowling Rosemary Dillon	Mark Connelly	Desmond Ngara Rod Chacana
Burwood Council	Tommaso Briscese Patricia Hatzigiannis	Wayne Armitage	Militsa Zelenovic
Camden Council	Councillor Lara Symkowiak Ron Moore Tim Butler (Alt)	Paul Rofe Mathew Walsh (Alt)	Troy Burns
City of Parramatta Council	Councillor Patricia Prociw Bruce Ferguson Alistair Cochrane (Alt)	Alistair Cochrane <b>Chairman</b>	Bruce Ferguson Barry Riley (Retired) Glenda Cartwright (Alt) Nancy Warden (Alt)
Cumberland City Council	Councillor Steve Christou Hamish McNulty	Richard Sheridan	Belinda Doig Michael Mills (Alt)
Dubbo Regional Council	Michael McMahon Abbey Rouse	Michael Howlett	Skye Stephenson
Fairfield City Council	Councillor Del Bennett Alan Young Brad Cutts (Alt)	Lachlan Gunn	Cosette Helou

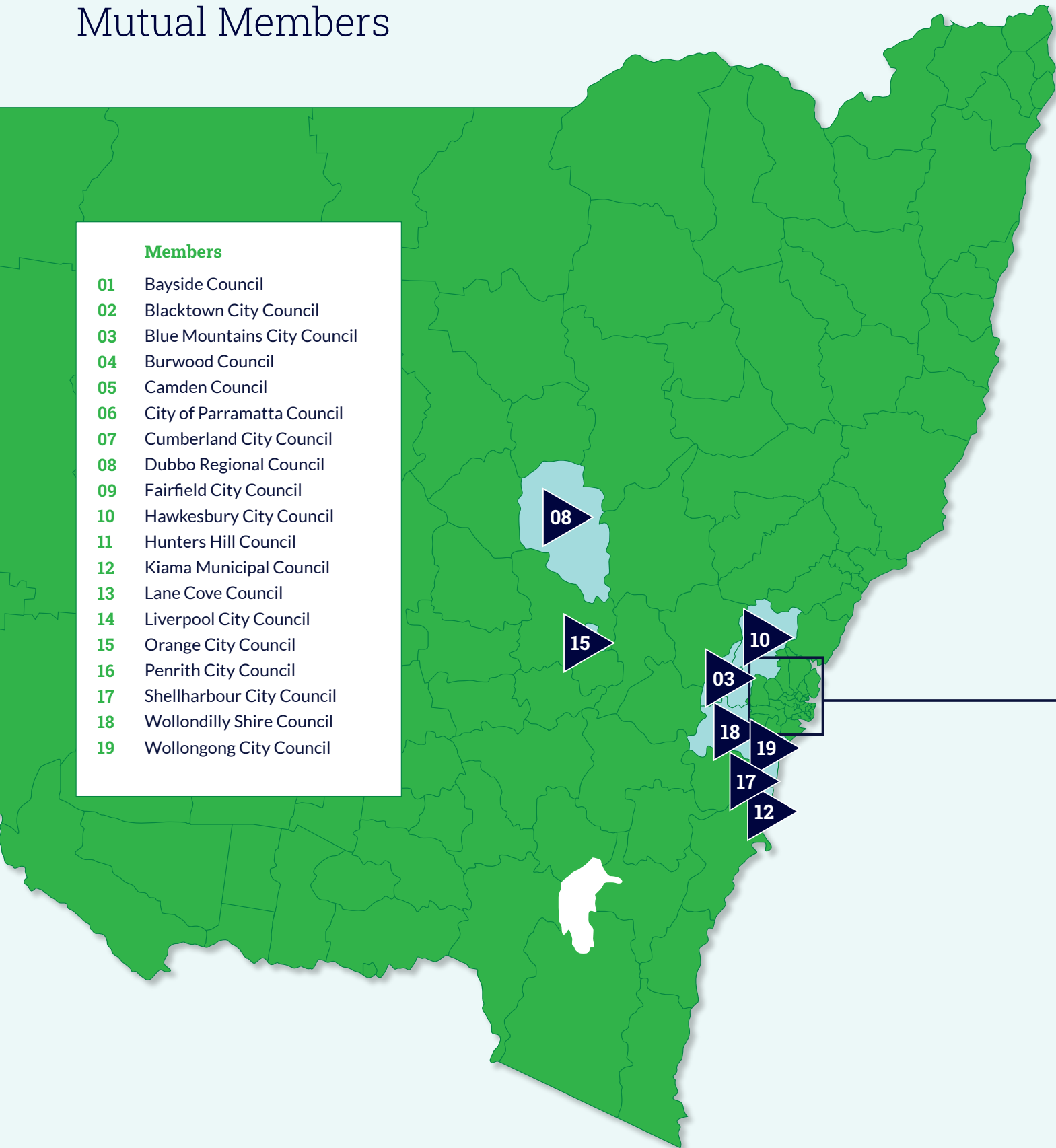


Member Council	Members Assembly Representatives	Finance & Audit Committee Representatives	Risk Management Committee Representatives
Hawkesbury City Council	Councillor Paul Rasmussen Peter Conroy Charles McElroy (Alt)	Vanessa Browning Emma Galea (Alt)	Stephen Moxham Charles McElroy
