



Annual Report
2020-2021



CivicRisk
Mutual





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Chairman's Report



I am pleased to present the first annual report of CivicRisk Mutual Limited after amalgamating our joint venture pools last year.

The 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 protection.

2020/21 has been an extremely challenging year with protection program costs increasing and the impact of COVID. Even with these challenges the combined CivicRisk group achieved an excellent financial result with a surplus of \$6.8 million. This result is largely due to the efforts of our members to manage risks and resolve claims. We have also benefitted from strong investment returns of 7.31% which is an outstanding result in a low interest environment. Last year after the consolidation of funds, CivicRisk Mutual returned \$10 million to members whilst maintaining a capital position 175% above APRA benchmark.

The CivicRisk Mutual group, through its prudent financial strategies, has saved members collectively \$95 million since inception and returned \$20.3 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 Mutual's accumulated surplus is \$64.5 million and \$270,000 of risk management support was provided to our members in 2020/21.

CivicRisk Mutual has continued to provide stability in protection program costs in a traditionally volatile market. Although we have benefited recently from a relatively soft market, 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 protection program market. The Mutual also reviews its self-insured layers to take best advantage of market conditions and negotiating favourable bulk purchased protection.

In 2020 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 we welcomed six new Councils which represents our most significant growth in membership. The steady growth in membership demonstrates the excellent reputation the Mutual maintains for risk management, member services and quality protection program 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 great 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 executive team and they continue to provide excellent service to the Mutual.

Councillor Ross Fowler OAM
Penrith City Council
Board Chair

\$6.8m
Surplus this
Financial Year

\$10m
Returned to Foundation
Members in 2020

\$95m
Saved Collectively by 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 more favourable legal system with sound defences, placing personal responsibility on claimants. Our members contributed to this change, joining forces to lobby the government, providing statistics that clearly demonstrated a need for change and 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 to establish what is today called, CivicRisk Mutual Limited. Together members developed a suite of protection program products including; Public Liability/Professional Indemnity, Property, Motor Vehicle, Directors and Officers, and Crime/Cyber. They also began building a healthy reserve to ensure financial security to 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 protection program 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 2011 CivicRisk Mutual was ready to welcome new members and over the past 10 years 14 new Councils have joined the Mutual.

In 2020 CivicRisk West and CivicRisk Metro decided to amalgamate into CivicRisk Mutual Limited to better meet compliance obligations, service our growing membership and position ourselves in the protection program market to take advantage of our collective strength.

Over the past 30 years CivicRisk Mutual has protected the members from the volatility of the insurance market, achieved \$95 million of savings for its members and today provides risk services, a protection program, 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 of New South Wales.

CivicRisk Mutual is member owned and managed with a dedicated service team that deliver a wide range of member products and provide quality services. Our values are to work together for the good of all in the spirit of mutuality with equal representation, financial stability and transparency. We work closely with our members to manage their risks, deliver quality services with a philosophy of “better every day”.

We owe our success to the vision and courage of the founding members. They have created a Mutual that provides bespoke insurance protection, risk management support and a range of member benefits which assist our 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 Mutual Focus

2020/21 has been a year of planning, measurement and focus for the Mutual and our members, as outlined below:

Strategic Planning

This year the Mutual embarked on a highly consultative process, engaging with our members, committees, the Board along with our executive team, to review and establish our strategic direction, values and principles.

Our Strategic Plan outlines who we are, our proud history, why we exist, what we do and how we work together for the good of all. It also defines our core principles, shown below, along with our aspirations, which are building a foundation for the future. In developing our Strategic Plan, we considered the impact of the current market conditions, ensuring we can continue to provide excellent risk management support, quality products and services to support our expanding membership.

Our Core Principles are:



Measuring our Mutual Value

This year the executive team embarked on a process to identify, capture and report the key values the Mutual provides for our members and their communities.

This process is the foundation for the development of our Mutual Value Measurement Framework and aligns with our core principles and supports our strategic focus.

CivicRisk Mutual was able to:

- Save members \$95 million, with \$6.8 million in 2020/21
- Return \$20.3 million to members
- Provide \$1 million immediate flood relief funds to Hawkesbury City Council and \$245,000 immediate storm damage relief funds to Parkes Shire Council
- Respond to 268 risk queries in 2020/21, each within 2 days
- Hold 50 training sessions in 2020/21 with 390 participants representing 100% of our members
- Double membership in last 10 years
- Welcome 9 new members in past 3 years
- Provide protection for \$9.5 billion Council assets
- Provide protection for over 7,000 Council vehicles
- Provide liability protection for almost 14,000 Council staff
- Provide protection for all Council community festival and events

Our key values enable easy articulation and assist members when communicating about the Mutual within their Council, with new Councillors or with ARIC Committees. They also clearly demonstrate to potential members the benefits of CivicRisk Mutual.



