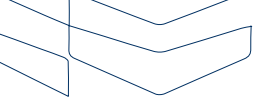




Australian Government

Australian Reinsurance Pool Corporation

ARPC Annual Report 2024-25





Australian Government
Australian Reinsurance Pool Corporation

28 August 2025

The Hon Dr Daniel Mulino MP
Assistant Treasurer and Minister for Financial Services
Parliament House
CANBERRA ACT 2600

Dear Minister,

I am pleased to present the Annual Report of Australian Reinsurance Pool Corporation (ARPC) for the year ended 30 June 2025. The report has been prepared under section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and in accordance with the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

Signed for and on behalf of the Members of the Board, as the Accountable Authority of ARPC and being responsible for preparing and giving the Annual Report to ARPC's responsible Minister in accordance with section 46 of the PGPA Act.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Julie-Anne Schafer', with a large, stylized flourish at the end.

Julie-Anne Schafer
LL.B. Hons, FAICD
Chair

28 August 2025

Correspondence to:
Gadigal Country, GPO Box Q1432, Queen Victoria Building NSW 1230
T (02) 8223 6777 | E enquiries@arpc.gov.au | W arpc.gov.au | ABN 74807136872

Acknowledgment of Country

Australian Reinsurance Pool Corporation (ARPC) acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea, and community. We pay respects to their Elders, past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

ARPC offices are located on the land of the Gadigal people of the Eora Nation.



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A copy of this document appears on ARPC's website: arpc.gov.au



Highlights



Our 2024-28 strategy



Our purpose

ARPC’s purpose is to, through reinsurance, improve the accessibility and affordability of insurance for the Australian community for terrorism and cyclone risk.



Our role

Administer the terrorism and cyclone reinsurance pools as legislated.



Our values

- Service
- Integrity
- Respect
- Wellbeing



Our strategic priorities

1. Deliver sustainable reinsurance for eligible terrorism and cyclone events to enable insurers to deliver insurance coverage.
2. Optimise the pools to enhance effectiveness and affordability.



Key activities

- 1. Deliver sustainable reinsurance for eligible terrorism and cyclone events to enable insurers to deliver insurance coverage.**
 - Efficient and effective collection of premiums, payment of claims, and management of pool net assets.
 - Build further capability in cyclone related claims processes to improve operational efficiency and effectiveness.
 - Purchase of reinsurance (retrocession) coverage to protect the terrorism pool’s net assets.
 - Maintain and develop ARPC’s terrorism catastrophe modelling for use in response to a Declared Terrorism Incident (DTI).
- 2. Optimise the pools to enhance effectiveness and affordability.**
 - Monitor effectiveness of cyclone pool pricing, management of net assets and the risks affecting the reinsurance pools.
 - Publish the Financial Outlook Report (FOR) and other data insights and take action to improve performance.
 - Work with insurer customers to ensure compliance with the legislation, regulations and reinsurance agreement.
 - Negotiate and place the terrorism retrocession program.

Performance measures

- Measure 1:**
Cyclone pool premium effectiveness and affordability
- Measure 2:**
Share data and insights
- Measure 3:**
Financial resilience
- Measure 4:**
Operational efficiency
- Measure 5:**
Insurer customer satisfaction

Business functions

- Reinsurance
- Technical underwriting
- Claims assessment and audit
- DTI response
- Declared Cyclone Event (DCE) response
- Stakeholder engagement
- Financial management
- Actuarial
- Risk
- Legal
- Compliance
- Technology

3. Build our data analytics and insights capability to support risk mitigation and enhance accessibility and affordability of insurance.

4. Continue to build capability and a customer and risk-focused culture to drive ongoing improvements in performance.

3. Build our data analytics and insights capability to support risk mitigation and enhance accessibility and affordability of insurance.

- Share de-identified and aggregated data and risk insights with government agencies to support disaster risk mitigation activities and to support government policy development.
- Continue to develop ARPC's modelling and data analytic capabilities to generate insights to assess the impact and future enhancements of the pools.
- Publish statistics on pool performance and impact.
- Deliver ARPC led research and work with research partners to develop terrorism and cyclone risk insights. This includes hosting an annual terrorism risk and cyclone risk seminar where research is presented.

4. Continue to build capability and a customer and risk-focused culture to drive ongoing improvements in performance.

- Optimise processes and systems to efficiently and effectively manage the pools.
- Continue to invest in our people and their well-being, including a focus on leadership development across the organisation.
- Continue to build risk capabilities and mature our risk management framework.

Our people

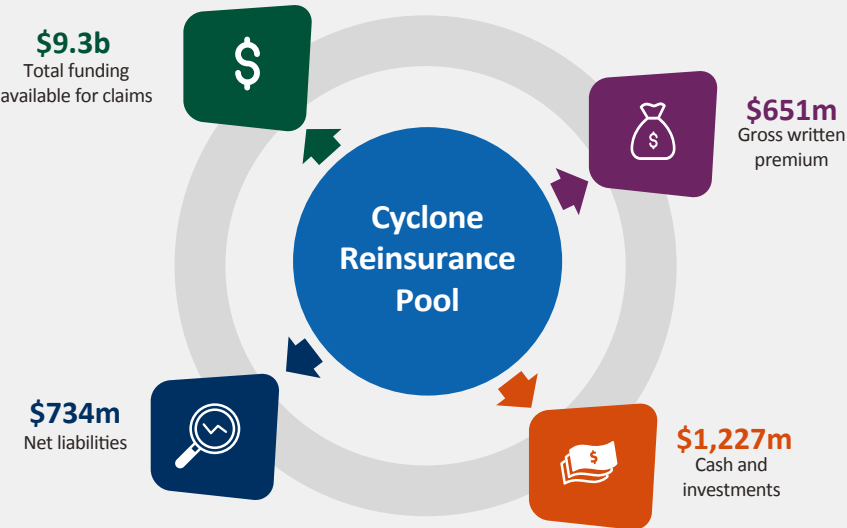
- Board Members and observers
- Employees
- Service providers

Stakeholders

- Community organisations and policyholders
- Government agencies
- Insurers
- Global reinsurers
- Industry associations
- Global catastrophe reinsurance pools

About us

ARPC is a public financial corporation established in 2003 to administer the terrorism pool. Since 1 July 2022, ARPC has also administered the Cyclone Reinsurance Pool (cyclone pool) reinsuring cyclones and cyclone-related flood damage. ARPC operates under the *Terrorism and Cyclone Insurance Act 2003* (TCI Act). Below are financial snapshots of the terrorism and cyclone pools.



Our values

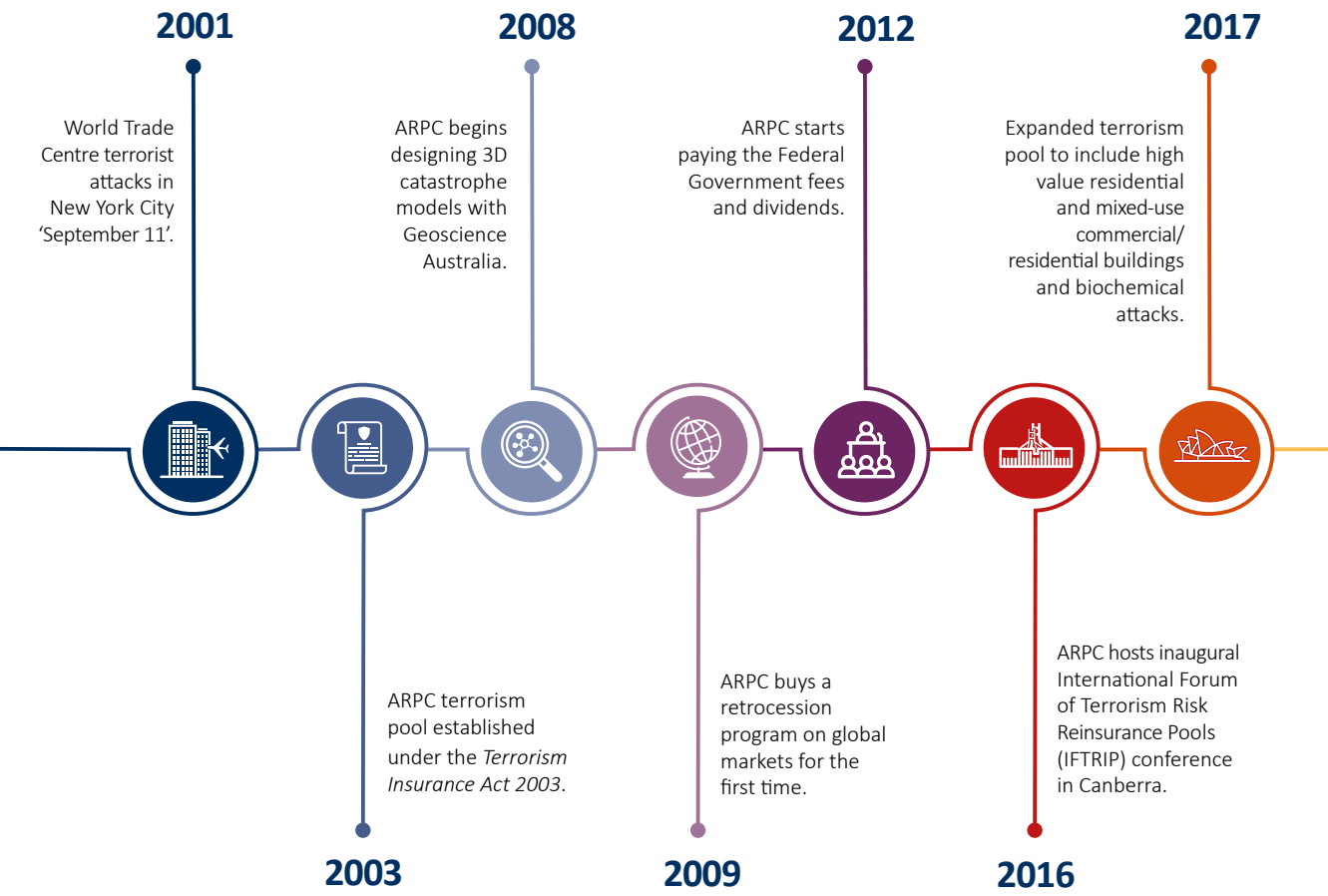


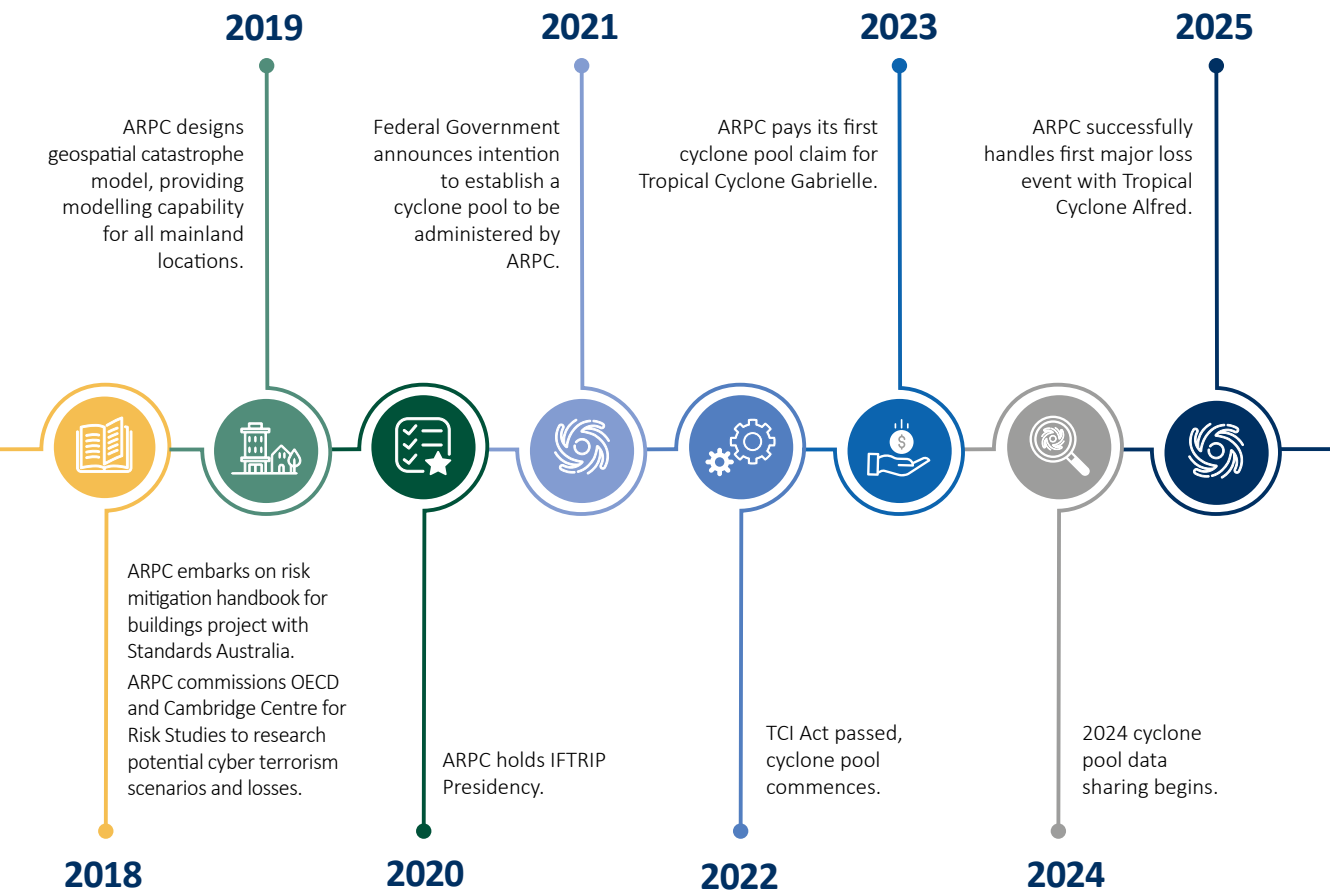
Our performance

ARPC met all targets set in the [2024-28 Corporate Plan](#), as summarised below. For full details on each measure and target, see Chapter 4 on page 47.