Hunters Hill Council	Councillor Mark Bennett Lisa Miscamble	May Vilaythong	Mark Smith John Javillonar
Kiama Municipal Council	Councillor Mark Honey Kerry McMurray	David Mead	Renee Winston
Lane Cove Council	Craig Wrightson <b>Deputy Chairman</b> Stephen Golding	KG Bascaran <b>Deputy Chairman</b>	Stephen Golding
Liverpool City Council	Councillor Wendy Waller Chris White Mark Brookfield (Alt)	Vishwa Nadan	Mark Brookfield <b>Chairman</b>
Orange City Council	Councillor Joanne McRae Samantha Freeman	Jason Cooke	Shirley Hyde
Penrith City Council	Councillor Ross Fowler OAM <b>Chairman</b> Andrew Moore	Neil Farquharson	Anthony Robinson Stuart Benzie (Alt) Sharon Hall (Alt)
Shellharbour City Council	Councillor Marianne Saliba Carey McIntyre	Gary Grantham	Ian Smith <b>Deputy Chairman</b>
Wollondilly Shire Council	Ben Taylor Nikky Goodall	Clair Hardy	Nikky Goodall
Wollongong City Council	Councillor Gordon Bradbery Todd Hopwood Michelle Martin (Alt)	Brian Jenkins Stephanie Hummerston (Alt)	Michelle Martin Todd Hopwood (Alt) Jason Hall (Alt)