Members Feedback

"Risk management is the core principle on which CivicRisk Mutual is built. Members support each other during good and bad times. As an example, our Tree Pipes & Property Video was developed and shared with members to help manage this risk and inform property owners of their responsibility for underground pipes. The principal membership benefit for Bayside Council is being part of a group whose aim is managing risks better together".

Ray D'Angelo

**Coordinator Risk Management
Bayside Council**

"Moving to CivicRisk Mutual has been like a breath of fresh air. The willingness of members to provide assistance and share resources is remarkable and my Council has certainly benefited greatly from this support. I feel sure the Mutual itself must benefit from this healthy environment, as all members adapt and improve all manners of their operations".

Laurence Rowe

**Governance Officer Risk
Gunnedah Shire Council**

"As a member we are regularly offered niche training workshops, professional development, study assistance, industry membership and conference attendance. As a regional Council, without a large team or in-house legal at our disposal, these opportunities and the networking provided are critical to keeping up to date with contemporary best practice and continuous improvement. One of the highlights in the last year has been customised training delivered onsite, allowing many staff to attend and discuss our unique or front of mind challenges".

Renee Winston

**Risk Management Coordinator
Kiama Municipal Council**

"Soon after commencing my role at Council, there was a horrendous fire which destroyed Council property and devastated our community. The CivicRisk Mutual team were in prompt contact, offering support, advice and guidance. The same personal and professional service was also displayed the Mutual's service provider, Claims Management Australia, whom provided prompt assistance and support in addressing the immediate concerns of making the site safe and secure, preparing for rectification, organising temporary storage and addressing the formal claims process. It's well known that first impressions count and this impression of CivicRisk Mutual has never changed. The Mutual and its service providers are prompt, professional and friendly with a personal and caring nature that truly makes you feel you're an important part of the Mutual, and this is true of all the members".

Stephen Golding

**Manager - Governance and Risk
Lane Cove Council**

"Richmond Valley joined the mutual in July 2020 and we haven't looked back. We were immediately welcomed into the group and offered all the support and assistance we could have asked for. We particularly like the information sharing that occurs between the members, facilitated by the Mutual. During our first twelve months we have made multiple risk queries and have been pleased with the willingness of other Councils to share their knowledge and look forward to repaying the favour in the future".

Kate Alder-Conn

**Governance Coordinator
Richmond Valley Council**

In March 2021 the Hawkesbury Local Government Area was significantly impacted by major flooding of the Hawkesbury-Nepean River and other rivers in the catchment. The result was widespread damage to Council assets and infrastructure, in addition to the damage to private property. CivicRisk proactively assisted Council in relation to the claim for flood damage. The coordinated claims management approach and early assessment of the extent of Council's claim led to CivicRisk approving an advance payment on the claim to assist with repair and remediation. Council has benefitted from the ongoing support of CivicRisk, along with Claims Management Australasia.

Elizabeth Richardson

**General Manager
Hawkesbury City Council**



In January 2021 the township of Parkes was hit by a sharp and intense storm that passed directly over the town from the Southwest to the Northeast. Damaging winds, flash flooding and hail causing significant damage across the shire in a destructive short, sharp episode. The Administration Centre and newly renovated Library suffered inundation of water that damaged carpets, floors, walls and skirting boards. CivicRisk Mutual soon had representatives on site to survey the damage and an assessment was quickly organised. CivicRisk Mutual soon followed up by offering to provide an interim payment towards the rectification costs, which was gratefully accepted by Council. This payment allowed Council to cover the costs of the initial clean up and to confidently engage contractors to repair the damages without the need to dip into its financial resources.

Anthony McGrath

**Executive Manager Corporate Services
Parkes Shire Council**



Highlights & Challenges

Highlights

One Mutual Success

The amalgamation of our previous entities into CivicRisk Mutual Limited has proven to be a success with immediate savings of \$10 million to members, streamlining the governance structure and establishing processes that support our core values of transparency, member involvement and right to fund year surplus.

Growth in Membership

In July 2020 the Mutual welcomed six new members, being Gunnedah Shire Council, Parkes Shire Council, Mid-Western Regional Council, Richmond Valley Council, Snowy Monaro Regional Council and Willoughby City Council. Our new members have transitioned smoothly, embracing the spirit of mutuality whilst enjoying the values and benefits of our open, transparent and supportive community. We have responded to this significant growth by developing an additional regional support with a dedicated member services coordinator. In addition to member support, this role also organises training, undertakes research projects and attends to member enquiries.

