



Annual Report
2017 - 18

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Chairman's Report



Councillor Ross Fowler
Penrith City Council
Board Chairman

I am pleased to present the annual report for CivicRisk West which celebrates 30 years of providing excellent risk and insurance services to its members. Our financial performance is outstanding having achieved another surplus result which is almost equivalent to our contributions. CivicRisk West can be proud of the fact that over the past two years we have been able to provide liability cover to our 10 Member Councils at effectively no cost. The surplus position was achieved through strong investment returns, cost effective insurance program and well managed claims.

CivicRisk West, through its prudent financial strategies, was able to

complete the year and build our equity by a further \$5,912,722. Our equity now stands at \$41,761,144 which is above our benchmark capital requirements.

As a result, CivicRisk West has been able to:-

1. Establish a capital adequacy benchmark of 175% of the APRA Minimum Capital Requirement.
2. Close 15 fund years of the Mutual.
3. Returned approximately \$9,042,400 surplus capital back to its members over the past six years.
4. Maintain stable contributions for members.

CivicRisk West 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 West 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 West also reviews its self-insured layers to take best advantage of market conditions and negotiating favourable bulk purchased insurance using its collective buying power.

In recent years the Mutuals have welcomed five new councils to

the membership and this year we were pleased to welcome Orange City Council as a member and Lithgow City Council as an Associate Member. The steady growth in our membership demonstrates the excellent reputation our Mutuals have for risk management and quality insurance solutions.

This year, CivicRisk West and CivicRisk Metro commenced the second stage of our continuous risk improvement program (CRIP) which involves a review of each member's 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. To assist the members to implement the recommendations of the CRIP, CivicRisk Mutual has adopted a risk support program of \$10,000 per member per year plus an extra \$2,000 for motor vehicle risk projects. In 2017/18 CivicRisk funded members \$149,000 towards these risk projects. In addition, we provide 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 service providers 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 to the Mutual and our legal panel who defend our 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, Management and Finance Committees. Your contribution is appreciated and you should be well proud of our achievements.

Finally, and most importantly a personal thanks to our executive team, Andrew Armitstead, Lisa Williams and Nicole Mahon. 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 2018/19.

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

Ross Fowler
Chairman

Board & Committee Members

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

Board

Councillor Ross Fowler
Penrith Council

Chairman

Alan Young
Fairfield Council

Deputy Chairman

Councillor Chris Quilkey
Blacktown Council

Kerry Robinson
Blacktown Council

Councillor Darryl Bowling
Blue Mountains Council

Robert Greenwood
Blue Mountains Council

Councillor Lara Symkowiak
Camden Council

Ron Moore
Camden Council

Councillor Del Bennett
Fairfield Council

Councillor Paul Rasmussen
Hawkesbury Council

Laurie Mifsud
Hawkesbury Council

Councillor Wendy Walsh
Liverpool Council

Chris White
Liverpool Council
Councillor John Hugh
Parramatta Council

Craig Becroft
Parramatta Council

Andrew Moore
Penrith Council

Councillor Marianne Saliba
Shellharbour Council

Carey McIntyre
Shellharbour Council

Councillor Gordon Bradbery
Wollongong Council

Kylee Cowgill
Wollongong Council

Management Committee

Mark Brookfield
Liverpool Council

Chairman

Ian Smith
Shellharbour Council

Deputy Chairman

Bruce McGie
Blacktown Council

Yasoda Wickramasekera
Blue Mountains Council

Michael Keyes
Blue Mountains Council

Troy Burns
Camden Council

Cosette Helou
Fairfield Council

Leanne Philp
Fairfield Council

Melissa Hollier
Fairfield Council

Greg Finnie
Hawkesbury Council

Barry Riley
Parramatta Council

Bruce Ferguson
Parramatta Council

Anthony Robinson
Penrith Council

Jason Hall
Wollongong Council

Finance Committee

Michael Mamo
Blacktown Council
Chairman (resigned)

Alistair Cochrane
Parramatta Council
Deputy Chairman

Paul Rofe
Camden Council

Brad Cutts
Fairfield Council

Theo Peereboom
Fairfield Council

Vanessa Browning
Hawkesbury Council

Vishwa Nadan
Liverpool Council

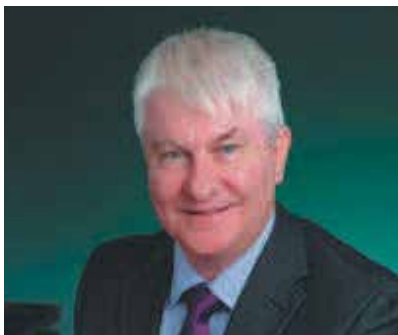
Neil Farquharson
Penrith Council

Rob Owens
Shellharbour Council

Brian Jenkins
Wollongong Council



Executive Officer's Report



Andrew Armitstead
Executive Officer

It gives me great pleasure to present the 2017/18 CivicRisk West report and I congratulate the members on another successful year.

CivicRisk West and CivicRisk Metro have gained a reputation as market leaders in risk management and our objective is to maintain that high standard while continuing to improve public risk and control our insurance costs.

This year we celebrate 30 years of delivering excellent risk and insurance service to our members. The quality of these service is best represented by the fact that we continue to grow welcoming a

further two members in 2018. Orange City Council, our latest member joined on 1st July 2018 while Lithgow City Council has indicated an interest to join on 1st July 2019 and in the meanwhile continues as an Associate member.

CivicRisk West, through sound financial and claims management strategies, has ensured that the Mutual is in a strong financial position and this year was no exception with a surplus of \$5,912,722 increasing the combined equity to \$41,761,144. This result is a credit to the members and places CivicRisk West in a strong position to consider self-insurance options in the near future if the market hardens.

In 2014 CivicRisk West and CivicRisk Metro embarked on a continuous risk improvement program which involved a series of council-risk audits to improve our performance and highlight areas where we can channel our energies to address any weaknesses. A Mutual-funded risk grants program has been implemented to assist members to manage their risks and we are currently undertaking the second stage audit review which will be completed in 2020.

CivicRisk West is a proud member of CivicRisk Mutual and together with our CivicRisk Metro councils we continue to manage the risks of motor vehicle, property and other general insurances.

Our motor vehicle pool continues to provide prompt repair of our council fleet while our property insurers have worked in partnership with our council staff to protect our assets. Full details of the results of CivicRisk Mutual are attached to this report

CivicRisk West is appreciative of the efforts of the Willis Towers Watson team who provide sound broking advice and bespoke insurance solutions. Thanks to Shane Redman and the team at WTW.