# Mutual Members

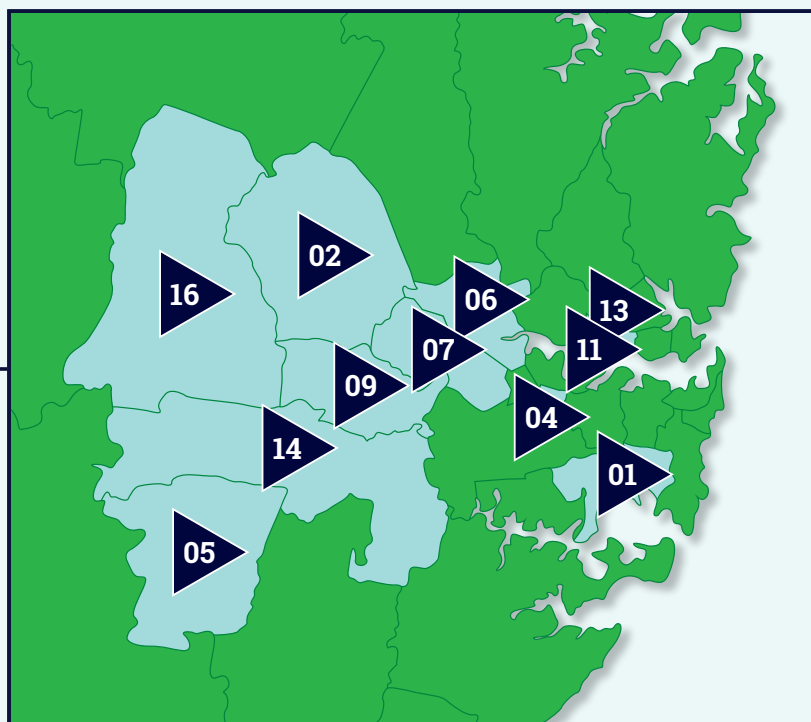
## Members

- 01 Bayside Council
- 02 Blacktown City Council
- 03 Blue Mountains City Council
- 04 Burwood Council
- 05 Camden Council
- 06 City of Parramatta Council
- 07 Cumberland City Council
- 08 Dubbo Regional Council
- 09 Fairfield City Council
- 10 Hawkesbury City Council
- 11 Hunters Hill Council
- 12 Kiama Municipal Council
- 13 Lane Cove Council
- 14 Liverpool City Council
- 15 Orange City Council
- 16 Penrith City Council
- 17 Shellharbour City Council
- 18 Wollondilly Shire Council
- 19 Wollongong City Council



CivicRisk Mutual's membership consists of 19 major NSW Councils, which represent 15% of all NSW Local Government Councils and 33% of the NSW population.

Sydney



# Member Benefits

**CivicRisk Mutual functions solely for the benefit of its members and is committed to the development of opportunities that benefit all members, whilst fostering excellence in risk management.**

The Mutual delivers a range of value added services, risk management solutions and comprehensive protection for councils, supported by training and professional development. Below is a summary of the benefits provided to members this financial year as well as awards for Risk Excellence.

## Member Involvement

The Mutuals meetings and communication strategy enables all members to be informed and involved in the operation of the Mutual as well as the decisions to be made during the Board of Directors, the Members Assembly, the Finance & Audit Committee and the Risk Management Committee meetings.

## Service Provider Support

The success of the Mutual is the result of the dedication and commitment of the executive team together with our service providers, such as our claims manager, broker, valuer and actuary. We are truly grateful for their continued excellent level of service to our members.

## Dedicated Member Support

The Mutual provides a dedicated member support and liaison officer to respond to members' needs, facilitate risk sharing, organise training, provide a single contact for risk enquiries and assist with the tasks of the Risk Management Committee.

Our key service providers assist in delivering member support and respond to members' needs for claims management, insurance advice and asset valuations. Together the liaison officer and service providers develop training and workshop sessions in response to member requests and emerging claim trends to mitigate risks.

## Training And Workshop Sessions

Our tailored training and workshop sessions enable networking, mentoring and information sharing amongst our members. The sessions also provide claims experience and insurance advice as well as develop a best practice approaches for our members.

All presentations and recordings are uploaded to our member portal as a valuable resource.

The training and workshop sessions provided for our members this year include:

## Volunteers – Risk & Rewards

6 August 2019

## Professional Indemnity Certification and Combustible Cladding

27 August 2019

## Professional Indemnity Certification and Combustible Cladding

10 December 2019

## Helping Councils Manage the Impact of COVID-19

18 March 2020

## Warning Signs & Waivers for Recreational Facilities

5 May 2020

## Professional Indemnity Certification and Combustible Cladding

2 June 2020

Thank you to all of our presenters for their support and contribution to the Mutual and our members, this includes our best practice group members, industry leaders, claims managers, broker, legal panel and training committee representatives, Militsa Zelenovic, Bruce McGie and David Wilkinson.

Special thanks and farewell to Bruce McGie and David Wilkinson. Bruce has now retired and we will miss his outstanding ability to facilitate sessions with professionalism and humour plus his extensive knowledge of the industry and the Mutual. David also has now retired we will miss his dedication and excellent organisation skills.

### Risk Enhance Funding

# \$176,000

for member initiatives to mitigate risks identified in CRIP reports, such as, Applied Risk Governance Training, EPA Waste Audit, CCTV Camera Asset Protection, BCP Training and Testing, Online Incident Reporting, Public Park Risk Assessments, Third Party Risk Management Project, Volunteer Management Manual, Pandemic Plan, Tree Management Audit, Event Management Manual and Risk Framework and Risk Register Review. The Mutual provides \$10,000 annually to each member for risk initiatives.

### Motor Vehicle Driver Education Funding

# \$12,500

for member initiatives to improve driver safety and reduce the risk of at fault accidents, such as, Driver Safety Training, Performance Driving, Defensive Driver Training and Heavy Vehicle Advanced Driver Assistance Systems. The Mutual provides \$3,000 annually to each member for motor vehicle driver safety initiatives.