Measure 1: Cyclone pool premium effectiveness and affordability	Met	✓
Measure 2: Share data and insights	Met	✓
Measure 3: Financial resilience	Met	✓
Measure 4: Operational efficiency	Met	✓
Measure 5: Insurer customer satisfaction	Met	✓

Our story





Contents

Highlights	3	2. The Terrorism Reinsurance Pool	27
Our 2024-28 strategy	4	Terrorism pool participation increased with stable tier rates	28
About us	6	Reinsurance agreements	28
Our values	7	Funding for terrorism claims	28
Our performance	7	Terrorism pool dashboard	29
Our story	8	Retrocession program maintained	29
Chair and CEO reports	12	Commonwealth guarantee	29
From the Chair	12	Coverage and exclusions	30
From the CEO	14	Administering the terrorism pool	31
Report of operations declaration	17	Premiums	31
		Reinsurance partners	31
		Models developed to estimate DTI losses	32
		3D blast model	32
		Plume model	32
		Geospatial model	32
		Insurer review program	33
		Active reinsurance agreements	33
		Reinsurance premium report (based on underwriting year)	34
1. About ARPC	19		
ARPC's roles and responsibilities	20	3. The Cyclone Reinsurance Pool	37
Legislative functions	20	All eligible insurers participating, pricing stable, premiums falling	38
Corporate Plan	21	Insurers joining	38
Strategic context for the reinsurance pools	22	Cashflow positive	38
Terrorism pool addresses partial market failure	22	Pricing stable	38
Terrorism threat landscape	22	Cyclone pool premiums in line with projections	38
Cyclone pool addresses availability and affordability	22	Insurance premiums falling	38
Cyclone outlook	22	Cyclone pool dashboard	39
Working with stakeholders	22	Cyclone pool coverage and exclusions	40
ARPC risk insurance seminars	23	Administering the cyclone pool	41
Engaging with insurers and reinsurers	23	Cyclone premium rates under review	41
Insurer perceptions of ARPC continue to be positive	23	Premium pricing objectives	41
Participating in Australian insurance industry events	23	Average cyclone pool premiums balance pricing objectives with risk	42
Collaborating with global terrorism and natural catastrophe reinsurance pools	24	Cyclone season 2024-25	44
Parliamentary inquiries	24	Key highlights	44
Upcoming statutory review of the TCI Act	24	Insurer review program	45

4. Annual Performance Statement	47	6. ARPC's People	75
Annual Performance Statement	48	ARPC's people	76
Annual Performance Statement Summary	49	Senior executive team	77
Performance statement detail	50	Composition of ARPC's workforce	80
Measure 1: Cyclone pool premium effectiveness and affordability	50	Performance framework	80
Measure 2: Share data and insights	51	Annual employee engagement survey	80
Measure 3: Financial resilience	52	Key management personnel remuneration	81
Measure 4: Operational efficiency	53	Non-executive employees	82
Measure 5: Insurer customer satisfaction	54	A learning and development organisation	82
5. Governance	57	Study assistance	83
Governance framework	58	Safety and wellbeing	83
The Board	58	Wellbeing Committee	83
Board Members	59	Reconciliation Action Plan (RAP)	83
Board meetings	64	Lifestyle payment	83
Board remuneration	64	7. Financial Statements	85
Audit and Compliance Committee	65	8. Index	129
ACC remuneration	66	Acronyms and abbreviations	130
Risk Committee	66	Glossary	131
Risk Committee remuneration	66	List of figures	132
Board observers	67	List of requirements – Corporate Commonwealth Entities	134
Reviewing Actuary	67		
Organisational and governance structures	68		
Risk management	69		
Governance and oversight	69		
Risk framework and appetite	69		
Risk culture	69		
Internal audit and compliance	69		
Continuous improvement	69		
Public interest disclosures(PIDs)	69		
Judicial and administrative decisions	69		
Consultation agreements	69		
Consultancies	70		
Sustainability report – greenhouse gas emissions	70		

Chair and CEO Reports

From the Chair

Recent events like Tropical Cyclone Alfred, serve as a reminder of the impact extreme weather can have – not only on homes and infrastructure, but on the wellbeing and recovery of entire communities. ●



Julie-Anne Schafer | Chair

I am pleased to present ARPC's Annual Report for 2024-25.

Over the past year, ARPC has continued to deliver on our purpose – that is, through reinsurance, to improve the accessibility and affordability of insurance for the Australian community for terrorism and cyclone risk.

We know that the pathway to long-term risk mitigation starts with stability in the insurance market, and that's exactly where the terrorism and cyclone pools play a critical role.

The terrorism pool continues to provide assurance to local and global stakeholders in the commercial property and business sectors.

We are also continuing to work closely with the insurance industry to facilitate affordable cyclone insurance for homeowners, small businesses and communities who might otherwise face higher premiums or limited access to coverage.

We welcome the appointment of the Hon Dr Daniel Mulino MP in his new role as Assistant Treasurer and Minister for Financial Services. We look forward to supporting him in his new capacity.

2024-25 cyclone season

It's been a busy cyclone season, with five declared cyclones since November 2024. Recent events like Tropical Cyclone Alfred, serve as a reminder

of the impact extreme weather can have – not only on homes and infrastructure, but on the wellbeing and recovery of entire communities. These events fuel our ongoing commitment to work with insurers to deliver long-term security for many Australians facing significant cyclone risk.

That work does not stop here. As we assess the broader implications of the past cyclone season, we are committed to further strengthening our partnerships, refining our processes and ensuring we are well prepared for future cyclone events.

Our performance and operational position

While the full impact of Tropical Cyclone Alfred is still emerging, ARPC remains in a strong financial position and the Board is focused on guiding the organisation in delivering on our strategic direction, financial objectives, and execution of the latest Corporate Plan.

Asset liquidity is informed through modelling to determine invested asset durations, so that both pools can meet reinsurance claims arising from DTIs or DCEs.

The 2024-25 financial results are explained in more detail in the Financial Statements on pages 85 to 128.

Strategic progress

We have now successfully onboarded all mandated insurers to the cyclone pool, as required by legislation.

We released the 2025 Premium Assessment Report for the cyclone pool, and I'm pleased to advise that the pool is making a measurable difference. This was also observed in the ACCC Insurance monitoring report 2025. We're seeing improvements in both the affordability and availability of insurance across high cyclone risk areas. There has been a 39 per cent reduction in average home policyholder premiums for the highest risk areas following commencement of the cyclone pool. These findings are a strong signal that our collective efforts are working.

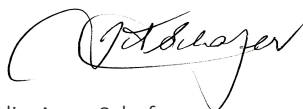
Upcoming statutory review

There is a scheduled legislative review by Treasury commencing later this year. This review will provide an opportunity to evaluate the current frameworks of the cyclone pool and assess whether the pool is operating as intended. We look forward to supporting this review in any capacity required.

Looking ahead

ARPC's 2025-29 strategy was approved by the Board this year, and will underpin delivery of the legislative objectives related to administering the terrorism and cyclone pools. ARPC is ready and well equipped to continue this important work. We will continue to strengthen our capabilities, and invest in our people, systems and technology to achieve efficient and effective outcomes.

On behalf of the Board, I would like to thank Chief Executive Dr Christopher Wallace, his leadership team, and ARPC's employees who have demonstrated their hard work and commitment in supporting the ongoing operation of the cyclone and terrorism pools to support the Australian community.



Julie-Anne Schafer
LL.B. Hons, FAICD
Chair

“ We will continue to strengthen our capabilities; and invest in our people, systems and technology to achieve efficient and effective outcomes. ”

From the CEO

Over the past year, the terrorism and cyclone pools have effectively fulfilled their purpose, despite a challenging season of tropical cyclone weather.



Dr Christopher Wallace | CEO

I am pleased to report on the progress we have made in delivering on our strategic priorities. Over the past year, the terrorism and cyclone pools have effectively fulfilled their purpose, despite a challenging season of tropical cyclone weather. The cyclone pool has continued to strengthen its operations and expand insurer participation, providing vital support to communities at risk of severe weather. While the nature of terrorism risk continues to shift – becoming more complex and less predictable – the terrorism pool also remains well-positioned to respond to terrorism-related events.

2024-25 cyclone season

During an active cyclone season, ARPC declared five events (Sean, Zelia, Alfred, Dianne and Errol) since November 2024. As part of our role as a public reinsurer, we have been working with insurers to process claims and facilitate the recovery process. Our teams have also engaged with our partners across government agencies and the insurance industry, to discuss how they can support impacted policyholders.

We acknowledge the devastation caused by Tropical Cyclone Alfred and its impact on communities in South East Queensland and northern New South Wales. Tropical Cyclone Alfred represented a pivotal moment for the cyclone pool, serving as a significant test of its resilience and operational effectiveness. The event highlighted the cyclone pool's preparedness and capacity to efficiently respond to a significant weather event.

Over the cyclone season, we have paid more than \$131 million in cyclone and related flooding claims across Australia, with an average payment time

of 11 business days. This is yet another reminder of the cyclone pool's role in providing a swift and coordinated reinsurance response, following extreme weather.

Australia's terrorism landscape

With the evolving nature of terrorism risk, the terrorism pool remains a key focus for ARPC.

Under the Australian Government's Terrorism Threat Advisory System, the general terrorism threat level is PROBABLE, which means there is a greater than 50 per cent chance of an onshore attack or an attack being planned in the next 12 months.

In his 2025 Annual Threat Assessment address, Mike Burgess, Director General, Australian Security Intelligence Organisation, warned that over the next five years, there will be 'an unprecedented number of challenges, and an unprecedented cumulative level of potential harm'. At the same time, the threat environment will become more diverse, albeit likely to be of low sophistication.

The terrorism pool continues to provide cost effective terrorism reinsurance throughout the insurance pricing cycle, and strong interest remains from local and global insurers electing to cede their commercial property risks to the pool.

Engaging our stakeholders

Over the course of the financial year, we spent time visiting peak bodies, other government agencies, local governments, insurers, and consumer representatives across northern and western Australia. These meetings provided valuable insights into the performance and impact of the cyclone pool since it was established.

We will continue to collaborate with these stakeholders to ensure the pool exerts downward pressure on insurance premiums in regions facing cyclone risk.

Over the past year, we also hosted our annual Cyclone Risk Insurance Seminar and Terrorism Risk Insurance Seminar which were well attended by a range of market stakeholders, demonstrating the influence and relevance of ARPC in the broader industry. These forums provide us the space to share knowledge with the industry, challenge assumptions and build the partnerships we need to continue delivering practical solutions across both pools. We also held two stakeholder events in Canberra and Sydney, to network with insurers, government representatives and other stakeholders across both pools.

Our people and looking ahead

In support of our ongoing focus on risk management, we welcomed Karin Rathbone as our Chief Risk Officer in July 2024. We are pleased to have Karin join us, bringing extensive experience in risk and compliance management in financial services. We thank Samantha Lawrence, our previous Chief Governance and Risk Officer for her significant contribution to ARPC prior to Karin joining.

At the heart of our success are our people. This year, we have invested significantly in our team and leadership capability, with a renewed focus on training and professional development through Maximus

International. Building a skilled and resilient team ensures that we are well positioned to respond to future challenges and deliver on our strategy.

Financial and operational performance

This year’s financial performance included increasing terrorism premium due to underlying commercial insurance policies premium increases (on which terrorism pool premiums are based), further insurers joining the cyclone pool, and reserves raised for future claims relating to Tropical Cyclone Alfred. The operating deficit for the year ended 30 June 2025 was \$891 million.

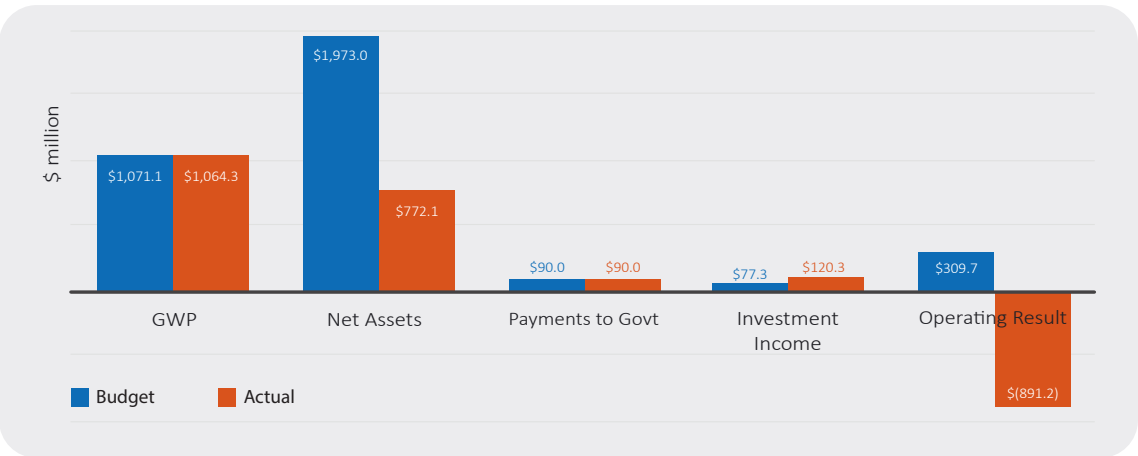
Figure 1.1 presents a summary of key financial metrics. For more details, see ARPC’s Financial Statements on pages 85 to 128.

Asset liquidity is assessed through modelling to determine invested asset durations, so that both pools can meet reinsurance claims arising from a DTI or DCE.