Claims Management Australasia continue to provide excellent support and quality service working productively with our risk managers to effectively manage claims and reduce costs. Congratulations to 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, I would like to extend thanks to our panel lawyers and actuary, Finity Consulting led by David Minty.

One of the key strengths of our organisation is the commitment shown by the Board members as well as our Finance and Management Committees. Thanks for your efforts and support, especially the executive headed by our Board Chairman, Councillor Ross Fowler and Mark Brookfield, Chairman of the Management Committee.

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 manages our office operations and Lisa Williams who manages the finances and accounts of the Mutuels.

Well done to all and I look forward to another successful year in 2018/19.

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 West was established in 1988 and continues to deliver quality risk management services which meet the members' needs and protect their assets.

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

CivicRisk West 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 Pool.
- Achieving APRA benchmark standards to ensure the organisation's financial sustainability and good governance.

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

- Working in partnership with CivicRisk Metro 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 West 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 can 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.

Management Committee Chairman's Report



Mark Brookfield
Liverpool Council

As a founding member of the Pool and having worked as part of the Committee that formed the Pool it is hard to believe that we are approaching 30 years of successful Risk, Insurance and Claims Management.

The Mutual arose from a concept with years of dedicated commitment from Councils, Council staff, Elected Members.

For many years everything from financial management to banking and investments was undertaken in-house by various member Councils and staff. I remember doing the books and investments in the mid to

late 1980's where even on the short term money market interest rate returns were around 18-19%.

To the current day where we have the dedicated teams providing professional services from Mutual Management Services Team, to the service providers including Willis, CMA, Finity Consulting, Scott Fullarton, InConsult, CPG. We have seen the Mutual grow and provide stability to the benefit of all member Councils and their communities.

Sound risk and claims management along with astute financial management and investments continue to see very healthy equity returns and continued equity growth particularly for all of the long term members.

We have had a number of new members and representatives join the Management Committee and Board. The degree of cooperation, mutuality and information sharing continues to enhance the Groups reputation and growth.

We continue to manage our claims well and this is evident with the cost of claims well below our predictions. Together as a group we have responded to developments impacting Local Government by establishing working teams to research an issue or developing a training session to address a concern.

Congratulations to all on your efforts. We have an excellent service team and the collective knowledge of the Risk Managers helps us address risk issues and come up with creative risk solutions to protect our community.

Mark Brookfield
Liverpool Council



Financial Report

The 2017/18 financial year for CivicRisk West produced another great result, reporting an operating surplus of \$5,912,722. There were a two significant factors which influenced this excellent result.

Firstly, underwriting expenditure which includes claims, insurance and associated costs totalled \$2,721,976 which was a saving of \$1,972,774 (42%). This was due to the ongoing effect of a restructure in the insurance program in 2016 which reduced the risk and cost to CivicRisk West members.

Secondly, as in previous years, the investment portfolio has continued to provide healthy returns. For 2017/18, CivicRisk West achieved a total return on investments of \$3,261,197. This was \$1,681,197 more than budgeted as the returns from the intermediate and growth funds held within the investment portfolio assisted in achieving an average return of 5.21%. As at 30 June 2018, CivicRisk West's total investment portfolio was \$61,762,369.

The surplus in assets over liabilities as at 30 June 2018 was \$41,761,144 which clearly demonstrates the overall strong financial position of CivicRisk West. It is worth noting the continued improvement in CivicRisk West's equity over the past 10 years, which is highlighted in the graph.

The Board of CivicRisk sent the CivicRisk West Chairman, Ross Fowler, CivicRisk Metro Chairman, Michael McMahon and Executive Officer, Andrew Armitstead to London in August 2017 to negotiate the insurance renewal for the Pools. In addition to this the Executive Officer and Michael McMahon attended an ICMIF conference. The trip covered 1 week of meetings and 1 week of conference. Also a delegation of 7 attended the PRIMA conference in Indianapolis and meetings with 18 US insurance pools over 2 weeks in June 2018. The cost of this overseas travel was \$158,722 in total which was shared by the group and cost CivicRisk West was \$80,207. 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.

The commitment of the Finance Committee is most satisfying, and it has worked effectively towards the goal of improving the overall financial position of CivicRisk West by setting appropriate contribution levels and reviewing capital targets. These contribution levels and capital targets are set having regard for CivicRisk West's financial targets and long-term strategic outlook. The level of involvement and interest by the Committee members has continued

to be very pleasing, this is reflected in the overall financial success CivicRisk West has enjoyed.

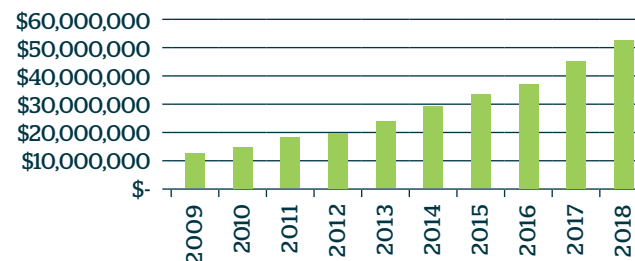
I would like to express my appreciation to CivicRisk West's previous Finance Committee chairman, Michael Mamo who resigned during the year after many years as chairman. In addition, the ongoing commitment of the Finance Manager, Lisa Williams, CivicRisk West's actuary, David Minty, and its auditor, Carl Millington is always appreciated. Finally, I would like to thank the other members of the administration team, Andrew Armitstead and Nicole Mahon for the great support they have provided during the year.

In summary, CivicRisk West has continued to build a strong platform to ensure a sustainable financial position whilst being able to protect against changes in the insurance market and provide equity returns to members. The retention of the business principles contained in its financial strategy has been key to achieving the financial targets reported for June 2018.

