



Australian Government  
Australian Reinsurance Pool Corporation

# Board Charter

3 December 2024



## 1. Introduction

The Australian Reinsurance Pool Corporation (ARPC) is a corporate Commonwealth entity established under the *Terrorism and Cyclone Insurance Act 2003* (TCI Act) and operates under the provision of both the TCI Act and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

This charter sets out the Board’s roles and responsibilities and its administrative arrangements.

## 2. Objectives

The Board is the ARPC Accountable Authority and retains accountability for the overall governance of ARPC.

The Board is assisted in discharging its responsibilities by an Audit and Compliance Committee and Risk Committee which act in advisory capacities to the Board regarding activities in their respective charters.

## 3. Roles and Responsibilities

### 2.1 Responsibilities of the Board

The Board is responsible for:

- setting the strategic direction and financial objectives for ARPC and monitoring their implementation,
- establishing and maintaining productive working relationships with the Treasury, the responsible Minister’s office, and other relevant Commonwealth and State/Territory agencies, as appropriate,
- establishing and maintaining productive working relationships with key stakeholders within the terrorism and cyclone insurance and reinsurance markets, including global terrorism reinsurers,
- determining that ARPC has an appropriate risk management framework and in consultation with management, determining the risk appetite and risk tolerance levels within which ARPC should operate,
- monitoring compliance with regulatory requirements, ethical standards and external commitments, and the implementation of ARPC policies and relevant Government policies; and
- appointing and reviewing the performance of the Chief Executive (CEO).

### 2.2 Responsibilities of the Chair

The Board Chair is responsible for:

- the leadership of the Board,
- the conduct of all Board meetings including (in consultation with management) setting the agenda and ensuring that agenda items and the forward plan align with the Board’s responsibilities,
- acting as a mentor and sounding board for the CEO, monitoring their performance and, if necessary, bringing them to account,
- facilitating the effective contribution of all Board members,
- briefing of all Board members in relation to issues arising at meetings, as appropriate,



- the promotion of constructive and respectful relations between Board members and acting as a conduit between management and the Board,
- committing the time necessary to effectively discharge the role of Chair; and
- scheduling regular and effective evaluations of the Board’s performance.

#### 4. Duties of the Board

The Board is accountable to the responsible Minister for the sustainable operation of ARPC. The Board has general duties under the PGPA Act (s 15-19):

- to govern ARPC in a way that promotes the:
  - proper use and management of public resources,
  - achievement of the ARPC purposes; and
  - the financial sustainability of ARPC.
- to establish and maintain systems relating to risk and control, including the implementation of measures such that ARPC complies with the finance law (PGPA Act),
- to encourage cooperation with others to achieve common objectives, where practicable,
- in relation to requirements imposed on others in relation to the use or management of public resources, and
- to keep the responsible Minister and the finance minister informed.

#### 5. Delegation of Powers and Actions Reserved for the Board

Under section 40 of the TCI Act the Board may delegate in writing all or any of its powers or functions under the TCI Act to the CEO, or any person employed under section 32 of the TCI Act.

The Board has delegated powers and functions to the CEO and specified Employees of ARPC as set out in the Delegations Policy.

The Board has not delegated the following matters which are reserved exclusively by the Board:

- appointing the CEO and planning for his or her succession,
- evaluating the CEO’s performance,
- establishing committees of the Board and appointing committee members,
- approving ARPC’s Corporate Plan, Annual Report, Financial Outlook Report, annual budget, and performance measures,
- nomination of the Reviewing Actuary, which must be the Australian Government Actuary for the first 3 years of the cyclone reinsurance pool,
- setting of cyclone reinsurance premium rates,
- setting policies and frameworks for ARPC’s risk management, risk and compliance monitoring, internal control systems and investment strategy,
- reviewing ARPC’s performance against objectives,
- reviewing and assessing Board performance,
- approving ARPC’s risk appetite, and
- approving the appointment of ARPC’s internal auditor.