Strong Financial Performance

CivicRisk Mutual continues to perform well with good claims management, strong investment returns and appropriate actions to address the hard market. The financial performance of the Mutual continues to outperform budget expectations which in turn ensures we maintain a strong capital adequacy protecting us through hard market periods.

Member Return of Surplus

The result of many years of members' decisions has seen a healthy reserve being built which has protected members during hard times. The Mutual has saved members

\$95 million with \$10 million returned in 2020.

Investment Performance

The Mutual's \$89 million investment portfolio continued to achieve a respectable result of 7.31% annualised despite current economic challenges with COVID.

Mutual Connections

CivicRisk Mutual remains abreast of developments in the Mutual industry and, this year, has been working with BCCM and 3 other key insurance Mutuals to establish an industry group for Australian Insurance Mutuals. We are working with the government to establish best practice for our industry. We are a representative on the Aust/NZ Standards Risk Committee contributing to creation of national and international risk standards. We are also participating in a pilot project to measure 'Mutual Value' and the Finance Manager presented our progress to BCCM Community of Practice.

Strategic Forum

In March 2020 the Mutual's Strategic Forum and Members' Assembly was held in Bowral. This session was very successful with 46 participants from 17 Councils working together to develop our 3 year Strategic Plan.

Member Survey

In conjunction with our strategic planning process, our members were invited to provide feedback to our annual survey about the services, values, benefits and future direction of the Mutual. The responses received from 86% of our membership was overwhelmingly supportive and positive.

Member Portal

In May 2021, the Mutual launched a new Member Portal and were the first in the world offering Valo Entrance technology. The new portal is an innovative solution which demonstrates our continuous commitment to improving member services. The portal provides members with easy access to all governance, financial, meeting, protection program plus risk management resources and information. It also provides copies of past training presentations, best practice manuals and legal advice. Members have provided positive feedback about the professional design of the portal, the broad range of content and ease of accessibility.

Claims Manual & Guidebooks

In collaboration with members and service providers, our Claims Manual has been revised providing enhanced details of claims procedures and key contacts. Additionally, our service providers have developed Claim Guidebooks that assist in claims mitigation and management.

Continuing Professional Development Points

This year the Mutual was granted approval to issue Continuing Professional Development (CPD) Accreditation Points to our members for our Professional Indemnity training sessions. This approval has been well received by our members' building and development certification staff.

Positive COVID Benefits

There are several positive benefits from COVID. One being the rapid embracement of video conferencing worldwide. This has enabled online meetings and training, and supported the ongoing high level of customer services provided by the executive team and our service providers. The other has been a sharp drop in motor vehicle claims due to our members staff working from home. As CivicRisk largely self-insures members motor vehicles, this reduced costs by \$2 million in 2020/21.

Challenges

Impact of COVID

COVID has had a significant impact on Council's ability to deliver community services with lock downs creating uncertainty. CivicRisk has had to be flexible to adapt to these difficult times and respond quickly to member needs.

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 member Council's risks so we can better support them on their risk journey.

Creative Solutions for Hard Market

There are many elements that are contributing to the hardening market, such as COVID, fires, floods and hailstorms. CivicRisk has been investigating solutions to access new markets with the aim of providing long term stable protection and coverage for our members. The continued good performance and efforts of our members has us well placed as we negotiate our 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
Chair**

Councillor of Penrith City Council. Chartered Accountant. Registered Company Auditor and Tax Agent. Bachelor of Commerce.

Experience and expertise: Chair of CivicRisk Mutual Limited. Chair of CivicRisk West (from 1994 to 2020). Over 45 years' experience in business management and over 30 years involvement in Local Government. Chair of AFFORD (Australian Foundation for Disability Limited).



Kerry Robinson OAM

**Blacktown City Council
Deputy Chair**

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

Experience and expertise: Deputy Chair CivicRisk Mutual Limited. Chair, Western Sydney Regional Organisation of Councils CEOs' Forum. Deputy Chair, Blacktown Venue Management Limited. Deputy Chair, Blacktown and Mount Druitt Hospitals Foundation Limited. Director, Link Wentworth Housing Limited. Advisory Panel Member, University of New South Wales' City Futures Research Centre.



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: 25 years' involvement in Local Government as a Councillor. 36 years' experience as CEO of private company, business management and management consultant. 31 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.



Jason Cooke

**Orange City Council
Director**

Chief Financial Officer, 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 Committee. Board Member Western NSW Local Health District. Director Housing Plus. 25 years' commercial, financial, strategic, regulatory and governance experience across public practice, energy, local government, health, social housing and sport.