### Study Assistance Funding

\$1,900 for member attendance to an Enterprise Risk Management Course from the Mutuals \$5,000 annual funding for each member.

### Continuous Risk Improvement Program

# \$40,700

funding for CRIP report for nominated members.

### Enterprise Risk Management Software

# \$54,450

funding for software subscription for CivicRisk Metro members.

### Fraud Prevention Software

# \$68,000

funding for the implementation and software subscription for new members to prevent fraudulent payments and to supplement the Mutuals Fidelity Guarantee protection program.

### RMIA Membership and National Conference

# \$77,000

funding for each members Risk Management Committee representative's annual membership and attendance to the 2019 RMIA National Conference in Melbourne.

### Awards For Risk Excellence

From the outstanding submissions received, the following member initiatives were recognised and awarded as Risk Excellence:

#### Penrith City Council

#### CivicRisk Mutual Winner

Development & Implementation of a Street & Park Management Plan

#### Liverpool City Council

#### CivicRisk Mutual

#### Les Emerson Award

Cladding Audit & Upgrade Program

#### Kiama Municipal Council

#### CivicRisk Metro Winner

Public Interest Disclosure Risk Assessment

#### Camden Council

#### CivicRisk West

#### Highly Commended

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

#### Fairfield City Council

#### CivicRisk West

#### Highly Commended

Motor Vehicle Collision/Incident Management & Status Report

#### Shellharbour City Council

#### CivicRisk West Winner

Building Inspection Checklists



## Concise Financials



# CivicRisk Group Financial Highlights

Our financial snapshot and statements outline the financial performance of the CivicRisk Group for 2019/20 including financial statements for CivicRisk West, CivicRisk Metro, CivicRisk Mutual and CivicRisk Mutual Limited which have been prepared in accordance with relevant accounting standards.

The commitment of the Finance & Audit Committee has assisted in effectively working towards the goal of improving the overall financial position of the Mutual. This committee assists the Board in setting appropriate contribution levels, capital targets, investment strategy with policy, with careful consideration of the strategic financial issues of the group.

**The support and commitment has been especially helpful in the business transformation into One Mutual.**

It is with the valued assistance of the actuary, David Minty of Finity, the investment advisor, Andrew Vallner of CPG Research and Advisory and the auditor, Carl Millington of Pitcher Partners that the Mutuals have developed and maintained a sound financial platform.

CivicRisk Mutual has achieved a strong and sustainable financial position whilst managing reasonable claims experience and a hardening insurance market for the benefit of all members.

## \$63.4m

Members funds at 30 June 2020

## \$3.1m

Surplus generated for members in 2020

## \$10m

Member surplus returned in 2020





**\$20.3m**

Member surplus returned in last 10 years

**\$96m**

Assets under investment at 30 June 2020

**\$26.9m**

Total Claims Provisions

**175%**

Capital Target Achieved (of industry benchmark)

**1.89%**

Annualised return on investments in 2020

**3.6 times**

Assets to cover claims provisions

**78%**

Combined ratio (claims/insurance of contributions)