Alistair Cochrane
Deputy Chairman
Finance Committee

Total Equity 2009-2018

Excludes return of equity



Financial Statements

Balance Sheet	2017/18	2016/17	2015/16
Assets			
Cash and Investments	\$61,762,360	\$61,369,607	\$58,823,794
Receivables	\$731,228	\$1,115,861	\$1,014,004
Prepayments	\$1,710,900	\$1,616,313	\$735,353
Property, Plant and Equipment	\$0	\$0	\$0
Total Assets	\$64,204,488	\$64,101,781	\$60,573,151
Liabilities			
Current Liabilities	\$6,831,342	\$5,696,359	\$5,521,888
Non-current Liabilities	\$15,612,002	\$20,429,000	\$22,856,000
Total Liabilities	\$22,443,344	\$26,125,359	\$28,377,888
Total Members' Equity	\$41,761,144	\$37,976,422	\$32,195,263
Total Liabilities and Members' Equity	\$64,204,488	\$64,101,781	\$60,573,151

Income Statement

Revenues			
Income from Continuing Operations	\$9,337,197	\$10,823,001	\$9,858,988
Total Revenues	\$9,337,197	\$10,823,001	\$9,858,988
Expenses			
Depreciation and Amortisation Expenses	\$0	\$0	\$0
Other Expenses from Continuing Operations	\$3,424,475	\$3,357,842	\$6,361,129
Total Expenses	\$3,424,475	\$3,357,842	\$6,361,129
Net Operating Result for the Year	\$5,912,722	\$7,465,159	\$3,497,859
Distribution of Members Equity During Year	(\$2,128,000)	(\$1,684,000)	(\$1,246,000)
Members' Equity Beginning of Year	\$37,976,422	\$32,195,263	\$29,943,404
Members' Equity End of Year	\$41,761,144	\$37,976,422	\$32,195,263

Full copy of the financial statements is available upon request

Actuarial Valuation At 30 June 2018 – Executive Summary

We were asked by the Board of CivicRisk West 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 2018 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 2017/18

Table 1 summarises the results of our valuation and shows the corresponding aggregates at the June 2017 valuation for comparison.

Our discounted gross central estimate of CivicRisk West's outstanding claims liability as at 30 June 2018 for public and professional liability claims is \$35.8 million, with \$18.6 million of this expected to be recovered in future from insurers.

This includes allowance for reinsurance recoveries and claims handling expenses, and assumes:

- future investment income of 2.4% per annum (last year 2.0%) and
- that any insured amounts on claims arising after 1 November 2016 will be met in full as they fall due from insurers.

Adding a prudential margin in accordance with CivicRisk West's policy increases the estimate to \$21.7 million, which is the total provision that CivicRisk West has included in its balance sheet. The provision compares with \$25.4 million as at 30 June 2017, a decrease of \$3.7 million (the movement last year was a decrease of \$2.5 million).

The major drivers of the decrease in provision are:

- Expected insurance recoveries for the latest pool year being significantly higher than older pool years due to the SwissRe insurance arrangements. The addition of new pool years under these arrangements is more than offset by the run off of previous years, decreasing the provision
- The maintenance of average claim size assumptions for older pool years by not allowing for an additional year of inflation. This reduces the claims cost of these pool years in June 2018 dollars

- Changes in the models (changing in weighting of methods applied as pool years mature)
- The run off our aggregate deductible allowance for pool years 2014/15 and prior
- A slight increase in the discount rate.

The decrease has been partially offset by:

- Significantly lower payments than expected over the year
- The adoption of a slightly faster payment pattern (which reduces the amount of discounting applied)
- A further year's exposure to claims.

At the previous valuation, we expected the total outstanding claim provision to have decreased to \$20.9 million, so the result this year is \$0.8 million higher than expected. Most of this increase is due to actual payments in the year for pool years 2016/17 and prior being significantly below expectations.

By June 2019, we expect the net outstanding claim provision to decrease to \$16.0 million. Expected payments for prior years will reduce the provision, while interest on the discounted provision and newly incurred claims for the 2018/19 pool year will increase it. As mentioned earlier, the expected payments on claim years in runoff is significantly greater than the projected net cost of

claims in the 2018/19 year due to the high levels of insurance recoveries expected for the year under the SwissRe insurance arrangements.

We recommend that the Board of CivicRisk West recognise this expectation by decreasing the non-current outstanding claim provision by \$475,000 each month in 2018/19. Any change to the provision arising from our actuarial review at June 2019 can then be measured against that expectation.

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. In particular, the estimated outstanding claims liabilities for the most recent pool years are quite uncertain.

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 2018

After adopting the above provisions, CivicRisk West has net equity of \$41.8 million at 30 June 2018, compared with net equity of \$38.0 million shown in our 30 June 2017 report, an increase of \$3.8 million. We note that during 2017/18, \$2.1 million was set aside to be returned to members from the 2004/05 and earlier pool years in accordance with Board policy.

The surplus for 2017/18 is primarily driven by the release of some provisions for earlier pool years as those years mature without further claim development and significantly higher than expected interest earnings in the year, including interest earned on the existing

surplus. This has been partially offset by higher insurance premiums paid and the return of equity to long-standing members.

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 2018 attributable to each member is as shown in Table 2.

The impact on members is affected by their differing shares of individual pool years noting that return of equity and movements in reported claim costs for older years will affect long-standing members while those who have joined more recently are exposed to years where there are still significant allowances for IBNR claims.

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 17	At June 18
	(\$000)	(\$000)
Discounted Gross Central Estimate	27,737	35,845
Less: expected recoveries	(7,549)	(18,604)
Net Discounted Central Estimate	20,188	17,241
Add: Claims Handling Expenses (CHE)	1,009	862
Liability Including CHE	21,197	18,103
Add: Prudential Margin	4,239	3,621
Liability Including Prudential Margin	25,436	21,723

Table 2 - Net Equity as at 30 June 2018

Council	Net equity as at		Change	%Allocation
	30 June 17	30 June 18		
	(\$000)	(\$000)	(\$000)	30 June 18
Blacktown	7,875	8,487	+612	20.3%
Blue Mountains	2,995	3,277	+282	7.8%
Camden	20	57	+37	0.1%
Fairfield	6,015	6,392	+377	15.3%
Hawkesbury	2,504	2,768	+264	6.6%
Liverpool	6,233	6,712	+479	16.1%
Parramatta	4,920	5,386	+466	12.9%
Penrith	6,307	6,830	+523	16.4%
Shellharbour	118	267	+149	0.6%
Wollongong	989	1,584	+595	3.8%
Total	37,976	41,761	+3,785	100%

Broking Services Report

We are pleased to submit our report for the 2017/18 period. We would like to take this opportunity to thank Andrew, Nicole, Lisa, the Risk Managers of all Members, the Executive, Boards and Management Committees, CMA and all other partners to CivicRisk West and CivicRisk Mutual for your ongoing support and assistance. The team effort ensured all challenges encountered were managed professionally & effectively with acceptable outcomes.