Bruce Ferguson

**City of Parramatta Council
Director**

Risk and Audit Manager Corporate Services, 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. Over 40 years' experience working in the risk and insurance industry as a practitioner.

Board of Directors con't.



Marianne Saliba

**Shellharbour City Council
Director**

Mayor of Shellharbour City Council. Bachelor of Arts (Politics). Australian Institute of Company Directors.

Experience and expertise:
9 years as Mayor Shellharbour City Council. National President of Australian Local Government Womens Association (ALGWA). Former Founding Director Hotel Employers Mutual (HEM). Former Member of the Legislative Assembly. Former Chair Electoral Matters Select Committee. Former Member NSW Regulation Review Committee.



Debra Just

**Willoughby City Council
Director**

Chief Executive Officer of Willoughby City Council. Post Graduate Diploma of Education. Master of Arts, Applied Planning & Geography. Fellow of the Planning Institute of Australia. Graduate Australian Institute of Company Directors. Member of the Institute of Public Administration. Member of Local Government Professionals NSW. Member of Planning Institute of Australia.

Experience and expertise: Over 20 years in local and state government and 15 years on Water, Waste and Natural Resources Management Boards, Chair of Audit & Risk Committee for Adelaide & Mount Lofty Ranges Natural Resource Management Board, General Manager Urban & Portfolio Planning, Renewal SA. General Manager, City Strategy & Design at City of Adelaide Council, Member of the Southern Region Waste Resource Authority Board, General Manager, Strategy & Policy at City of Onkaparinga Catchment Water Management Board, Teaching staff, University of Adelaide.



Gordon Bradbery AM

**Wollongong City Council
Director**

Lord Mayor of Wollongong City Council. Graduate Australian Institute of Company Directors. Post Graduate studies University of Sydney Divinity BD. Undergraduate studies University of Wollongong BA Psychology & Sociology. Awarded AM (2018). Awarded OAM (1996). Justice of the Peace.

Experience and expertise:
Minister of the Uniting Church in Australia. Board member of Westpool, CivicRisk Mutual and United Independent Pools. Minister & Administrator of Wollongong Mission of the Uniting Church of Australia. Chair of Lifeline South Coast. Board member of Unanderra Care Services. Youth Worker Uniting Church in Australia.

Retiring Board Members



Hamish McNulty
(Retired)

**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
(Retired)

**Dubbo Regional Council
Director**

Former 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.



Mark Honey
(Retired)

**Kiama Municipal Council
Director**

Mayor of Kiama Municipal Council.

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



Craig Wrightson
(Retired)

**Lane Cove Council
Deputy Chair**

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

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

Members Assembly

Member Council	Members Assembly Representatives	Finance Committee Representatives	Risk Management Committee Representatives
Bayside Council	Councillor Christina Curry Fausto Sut	Matthew Walker	Ray D'Angelo Amanee Skaf (Alt) Doris Lum (Alt) Fausto Sut (Alt)
Blacktown City Council	Councillor Chris Quilkey Kerry Robinson OAM Deputy Chair Geoff Hoad (Alt)	Steven Harris	Steve Woods Anitha Brenyah (Alt) Geoff Hoad (Alt)
Blue Mountains City Council	Councillor Darryl Bowling Rosemary Dillon Rod Chacana (Alt)	Mark Connelly	Rod Chacana Desmond Ngara (Resigned)
Burwood Council	Patricia Hatzigiannis Tommaso Briscese	Wayne Armitage	Militsa Zelenovic
Camden Council	Councillor Lara Symkowiak Ron Moore Samantha Sharkey (Alt) Tim Butler (Alt) (Resigned) Troy Burns (Alt)	Paul Rofe Mathew Walsh (Alt)	Troy Burns Stuart Marshall (Alt)
Cumberland City Council	Councillor Steve Christou Peter Fitzgerald Hamish McNulty (Retired)	Tony Chahine	Belinda Doig Michael Mills (Alt)
Dubbo Regional Council	Maria Crisante Michael McMahon (Retired) Abbey Rouse	Michael Howlett	Katie Longhurst Skye Stephenson
Gunnedah Shire Council	Tim Muldoon Alice Weinthal	Damien Connor	Laurence Rowe
Hawkesbury City Council	Councillor Paul Rasmussen Charles McElroy Peter Conroy (Resigned)	Vanessa Browning Emma Galea (Alt)	Kylie Eames Charles McElroy (Alt)
Hunters Hill Council	Councillor Ross Williams Councillor Jim Sanderson (Alt) Lisa Miscamble (Resigned)	May Vilaythong	John Javillonar
Kiama Municipal Council	Jane Stroud Councillor Mark Honey (Retired) Kerry McMurray (Resigned)	Jason Galloway	Renee Winston Deputy Chair Carlie Sulter (Alt)
Lane Cove Council	Craig Wrightson Stephen Golding	KG Bascaran Deputy Chair	Stephen Golding
Liverpool City Council	Councillor Wendy Waller George Hampouris Mark Brookfield (Alt)	Vishwa Nadan	Mark Brookfield Chair