## 5.1 Acting-CEO Arrangements

Under sections 24 and 25 of the TCI Act, the Board appoints ARPC's CEO to manage the affairs of ARPC subject to the directions of, and in accordance with the policies determined by, the Board.

At any time under section 26 of the TCI Act, the Board may terminate the appointment of the CEO. An acting CEO may also be appointed by the Board, under section 27 of the TCI Act, for a period not exceeding three months, during a vacancy in the office of CEO or during any period when the CEO is absent from Australia or is for any reason unable to perform the duties of CEO. For any period of absence or vacancy that exceeds three months, the responsible Minister may appoint an acting CEO.

For short term periods of leave up to 3 months, the Board delegates authority to the Chairperson to appoint an Acting CEO on behalf of the Board. While the appointee is acting in the office:

- (i) the appointee has and may exercise all the powers, and shall perform all the functions and duties, of the holder of the office, and
- (ii) that or any other act applies in relation to the appointee as if the appointee were the holder of the office.

## 6. Establishment of Committees

### 6.1 Audit and Compliance Committee

The Board has established an Audit and Compliance Committee in compliance with the PGPA Act. The Committee must consist of at least 3 persons who have appropriate qualifications, knowledge, skills, or experience to assist the Committee to perform its functions as required by the PGPA Rule 2014 (s 17(3)). The Board will appoint at least three of its members as Committee members.

The Board has determined the functions of the Committee, and its administrative arrangements as outlined in the Audit and Compliance Committee Charter.

### 6.2 Risk Committee

The Board has established a Risk Committee to assist the Board in the effective discharge of its responsibilities in relation to risk management. The Committee must consist of at least 3 persons who have appropriate qualifications, knowledge, skills, or experience to assist the Committee to perform its functions. The Board has appointed at least three of its members as Committee members.

The Board has determined the functions of the Committee, and its administrative arrangements as outlined in the Risk Committee Charter.

### 6.3 Other committees

The Board may establish any other committee it thinks necessary or desirable to assist the Board in the administration of ARPC.

All committees must have charters approved by the Board. The Board will review a committee's charter at intervals that the Board considers appropriate and may amend a committee's charter as it considers necessary or desirable. Each committee has an obligation to report on its meetings to the Board. Approved minutes of all committee meetings are to be made available to all Board members at the next Board meeting subsequent to the Committee's approval of those minutes.

## 7. Structure and Membership

### 7.1 Membership of the Board

The Board acknowledges Board members are appointed at the discretion of the responsible Minister and will consist of the Chair and at least six, but not more than eight, other members.



Under section 19 of the TCI Act, a member may resign from the Board by giving the responsible Minister written notice. The responsible Minister may terminate the appointment of a Board member in the circumstances detailed in section 20 of the TCI Act.

## 7.2 Observers to the Board

Under section 20A, the Minister may appoint up to two persons as observers to the Board. At any one time, the Minister may appoint only one representative of the Australian Prudential Regulation Authority and the Australian Government Actuary as an observer to the Board.

A person appointed as an observer to the Board:

- must receive notice of ARPC Board meetings,
- may attend Board meetings of ARPC,
- may take part in the proceedings of the meeting, excluding voting, and
- may report to the Minister on matters relating to the cyclone reinsurance pool and any other matter requested by the Minister.

## 7.3 Remuneration and allowances

The Board members' remuneration and travel entitlements are set by the Remuneration Tribunal Determination, as it applies from time to time. Board members are also entitled to travel and accommodation allowances under the Remuneration Tribunal Determination for all Board-related travel.

ARPC will provide an annual financial year allowance for relevant professional membership and development. This is subject to prior approval by the Chair and approved amounts must be within the annual financial year limit allocated in the ARPC budget for each Board member.

## 7.4 Board Performance Review

The Board will review its performance at least every two years. Issues reviewed may include:

- its success in pursuing ARPC's objectives,
- committee effectiveness,
- procedural matters (including meetings frequency and detail, conduct of meetings, protocols, and clarity of roles),
- individual performance (including attendance, contribution, and knowledge of briefs), and

The Board will adopt what it considers to be an appropriate review method.