2017/18 – Year in Review

Without a doubt the standout achievements for the past 12 months were the inclusion of Orange City Council as a Member of CivicRisk Mutual and Lithgow City Council as an Associate Member in June. Willis Towers Watson was extremely pleased to have played a part in both Orange & Lithgow joining the Mutual.

The October 2017 renewals resulted in significant change for Property (ISR), Motor & Crime. All other classes renewed with very little change.

Property (ISR)

Following the May 2017 “backflip” by the NSW State Government whereby they reversed an earlier decision to

abolish the Emergency/Fire Service Levy from insurance policies a detailed review was undertaken for renewal in an effort to lessen the impact of the Levy on insurance premiums. This involved a very comprehensive analytical assessment of past claims by our expert team to determine the optimum Annual Aggregate Limit. The end result was the Aggregate Limit increased to \$3m with a very substantial reduction in premium. At the time of writing claims are running well below the Aggregate with the only major loss being for the St Mary’s Library in December 2017.

Motor

It was inevitable that the increase in vehicle numbers as a result of new Members joining CivicRisk Mutual and the subsequent increase in claims was going to put a great deal of stress on the Annual Aggregate at some point. The Aggregate had remained unchanged for 5 years up to 2016 where in fact it reduced following the Marrickville amalgamation. With claims exceeding the Aggregate for 2 of the last 3 years Vero required an increase in the Annual Aggregate to \$3m. Again at the time of writing claims for the 2017/18 period are well below the Aggregate.

Crime

As a result of the Botany ICAC enquiry findings and the subsequent

payment by Chubb of the related claim the options for renewal were not considered as viable. As such a decision was made by CivicRisk Mutual to fully self-insure Crime cover within the Mutual. Excess cover options will be considered as part of the 2018 October renewals.

We are pleased to report that for all other October renewals they were signed off as expected with no increase in premiums. For Public Liability/Professional Indemnity an additional \$50m cover was obtained.

Insurance Market Update

This time last year we noted a changing Property market leading to firmer pricing, restricted capacity for some risks and a great deal more underwriting scrutiny being applied to risk selection. In contrast, the Public Liability market largely remained soft with plenty of capacity, competitive pricing supported by a high level of market competition and capital availability.

Needless to say all was progressing well until Q3 2017, and then came Hurricanes Harvey, Irma and Maria, earthquakes in Mexico and wildfires in California. Loss estimates were put at US\$100-200 billion; if actual losses get to the higher end of the estimates, then 2017 will be the most severe Natural Catastrophe loss year yet for the global insurance industry.

.Australian carriers were also impacted by losses caused by cyclone Debbie in Q2, 2017 with estimates of \$1.5 billion.

The first half of 2018 saw a continuation of a firming Property market as predicted. This was mainly due to Insurer underwriting profit positions rather than increased reinsurance costs driven by large Natural Catastrophe losses.

For Public Liability not a great changed in 2017/18. 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.

Management Liability continues to be challenging with capacity withdrawals plus premium & deductible increases.

Looking Ahead

The focus for the 2018 renewal is the PPL/PI renewal. Notwithstanding this renewal is the 3rd and final under the 3 year LTA we will be exploring various options for extending the LTA and obtaining the best possible deal for all Members.

This time last year we identified growth as a major focus for 2017/18. On the back of the Orange City & Lithgow City success we believe the opportunities will continue to

present themselves and again look forward to working with CivicRisk Mutual on bringing on board new Members. We are excited about the ensuring 12 months and 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.

In this the 30 year anniversary of CivicRisk Mutual, Willis Towers

Watson remains proud of its 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

Advocate Partner
Josef Radinja

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/Crime
Tracy Grant

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 Services Report

Overview

Claims Management Australasia (CMA) will shortly conclude its 14th year of claims management on behalf of CivicRisk West. CivicRisk West is a valued client of CMA and the relationship extends for in excess of 20 years with investigation services being provided to members prior to CMA becoming the claims manager.

Trends

In the past 12 months we have noted a marked decline in litigated cases compared to previous years. Predominantly, this can be put down to:

- the successful defence of the Nightingale matter in which the Court of Appeal reaffirmed the decision of Roman v North Sydney Council.
- The continued success in the courts is putting off litigants and their lawyers
- Claimants lawyers are now more amenable to negotiating out of court settlements with CMA.

Last year, we reported an increase in Telstra claims and this trend has continued into the 2018 year. We have successfully defended two such litigated matters and this has demonstrated to Telstra that the member Councils will not be bullied into settlements.

Therefore, we are hopeful of seeing a decline in such matters in the future

Claims

In the latter part of 2017, the claims reserve for the Quadriplegic claim against Wollongong City Council was increased to \$8.0million.

In the long standing matter of Hawkesbury City Council and Martin (2012), the Court awarded damages to the plaintiff of \$260,000 plus costs. The decision was appealed and we continue to await judgment.

New CMS

The new online Claims Management System was introduced in January 2017 with all members, brokers, insurers and actuaries now having access to the system. The CMS provides members with the ability to download numerous reports which enable them to assess their claims status at any given time.

The CMS provides access to template letters, includes a knowledge tab

containing precedents and various generic legal advices as well as a best practice tab. We will continue to upload advices for the benefit of members as they are obtained.

The feedback on the system, particularly from the new member Orange and associate Lithgow, has been extremely positive.

Recent Wins

Hawkesbury Council and Byrne

Verdict for Council with costs

Parramatta Council and Sharp

Verdict for Council with costs

Blacktown City Council and Nightingale

Verdict for Council with Costs

Liverpool Council and Nettle

Verdict for Council each to pay own costs

Penrith City Council and Miski

Verdict for Council with costs

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.

Ian Barker

Director

Claims Management
Australasia Pty Limited



Annual Report

2017 - 18

Chairman's Report



Councillor Ross Fowler
Penrith City Council
Board Chairman

It gives me great pleasure to present the 2017/18 CivicRisk Mutual Annual Report on behalf of the members. A year where we welcomed both Orange and Lithgow City Council to the Mutual and consolidated our strong financial position.

2017/18 has been a year of consolidation after managing some significant claims development associated with our Directors and Officers and Crimes policies. In addition, the State Government backflipped on the Emergency Services Levy which resulted in additional costs to the Mutual. 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.