Looking ahead, we remain focused on strengthening our partnerships, driving value for stakeholders, and improving the accessibility and affordability of insurance for the Australian community for terrorism and cyclone risks.

Dr Christopher Wallace
BEC (Hons), PhD (Econ), AMP (INSEAD), ANZIIIF (Fellow), CIP, GAICD
Chief Executive

Figure 1.1: Summary of key financial metrics 2024-25 (in \$millions)





Sydney, NSW

Report of operations declaration

The Board Members of ARPC are pleased to present their Annual Report on the operations of the Corporation for the financial year ended 30 June 2025. This report is made in accordance with a resolution of the Members.

The Members are responsible under section 46 of the PGPA Act for the preparation and content of this report in accordance with the PGPA Rule.

Signed for and on behalf of Members in accordance with the resolution of the Members.

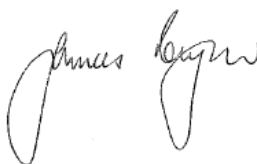


Julie-Anne Schafer

LL.B. Hons, FAICD

Chair

28 August 2025



Fran Raymond

FCA, FAICD, BCom, MBA, Grad Dip in Public Policy

Member and Chair of the Audit and Compliance Committee
(ACC Committee)

28 August 2025



Townsville, QLD



Australian Government
Australian Reinsurance Pool Corporation

1 About ARPC

ARPC's role and responsibilities

ARPC is a 'public reinsurer' because we are owned by the Commonwealth and our purpose is to provide public reinsurance to make terrorism and cyclone insurance more accessible, and for the cyclone pool, more affordable, for the Australian community.

Our role is to administer the terrorism and cyclone pools as set out in the legislation under the TCI Act. We do this through efficient and effective administration of two reinsurance pools that provide insurance coverage in defined catastrophic circumstances, a DTI or DCE.

Legislative functions

ARPC is a Corporate Commonwealth Entity and public financial corporation within the Treasury portfolio. We operate under the TCI Act. ARPC's statutory functions and powers under section 10 of the TCI Act are:

- a. to provide insurance cover for eligible terrorism losses (whether by entering into contracts or by other means);
- b. to operate a cyclone and related flood damage reinsurance pool by entering into contracts of reinsurance as reinsurer in accordance with Part 2A;
- c. any other functions prescribed by the regulations.

As a public financial corporation, we also operate in accordance with the PGPA Act and are subject to the PGPA Act's financial and non-financial reporting requirements.

We have a general duty under the PGPA Act to deliver on our legislative obligations in an efficient and effective manner, with care and diligence, for the proper use and management of public resources, to promote the achievement of our purpose, and to cooperate with others to achieve common objectives.



Cyclone Alfred, cloud map over the Coral Sea

Corporate Plan

This annual report outlines the progress made against ARPC’s 2024-28 Corporate Plan (focus 2024-25).

Figure 1.2 outlines our strategy for the 2024-25 reporting period, including our purpose, role, corporate values, and strategic priorities.

The Annual Performance Statement reports on our progress against measures and targets in the 2024-28 Corporate Plan.

During the reporting period, the executive team, in consultation with the Board, reviewed our strategy. The changes are reflected in the forward looking 2025-29 Corporate Plan which was published on our website in August 2025.

Our purpose and role set a defined direction for the planning and execution of our strategic priorities.

Figure 1.2: ARPC’s strategy for 2024-25





Strategic context for the reinsurance pools

Terrorism pool addresses partial market failure

ARPC was established in 2003 to provide reinsurance cover for eligible terrorism losses. The creation of a terrorism pool followed the 11 September 2001 attacks in the United States, which caused a global withdrawal of terrorism reinsurance cover and left Australian commercial property uninsured against terrorist attacks.

The 2021 Triennial Review¹ confirmed a partial market failure remained and recommended the then *Terrorism Insurance Act 2003* (now the TCI Act) and terrorism pool remain in place. The estimated global commercial market capacity available for Australian terrorism reinsurance is not sufficient to cover potential large, but plausible terrorism incidents.

Terrorism threat landscape

The Australian Government's general terrorism threat level informs the public about the likelihood of a terrorist attack in Australia and is currently at a PROBABLE threat level. 'Probable' means there is a greater than 50 per cent chance of an onshore attack or attack being planned within the next 12 months. Australia's National Terrorism Threat Level was raised by the Australian Security Intelligence Organisation from POSSIBLE to PROBABLE in August 2024, due to anticipated spikes in politically motivated violence across all ideological spectrums.

For more information on Australia's threat level, visit nationalecurity.gov.au/national-threat-level/threat-advisory-system.

A full report on the terrorism pool can be found in Chapter 2.

Cyclone pool addresses availability and affordability

Due to cyclone risk in Northern Australia, insurance is less available and more expensive than in many other regions. The cyclone pool, which commenced operating in July 2022, was established to lower insurance premiums by reducing reinsurance costs for cyclone risks in those areas, a significant contributor to higher insurance premiums.

The cyclone pool reinsures insurers for their eligible household, strata, and small business for losses arising from cyclones and cyclone-related flooding for DCEs. This includes the related wind, rain, rainwater, run-off, storm surge and riverine flood damage.

All eligible insurers joined the cyclone pool prior to 31 December 2024.

Cyclone outlook

The Australian tropical cyclone season runs from 1 November to 30 April each year and the Bureau issues seasonal outlooks each October. During an average season, 11 tropical cyclones will form in Australian waters. Typically, one in four of these will make landfall and one in five will be severe². A full report on the cyclone pool, including the 2024-25 cyclone season, can be found in Chapter 3.

Working with stakeholders

During the reporting period, ARPC regularly engaged with insurers, reinsurers, industry bodies representing the commercial property sector and the insurance sector, and local organisations representing cyclone-affected communities.

¹ The TCI Act is reviewed by Treasury to assess the level of terrorism insurance market failure and the need for ARPC to continue operating. The 2021 Triennial Review stated that further reviews would take place every five years.

² Bureau of Meteorology, Australian tropical cyclone season long-range forecast for 2023 to 2024, 09/10/2023.

We also worked with Australian Government entities such as Treasury, the Australian Competition and Consumer Commission, the Australian Prudential Regulation Authority, the Bureau of Meteorology (the Bureau) and the National Emergency Management Agency, to share data and insights that support cyclone risk mitigation.

We are conscious that communities in cyclone-prone regions and insurers are adjusting to the cyclone pool, therefore making opportunities to connect regularly with both groups is important. This engagement helps us better understand the needs and expectations of stakeholders, while raising awareness of ARPC and the environment we operate in.

ARPC risk insurance seminars

Our industry seminars are well regarded and provide a valuable opportunity to inform our stakeholders about what we do, present research, and network. The seminars attract stakeholders from industry, government and academia.

On 20 November 2024 we held the annual Terrorism Risk Insurance Seminar. It focused on current and emerging risks, including information about Australia's threat level. Speakers included senior representatives of the Australian Security and Intelligence Organisation, the Institute for Economics & Peace, and the Victoria Police's Fixated Threat Assessment Centre.

We held the second Cyclone Risk Insurance Seminar on 21 May 2025. The seminar featured experts in cyclone risk mitigation from the Resilient Building Council and Natural Hazards Research Australia, as well as insights from our cyclone pool data.

Both seminars were well attended, which demonstrated increased awareness and interest in ARPC and the pools we operate.

Engaging with insurers and reinsurers

We continued our insurer review program, which informs and educates insurers about the terrorism and cyclone pools and what is required for them to comply. We led terrorism retrocession renewal discussions with our reinsurer partners to discuss Australia's terrorism risk and share our portfolio risk analysis, supported by modelling.

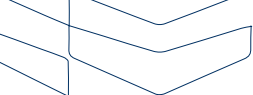
Insurer perceptions of ARPC continue to be positive

According to our annual survey of pool insurer perceptions, nearly all respondents (99 per cent) described their working relationship with us as good or very good. Ninety-six per cent of insurers described us as good or very good at communicating outcomes and responding to requests or queries. More information on the survey can be found in Chapter 4.

Participating in Australian insurance industry events

We engage with the insurance and reinsurance industries by attending and participating in events to raise awareness of the pools, and to deliver updates on issues of interest to stakeholders.

During 2024-25, we attended the Australian and New Zealand Institute of Insurance and Finance (ANZIIF) Reinsurance Rendezvous. We participated in a panel series across north Queensland to explain to strata committee members how the cyclone pool is putting downward pressure on premiums. We also provided an update on Tropical Cyclone Alfred and explained how the cyclone pool is supporting insurers at the Catastrophe and Reinsurance Symposium.



Collaborating with global terrorism and natural catastrophe reinsurance pools

ARPC is a founding member of the International Forum for Terrorism Risk (Re) Insurance Pools (IFTRIP), a key forum for global terrorism pools. In May we presented at the 2025 IFTRIP Conference in South Africa on the implementation of the cyclone pool.

As a member of the World Forum of Catastrophe Programmes, we presented at the annual conference in Turkey about how we are using cyclone pool data to support community resilience and mitigation.

Parliamentary inquiries

The cyclone pool continued to generate government and community interest, particularly regarding its impact on insurance premiums across Northern Australia. In 2024-25, ARPC appeared before the Joint Select Committee on Northern Australia, as part of its inquiry into the cyclone pool. We also appeared before the Select Committee on the Impact of Climate Risk on Insurance Premiums and Availability, which reviewed the role of insurance in a changing climate.

Upcoming statutory review of the TCI Act

Treasury undertakes statutory reviews of the TCI Act to inform decisions about whether the terrorism pool should continue. Treasury's most recent report was in 2021; it recommended that ARPC continue to provide terrorism reinsurance cover for Australian commercial and high-value residential property.

Past reviews in 2006, 2009, 2012, 2015 and 2018 also found that there was insufficient terrorism insurance available commercially on reasonable terms, and, as a result, both the TCI Act and ARPC should remain.

The next statutory review of the TCI Act will be held in 2025, then every five years thereafter.







'Coming up out
the sea of fl
at the wa
expresse

The floral tribute site led to the creation of the
permanent memorial, Reflection. It comprises
more than 200 handcrafted flowers that were
placed in cubes and embedded in the pavement
of Martin Place where the sea of flowers began.

Please take a moment to pause and reflect
at the memorial while you are here.



The NSW Gov

Lindt Cafe 10 year anniversary memorial in Martin Place, Sydney, NSW



Australian Government

Australian Reinsurance Pool Corporation

2 The Terrorism Reinsurance Pool

Terrorism pool participation increased with stable tier rates

ARPC provides terrorism reinsurance in accordance with the TCI Act, which supports the legislative functions of the terrorism pool by:

- maintaining private sector involvement as far as possible
- appropriately pricing and compensating the Australian Government for any risk transferred to it allowing for the re-emergence of commercial markets for terrorism risk cover.

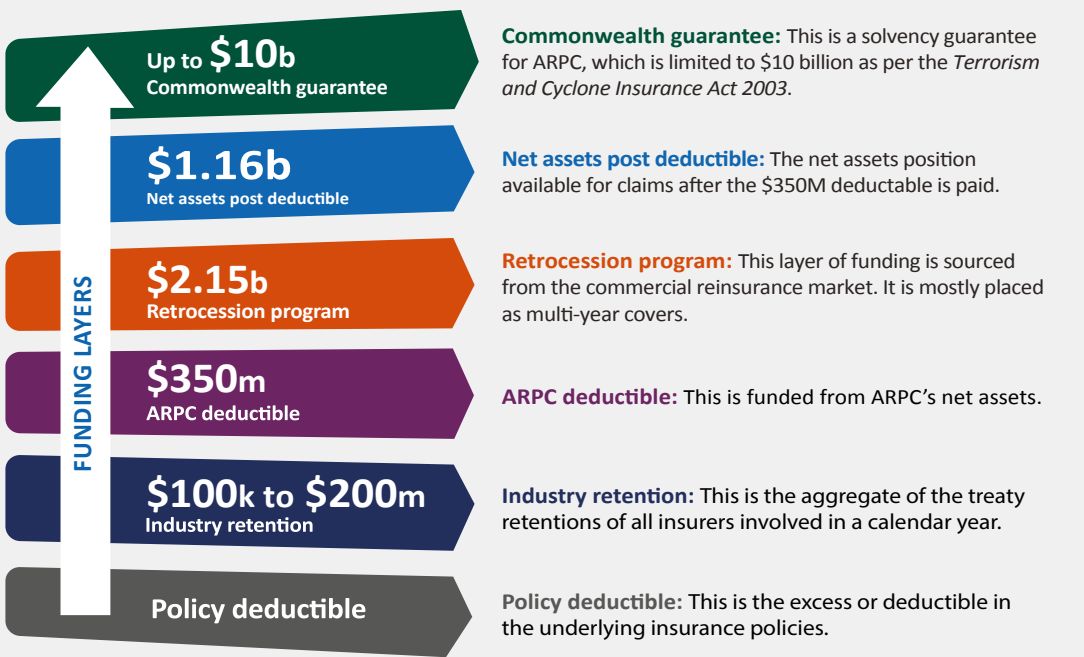
Reinsurance agreements

As at 30 June 2025, we had 231 terrorism reinsurance agreements in place (30 June 2024: 225). In the event of a DTI, eligible insurance contracts as defined in the TCI Act would receive terrorism cover. Claims against the terrorism pool can only be met once insurer and industry retentions (deductibles or excesses) are exhausted. Joining the terrorism pool is voluntary and only insurers reinsured with us receive cover from the terrorism pool. There were no DTI claims during 2024-25.

Funding for terrorism claims

As at 30 June 2025, the terrorism pool provided a claims funding capacity of approximately \$13.7 billion reinsurance for a DTI. This includes the terrorism pool’s available assets, the \$2.15 billion retrocession (private market reinsurance) program, plus the \$10 billion Commonwealth guarantee.