Member Council	Members Assembly Representatives	Finance Committee Representatives	Risk Management Committee Representatives
Mid-Western Regional Council	Tim Johnston Simon Jones Michele George (Alt)	Leonie Johnson	Alison Shumack
Orange City Council	Councillor Kevin Duffy Nick Redmond Jason Cooke (Alt)	Jason Cooke	Shirley Hyde
Parkes Shire Council	Anthony McGrath Kent Boyd	Jaco Barnard	Jane Howard
City of Parramatta Council	Councillor Patricia Prociv Bruce Ferguson Alistair Cochrane (Alt)	Alistair Cochrane Chair	Bruce Ferguson Glenda Cartwright (Alt) Nancy Warden (Alt)
Penrith City Council	Councillor Ross Fowler OAM Chair Andrew Moore	Neil Farquharson	Anthony Robinson Sharon Hall (Alt)
Richmond Valley Council	Vaughan Macdonald Ryan Gaiter Jenna Hazelwood (Alt)	Ryan Gaiter Dean Fordham (Alt)	Jenna Hazelwood Kate Allder-Conn (Alt)
Shellharbour City Council	Councillor Marianne Saliba Carey McIntyre Flora Lepouras (Alt) Ian Smith (Alt)	Paul Henderson	Ian Smith Melinda Fitzgerald (Alt) Flora Lepouras (Alt)
Snowy Monaro Regional Council	Peter Bascomb David Rawlings	David Rawlings	David Rawlings (Alt) Anton Yap (Resigned)
Willoughby City Council	Debra Just Laura Kendall Greg McDonald (Resigned)	Stephen Naven	Samantha Charlton Dominique Andrews (Alt) Steve Ray (Alt)
Wollondilly Shire Council	Ben Taylor Matthew Toro	Rob Seidel Clair Hardy (Resigned)	Toni Spence Tahlia Sydenham (Alt) Matthew Toro (Alt) Melissa Sutton (Alt) Nikky Goodall (Resigned)
Wollongong City Council	Councillor Gordon Bradbery AM Todd Hopwood Michelle Martin (Alt)	Stephanie Hummerston Brian Jenkins (Alt)	Michelle Martin Jason Hall (Alt) Todd Hopwood (Alt)

Affiliate Member	Members Assembly Representatives	Finance Committee Representatives	Risk Management Committee Representatives
The Western Sydney Regional Organisation of Councils Limited (WSROC)	Nic Pasternatsky Helen Levy	Nic Pasternatsky Helen Levy	Nic Pasternatsky Helen Levy