I am pleased to report that we were able to negotiate competitive insurance arrangements and through the members proactive risk management we experienced a reduction in claims costs which resulted in an increase to our equity. This has boosted our capital adequacy and has us well placed to respond to the predicted hardening insurance market.

In 2015, our members resolved to establish a new company called Mutual Management Services Limited (MMS) to deliver all administrative and financial services to the members of CivicRisk West, CivicRisk Metro and CivicRisk Mutual. This new company is a more effective way to deliver our services and provides more flexibility as we continue to grow. I am pleased to say that the new structure is working well and provides the pools with a greater degree of flexibility while more clearly defining the administrative arm of our operations.

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 experienced a claims free year for both our Fidelity Guarantee (Crime) and Councilors, Directors & Officers insurance. The combined result is an overall surplus at the end of 2017/18 for all CivicRisk Mutual operations of \$1,978,395. Total members' equity now stands at \$8,468,634 which exceeds the prescribed capital requirements.

In 2018 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.

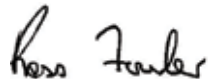
CivicRisk Mutual has continued its risk support program to provide \$10,000 to each council to assist them in implementing the recommendations that came from the Continuous Risk Improvement Program (CRIP). Members were granted \$149,077 for risk projects delivered in 2017/18. CivicRisk Mutual has also continued its support to members, funding professional development to the value of \$185,057 including training, attendance at industry conferences, 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 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 2017/18 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 Armistead, Lisa Williams and Nicole Mahon. 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.



Ross Fowler
Chairman



Financial Report

The 2017/18 financial year for CivicRisk Mutual (formerly United Independent Pools) was a re-building year after significant claims experience in the previous financial years. This year produced an operating surplus of \$1,978,395. 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 the only product this year that reported a deficit to the amount of \$683,985 which was primarily additional claims costs and provisions as a result of taking a higher self-insured layer and increasing the aggregate to \$3 mil. The Motor Vehicle pool experienced a surplus of \$568,913 with claims performing better than the budget. CDO/Statutory Liability and Fidelity Guarantee/Cyber both had significant claims activity in 15/16 which mostly depleted claims reserves. Last year and this year both saw the re-building of equity which was assisted by no new significant claims. These factors and a change in accounting for reserves has resulted in a surplus for CDO/Statutory Liability of \$1,134,688 and for Fidelity Guarantee/Cyber of \$958,779. Whilst the last two years saw some replenishing of equity,

CivicRisk Mutual has maintained over 100% of the capital adequacy APRA benchmark.

CivicRisk Mutual is now in its 13th year and it holds substantial funds which are invested and for the 17/18 year was provided a return on investments of \$281,988 or an average of 3.06%. As at 30 June 2018, CivicRisk Mutual's total investment portfolio was \$10.1 million.

The surplus in assets over liabilities as at 30 June 2018 was \$8.47 million, which is an increase from last year of \$1,978,395. It is worth noting the stabilisation in CivicRisk Mutual's equity over the last 10 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 and capital targets. These contribution levels are set having regard the financial targets and longer term strategic outlook.

I would like to express my appreciation to CivicRisk Mutual's Finance Manager, Lisa Williams; CivicRisk Mutual's actuary, David Minty; and its auditor, Carl Millington, for their ongoing commitment and effort. Finally, I would like to

thank the other members of the administration team, Andrew Armitstead and Nicole Mahon for the great support they have provided during the year.

In summary, CivicRisk Mutual has maintained a sound platform to ensure a sustainable financial position.

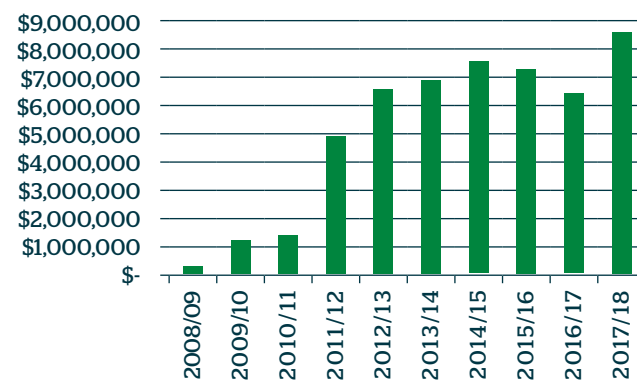
Alistair Cochrane

Deputy Chairman

CivicRisk West Finance Committee

Total Equity 2009-2018

Excludes return of equity



Financial Statements

Balance Sheet

	2017/18	2016/17	2015/16
Assets			
Cash and Investments	\$10,147,034	\$9,144,458	\$10,159,945
Receivables	\$1,087,045	\$1,379,133	\$1,033,224
Other	\$1,671,640	\$2,110,277	\$1,693,373
Property, Plant and Equipment	\$0	\$0	\$0
Total Assets	\$12,905,719	\$12,633,868	\$12,886,542
Liabilities			
Current Liabilities	\$2,988,643	\$3,313,757	\$3,146,024
Non-current Liabilities	\$1,448,442	\$2,829,872	\$2,454,002
Total Liabilities	\$4,437,085	\$6,143,629	\$5,600,026
Total Members' Equity	\$8,468,634	\$6,490,239	\$7,286,516

Income Statement

Revenues			
Income from Continuing Operations	\$9,864,379	\$8,885,395	\$8,974,453
Total Revenues	\$9,864,379	\$8,885,395	\$8,974,453
Expenses			
Depreciation and Amortisation Expenses	\$0	\$0	\$0
Other Expenses from Continuing Operations	7,885,984	\$9,681,672	9,205,356
Total Expenses	\$7,885,984	\$9,681,672	\$9,205,356
Net Operating Result for the Year	\$1,978,395	(\$796,277)	(230,903)
Return of Equity	\$0	\$0	\$0
Members' Equity Beginning of Year	\$6,490,239	\$7,286,516	\$7,517,419
Member's Equity End of Year	\$8,468,634	\$6,490,239	\$7,286,516

Full copy of the financial statements is available upon request



Actuarial Valuation At 30 June 2018 – Executive Summary

We were asked by the Executive Board of CivicRisk Mutual to undertake a review of its risk sharing pools as at 30 June 2018. The purpose of the review is to:

- determine the net liability as at 30 June 2018 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 2017/18

Industrial Special Risk (ISR)

The recommended net outstanding claims provision is \$3.17 million for ISR related claims. This estimate includes an allowance for late reported claims and development of known claim costs ('IBNR'), an allowance for claims handling expense and a prudential margin. Where the net outstanding claim liabilities are greater than zero, we have adopted a prudential margin of 8% of outstanding claims.