Figure 2.1: ARPC funding layers for terrorism claims from all sources as at 30 June 2025



Terrorism pool dashboard

During the 2024-25 reporting period:

- 231 (30 June 2024: 225) terrorism insurers paid \$413 million (30 June 2024: \$404 million) in terrorism reinsurance premiums, and
- \$83 million was paid as Tier A reinsurance premium rates for commercial property in major central business districts, while the bulk, \$245 million of premiums, was paid as Tier B, for property in cities with a population of 100,000 or more. For full details on premium tiers and pricing, see Figure 2.2.

Figure 2.2: Premium by pricing tiers by underwriting year

	2024-25	2023-24
Tier A	\$82,626	\$79,891
Tier B	\$244,616	\$234,402
Tier C	\$85,873	\$89,581
Total	\$413,115	\$403,874

Retrocession program maintained

Subject to a value for money assessment, we place an annual terrorism retrocession program. This is a funding source that provides additional capacity to pay terrorism claims and protect our assets against possible large losses. The retrocession program reduces the likelihood of drawing on the \$10 billion Commonwealth guarantee.

In 2024-25, the retrocession cover was successfully negotiated with a term of up to three years. The structure of the retrocession program will be reviewed in 2025-26, and a decision will be made to either continue with the current program, or cancel and replace it with a new program, or cancel.

The current program has an aggregate deductible of \$350 million for each annual period.

The net retrocession premium expense incurred for the year ended 30 June 2025 was \$59.6 million (2024: \$65.7 million).

Commonwealth guarantee

After any retrocession coverage has been exhausted, claims would be paid from ARPC's net assets, then the Commonwealth guarantee would be drawn upon. If the responsible Minister considers that the amount paid or payable under the guarantee will exceed \$10 billion, the Minister must also announce a reduction percentage. This percentage would have the effect of limiting cover by reducing the amount payable by the insurer to the policyholder, and the policyholder not being fully indemnified for their loss.

Coverage and exclusions

Figure 2.3 provides a summary of what is covered and excluded from terrorism pool coverage.

Figure 2.3: Property types covered by the terrorism pool

Commercial



Construction



High value residential



Industrial



Farms with business interruption coverage



Exclusions from the pool

Radiological



Nuclear



Cyber



Government property



Residential property



Marine



Machinery breakdown



Workers' compensation



Administering the terrorism pool

Premiums

ARPC’s reinsurance premiums and investment income are used to:

- fund our operations and build a reserve to meet future claims
- purchase retrocession coverage, and
- pay any fees and dividends to the Australian Government

Reinsurance premiums charged are determined by Ministerial Direction and are summarised in Figure 2.4. The amount that an insurer pays us for reinsurance is calculated as a percentage of the premiums received by that insurer for eligible insurance contracts.

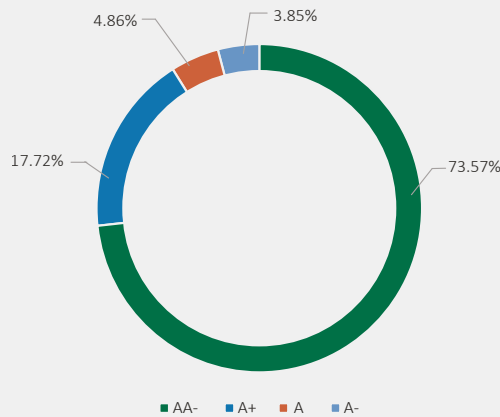
Figure 2.4: 2024-25 Tier rates and broad geographical location

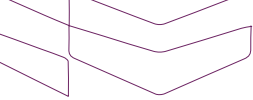
Tier	Current Rate	Geographical location
Tier A	16% of premium income	Major Central Business District (CBD) areas of Australian cities as listed by postcode
Tier B	5.3% of premium income	Urban areas of all Australian state and territory cities with a population usually exceeding 100,000 as listed by postcode
Tier C	2.6% of premium income	Australian postcodes not allocated to either Tier A or B and representing a physical premium address, as well as any property not on mainland Australia or Tasmania, but within the coastal sea of Australia

Reinsurance partners

In 2024-25, the retrocession program had 45 participants from the Australian, Lloyd’s, European, Bermudian, and Asian markets. Figure 2.5 splits retrocessionaires by their Standard & Poor’s and/or Best credit rating.

Figure 2.5: Retrocession program counterparty credit rating for the 2025 calendar year





Models developed to estimate DTI losses

In the event of a DTI, ARPC provides advice to the responsible Minister on the estimated reinsured losses incurred by the terrorism pool. This estimate informs the Minister's calculation of an appropriate reduction percentage, if required. To support this process, we use our modelling capabilities to:

- analyse aggregate sum insured information
- estimate probable losses from the DTI, and
- provide evidence-based advice to the Minister on an appropriate reduction percentage.

We have commissioned the development of terrorism catastrophe models through the following partnerships.

3D blast model

In 2024-25, we collaborated with Geoscience Australia (GA) on a 3D blast model to simulate and analyse pressure waves and damage from blasts in Tier A locations (see Figure 2.4) including the most built-up CBD areas of Sydney, Melbourne, Brisbane, Adelaide and Perth. Other larger population centres modelled include the Gold Coast, Darwin, Parramatta and Hobart. The model uses data from insurers and building surveys undertaken by GA.

Plume model

We also work with GA to analyse exposure to and potential damage from the release of a biological or chemical agent in Sydney, Melbourne and Perth's CBDs. This capability draws on the expertise of several government agencies including GA, the Bureau, Defence Science and Technology Group, the Australian Federal Police, and external consultants.

Geospatial model

We continued to develop the 'Geospatial 2D blast model' which covers all of Australia's mainland locations and can estimate building and contents damage, as well as interruption to businesses from the damage and from police exclusion zones at impact sites.

Insurer review program

We regularly review insurers to assist them to comply with the legislation, regulations and ARPC's Reinsurance Agreement obligations. Figure 2.6 details reviews conducted in 2024-25 and the three previous reporting periods.

Figure 2.6: Number of ARPC insurer reviews

Type of review	2024-25	2023-24	2022-23	2021-22
Full scope reviews	42 ³	10	55	13
Desktop reviews	11 ⁴	9	0	0
Proportion of premiums covered	17%	14%	69.4%	29%

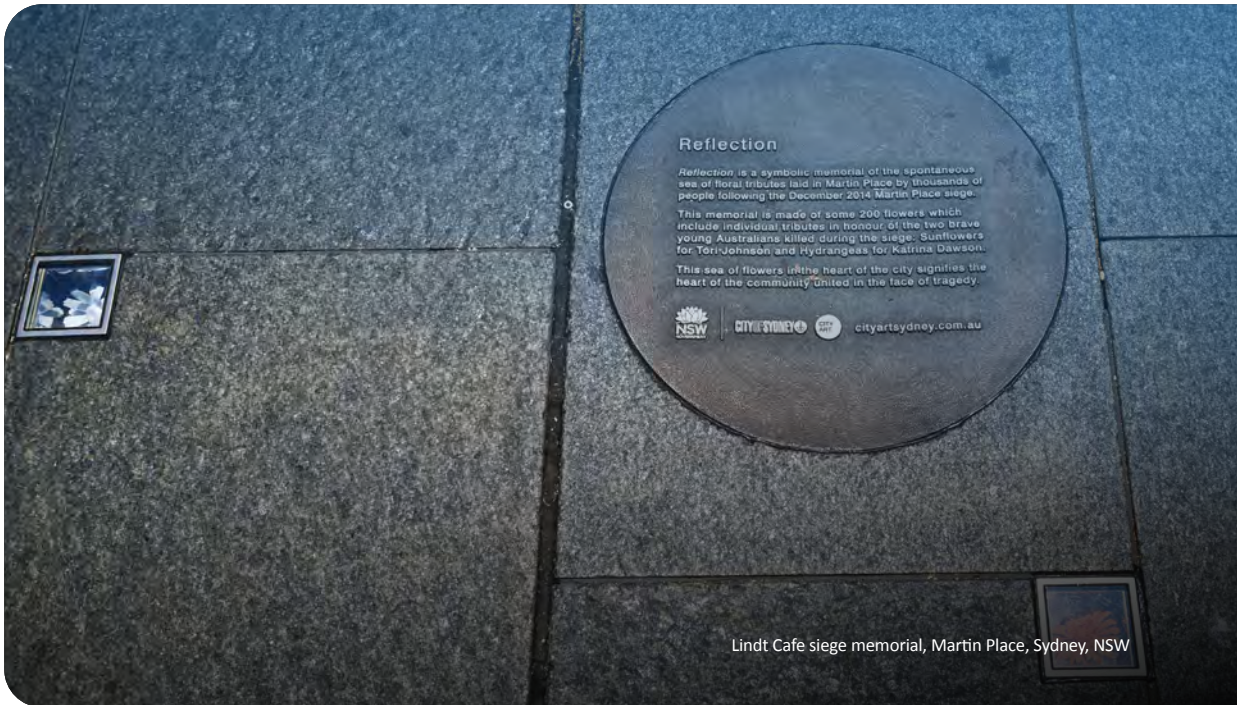
³ During the 2024-25 reporting period, we conducted 42 full scope reviews comprising four Australian insurers, 19 Singapore captives, 13 Lloyd's syndicates and six overseas insurers.

⁴ Eleven overseas insurers were covered in desktop reviews.

Active reinsurance agreements

Our active reinsurance agreements (or treaties) with insurers increased from 225 last year, to 231 as at 30 June 2025. The premium revenue trend reported by insurers is measured by:

- insurer customer type
- premium by tier
- premium by state
- premium by class.



Lindt Cafe siege memorial, Martin Place, Sydney, NSW

Reinsurance premium report

(based on underwriting year)

Figures 2.7, 2.8 and 2.9 show that the relative split of our premium revenue breakdown by tier, state, and business class was stable compared to previous reporting periods. Most of the premium revenue was generated by Tier B risks across New South Wales and Victoria.

Figure 2.7: Premium revenue split by underwriting year and Tier

Actual	2024-25	2023-24	2022-23	2021-22	2020-21
Tier A	20%	20%	20%	21%	21%
Tier B	59%	58%	59%	59%	59%
Tier C	21%	22%	21%	20%	20%
Total premium revenue \$'000	413,115	403,874	359,257	300,035	258,701

During the period, the terrorism pool premium increased by 2.28 per cent due to increases in the underlying commercial insurance premiums (on which the terrorism premium rates are applied). The premium revenue is also affected by changes in aggregate sum insured and the increase of sum insured assets in some premium tiers.

The geographic spread between states and premium split by business class is consistent with prior years, which is shown in Figures 2.8 and 2.9 below.

Figure 2.8: Premium revenue split by state and financial year

State	2024-25	2023-24	2022-23	2021-22	2020-21
NSW	30%	30%	31%	32%	31%
VIC	25%	25%	25%	25%	25%
QLD	22%	22%	21%	21%	21%
WA	12%	13%	12%	12%	12%
SA	7%	7%	7%	7%	7%
TAS	1%	1%	1%	1%	1%
NT	1%	1%	1%	1%	1%
ACT	2%	1%	2%	1%	2%
Total premium revenue \$'000	\$413,115	403,874	359,257	300,035	258,701

Figure 2.9: Premium revenue split by underwriting year and business class

Actual	2024-25	2023-24	2022-23	2021-22	2020-21
Fire/Industrial/Special risks/ Business interruption	87.0%	87.3%	87.2%	88%	88%
Contract works	6.7%	6.1%	6.4%	6%	6%
Burglary	3.2%	3.6%	3.4%	2%	1%
Miscellaneous accident	0.6%	0.9%	1%	1%	0%
Mobile plant	2.0%	1.5%	1.6%	3%	4%
Glass	0.3%	0.4%	0.4%	1%	1%
Farm	0.2%	0.2%	0.2%	0%	0%





Tropical Cyclone Alfred coastal erosion



Australian Government

Australian Reinsurance Pool Corporation

3 The Cyclone Reinsurance Pool



All eligible insurers participating, pricing stable, premiums falling

The cyclone pool commenced operating on 1 July 2022. It applies Australia-wide with premium reductions targeted in cyclone-prone areas – mainly northern Australia. Under the TCI Act, participation is mandatory for Australian general insurers with eligible cyclone pool insurance contracts.

Insurers joining

All eligible insurers joined the cyclone pool ahead of the 31 December 2024 deadline.

Cashflow positive

The cyclone pool recorded an operating deficit of \$1.21 billion during the 2024-25 financial year due to reserves raised for future Tropical Cyclone Alfred reinsurance claims. Although the cyclone pool is in an accumulated deficit position (net assets) of \$734 million, based on the expected claims payment pattern, it will remain cashflow positive. The cyclone pool has adequate liquidity to pay all expected claims from Tropical Cyclone Alfred and other events that have occurred.

In future years, the accumulated asset position of the cyclone pool is expected to oscillate between surplus and deficit over time due to the volatility in cyclone events. Claims costs are expected to be below premium earned in approximately four out of five years, but significantly above the premium earned in one out of five years. Over time we expect the pool to be in a deficit position as frequently as it will be in a surplus position and this is consistent with the design of the pool being cost neutral over the long term.

Further analysis of the impact of Tropical Cyclone Alfred on the financial outlook of the cyclone pool can be found in ARPC's 2025 Financial Outlook Report.

Pricing stable

We published updated cyclone pool premium rates on 30 September 2024, and they became effective on 1 April 2025. The average premium rates are

largely unchanged and, in addition to Home, now provide discounts for Strata properties that have undertaken risk mitigation activities which have been reported to ARPC by insurers.

Cyclone pool premiums in line with projections

Premium revenue for the year ended 30 June 2025 was \$651 million. This is materially in line with budgeted premiums of \$672 million.