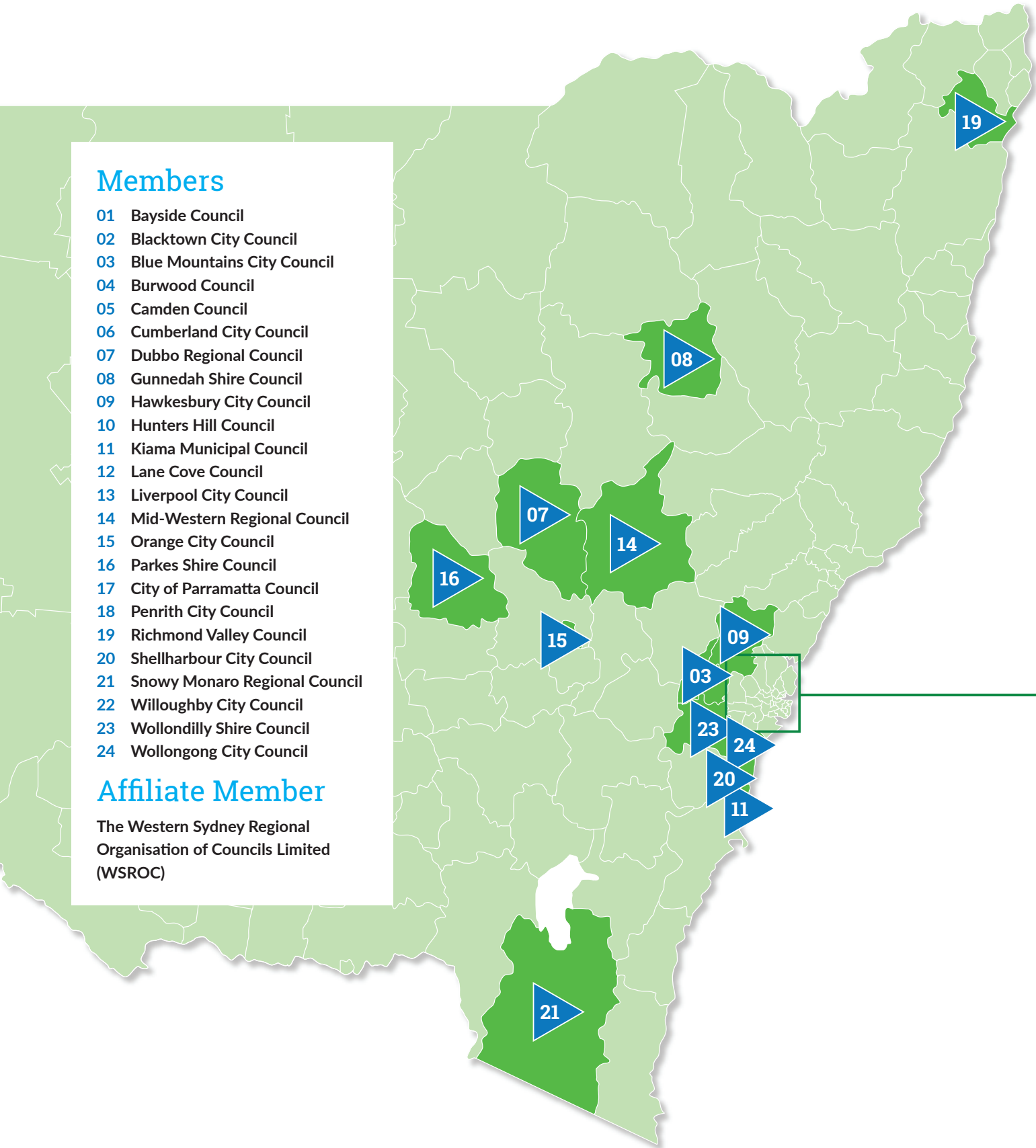
Mutual Members

Members

- 01 Bayside Council
- 02 Blacktown City Council
- 03 Blue Mountains City Council
- 04 Burwood Council
- 05 Camden Council
- 06 Cumberland City Council
- 07 Dubbo Regional Council
- 08 Gunnedah Shire Council
- 09 Hawkesbury City Council
- 10 Hunters Hill Council
- 11 Kiama Municipal Council
- 12 Lane Cove Council
- 13 Liverpool City Council
- 14 Mid-Western Regional Council
- 15 Orange City Council
- 16 Parkes Shire Council
- 17 City of Parramatta Council
- 18 Penrith City Council
- 19 Richmond Valley Council
- 20 Shellharbour City Council
- 21 Snowy Monaro Regional Council
- 22 Willoughby City Council
- 23 Wollondilly Shire Council
- 24 Wollongong City Council

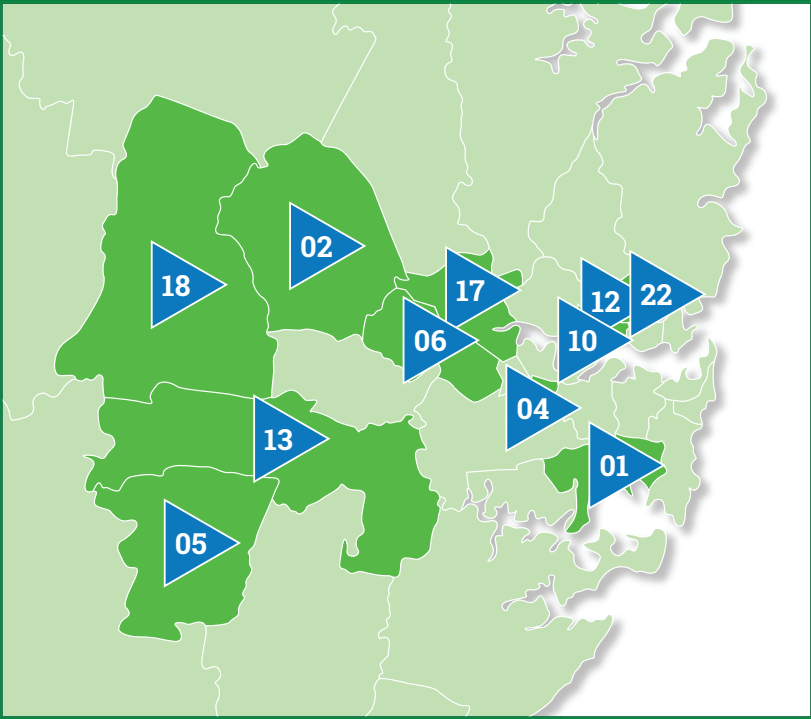
Affiliate Member

The Western Sydney Regional Organisation of Councils Limited (WSROC)