A total of \$28,000 (or less than 2% of the total incurred) has been paid for the 2017/18 pool year as at 30 April

2018, although several significant payments were made in June following the provision of data. Since there were fewer claim payments than expected, the outstanding claim provision is higher this year, as unpaid expected claim amounts up to the level of the aggregate deductible for each pool year together with the amount of claims between each council's selected deductible and the \$20,000 per claim excess applied by the insurer are retained in the provision. There has also been an increase in the aggregate deductible limit from \$750,000 to \$3.0 million for the 2017/18 pool year, so higher costs are retained by the pool.

Motor

The recommended gross outstanding claims provision for motor claims is \$967,000, including a prudential margin equivalent to 10% of net outstanding claims. This year CivicRisk Mutual is recognising anticipated recoveries from member excesses not yet invoiced and from third parties totalling \$677,000. These have been included in receivables in establishing CivicRisk Mutual's financial position. The resulting net outstanding claims provision is \$290,000, down from \$677,000 at June 2017.

CDOSL and FGCC

CivicRisk Mutual has insured Councillors' Directors' & Officers' and

Statutory Liability (CDOSL) risks of pool members since November 2010. CivicRisk Mutual has set aside a nil reserve in its balance sheet at 30 June 2018, a decrease from \$1.2 million at the 2017 review as there are no known or IBNR claims outstanding.

CivicRisk Mutual has moved to a self-insurance arrangement of \$2.0 million for Fidelity Guarantee, Crime and Cyber (FGCC) leading to a release of the previous provision relating to the aggregate deductibles. A nil reserve has been set aside in respect of known or IBNR FGCC claims. This is a decrease from \$1.15 million held at 30 June 2017.

Both of the previous reserves were set to fund deductibles for claims which were deemed as potentially occurring. These have been removed given the increased maturity of the pools and for consistency with the principle that the outstanding claim provision should reflect only known or IBNR claims.

Overall Result

The total net outstanding claims liability for all four classes of cover is \$3.46 million compared to \$5.06 million at June 2017. The main drivers of this change are lower than expected payments for ISR and changes in insurance structures for the 2017/18 pool year, offset by favourable recoveries and claims experience in the Motor pool and the release of provisions previously held for CDOSL and FGCC.

Member Equity at 30 June 2018

After adopting a net provision of \$3.46 million for ISR and Motor risks and a nil reserve for CDO/SL risks, and Fidelity Guarantee and Cyber risks, CivicRisk Mutual has accumulated net equity of \$8.5 million as at 30 June 2018, compared with net equity of \$6.5 million last year.

The increase in net equity is primarily due to reserve releases from CDOSL and FGCC.

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 2018 attributable to each member is as shown in the following table. Most members saw an increase 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 17	June 18	Change
Council	\$000	\$000	\$000
Bayside	488	637	+149
Blacktown	748	1,086	+337
Blue Mountains	327	413	+86
Burwood	40	93	+53
Camden	53	137	+84
Cumberland	568	758	+190
Fairfield	385	556	+171
Hawkesbury	421	461	+40
Hunters Hill	47	65	+18
Kiama	129	143	+14
Lane Cove	188	248	+60
Liverpool	554	721	+167
Marrickville	273	272	-1
Parramatta	613	762	+149
Penrith	535	728	+193
Shellharbour	271	334	+62
Wollongong	847	1,054	+207
Total	6,490	8,469	+1,979



Claims Management Services Report

Overview

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

ISR (Property Damage Claims)

The 2017-2018 commenced very poorly with over 1.5 million dollars in losses experienced in the first two months. However, it performed better as the year progressed and, at the time of writing, we expect 2 million dollars of the 3-million-dollar aggregate to have been eroded.

There were no major storm events which assisted the outcome and we are hopeful that a recovery may be possible in respect of the largest loss for the year being the flooding at St Mary's library.

Councillors and Officers

This year has seen several minor claims and notifications. However, the enquiry into handling of asbestos by Blue Mountains City Council may prove to be significant.

The claim by "Botany" against AIG continues to be disputed and we are awaiting specialist advice.

Statutory Liability

This year we have seen claims from Blue Mountains in respect of the asbestos issue referred to earlier. We have also had a number of claims for Coronial Enquiries as a result of accidental deaths from Penrith, Wollongong, Camden and Hawkesbury. The latter will certainly result in significant expenditure in the coming year.

Fidelity Guarantee/ Crime Policy

There have been no new Fidelity matters. However, the Botany claim involving ICAC was resolved for 4.8 million dollars which was considered a very good result bearing in mind potential issues with indemnity. Unfortunately, as advised previously, further analysis by auditors revealed the loss is circa 16 million dollars.

Employers Liability

There has been little activity again under this policy section.

Cyber

This year has seen several minor claims and members report a high level of satisfaction with the Insurer and their experts.

Summary

The claims experienced for ISR have been "average to poor" but if a successful recovery can be made it will change the complexion of the year altogether. We have noted Members continue to take active steps to reduce property exposures as evidenced in the high standard of entries for the Risk Awards this year.

In terms of the Management Liability Policies the Councillors, Directors & Officers and Statutory Liability sections continue to have significant claims exposure and we suggest training sessions focusing on the area in the coming year to identify and mitigate the risk.

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

Ian Barker

Director
Claims Management
Australasia Pty Limited



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/knowledge about a variety of tasks 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 risk 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 and Country Club Luddenham which has proved to be an ideal venue with a good sized room for the workshops, all a/v supplied, good parking and catering and all at a reasonable price. The Executive Officer opened each training session with a welcome and introduction to CivicRisk Mutual. MC and wrap up duties were shared by both in house training committee members.

Managing the Risk of External Cladding

The first workshop for 2018 was held on 13 March 2018 and covered the very topical subject of Managing the Risk of External Cladding. This workshop was designed for risk managers and building and development staff.

Presentations delivered covered 'Managing the risk of cladding - how might we be exposed?' - David Lee, Clyde & Co Solicitors', 'Dispelling the building cladding myths' Josh Ginasiracusa, Senior Risk Engineer, QBE Australia, 'Government response and action' - Stephen Durnford Acting Director Environment and Building Policy Helen Ting Principal Policy Officer and Julia Pope Team Leader Compliance and Environment Department of Planning & Environment. The workshop wrapped up with an open forum that also included Noelle Warwar Team Leader Fire Safety Liverpool City Council.