Insurance premiums falling

We published analysis⁵ in May 2025 showing Home Insurance premiums were lower and insurance was easier to access in high cyclone risk areas due to the introduction of the cyclone pool:

- Insurers active in regional centres like Broome (WA), Townsville, Proserpine, and Mackay (QLD) generated quotes for home insurance up to 39 per cent lower in January 2025 than before the cyclone pool began in 2022.
- Small business insurance quotes for the same areas reported average premium reductions of 31 per cent over the same time period.
- Parts of Cairns, Ingham, and Cape York reported quotes where average reductions were as high as 26 per cent for home insurance and 20 per cent for small business cover, depending on the level of wind risk.

These premium reductions have been observed in an environment where the non-cyclone component of premiums has been increasing, due to factors such as high building cost inflation and increasing capital costs. The cyclone component of premiums has reduced by more than the figures quoted above.

Figure 3.4 summarises cyclone pool coverage and exclusions. See the TCI Act for a more detailed explanation.

⁵ Based on insurer quote information provided by Finity Consulting

Cyclone pool dashboard

The key metrics of the cyclone pool are (as at 30 June 2025):

Figure 3.1: Cyclone pool snapshot

Metric	Value
Number of cyclone pool insurers	21
Number of buildings with cyclone risk (millions)	3.2
Premium revenue (\$ million)	651
Average annual residential cyclone pool premium per risk (\$)	185
Average annual strata cyclone pool premium per risk (\$)	742
Average annual SME cyclone pool premium per risk (\$)	244

Figure 3.2: Cyclone pool aggregate exposure

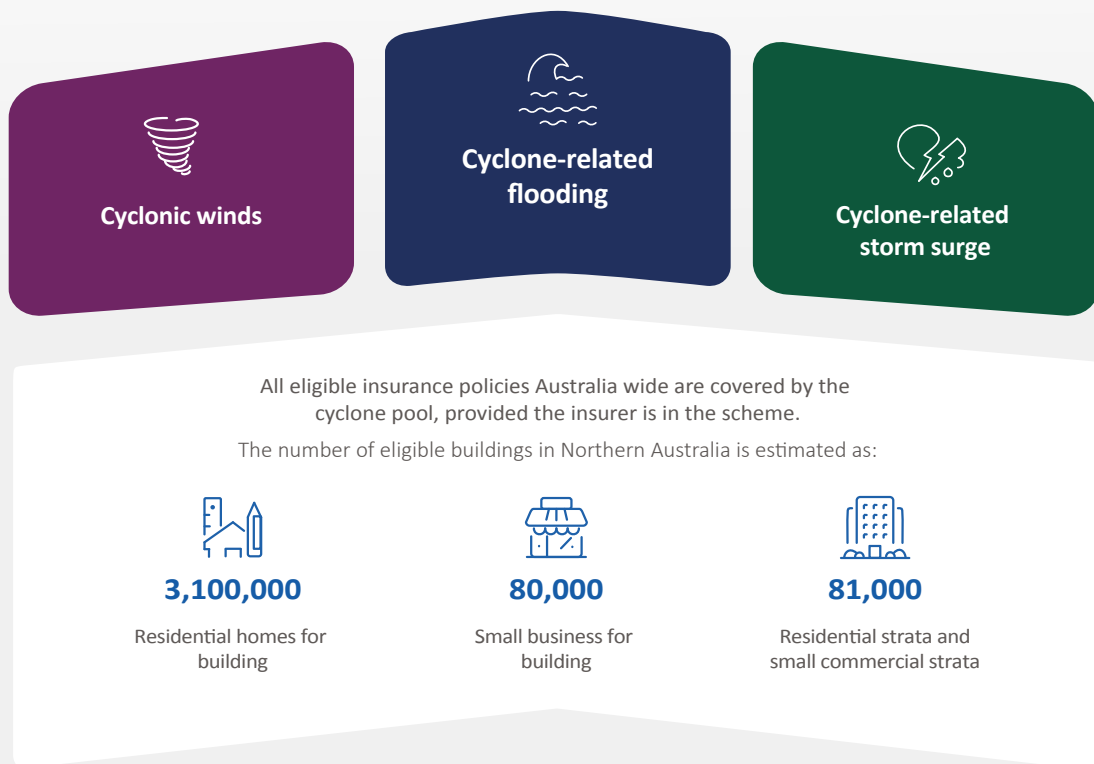
Exposure metric (sum insured)	Value (\$m)
Residential buildings	1,917,572
Residential contents	313,286
Strata buildings	346,644
SME buildings	81,443
SME contents	37,700
SME business interruption	35,707

Figure 3.3: Cyclone pool average exposure

Exposure metric (sum insured)	Value (\$)
Residential buildings	633,408
Residential contents	100,046
Strata buildings	4,535,558
SME buildings	843,814
SME contents	194,661
SME business interruption	402,191

Cyclone pool coverage and exclusions

Figure 3.4: Cyclone pool coverage and eligible policies



The cyclone pool provides reinsurance to insurers for eligible policies. It does not affect the relationship, nor rights and obligations between an insurer and a policyholder. All eligible insured properties Australia wide are reinsured by the cyclone pool, provided the insurer has a reinsurance agreement with ARPC.

As at 31 December 2024, the number of eligible properties (insured and uninsured) in Northern Australia was estimated as⁶:

- 3,100,000 residential homes
- 80,000 small business locations⁷
- 81,000 residential strata and small commercial strata.

⁶ Estimated number of policies in CRESTAs 1 to 24, and 47 to 49 as at 31 December 2024. CRESTA is a geographic risk zone aggregation.

⁷ The estimate for small business locations related to locations reinsured by ARPC. The actual number of uninsured small business locations was not known

Administering the cyclone pool

The cyclone pool is funded by reinsurance premiums paid by insurers consistent with expected claims and operating expenses. The reinsurance premiums are determined by ARPC, and reviewed by the scheme Reviewing Actuary, currently the Australian Government Actuary.

The cyclone pool delivers reinsurance at a lower cost than the private market by leveraging a \$10 billion annually reinstated Commonwealth guarantee, which absorbs volatility and enables the cyclone pool to set premium rates which do not have margins for uncertainty, profit or return on capital.

Cyclone premium rates under review

ARPC reviews rates on an annual basis, with Board review and approval in September and rates becoming effective on 1 April the following year. The 2024 premium rate review found that the premium rates (set in 2022) continue to meet legislative objectives and therefore changes were minor.

The most significant change was the introduction of mitigation discounts on premium rates for eligible Strata policies. The discounts incentivise mitigation against structural damage from high wind loads and losses from water ingress caused by wind-driven rain. The discounts were developed through a research partnership with James Cook University – Cyclone Testing Station. We are currently undertaking the 2025 premium rate review. We intend to review and, where necessary, amend premiums annually, to ensure they continue to meet our legislated objectives.

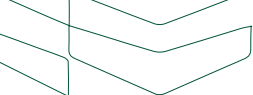
Further information on how the cyclone pool reinsurance premiums are priced, can be found on our website and specifically in the [Pricing Determination Reports](#).

Premium pricing objectives

Our principles and objectives for setting and reviewing cyclone premium rates are based on legislated objectives and summarised in Figure 3.5.

Figure 3.5: Pricing principles and objectives

Pricing principles	Approach
Over the longer-term, premiums are sufficient to cover or offset claims and expenses including any payments funded by the Commonwealth guarantee.	Premium rates are set to cover expected annual average claim costs and the cyclone pool's operating expenses. There is no profit margin or margin for uncertainty in the premium rates.
Keep premiums for medium to high cyclone risk policyholders as low as possible.	Margin savings are directed toward properties with higher cyclone risk.
Keep premiums for lower risk policyholders at levels comparable to what would be charged by other reinsurers.	Lower risk policyholders are charged premiums consistent with ARPC's view of modelled cost plus an estimated (re)insurance market margin.
Maintain incentives to reduce and mitigate the risk of eligible cyclone claims.	Discounts are offered for properties that have undertaken risk mitigation initiatives.



Average cyclone pool premiums balance pricing objectives with risk

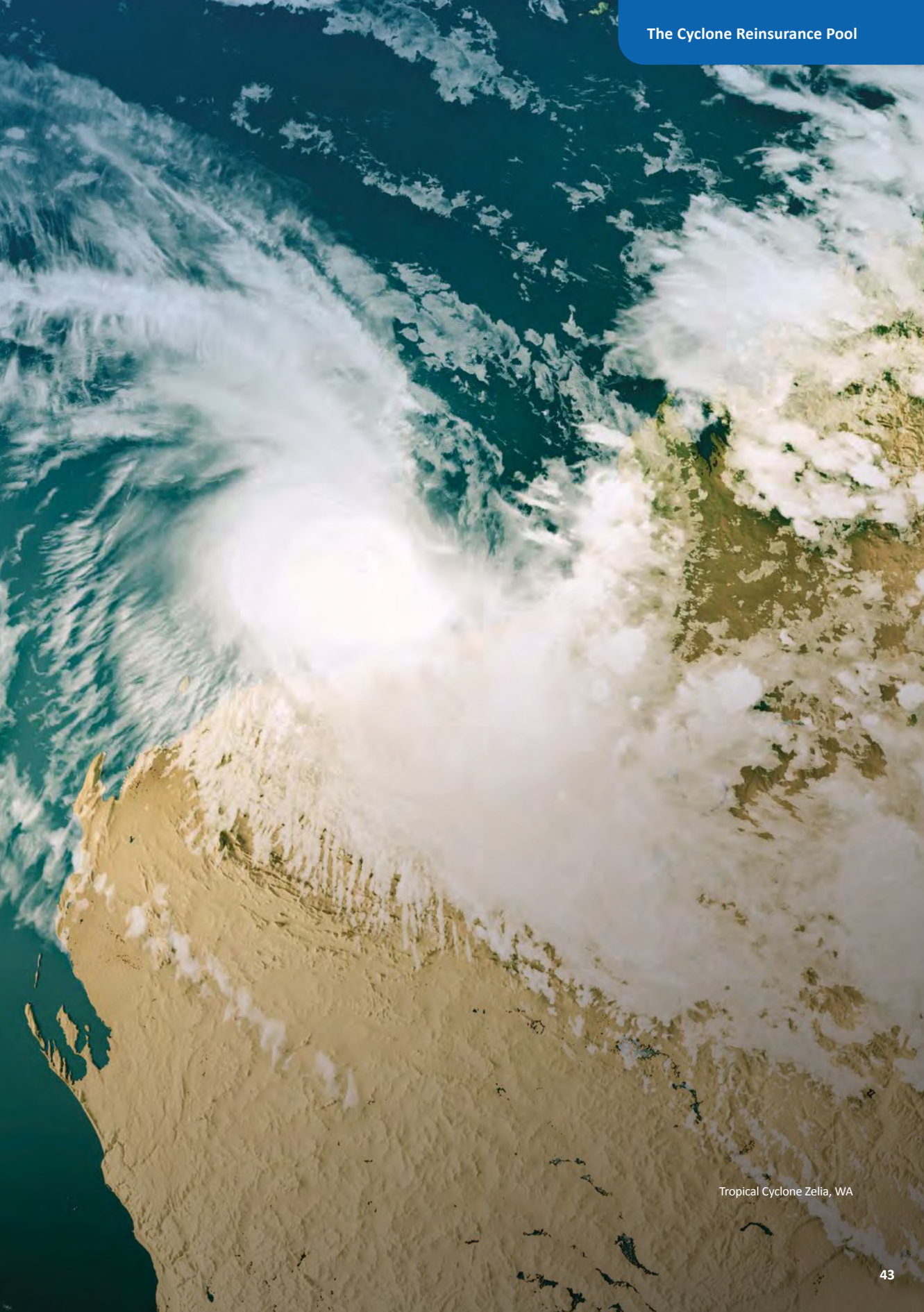
Average premiums reflect the geographic risk, with the lowest premiums in South East Queensland, Perth, and northern New South Wales. The premiums we charge in the high cyclone risk regions of Far North Queensland and in northwest Western Australia are set to be as low as possible, while balancing the requirements to cover or offset claims and expenses, and for lower risk policyholders to be charged premiums comparable to what they would be charged by reinsurers in the private market.

Figure 3.6: Average Home cyclone pool premiums by region

Area	Average Buildings premium (\$) June 2025	Average Contents premium (\$) June 2025
Cresta Zone		
1. Gold Coast	206	24
2. Brisbane	134	17
3. Sunshine Coast	220	25
9. Townsville	684	86
10. Ingham	468	57
11. Cairns	508	64
15. Inland QLD	65	9
17. Darwin	624	62
20. Pilbara	2,254	232
22. Perth	116	14
49. Far North coast	150	23

Note: the average cyclone pool premium reflects the mix of property values and construction characteristics of the properties in that region.





Tropical Cyclone Zelia, WA

Cyclone season 2024-25

The 2024-25 tropical cyclone season recorded a total of 12 tropical cyclones within Australia's region of responsibility – above the long-term average (of 11) and the highest number since the 2005-06 season.

Key highlights

Geographic distribution:

- Eleven cyclones occurred in the Indian Ocean/Western Australia region.
- One cyclone formed off the Australian east coast.
- The Northern Territory experienced no cyclone activity during the season.