CivicRisk Mutual's membership consists of 24 NSW Councils and 1 affiliate member, which represent 27% of all NSW Local Government Councils and 31% 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 each financial year:

Member Involvement

The Mutuals meetings and communication strategy enables all members to be informed and involved in the operation of the Mutual. Members are represented on the Members Assembly, Risk Management and Finance Committees.

Service Provider Support

The success of the Mutual is the result of the dedication and commitment of the executive team together with our partners including claims team, broker, valuer, lawyers, investment adviser 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 services coordinator 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.

Bespoke Onsite Training

This year the Mutual has enhanced the traditional training program with bespoke onsite training to meet the member's needs. Our bespoke onsite training sessions include claims management, mutual information, road reserves, planning and certification, crime, management liability. In total this year we have provided training to 390 Participants in over 50 sessions.

Risk and Claims Training

Our traditional training and professional development sessions include emerging risks and trending claims with the combination of claims experience and protection program advice. These sessions deliver a best practice approach for all of our members whilst enabling networking, mentoring and information sharing. This year's training and professional development sessions include:

- **Protecting Assets from Arson**
(4 August 2020)
- **COVID – Lesson Learnt & Way Forward**
(18 November 2020)
- **New Building & Development Regulations – What you need to know**
(9 December 2020)

We are grateful for the support and contribution to our training program by our best practice group members, industry leaders, claims managers, broker, legal panel and collaborating agencies and government authorities.

Risk Enhance Funding

Members are allocated

 **\$10,000**

each year to fund initiatives that mitigate risks identified in their CRIP reports. Examples include; Fraud & Corruption Risk Assessment, Hypothetical Outbreak Training, Strategic Risk Workshop, Enterprise Risk Management Software, iPads for Onsite Risk Assessments, Tree Canopy Audit, Annual Review of Enterprise Risk Management Register, Code of Conduct Compliance Training, Business Continuity and Crisis Management Reviews.

Motor Vehicle Driver Education Funding

Members are allocated

▶ **\$3,000**

each year to fund initiatives that improve driver safety and reduce at fault incidents. Examples include; Safer Driving Awareness Training, Online Driver Safety Program and safety cameras for heavy vehicles.

Study Assistance Funding

Members are allocated

▶ **\$5,000**

each year to fund educational opportunities to enhance their risk and insurance staff's knowledge and awareness of risk management. Examples include Enterprise Risk Management Courses and General Insurance studies.

Continuous Risk Improvement Program

Members participate in our risk improvement audit which, over a 3 year cycle, assesses the risk systems, staff awareness, claims management and mutual participation. Members compare results, share best practice and implement recommendations.

Enterprise Risk Management Software

The Mutual's current funding program for risk management software is being reviewed to enable funding to be expanded to provide all members with the choice of which system to implement to meet their needs and to track, measure and report on risks.

Fraud Prevention Software

The Mutual's funding program for the implementation and software subscription protects members against fraudulent payments and reduce the impact of cyber-crime.

RMIA Membership and National Conference

The Mutual's funding program for RMIA enables each members nominated Risk Management Committee representative annual membership, training and attendance to the National Conference.





Awards For Risk Excellence

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



Blacktown City Council

CivicRisk Mutual Winner

Enterprise Risk Management Project



Bayside Council

**Claims Management
Les Emerson Award**

Trees, Pipes & Properties Video



Blue Mountains City Council

Willis Towers Watson Winner

Risk Mitigation of Fire Damaged Natural Assets



Burwood Council

Highly Commended

Pandemic Business Continuity Plan (COVID)



Cumberland City Council

Highly Commended

Integrated & Connected Enterprise Risk Management Framework Project



Kiama Municipal Council

Highly Commended

Managing new & increasing risk exposures during mass work from home (COVID)



Shellharbour City Council

Highly Commended

Business as Usual in a COVID World





Concise Financials

CivicRisk Mutual Limited Financial Highlights

Our summarised financial statements outline the financial performance of the CivicRisk Mutual Limited for 2020/21 showing comparative figures for CivicRisk West, CivicRisk Metro, CivicRisk Mutual which have been prepared in accordance with relevant accounting standards.