How to Successfully Defend Claims

This workshop was held on 10 May 2018 and was designed to analyse recent successful claims and what to expect when acting as a witness. Attendees included risk managers,

claims officers, civil officers, asset maintenance, roads and footpath staff and legal officers.

Presentations at the workshop were 'Beating Telstra at its own game' David Newey and Amanda Bond Gillis Delaney Lawyers and Bruce McGie Blacktown City Council; 'Successful Investigating' Greg Parrett Factual Investigator; 'More Success Stories and how to prepare witnesses' Richard Oldfield McCulloch & Buggy Lawyers and Ian Barker Claims Management Australia. These presentations were followed by inhouse best practice presentations by Liverpool City Council on Street Map Apps, Burwood Council on iPad in Health inspection and Blacktown City Council on B Cam inspection tool.

Managing the Risk of Internal & Cyber Fraud at your Council

The last workshop for the year was held on 7 August 2018 and focused on the increasing risk of cyber and electronic fraud in councils. Attendees were risk managers, internal auditors, finance managers, operational managers and senior staff.

Presentations delivered were 'Managing the risk of fraud at your Council' - Botany Bay Council fraud claim - Fausto Sut, Manager Governance & Risk Bayside Council

and Dr Andrew Howe Senior Corruption Prevention Officer NSW Independent Commission Against Corruption, 'Outcome of recent fraud and corruption surveys and Preventing fraud and corruption' Mitchell Morley, InConsult, 'Computer theft/ cybercrime' Renee Winston, Risk Management Co-ordinator, Kiama Council and Centium role with fraud and cybercrime Dr Stephen James representing Centium.

All workshops were well attended and adequate time was given for networking both at morning tea and over the working lunch. Informal feedback from attendees was that the workshops were topical and current while the subject presentations were very professional. Several attendees asked for copies of the presentations and these have been placed on the website if approval to do so was given by the presenter.

RMIA National Conference: Canberra

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 key note presentations.

The conference brings together more than 450 risk professionals from all areas of endeavour and CivicRisk

Mutual funds the attendance of one representative from each Member. The aim of the conference is to promote learning at the forefront of risk management practice, to foster creative thinking, to network and to have fun!

THANKS TO ALL INVOLVED

Once more the Committee would like to pass on our appreciation to David Wilkinson, our Training Officer, for his dedication to these training sessions, excellent organisational skills, assisting the speakers as well as the venue staff at Twin Creeks Function Centre. We also recognise the contribution Bruce McGie and Militsa Zelenovic have made supporting David on the Training Committee.

We would also like to express our appreciation to those who contributed and supported the training sessions making them a worthwhile learning experience for all. Thank you to our legal panel for their time researching and presenting their papers and our brokers, Willis Towers Watson; claims managers, Claims Management Australasia; Andrew Armitstead and Nicole Mahon for great support and work undertaken.

Finally, thanks to the Board for their continued support and for recognising the broad aims and importance of providing training.

Militsa Zelenovic, Bruce McGie and David Wilkinson

**CivicRisk Mutual
Training Committee**



Excellence in Risk Management Awards - 2018 Submissions

Blacktown Council

Depot Safety & Security

Over the past 10 years, Blacktown City Council has addressed its work, health and safety risks and developed an effective safety and security plan to address these risks. We experienced many cases of theft, lost equipment, vandalism, reported damage, noise, external influences and the dumping of dangerous goods within the Rooty Hill Depot. There was also a safety risk with unattended visitors wondering through the depot looking for staff and meeting rooms.

Council previously employed security guards to monitor and secure the depot by manually fortifying the perimeter fence line, gates, buildings and other assets. However we needed:

- Better safety and security of our assets, staff and visitors
- Better overall communication
- To consider the escalating security labour costs
- To consider introducing automated security systems.

We therefore decided not continue to employ security guards and installed quality automated systems with improved reporting mechanisms.

Burwood Council

Mobileye Pilot Program

Burwood Council has recently completed a pilot Enterprise Fleet Risk Management program, endorsed by Council's Fleet Management, Risk Management and Work Health and Safety Committees and sponsored by the Executive Team, addressing driver behaviour and road safety in partnership with Mobileye, an Intel Company.

Mobileye is an Advanced Driver Assistance System, consisting of a forward-facing visual sensor that continually scans the road ahead, distinguishing and monitoring other vehicles, motorbikes, bicycles, pedestrians and lane lines.

Mobileye is able to interpret a road scene and provide real-time feedback to the driver. In potentially critical situations, Mobileye delivers immediate visual and sound alerts, which allows a driver more time to react and avoid collision, enhancing driver and pedestrian safety and importantly reducing risk.

Cumberland Council

New Approach to ERM & BCP

Following the amalgamation it was established that a new & consolidated approach to ERM and business continuity planning was required to build a stronger risk

culture and continuation of business during an interruption, covering the span of the new LGA of Cumberland.

Council appointed a Consultant following an EOI process to lead this important project in conjunction with Council's Risk Management Coordinator. 14 extensive workshops were held with all levels of Management. All business units across the organisation were involved. The ERM project component produced a Business Impact Analysis outlining key risks for each business unit and the BCP was developed based on the Council's critical functions. The new approach has been endorsed by Council's Leadership and Executive teams and the implementation and BCP testing program will rolled out in the next 12 months as a key focus.

Fairfield Council

Embedding Risk into Service Delivery

Fairfield City Council is committed to integrating and embedding risk management into all that it does. Council has incorporated the linking of strategy to operations through the inclusion of risk management in its Service (Business) Planning and Quality Management System (QMS). The Service Plan and QMS are inexpensive and have a robust framework, templates and review cycle that ensures

a consistent approach to the review and mitigation of risks and the enhancement of the overall customer experience for both our internal and external customers.

Linking Claim Management Processes to Risk Management Strategies

Council has undertaken a major review of its claim management processes in order to be able to respond, investigate and resolve them in the most effective manner, providing a better customer experience for our community and stakeholders. This has involved mapping of processes along with the development of supporting documentation. A key document developed was the Claim Determination Recommendation Template that provides a summary of the claim, investigation outcomes and identification of risk mitigation strategies that are reported to and actioned by the Executive Leadership Team.