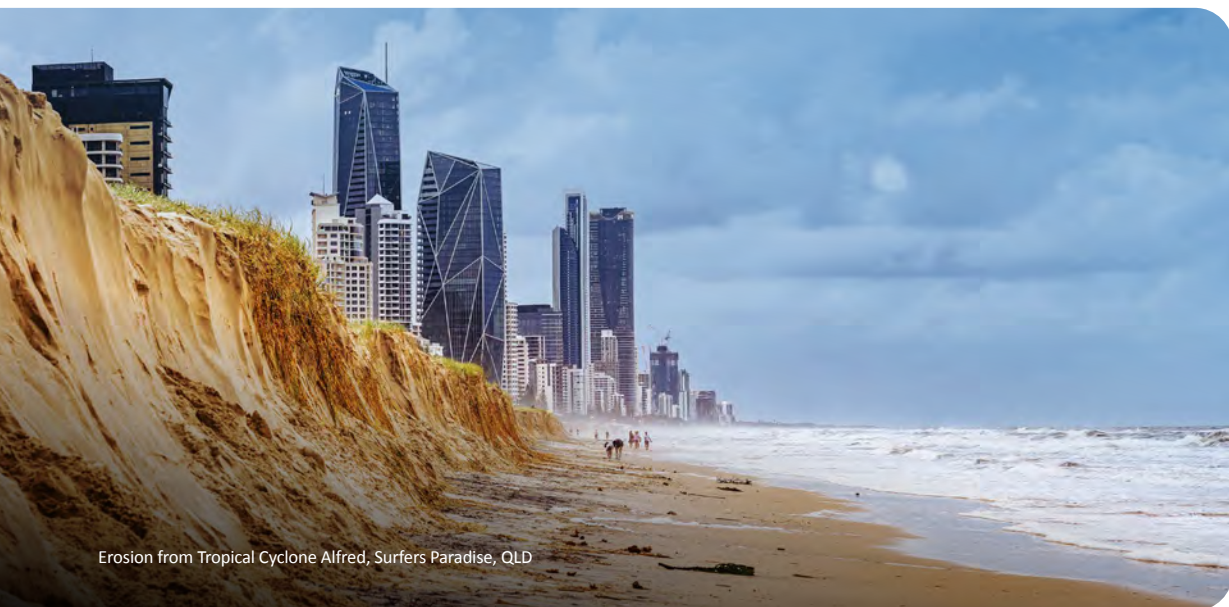
DCEs:

- ARPC declared the following five cyclones as DCEs under the legislation – Sean, Zelia, Alfred, Dianne and Errol. Of these, only cyclones Zelia and Dianne made landfall at cyclone strength.
- The remaining seven named cyclones did not meet the legislated criteria for declaration.

Financial impact:

- 2024-25 was the costliest cyclone season for the insurance industry since 2017-18, which included Tropical Cyclone Debbie.
- Tropical Cyclone Alfred accounted for approximately 98 per cent of the total estimated losses for the 2024-25 season.

ARPC fulfilled all legislated obligations relating to the declaration and management of cyclone events during the 2024-25 season.



Erosion from Tropical Cyclone Alfred, Surfers Paradise, QLD

Figure 3.7: Reinsurance claims paid in 2024-25 by the cyclone pool (to 30 June 2025)

Cyclone season	Cyclone name	Total claims paid during 23-24 (\$m)	Total claims paid during 24-25 (\$m)	Estimated ultimate claims cost (\$m)
2025 cyclone season	Sean	0.000	0.236	6.858
	Zelia	0.000	0.110	7.873
	Alfred	0.000	53.757	1,860.848
	Dianne	0.000	0.000	3.680
	Errol	0.000	0.000	0.067
	Total	0.000	54.103	1,879.326
2024 cyclone season	Jasper	10.101	49.057	101.244
	Anggrek	0.000	0.000	0.000
	Kirrily	6.317	25.917	41.683
	Lincoln	0.000	0.000	0.462
	Megan	0.000	1.595	3.101
	Total	16.418	76.569	146.490
2023 cyclone season	Darian	0.000	0.000	0.000
	Ellie	0.000	0.000	0.000
	Gabrielle	0.038	0.000	0.050
	Ilsa	0.008	0.000	0.009
	Total	0.046	0.000	0.059
Total paid and estimated claims		16.464	130.672	2,025.875
Total claims paid since inception of pool (81,526 eligible claims)		(in \$m) 147.148		

Insurer review program

Since the inception of the cyclone pool in 2022, we have conducted reviews of participating insurers in accordance with relevant legislation, regulations, and the obligations outlined in ARPC's Cyclone Reinsurance Agreement. In the 2024-25 financial year, seven reviews were completed covering 49 per cent of premiums within the scope of the review.

In 2024 we completed our first round of claims reviews for eight insurers, representing 80 per cent of the insurers who submitted a claims bordereau.



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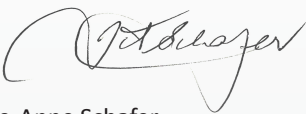
Sydney, NSW



4 Annual Performance Statement

Performance Statement Summary

I, Julie-Anne Schafer, Chair of the accountable authority, the Board of Australian Reinsurance Pool Corporation, present the 2024-25 Annual Performance Statement of ARPC, as required under section 39 of the PGPA Act. In my opinion, this Annual Performance Statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with relevant sections of the PGPA Act.



Julie-Anne Schafer
LL.B. Hons, FAICD
Chair

Introduction

This Statement outlines ARPC’s four strategic priorities for 2024-25 as set out in the 2024-28 Corporate Plan and assesses ARPC’s performance against measures and targets in that plan.

Figure 4.1: 2024–28 Strategic Priorities



Annual Performance Statement Summary

The performance targets for ARPC were met for the 2024-25 reporting period. Figure 4.2 summarises our achievements against measures and targets in the 2024-28 Corporate Plan.

Figure 4.2: Achievements against 2024-28 Corporate Plan measures and targets⁸

Performance measure	Assessment criteria	Target	Result
Measure 1 Cyclone pool premium effectiveness and affordability	Assessing the impact of the cyclone pool through the annual Financial Outlook Report	Publication of annual Financial Outlook Report and closure of management actions within targeted timelines.	Met The report was published. None of the actions have exceeded the target timeline.
Measure 2 Share data and insights	Engagement with stakeholders in government and the insurance industry	Publish one or more statistical publications on the ARPC website on cyclone risk to share ARPC insights and research on affordability and accessibility of insurance and host an industry seminar.	Met Published five statistical publications on cyclone risk, started cyclone resilience research partnership, and hosted two industry seminars.
Measure 3 Financial resilience	Adequate liquidity of assets	Meet all financial obligations per reinsurance contracts over the period from ARPC assets or Commonwealth guarantee.	Met All obligations were paid using liquid assets of ARPC. The Commonwealth guarantee was not called upon.
Measure 4 Operational efficiency	Operating expenses within budget	Manage operating expenses within Board approved budget of \$31m for 2024-25.	Met Operating expenses were within budget.
Measure 5 Insurer customer satisfaction	Annual survey of insurer customers to inform future engagement	Terrorism: Terrorism Stakeholder Perception Index score greater than 70%. Insights from survey considered and appropriate program of activities identified and implemented within targeted timelines. Cyclone: Cyclone Stakeholder Perception Index score greater than 70%. Insights from survey considered and appropriate program of activities identified and implemented within targeted timelines.	Met Overall, the Terrorism and Cyclone Stakeholder Perception Index score of 84% achieved was greater than 70%. Activities identified and being implemented to address feedback insights.

⁸ The source for these five measures is the 2024-28 Corporate Plan page 25.

Performance statement detail

Measure 1:
Cyclone pool premium effectiveness and affordability

Source: Measure 1, ARPC 2024-28 Corporate Plan, page 25

Target
Publication of annual Financial Outlook Report (FOR) and closure of management actions within targeted timelines.

Result: Met



Description:

The TCI Act requires ARPC to prepare a FOR for the cyclone pool at the end of each financial year. The report must be provided to the Minister before 15 October and published within 10 business days. The FOR as at 30 June 2024 was published on 22 October 2024.

The cyclone pool’s Reviewing Actuary provided a letter of review stating that the report provided an assessment of the cyclone pool, and that he supported the actions set out in the report. The letter was appended to the published report.

The TCI Regulations list the matters to be addressed by the report, which is summarised in table 4.3 below:

Figure 4.3: TCI Regulations regarding the FOR

Matter	Report section
a. an overview of the performance of the cyclone reinsurance scheme during the financial year;	Section 3
b. observations on broader financial risks affecting the scheme’s financial outlook;	Section 6
c. an assessment of the adequacy of:	Section 4
i. the premiums the Corporation is receiving under cyclone reinsurance contracts; and	
ii. the Corporation’s reserves that are available to meet claims under those contracts;	Section 5
d. observations on capital management for the purposes of the scheme;	Section 7
e. projections for financial outcomes for the scheme, based on estimates of future claims under cyclone reinsurance contracts;	Section 3
f. any other matters that the Corporation considers material to the current and future financial situation of the scheme.	All sections

The 2023 FOR included eight actions related to the cyclone pool to be addressed by ARPC over the following three years. Progress on these actions was reported on in the 2024 FOR. As at 30 June 2025, five of these actions were complete, two were in progress, and one is planned for completion in the 2025-26 financial year. None of the incomplete actions have exceeded the planned timeframe.

The 2024 FOR included four actions to be addressed by ARPC over the following three years. Progress on the actions will be reported on in the 2025 FOR. None of the actions have exceeded the planned timeframe.

Measure 2: Share data and insights

Source: Measure 2, ARPC 2024-28
Corporate Plan, page 25

Target

Publish one or more statistical publications on the ARPC website on cyclone risk to share ARPC insights and research on affordability and accessibility of insurance and host an industry seminar.



Result: Met



Description:

In 2024-25, we published five reports, drawing on data generated by the cyclone pool. The following reports provide insights into our reinsurance portfolio, the pool premium rates, and the impact the pool has had on insurance premiums:

- [Cyclone Reinsurance Pool Statistics Report, June quarter 2024](#) (published October 2024).
- [Cyclone Reinsurance Pool Statistics Report, September quarter 2024](#) (published February 2025).
- [Cyclone Reinsurance Pool Statistics Report, December quarter 2024](#) (published May 2025).
- [Addendum to the 2024 Premium Determination Report](#) (published February 2025).
- [Cyclone Reinsurance Pool Premium Assessment](#) (published May 2025).

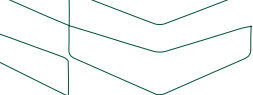
We also published the following articles on the latest research and data relating to terrorism and cyclone risk:

- Global Terrorism Index 2025 has launched.
- Why did Australia's Terrorism Level Change?
- Australia's cyclone pool – the journey so far, and what its data is telling us.

We held two industry seminars during the reporting period. These events provided ARPC with an opportunity to share knowledge, build partnerships, present our insights, and hear from others. The seminars were well attended and drew stakeholders from across industry, government and academia, which demonstrates our influence and relevance in the broader industry.

Our annual Terrorism Risk Insurance Seminar took place on 20 November 2024. It provided insights on current and emerging risks, including information about Australia's threat level. Speakers included senior representatives of the Australian Security and Intelligence Organisation, the Institute for Economics & Peace, and the Victoria Police's Fixated Threat Assessment Centre.

On 21 May 2025, we hosted the second Cyclone Risk Insurance Seminar which featured experts in cyclone risk mitigation from the Resilient Building Council and Natural Hazards Research Australia. ARPC's Head of Actuarial, Pulkit Jain provided insights from our cyclone pool data.



Measure 3: Financial resilience

Target

Meet all financial obligations per reinsurance contracts over the period from ARPC assets or Commonwealth guarantee.



Source: Measure 3, ARPC 2024-28
Corporate Plan, page 25

Result: Met



Description:

We met all financial obligations stipulated under the reinsurance contracts throughout the covered period, which included making claim payments within the contractual timeframes. These obligations have been fulfilled solely from our own assets, without drawing on the Commonwealth guarantee. This financial resilience is achieved through extensive liquidity modelling and investment asset duration matching.



Brisbane, QLD

Measure 4:
Operational efficiency

Target
Manage operating expenses within Board approved budget of \$31m for 2024-25.



Source: Measure 4, ARPC 2024-28
Corporate Plan, p25

Result: Met

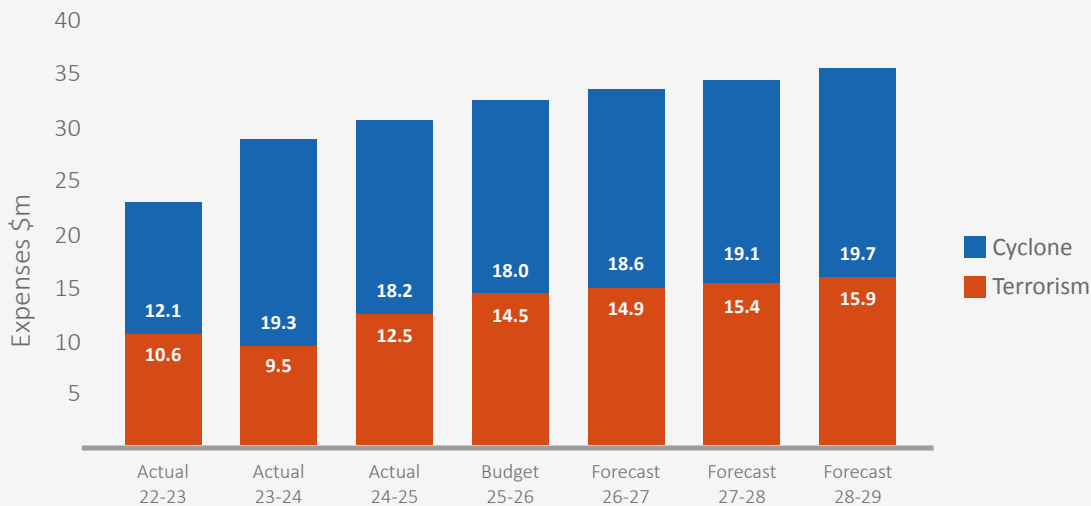


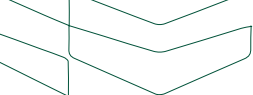
Description:

Our operating expenses are allocated at a pool level for transparency and so that performance against legislative objectives can be assessed. Budget setting and operating expenses are aligned with senior executive accountabilities and financial delegations. Operating expenses are reviewed against pricing assumptions and benchmarked to assess operating efficiency.

For the 2024-25 financial year our operating expenses were \$30.7 million against a budget of \$31.0 million.