**1%**

Average contribution increase p.a. over the last 10 years

# CivicRisk Group Financial Performance

## CivicRisk Group Financial Snapshot

as at 30 June 2020

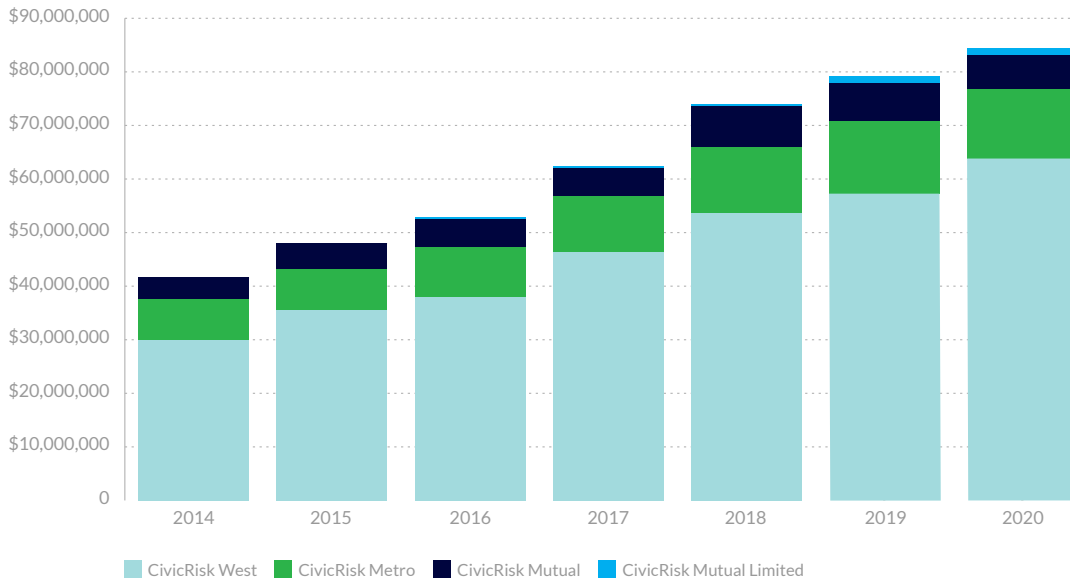
	CivicRisk West	CivicRisk Metro	CivicRisk Mutual	CivicRisk Mutual Limited	TOTAL
<b>Financial Position</b>					
Total Assets	\$63,297,350	\$21,772,345	\$17,203,444	\$2,018,733	\$104,291,872
Total Liabilities	\$21,176,615	\$9,008,836	\$10,047,922	\$637,537	\$40,870,910
<b>NET ASSETS/MEMBERS FUNDS</b>	<b>\$42,120,735</b>	<b>\$12,763,509</b>	<b>\$7,155,522</b>	<b>\$1,381,196</b>	<b>\$63,420,962</b>
Assets under investment	\$60,713,750	\$20,996,219	\$12,781,200	\$1,541,142	\$96,032,311
Solvency: cash to cover current liabilities (no. of times)	2.10	3.69	1.20	2.86	1.62
Capital Adequacy ratio benchmark (group target 175%)	185%	138%	89%	n/a	175%

<b>Financial Performance</b>					
Operating Revenues	\$6,647,500	\$2,115,896	\$14,679,261	\$1,220,996	\$24,663,653
All Expenses	(\$3,466,910)	(\$2,405,222)	(\$14,468,542)	(\$1,187,853)	(\$21,528,527)
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$3,180,590</b>	<b>(\$289,326)</b>	<b>\$210,719</b>	<b>\$33,143</b>	<b>\$3,135,126</b>
% return on investments (annualised)	1.79%	1.03%	1.20%	1.0%	1.89%
Combined Ratio (Claims+Insurance/Contributions)	36%	90%	95%	n/a	78%



## CivicRisk Group Member Surplus / Equity Growth

Before cash returns made



# CivicRisk West Financial Statements

as at 30 June 2020

Formerly Westpool – ABN: 44 419 976 890

Statement Of Financial Position	2020	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$27,665,313	\$27,961,069	\$20,021,882
Receiveables	\$345,042	\$583,358	\$731,228
Prepayments	\$2,238,558	\$1,787,134	\$1,710,900
<b>TOTAL CURRENT ASSETS</b>	<b>\$30,248,913</b>	<b>\$30,331,561</b>	<b>\$22,464,010</b>
<b>Non-Current Assets</b>			
Other financial assets	\$33,048,437	\$36,521,561	\$41,740,478
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$33,048,437</b>	<b>\$36,521,561</b>	<b>\$41,740,478</b>
<b>TOTAL ASSETS</b>	<b>\$63,297,350</b>	<b>\$66,853,122</b>	<b>\$64,204,488</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Claims Provisions	\$4,561,000	\$6,657,000	\$6,111,000
Accrued Return of Member Surplus	\$8,400,000	\$0	\$0
Other Liabilities	\$216,615	\$739,977	\$720,342
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$13,177,615</b>	<b>\$7,396,977</b>	<b>\$6,831,342</b>
<b>Non-Current Liabilities</b>			
Claims Provisions	\$7,999,000	\$12,116,000	\$15,612,002
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$7,999,000</b>	<b>\$12,116,000</b>	<b>\$15,612,002</b>
<b>TOTAL LIABILITIES</b>	<b>\$21,176,615</b>	<b>\$19,512,977</b>	<b>\$22,443,344</b>
<b>NET ASSETS</b>	<b>\$42,120,735</b>	<b>\$47,340,145</b>	<b>\$41,761,144</b>
<b>MEMBERS FUNDS</b>			
Accumulated Surplus - Beginning of Year	\$47,340,145	\$41,761,144	\$37,976,422
Operating Surplus (Deficit)	\$3,180,590	\$5,579,001	\$5,912,722
Less Return of Members Funds	(\$8,400,000)	\$0	(\$2,128,000)
<b>TOTAL MEMBERS FUNDS</b>	<b>\$42,120,735</b>	<b>\$47,340,145</b>	<b>\$41,761,144</b>
<b>Statement Of Financial Performance</b>			
<b>2020</b>			
Revenue From Continuing Operations	\$6,647,500	\$9,918,494	\$9,337,197
Underwriting & Claims Costs	(\$2,388,500)	(\$2,953,343)	(\$2,739,288)
Administration Costs	(\$1,078,410)	(\$1,386,150)	(\$685,187)
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$3,180,590</b>	<b>\$5,579,001</b>	<b>\$5,912,722</b>