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

The support and commitment of the Finance Committee has been especially helpful in the transition to 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, Sylvia Wallace of Pitcher Partners that the Mutuals have maintained a sound financial platform.

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

\$64.5m

Mutual's Accumulated Surplus

\$6.8m

Surplus Generated for
Members in 2021

\$20.3m

Member Surplus Returned
in Last 10 Years



\$27.8m

Total Claims Provisions



7.31%

Annualised Return on Investments
in 2021



95%

Combined Ratio (Claims/Protection
Program of Contributions)



\$89m

Assets Under Investment
at 30 June 2021



163%

Capital Target Over
Industry Benchmark



3.6 times

Assets to Cover Claims Provisions

CivicRisk Mutual Limited Financial Statements

As at 30 June 2021

(* Prior year figures include CivicRisk West, CivicRisk Metro and CivicRisk Mutual joint ventures for comparative purposes) ABN: 48 605 323 948

STATEMENT OF FINANCIAL POSITION	2021	2020 *	2019 *
ASSETS			
CURRENT ASSETS			
Cash and Investments	\$41,296,716	\$51,170,897	\$44,322,874
Receivables	\$2,983,682	\$2,275,649	\$2,950,194
Prepayments	\$7,412,209	\$5,791,606	\$4,265,630
Other current assets	\$54,759	\$66,837	\$0
TOTAL CURRENT ASSETS	\$51,747,366	\$59,304,989	\$51,538,698
NON-CURRENT ASSETS			
Plant and Equipment	\$135,628	\$125,469	\$88,904
Other financial assets	\$47,939,707	\$44,861,414	\$54,659,163
TOTAL NON-CURRENT ASSETS	\$48,075,335	\$44,986,883	\$54,748,067
TOTAL ASSETS	\$99,822,701	\$104,291,872	\$106,286,765
LIABILITIES			
CURRENT LIABILITIES			
Claims Provisions	\$13,835,748	\$12,172,910	\$12,797,070
Accrued Return of Member Surplus	\$5,845,000	\$9,995,000	\$0
Employee Entitlement Provisions	\$427,766	\$387,697	\$339,438
Other Liabilities	\$1,275,211	\$1,077,833	\$1,805,804
TOTAL CURRENT LIABILITIES	\$21,383,725	\$23,633,440	\$14,942,312
NON-CURRENT LIABILITIES			
Claims Provisions	\$13,951,290	\$17,192,230	\$21,045,820
Employee Entitlement Provisions	\$30,689	\$24,471	\$17,797
Other Liabilities	\$0	\$20,587	\$0
TOTAL NON-CURRENT LIABILITIES	\$30,689	\$45,058	\$17,797
TOTAL LIABILITIES	\$21,414,414	\$23,678,498	\$14,960,109
NET ASSETS	\$78,408,287	\$80,613,374	\$91,326,656
MEMBERS FUNDS			
Accumulated Surplus - Beginning of Year	\$63,420,962	\$70,280,836	\$64,307,893
Operating Surplus (Deficit)	\$6,881,038	\$3,135,126	\$5,972,943
Less Return of Members Funds	(\$5,845,000)	(\$9,995,000)	\$0
TOTAL MEMBERS FUNDS	\$64,457,000	\$63,420,962	\$70,280,836
STATEMENT OF FINANCIAL PERFORMANCE			
Revenue From Continuing Operations	\$37,628,789	\$24,663,653	\$26,569,671
Underwriting & Claims Costs	(\$29,632,440)	(\$18,100,030)	(\$16,891,267)
Administration Costs	(\$1,115,311)	(\$3,428,497)	(\$3,705,461)
OPERATING SURPLUS (DEFICIT)	\$6,881,038	\$3,135,126	\$5,972,943

The financial statements are audited special purpose financial reports prepared for the members in accordance with the accounting policies and standards listed in the notes to the financial statements. A full copy of the financial statements is available upon request.

On 1 July 2020, all net assets and members' surplus of CivicRisk West and CivicRisk Metro were novated into CivicRisk Mutual Limited. The assets and liabilities of CivicRisk Mutual were transferred as settlement for the provision of discretionary run off protection for all fund years prior to 1 July 2020. The primary reason for the business restructure was to reduce costs for members, enhance the company's position and bargaining power in the marketplace, and to allow additional members to join in future years.





CivicRisk Mutual

Administration

CivicRisk Mutual Limited

PO Box 902, Penrith NSW 2750

info@civicroiskmutual.com.au

1300 837 493

civicroiskmutual.com.au