Figure 4.4: ARPC operating expenses





Measure 5: Insurer customer satisfaction

Result: Met



Source: Measure 5, ARPC 2024-28 Corporate Plan, page 25

Target:

Terrorism: Terrorism Stakeholder Perception Index score greater than 70 per cent. Insights from the survey considered and appropriate program of activities identified and implemented within targeted timelines.

Cyclone: Cyclone Stakeholder Perception Index score greater than 70 per cent. Insights from survey considered and appropriate program of activities identified and implemented within targeted timelines.

Description:

We committed to undertake an independent survey of our insurers to inform future engagement.

In the survey, the Overall Stakeholder Perception Index (OSPI) for insurers that participate in both pools achieved a score of 84 per cent. The OSPI scores are derived through the answers to three questions: 'As a Reinsurer Partner, what is ARPC like to deal with?', 'Over the last 12 months, how would you rate your/your organisation's working relationship with ARPC?', 'Over the last 12 months, how do you feel about the quality of how ARPC has engaged with your organisation?'.

For both the terrorism and cyclone pools, ARPC targeted a Terrorism Stakeholder Perception Index (T-OSPI) and Cyclone Stakeholder Perception Index (C-OSPI) score of at least 70 per cent. The survey's T-OSPI achieved 81 per cent, which was a favourable perception of the organisation overall and an improvement over the 76 per cent in 2023. It was the first time we surveyed the C-OSPI with a very pleasing score of 87 per cent.

Insurer perceptions of dealing with us as an organisation remained positive with nearly all (99%) insurers describing their working relationship with us as good or very good. Over 80 per cent felt we were good or very good to deal with (84%), and 82 per cent rated the quality of engagement from us as also good or very good.



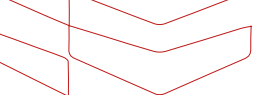
Broome, WA



Surfers Paradise QLD in the wake of Tropical Cyclone Alfred



5 Governance



Governance framework

ARPC is governed by its Accountable Authority in accordance with the [TCI Act](#) and is a Corporate Commonwealth Entity for the purposes of both the [PGPA Act](#) and the [PGPA Rule](#). ARPC is a body corporate under section 12 of the TCI Act.

The Accountable Authority – referred to as the Board – is led by a Chair and six to eight Members who are appointed on a part-time basis by the responsible Minister. Between 1 July 2024 and 30 June 2025, the responsible Minister for governance and Board appointments was the Treasurer and Minister for Financial Services, the Hon Dr Jim Chalmers MP. For operational matters the responsible Minister is the Assistant Treasurer, who until 13 May 2025 was the Hon Stephen Jones MP, and the Hon Dr Daniel Mulino MP thereafter.

Additionally, the responsible Minister can give [written directions](#) about our functions and the exercise of our powers. These are published on ARPC’s website. One Ministerial direction was given during 2024-25.

As the Accountable Authority, the Board appoints the Chief Executive Officer (CEO). The CEO manages ARPC’s affairs subject to Board directions, delegations, and policies.

The Board established an Audit and Compliance Committee (ACC) in compliance with section 45 of the PGPA Act and section 17 of the PGPA Rule. In addition, the Board established a Risk

Committee to support the governance of risk. These committees assist the Board to discharge its responsibilities to provide oversight and review of financial reporting, performance reporting, the management of internal control systems, and systems of risk oversight.

Under section 22 of the PGPA Act, the Finance Minister can make a Government Policy Order (GPO) specifying that a policy of the government applies in relation to one or more corporate Commonwealth entities. During the reporting period, no GPOs made were applicable to ARPC.

To comply with section 35 of the PGPA Act, ARPC prepares a Corporate Plan on a rolling four-year basis, provides it to the responsible Minister and Finance Minister by 31 August each year, and we then publish the plan on our website.

The Board

The Board and ARPC’s senior executive team are committed to best practice corporate governance standards that are fit-for-purpose for our operations. They continue to monitor governance trends in the public and private sectors.

During 2024-25, the Board consisted of a Chair and six part-time Members. The Accountable Authority Members are remunerated in accordance with the Remuneration Tribunal Determination for Part-time Officers and were non-executive Members.

Board Members



Julie-Anne Schafer | Chair

LL.B. Hons, FAICD

Term:

Chair: 7 July 2023 to 6 July 2026

Acting Chair: 1 July 2023 to 6 July 2023

Term: 14 September 2021 to 6 July 2023;

7 July 2023 to 6 July 2026

Ex-officio Member, ACC and ex-officio Member,
Risk Committee

Julie-Anne is a Brisbane-based non-executive director. She is currently Chair of the Peak Group and of AgCarE Services Pty Ltd, a director of ActewAGL Joint Venture Partnership Board and Icon Water Limited and its associated investment entities. In addition, she is a non executive Member the Office of the National Rail Safety Regulator and contributes to public sector oversight as Independent External Chair of the Audit and Risk Committee for the Queensland Department of Transport and Main Roads. She also participates in audit and risk governance as an independent member of the Queensland Department of Environment, Tourism, Science and Innovation.

Her previous appointments include President of the National Competition Council, Non-Executive Director of Queensland Urban Utilities, President of the Royal Automobile Club of Queensland (RACQ), and senior leadership roles in insurance governance, including Chair of RACQ Insurance, and Non-Executive Director of the Territory Insurance Office.

Julie-Anne is a Fellow and facilitator with the Australian Institute of Company Directors (AICD), and a member of the Australian and New Zealand Institute of Insurance and Finance (ANZIIF). She holds a Bachelor of Laws with Honours from the University of Queensland.



Oscar Shub | Member

BComm, LLB

Term:

23 April 2023 to 22 April 2026

Member, ACC

Oscar was appointed as a part-time Member for a three-year term from 23 April 2023.

He is a part-time consultant with the global law firm Clyde & Co and founded their Australian legal practice as a partner. He is also a senior Member of the New South Wales Civil and Administrative Tribunal in the Occupational Division, presiding over disciplinary complaints against health practitioners for breaches of their respective codes of conduct.

Oscar also chairs the Insurance Brokers Code Compliance Committee, an independent body that monitors compliance with the Insurance Brokers Code of Practice. Previously, he spent over 25 years as a partner at Allen Arthur Robinson (now known as Allens) and has also sat on the boards of Munich Re and OzHarvest. He chaired the Australian Insurance Law Association and LEADR (renamed to the Resolution Institute). He holds Bachelor of Commerce and Bachelor of Laws degrees from the University of the Witwatersrand, in South Africa.



Evelyn Horton | Member

BEC, MSSc (Econs), FAICD

Term:

23 April 2023 to 22 April 2026

Member, ACC

Evelyn was appointed as a part-time Member for a three-year term from 23 April 2023.

Evelyn is a non-executive director with extensive expertise in financial services, governance and risk management. Evelyn spent over a decade working at the Commonwealth Treasury, Canberra and a further 15 years in different investment banking roles. She is Commissioner of Superannuation in Tasmania, chair of Anglicare, Glebe Administration Board and a non-executive director of Tasmanian Ports Corporation.

Evelyn holds a Bachelor of Economics degree from the Australian National University, a Master of Social Sciences in Economics from the National University of Singapore and is a Fellow of the AICD.



Eilis Hurley | Member

BEng, FIA, FIAA, FAICD

Term:

23 April 2023 to 22 April 2026

Member, Risk Committee

Eilis was appointed as a part-time Member for a three-year term from 23 April 2023.

Eilis has extensive experience as an insurance executive, both in Australia and the UK. She has held roles as diverse as strategy, risk, finance, and reinsurance; as well as more traditional actuarial roles spanning life and general insurance. Eilis is a non-executive director of Integrity Life and serves on several risk and audit committees across the not-for-profit sector. She holds a Bachelor of Engineering degree from University College Cork (Ireland) and is a Fellow of the Actuaries Institute and AICD.


Fran Raymond | Member

Fellow Chartered Accountant (FCA), FAICD, BCom, MBA,
Grad Dip in Public Policy

Term:

23 April 2023 to 22 April 2026

Chair, ACC

Fran was appointed as a part-time Member for a three-year term from 23 April 2023. She was appointed Chair of the ACC on 30 July 2024.

Fran has had considerable experience as a senior executive in government, particularly in Chief Financial Officer and Chief Operating Officer (COO) roles, including COO of ARPC. Fran currently holds audit and risk committee appointments with the Productivity Commission and the National Health and Medical Research Council and the North Central Catchment Management Authority (Victoria).

Fran holds a Bachelor of Commerce from the University of New South Wales, a Master of Business Administration from Charles Sturt University, and a Graduate Diploma in Public Policy from Flinders University. She is a Fellow of both Chartered Accountants Australia and New Zealand, and the AICD.


Rod Whithear | Member

GradDipMgt, GAICD

Term:

7 July 2023 to 6 July 2026

Member, ACC and Member, Risk Committee

Rod was the Chief Executive and an ex-officio Commissioner of the Western Australian Insurance Commission for over a decade retiring in July 2025. During his career he has served the Commonwealth Government for 25 years and the Western Australian State Government for 15 years. Rod was previously an Executive Director of the Western Australian Treasury responsible for State operating expenditure budgets.

He has held senior positions in the superannuation, information technology, social services, leasing and corporate finance portfolios of government. Rod holds a Graduate Diploma of Management from the Australian Graduate School of Management and is a Graduate of the AICD.



Greg Nucifora | Member

B Com, FCA, FAICD

Term:

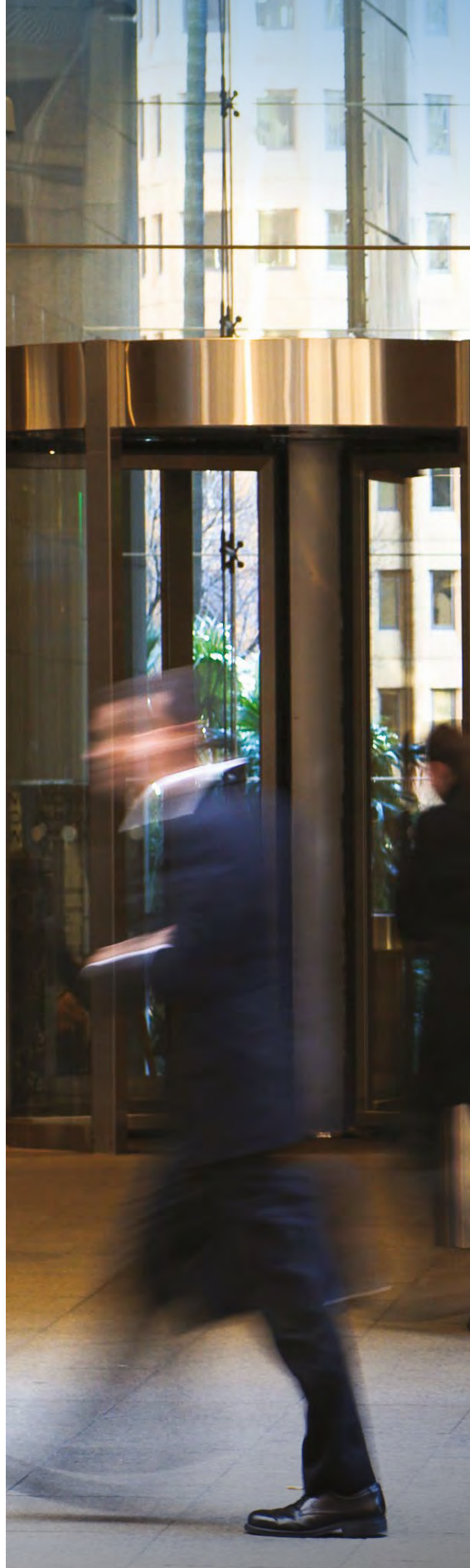
7 July 2023 to 6 July 2026

Chair, Risk Committee

Greg was appointed to the Board as a part time Member for a three-year term, from 7 July 2023. He was appointed Chair of the Risk Committee on 30 July 2024.

Greg is a financial adviser based in Cairns and has extensive board experience across public, private, and not-for-profit organisations. He is a Director of Queensland Country Bank, Director and Finance & Performance Committee Chair of the Cairns and Hinterland Hospital and Health Board, Chair of the Catholic Development Fund for the Diocese of Cairns, and Chair of the Finance and Audit Risk Management Committee for Tourism Tropical North Queensland.

Greg is a qualified Chartered Accountant, holds a Bachelor of Commerce degree, is Financial Adviser Standards and Ethics Authority compliant and is a Graduate and Fellow of the AICD.





Sydney, NSW



Board meetings

The Board convened eight meetings during 2024-25, comprising five meetings for general business, one strategic planning meeting and two special purpose board meetings. There were two out-of-session circular resolutions issued during the reporting period.

The total number of hours spent in meetings during the reporting period was 37 hours and 19 minutes. This does not include meeting preparation or associated travel time. Figure 5.1 lists the number of meetings attended by each Member during the reporting period.

Figure 5.1: Number of meetings attended by each Board Member in 2024-25

Name	Number of meetings entitled to attend	Number of meetings attended	Further information
Julie-Anne Schafer	8	8	Chair term commenced 1 July 2023
Evelyn Horton	8	8	Board Member term commenced 23 April 2023
Eilis Hurley	8	6	Board Member term commenced 23 April 2023
Fran Raymond	8	8	Board Member term commenced 23 April 2023
Oscar Shub	8	7	Board Member term commenced 23 April 2023
Greg Nucifora	8	8	Board term commenced 7 July 2023
Rod Whithear	8	7	Board term commenced 7 July 2023

Board remuneration

The Australian Government’s Remuneration Tribunal, as outlined in the Remuneration and Allowances for Holders of Part-time Public Office Determination 2024 (the Remuneration Determination) and the Remuneration Tribunal (Official Travel) Determination 2024 determines Board Member payments.

Board Members received an annual base fee and individual meeting fees that covered all of the activities related to performing their duties, which included part-day meetings of less than five hours, travel, committee work, teleconferences, and representational activities. The Board has been assigned Travel Tier 1.