Proactive Risk Management of Unique Recreational Facilities

Council has been faced with the challenge of dealing with unique high risk recreational facilities and how to mitigate the identified risks to reasonable levels. To achieve this, Council has taken a proactive approach to its risk management by undertaking Site Safety Risk Assessments for these facilities prior to opening including facilities such

as Aquatopia Water Park and Fairfield Park Obstacle Course. These assessments provided identified risk areas that were able to have remediation works completed prior to opening, significantly reducing the risks associated with these facilities.

Kiama Council

Contractor Management - Engagement & Verification

Kiama Municipal Council regularly engages contractors in a diverse range of functions from specialised labour-intensive functions to health care, entertainers and training. Engagement of contractors carries inherent risks and creates exposure to Council in terms of safety, liability, quality, fraud and public relations. Council's Procurement Policy recognises that procurement is a function that is high risk in terms of corruption and therefore it is subjected to tight rules and processes. Successful procurement provides great opportunities to use the community's money wisely and to deliver.

Penrith Council

Risk & Audit to the Fore

In 2017/18 Council undertook a comprehensive review of its audit and risk function and enterprise risk management framework. As a result, Council is in a better position to oversee and manage its risks so as

to ensure improved organisational performance. For example, the Corporate Leadership Team received four risk presentations, a workshop and refresher training in the past 12 months. The CLT has also received risk update reports from a number of managers who are responsible for managing the highest rated risks of Council.

Review of Footpath Maintenance Process

Between November 2017 and May 2018 footpath inspections were undertaken and it was identified that there was a requirement for a process review. Remediation steps were commenced, and the major benefits of the review have been improved communication, co-ordination and working relationships between two departments, and a reduction in Council's exposure to footpath related liability claims.

Shellharbour Council

Risk Management Tool Kit

The Tool kit aims to guide employees through the development and maintenance of robust risk assessments and risk management plans. It is designed as a resource for staff to assist them to better understand risk management methodologies and how to apply them in their work.

Wollongong Council

Managing the Risk of Rock Falls

The Wollongong coastline attracts tens of thousands of people each year along its 45 km length and boasts a diverse range of natural attractions including cliffs and rock shelves. Equally, the Illawarra Escarpment provides a dramatic backdrop for highly popular walking tracks and lookouts. Given the type of rock comprising the coastline and escarpment, there is an ongoing risk of harm to members of the public from rock falls.

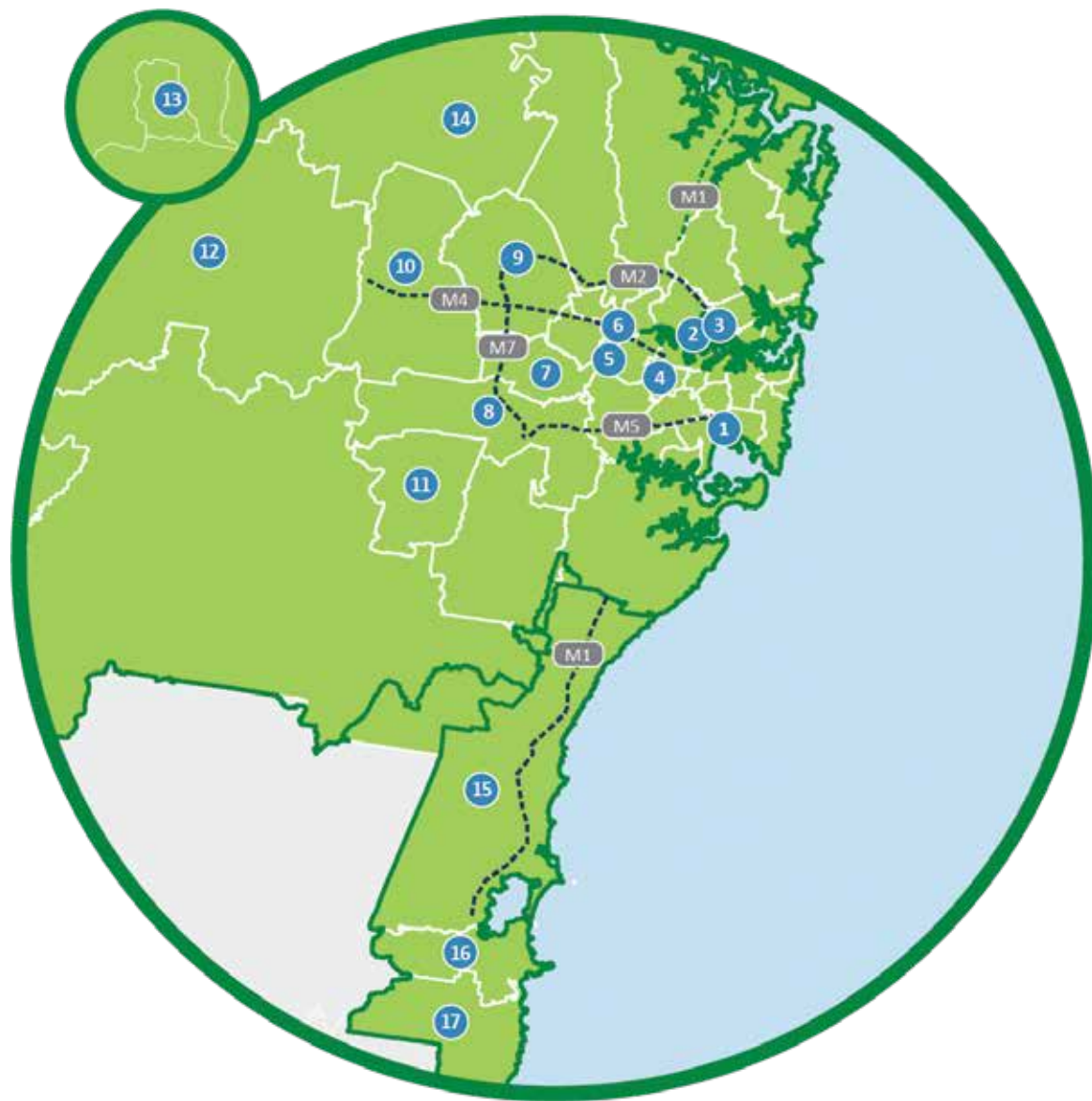
Wollongong City Council undertakes a comprehensive annual rock fall risk assessment and management program to protect the public from harm and Council from liability.




Membership of CivicRisk Mutual

CivicRisk Mutual's membership is made up of 17 major NSW councils. The combined value of these councils represent 20% of total local government expenditure and 29% 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





For further details on our insurance
products and/or services, contact:

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