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# CivicRisk Metro Financial Statements

as at 30 June 2020

Formerly Metro Pool – ABN: 72 201 664 601

Statement Of Financial Position	2020	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$14,285,683	\$9,254,097	\$7,219,652
Receiveables	\$120,599	\$286,950	\$308,431
Prepayments	\$655,527	\$613,214	\$606,646
<b>TOTAL CURRENT ASSETS</b>	<b>\$15,061,809</b>	<b>\$10,154,261</b>	<b>\$8,134,729</b>
<b>Non-Current Assets</b>			
Other financial assets	\$6,710,536	\$12,769,254	\$16,220,216
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$6,710,536</b>	<b>\$12,769,254</b>	<b>\$16,220,216</b>
<b>TOTAL ASSETS</b>	<b>\$21,772,345</b>	<b>\$22,923,515</b>	<b>\$24,354,945</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Claims Provisions	\$1,689,000	\$1,313,000	\$1,714,000
Member Return of Surplus	\$1,595,000	\$0	\$0
Other Liabilities	\$166,836	\$311,680	\$101,105
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$3,450,836</b>	<b>\$1,624,680</b>	<b>\$1,815,105</b>
<b>Non-Current Liabilities</b>			
Claims Provisions	\$5,558,000	\$6,651,000	\$8,985,000
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$5,558,000</b>	<b>\$6,651,000</b>	<b>\$8,985,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$9,008,836</b>	<b>\$8,275,680</b>	<b>\$10,800,105</b>
<b>NET ASSETS</b>	<b>\$12,763,509</b>	<b>\$14,647,835</b>	<b>\$13,554,840</b>
<b>MEMBERS FUNDS</b>			
Accumulated Surplus - Beginning of Year	\$14,647,835	\$13,548,840	\$11,610,724
Operating Surplus (Deficit)	(\$289,326)	\$1,098,995	\$1,938,116
Less Return of Members Funds	(\$1,595,000)	\$0	\$0
<b>TOTAL MEMBERS FUNDS</b>	<b>\$12,763,509</b>	<b>\$14,647,835</b>	<b>\$13,548,840</b>
<b>Statement Of Financial Performance</b>			
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Revenue From Continuing Operations	\$2,115,896	\$3,129,130	\$3,192,162
Underwriting & Claims Costs	(\$1,911,161)	(\$1,374,345)	(\$710,751)
Administration Costs	(\$494,061)	(\$655,790)	(\$543,295)
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>(\$289,326)</b>	<b>\$1,098,995</b>	<b>\$1,938,116</b>

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# CivicRisk Mutual Financial Statements