## 7.5 Board Secretary

A Board Secretary will be appointed by the CEO to support the effectiveness of the Board and any Committee(s), and manage all matters associated with the proper functioning of the Board, including resources required to support the secretariat role. The Board Secretary role will include:

- advising the Board and Committee(s) on governance matters,
- coordinating the timely completion and despatch of Board and Committee papers,
- accurately capturing the business of the meetings in the minutes, and
- facilitate the induction and ongoing professional development of Board members.



## 8. Meetings of the Board

Sections 21–22 of the TCI Act regulate the convening of, and procedures at, ARPC Board meetings.

### 8.1 Times and places of meetings

The Board will meet as many times per year as is necessary for the efficient performance of its functions.

The Chair may convene a meeting at any time, if deemed necessary. Meetings are to be held at those places determined by the Chair. In addition, the Chair must convene a meeting on receipt of a written request signed by at least two other Board members. Meetings can be held in person, by telephone or video conference.

The ARPC Board determines the meeting schedule in advance for each calendar year. Changes to the schedule are discussed and agreed at Board meetings.

Meetings are timed having consideration of ARPC’s operational and accountability requirements.

### 8.2 Procedures at meetings

The Chair presides at all meetings at which the Chair is present. If the Chair is not present at a meeting, the Board members present are to appoint one of their number to preside. The person presiding at a meeting has a deliberative vote and, if necessary, also a casting vote.

A quorum is constituted by a majority of the Board members for the time being holding office. A question is decided by a majority of the votes of the Board members present and voting.

### 8.3 Resolutions without a meeting

In accordance with Section 23 of the TCI Act, the Board determines a resolution is taken to have been passed at a meeting of the Board if:

- without a meeting, a majority of the Board members indicate agreement with the resolution in accordance with the method determined by the Board, and
- that majority would have constituted a quorum at a meeting of the Board.

The Board has determined that a resolution may be passed in accordance with that provision. Any resolution so passed is to be noted at the next Board meeting.

### 8.4 Agenda, papers and minutes

The agenda and supporting papers are distributed to each Board member in sufficient time to enable an appropriate level of consideration prior to the Board meeting.

Minutes of proceedings and resolutions of Board meetings are kept by the Board Secretary. The process for approving minutes is:

- draft minutes approved by the Chair are circulated to each Board member for review and comment after the meeting via email, or other agreed means, and
- After receiving any comments, a final draft is prepared by the Board Secretary and put on the agenda for the next Board meeting for approval as a true and accurate record.

### 8.5 Use of the ARPC Seal

Section 12(2) of the TCI Act states that the Corporation (the Board) must have a seal. A seal was created and adopted at a meeting of the Board on 28 July 2003. Section 39 of the TCI Act provides that “All courts, judges and persons acting judicially must take judicial notice of the imprint of the seal and presume the document was duly sealed.” The circumstances in which the ARPC seal may be used are as follows:





- The seal may only be used with the authority of the Board,
- The Board Secretary must provide for the safe keeping of the seal and maintain an accurate record of the use of the seal,
- The affixing of the seal must be witnessed by:
  - any two members,
  - a member and the Chief Executive, or
  - the Chief Executive and the Board Secretary.
- Any use of the seal must be noted at the next full meeting of the Board.

## 9. Duty to disclose declaration of interests

The PGPA Act requires an official of a corporate Commonwealth entity to disclose to their fellow officials any matter in which the member has a material personal interest, and which relates to the affairs of the corporate Commonwealth entity. ARPC is a corporate Commonwealth entity and Board members are considered “officials” of ARPC for the purposes of the PGPA Act.