as at 30 June 2020

Formerly United Independent Pools – ABN: 82 908 682 855

Statement Of Financial Position	2020	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$7,678,759	\$5,812,615	\$4,158,271
Receiveables	\$1,561,826	\$1,353,831	\$1,087,045
Prepayments	\$2,860,418	\$1,861,637	\$1,671,640
<b>TOTAL CURRENT ASSETS</b>	<b>\$12,101,003</b>	<b>\$9,028,083</b>	<b>\$6,916,956</b>
<b>Non-Current Assets</b>			
Other financial assets	\$5,102,441	\$5,368,348	\$5,988,763
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$5,102,441</b>	<b>\$5,368,348</b>	<b>\$5,988,763</b>
<b>TOTAL ASSETS</b>	<b>\$17,203,444</b>	<b>\$14,396,431</b>	<b>\$12,905,719</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Claims Provisions	\$5,922,910	\$4,827,070	\$2,689,940
Other Liabilities	\$489,782	\$345,738	\$298,703
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$6,412,692</b>	<b>\$5,172,808</b>	<b>\$2,988,643</b>
<b>Non-Current Liabilities</b>			
Claims Provisions	\$3,635,230	\$2,278,820	\$1,448,442
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$3,635,230</b>	<b>\$2,278,820</b>	<b>\$1,448,442</b>
<b>TOTAL LIABILITIES</b>	<b>\$10,047,922</b>	<b>\$7,451,628</b>	<b>\$4,437,085</b>
<b>NET ASSETS</b>	<b>\$7,155,522</b>	<b>\$6,944,803</b>	<b>\$8,468,634</b>
<b>MEMBERS FUNDS</b>			
Accumulated Surplus - Beginning of Year	\$6,944,803	\$8,468,634	\$6,490,239
Operating Surplus (Deficit)	\$210,719	(\$1,523,831)	\$1,978,395
<b>TOTAL MEMBERS FUNDS</b>	<b>\$7,155,522</b>	<b>\$6,944,803</b>	<b>\$8,468,634</b>
<b>Statement Of Financial Performance</b>			
Revenue From Continuing Operations	\$14,679,261	\$11,767,539	\$9,864,379
Underwriting & Claims Costs	(\$13,800,369)	(\$12,563,579)	(\$7,302,198)
Administration Costs	(\$668,173)	(\$727,791)	(\$583,786)
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$210,719</b>	<b>(\$1,523,831)</b>	<b>\$1,978,395</b>

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# CivicRisk Mutual Limited Financial Statements

as at 30 June 2020

Formerly Mutual Management Services Limited – ABN: 48 605 323 948

Statement Of Financial Position	2020	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$1,541,142	\$1,295,093	\$1,117,071
Receiveables	\$248,182	\$726,055	\$2,760
Prepayments	\$37,103	\$3,645	\$3,632
<b>TOTAL CURRENT ASSETS</b>	<b>\$1,826,427</b>	<b>\$2,024,793</b>	<b>\$1,123,463</b>
<b>Non-Current Assets</b>			
Lease Assets	\$66,837	\$0	\$0
Plant and Equipment	\$125,469	\$88,904	\$90,984
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$192,306</b>	<b>\$88,904</b>	<b>\$90,984</b>
<b>TOTAL ASSETS</b>	<b>\$2,018,733</b>	<b>\$2,113,697</b>	<b>\$1,214,447</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Employee Entitlement Provisions	\$387,697	\$339,438	\$340,968
Lease Liabilities	\$47,424	\$0	\$0
Other Liabilities	\$157,358	\$408,409	\$344,204
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$592,479</b>	<b>\$747,847</b>	<b>\$685,172</b>
<b>Non-Current Liabilities</b>			
Employee Entitlement Provisions	\$24,471	\$17,797	\$0
Lease Liabilities	\$20,587	\$0	\$0
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$45,058</b>	<b>\$17,797</b>	<b>\$0</b>
<b>TOTAL LIABILITIES</b>	<b>\$637,537</b>	<b>\$765,644</b>	<b>\$685,172</b>
<b>NET ASSETS</b>	<b>\$1,381,196</b>	<b>\$1,348,053</b>	<b>\$529,275</b>
<b>MUTUAL FUNDS</b>			
Accumulated Surplus - Beginning of Year	\$1,348,053	\$529,275	\$384,507
Operating Surplus (Deficit)	\$33,143	\$818,778	\$144,768
<b>TOTAL MUTUAL FUNDS</b>	<b>\$1,381,196</b>	<b>\$1,348,053</b>	<b>\$529,275</b>
<b>Statement Of Financial Performance</b>			
Revenue From Continuing Operations	\$1,220,996	\$1,754,508	\$1,135,710
Administration & Training Costs	(\$1,187,853)	(\$935,730)	(\$990,942)
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$33,143</b>	<b>\$818,778</b>	<b>\$144,768</b>

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Administration  
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