At each Board meeting, Board members of ARPC have a duty to disclose to other Board members matters in which the Board member has a material personal interest, and which relate to the affairs of ARPC. A Board member holding a declared interest may not be present when that matter is being discussed or voted on, except in accordance with section 15 of the PGPA Rule 2014.

The duty to disclose will not apply to Board members if the interest:

- arises in relation to the Board member’s remuneration as a Board member of ARPC,
- relates to a contract that insures, or would insure, the Board member against liabilities the Board member incurs as an official of ARPC (but only if the contract does not make ARPC the insurer),
- relates to any payment by ARPC in respect of a permitted indemnity or any contract related to such an indemnity, or
- is in a contract, or proposed contract, with, or for the benefit of, or on behalf of, a subsidiary of ARPC and arises merely because the Board member is a director of the subsidiary.

Division 2 of the PGPA Rules 2014 under sections 14-15 further outlines the circumstances and manner in which a disclosure must occur and the consequences of having interests.

All actual, potential or perceived conflicts of interest will be managed in accordance with the ARPC Conflict of Interest Policy.

## 10. Right to independent advice

Having regard for their duties as a member of the ARPC Board, it may be necessary for a member to seek independent advice to deal with individual circumstances. With the prior written consent of the Chair, a Board member may seek independent professional advice in relation for the affairs of ARPC, including, but not limited to, legal, accounting, and financial advice.

If consent to a request to seek independent advice is given, a copy of that independent advice must be provided to the Chair. If the advice is funded by ARPC, the Chair must circulate a copy of the advice to Board members.



## 11. Access to information and employees

Management must provide the Board with information in a form, timeframe and quality that enables Board members to effectively discharge their responsibilities and duties.

Any Board member may communicate directly with any employee of ARPC. Those communications are to be made having regard to the:

- efficient operation of ARPC,
- need to preserve and maintain an effective chain of command, and
- confidentiality of the Board's deliberations.

The Chair or the CEO will facilitate all communications between individual Board members and employees.

## 12. Confidentiality

Board members will maintain the confidentiality of ARPC Board papers and proceedings at meetings. Board members must not disclose information obtained in the course of their appointment to the Board unless:

- authorised by the Board,
- a court orders them to do so, or
- required by law.

## 13. Review of Charter

The Board Charter will be reviewed at least once every three years. Any substantive changes to the Charter require Board approval.

## 14. Key related documents

- Audit and Compliance Committee Charter
- Risk Committee Charter
- Risk Management Policy
- Delegations Policy
- ARPC Member Business Support Procedure





## 15. Version Control table

Date	Version(s)	Author	Summary of changes/circulated to/approved by
Feb 2004 to Feb 2029	1.0 to 3.0	M Cavanagh	Adopted by the Board at its meeting held on 24.02.2004 Scheduled reviews. Amendments approved by Board on 27.04.2006 and 24.02.2009
Apr 2011 to Jul 2019	4.00 to 8.00	M Cavanagh / A Kelly / J Everson / T Tai	Scheduled reviews. Recommendations from Corporate Governance review approved by Board Apr 2011; alignment with PGPA Act 2023, PGPA Rule 2024 and internal audit improvement recommendations (approved by Board Nov 2014).
20 Nov 2020	9.0	J Nand (General Counsel)	Minor amendments to Charter and approved by CEO in line with A&CC decision 17/11/2020 meeting.
2 Sept 2021	10.0	S Lawrence (CGO)	Minor amendments to Charter to change the name of the Committee.
7 Jun 2022	11.0	S Lawrence (CRGO)	Charter amended to reflect additional Board obligations following enactment of the Terrorism and Cyclone Insurance Act 2003 (Cth).
22 Mar 2023	11.1	S Lawrence (CRGO)	Charter amendment to delegate authority to Chairperson to appoint an Acting-CEO for periods up to three months.
Aug 2024	12	R Glasson (CoSec)	Minor amendments to Charter to reflect constituted new Committee in line with Board decision of December 2023.
Dec 2024	13	Company Secretary	Amendments to include Creation of Risk Committee Charter.