For the Chair and Members to receive the meeting fee, meetings must be for a minimum of five hours, including both the meeting and a Member’s travel time.

Figure 5.2: Board Member remuneration for 2024-2025

Remuneration basis under Table 6A of the Remuneration Determination	
Chair annual fee	\$30,700
Chair meeting fee	\$1,291
Member annual fee	\$15,306
Member meeting fee	\$1,163

Audit and Compliance Committee

In accordance with section 45 of the PGPA Act, the Board established an Audit and Compliance Committee (ACC). The ACC supports the Board in overseeing ARPC’s administration and governance. Section 17 of the PGPA Rule requires that the ACC have at least three appropriately qualified and skilled Members. During the reporting period, the ACC complied with this requirement.

The functions of the ACC are set out in its Charter and include reviewing the appropriateness of ARPC’s:

- financial reporting
- performance reporting
- system of risk oversight and management
- system of internal controls.

The ACC also monitors our compliance with statutory obligations, oversees the work of internal and external auditors and is responsible for our governance framework. It provides a general forum for communication between Members, ARPC’s senior executive team and internal and external auditors.

During the reporting period, the ACC reviewed all reports received from our internal auditor function, Ernst & Young (EY) and external auditors, the Australian National Audit Office (ANAO). The ANAO monitored the implementation of internal audit recommendations and reviewed the financial statements to assist the Board with its statutory declarations pursuant to subsections 41(2) and 42(2) of the PGPA Act, which cover our accounts, records, and annual financial statements.

Figure 5.3 outlines the meetings attended by each ACC Member. The total number of hours spent in meetings during the reporting period was nine hours and 32 minutes. This does not include meeting preparation or associated travel time.

Figure 5.3: Meetings attended by each ACC Member during 2024-2025

Name	Number of meetings entitled to attend	Number of meetings attended	Further information
Fran Raymond	5	5	Chair of ACC from 30 July 2024
Evelyn Horton	5	5	ACC Member from 30 July 2024
Oscar Shub	5	3	ACC Member from 30 July 2024
Rod Whithear	5	4	ACC Member from 30 July 2024
Julie-Anne Schafer	5	5	Board Chair, ex officio ACC Member from 30 July 2024



ACC remuneration

ACC Members do not receive additional remuneration or allowances for committee work.

Risk Committee

The Risk Committee supports the Board in overseeing the governance of risk. Section 5.1 of the Risk Committee Charter requires that the committee to have at least three appropriately qualified and skilled Members. During the reporting period, the Risk Committee complied with this requirement.

The functions of the Risk Committee are set out in its Charter and include reviewing and monitoring the appropriateness of our:

- risk management framework
- risk appetite and management of risk appetite
- risk profile, risk maturity and management actions
- risk culture and actions
- work, health and safety, business continuity, fraud and corruption arrangements and information security arrangements.

During the reporting period, the Risk Committee conducted a review of our risk management framework together with our mandatory policies and statements.

Figure 5.4 outlines the meetings attended by each Risk Committee Member. The total number of hours spent in meetings during the reporting period was eight hours and 59 minutes. This does not include meeting preparation or associated travel time.

Risk Committee remuneration

Risk Committee Members do not receive additional remuneration or allowances for committee work.

Figure 5.4: Meetings attended by each Risk Committee Member during 2024-25

Name	Number of meetings entitled to attend	Number of meetings attended	Further information
Greg Nucifora	5	5	Chair of Risk Committee from 30 July 2024
Eilis Hurley	5	3	Risk Committee Member from 30 July 2024
Rod Whithear	5	4	Risk Committee Member from 30 July 2024
Julie-Anne Schafer	5	5	Board Chair, ex-officio Risk Committee Member from 30 July 2024

Board observers

The TCI Act allows the responsible Minister to appoint two observers to the Board. During the period, Mr Guy Thorburn, Australian Government Actuary, was reappointed as an observer to the Board for a two-year term from 26 July 2024. Mr Thorburn attended all eight meetings of the Board.

Figure 5.5: Meetings attended by the Board observer

Name	Number of meetings entitled to attend	Number of meetings attended	Further information
Guy Thorburn	8	8	Appointed observer from 26 July 2024

Reviewing Actuary

The TCI Act requires the Board to nominate a reviewing actuary. The Board appointed the Australian Government Actuary as ARPC’s initial Reviewing Actuary in accordance with the TCI Act, from 1 April 2022. On 1 April 2025, the Board re-appointed the Australian Government Actuary as the cyclone pool reviewing actuary for a further three-year term. The Australian Government Actuary provides services on commercial terms under the Government’s procurement panel for actuarial advice.



Organisational and governance structures

Figure 5.6 sets out ARPC’s organisational framework during the reporting period.

Figure 5.6: Organisational chart 2024-25



ARPC’s corporate governance is structured within our statutory framework and underpinned by the Board’s Charter, the ACC and the Risk Committee Charters and a wide range of policies and procedures. These include:

- Financial management
- Privacy
- Conflict of interest
- Public interest disclosure
- Risk management
- Fraud and corruption control
- Security management
- Business continuity

In 2024-25, ARPC maintained and paid premiums for insurance that covered Members and senior executives against legal costs and other expenses that could be incurred while performing their duties. In compliance with section 23 of the PGPA Rule, we do not insure any of our officials against liabilities related to any breach of duty under the PGPA Act. The amount paid for Directors’ and Officers’ Indemnity Insurance during 2024-25 was \$83,200 (2023-24: \$82,392).

Risk management

ARPC maintains a robust and integrated approach to risk management, aligned with section 16 of the PGPA Act, which requires the ‘duty to establish and maintain systems relating to risk and control’. Our risk management framework supports the achievement of strategic objectives and ensures the effective oversight of financial, reinsurance, operational, and strategic risks.

Governance and oversight

The Board, as the Accountable Authority, is responsible for setting ARPC’s risk appetite and overseeing the risk management framework. The Risk Committee and ACC support the Board in monitoring risk oversight, internal controls, and compliance.

ARPC applies a three-lines model:

- **Line 1:** Business units own and manage day-to-day risks.
- **Line 2:** The Risk and Compliance function, led by the Chief Risk Officer (CRO), provides independent oversight and guidance.
- **Line 3:** Internal audit, outsourced to EY, provides assurance on the effectiveness of governance, risk management and controls.

The CRO reports directly to the CEO and has unfettered access to the Board and Risk Committee Chairs.

Risk framework and appetite

ARPC’s Risk Management Strategy (RMS) outlines our approach to identifying, assessing, and managing risks across four categories:

- Strategic
- Financial
- Reinsurance
- Operational

Risk appetite statements guide decision-making and are supported by Key Risk Indicators, which are regularly monitored and reported to the Board.

Risk culture

ARPC fosters a risk focused culture where all employees are accountable for managing risk. Our Risk Culture Statement, endorsed by the Board, promotes open communication, continuous improvement, and informed decision-making.

Internal audit and compliance

Internal audit activities are guided by a rolling five-year plan aligned with our risk profile. Compliance is supported through:

- mandatory training
- six-monthly legislated attestations
- targeted reviews and reporting to the Audit and Compliance Committee

Continuous improvement

In 2024-25, we reviewed and updated our risk management policies and frameworks. The Risk Committee oversaw enhancements to business continuity, fraud control, and information security arrangements.

Public Interest Disclosures (PID)

The PID Act promotes integrity and accountability in the Commonwealth public sector by encouraging the disclosure of information about suspected wrongdoing. In accordance with the PID Act, our Public Interest Disclosure Policy and Procedure are available on our website. During the reporting period, we did not receive any PIDs.

Judicial and administrative decisions

In 2024-25, there were no known judicial decisions or decisions of administrative tribunals that could significantly affect our business operations.

Consultation arrangements

ARPC employees regularly meet with insurers, industry bodies and other interested parties outside of the Australian Government to discuss relevant matters. See Chapters 1 and Chapter 4 of this Annual Report for a summary of stakeholder engagement.



Consultancies

During 2024-25 consultants were engaged (in line with processes outlined in ARPC's Board-approved Procurement Policy) to assist in the following areas:

- strategic planning
- specialist technical projects – for example, catastrophe modelling, actuarial services, insurance systems
- research projects
- retrocession placement
- independent review and advice on legal and accounting issues
- employee development and training
- organisational structure design, change management, and recruitment.

Sustainability report – greenhouse gas emissions

APS Net Zero 2030 is the Government's policy for the Australian Public Service (APS) to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions. As part of the [Net Zero in Government Operations Strategy](#), corporate Commonwealth entities like ARPC are required to report on their operational greenhouse gas emissions.

Figure 5.7 details ARPC's greenhouse gas emissions in 2024-25. The Greenhouse Gas Emissions Inventory and Electricity Greenhouse Gas Emission figures present greenhouse gas emissions over the 2024-25 financial year. The greenhouse gas emission reported are calculated on the basis of Carbon Dioxide Equivalent (CO₂-e) and in line with the [Emissions Reporting Framework](#). This is consistent with a Whole-of-Australian Government approach, outlined in the Net Zero in Government Operations Strategy, and [Commonwealth Climate Disclosure](#) requirements.

Not all data sources were available at the time of the report and amendments to data may be required in future reports.

- ARPC's domestic commercial flights/domestic travel are managed through the Department of Treasury (Treasury) under a shared services agreement. Flights, hire car and accommodation data was unable to be separated from Treasury's data and has been included in Treasury's annual report. ARPC will work with Treasury to report flight, hire car and accommodation emissions separately in future years. Due to the billing cycles not aligning with the end of the financial year, some electricity data was not available during the initial collection process in July-August 2025. Adjustments to the data may be required in future reports.

Figure 5.7: 2024-25 Greenhouse gas emissions inventory – location-based method

Emission Source	Scope 1 t CO2-e	Scope 2 t CO2-e	Scope 3 t CO2-e	Total t CO2-e
Electricity (Location Based Approach)	N/A	38.808	2.352	41.160
Natural Gas	0.000	N/A	0.000	0.000
Solid Waste	0.000	N/A	1.556	1.556
Refrigerants*	0.000	N/A	N/A	0.000
Fleet and Other Vehicles	0.000	N/A	0.000	0.000
Domestic Commercial Flights	N/A	N/A	0.000	0.000
Domestic Hire Car	N/A	N/A	0.000	0.000
Domestic Travel Accommodation	N/A	N/A	0.000	0.000
Other Energy	0.000	N/A	0.000	0.000
Total t CO2-e	0.000	38.808	3.908	42.716

Note: the table above presents emissions related to electricity usage using the location-based accounting method. CO2-e = Carbon Dioxide Equivalent.
* Reporting on refrigerants is being phased in over time as emissions reporting matures and may be an optional source in 2024-25 emissions reporting.
See the [Emissions Reporting Framework](#) for more details.



Tropical cyclone damage



Figure 5.8: 2024-25 Electricity greenhouse gas emissions

Emission Source	Scope 2 t CO2-e	Scope 3 t CO2-e	Total t CO2-e	Electricity kWh
Location-based electricity emissions	38.808	2.352	41.160	58,800.49
Market-based electricity emissions	38.962	5.291	44.253	48,101.74
Total renewable electricity consumed	N/A	N/A	N/A	10,698.75
<i>Renewable Power Percentage¹</i>	N/A	N/A	N/A	10,698.75
<i>Jurisdictional Renewable Power Percentage^{2,3}</i>	N/A	N/A	N/A	0.000
<i>Green Power²</i>	N/A	N/A	N/A	0.000
<i>Large-scale generation certificates²</i>	N/A	N/A	N/A	0.000
<i>Behind the meter solar⁴</i>	N/A	N/A	N/A	0.000
Total renewable electricity produced	N/A	N/A	N/A	0.000
<i>Large-scale generation certificates²</i>	N/A	N/A	N/A	0.000
<i>Behind the meter solar⁴</i>	N/A	N/A	N/A	0.000

Note: The Figure above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO2-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).

1 Listed as Mandatory renewables in 2023-24 Annual Reports. The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

2 Listed as Voluntary renewables in 2023-24 Annual Reports.

3 The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

4 Reporting behind the meter solar consumption and/or production is optional. The quality of data is expected to improve over time as emissions reporting matures.



Lightning over Perth, WA



Queen Victoria Building, Sydney, NSW



6 ARPC's People

ARPC's people

ARPC continued to focus on building capability in 2024-25 and is committed to a workplace where highly skilled employees can fulfill their potential. Our recruitment processes and development strategies aimed to attract, advance, and retain individuals dedicated to our purpose and who can positively contribute to our work.

As a small organisation, we aim to undertake our functions with an efficient and cost-effective structure. As at 30 June 2025, we had 76 employees compared to 73 at 30 June 2024.

We continued to employ co-sourced and outsourced service providers to leverage supplementary technical expertise needed to deliver our functional obligations.



Brisbane, QLD

Senior executive team

Appointed under the [TCL Act](#), the Chief Executive Officer (CEO) leads ARPC's senior executive team.



Dr Christopher Wallace | CEO

BEC (Hons), PhD (Econ), Advanced Management Program (INSEAD), ANZIIF Fellow, CIP, GAICD

Chris Wallace is an insurance executive with experience in general insurance, workers compensation, health insurance, medical indemnity and reinsurance. He has worked extensively in insurance leadership roles within insurers and as a consultant to the insurance industry.

Chris has leadership experience in most aspects of the insurance sector including small, specialised and large insurers.

Chris is also a non-executive Director and Chair of MIPS Insurance Pty Ltd, a medical indemnity insurer. As head of ARPC, he is a Member of the Organisation for Economic Co-operation and Development High Level Advisory Board for the Financial Management of Large-scale Catastrophes Risks.

Previous professional roles include General Manager Workers Compensation at GIO, Executive Director at EY and General Manager Benefits Management at the Hospitals Contribution Fund of Australia Ltd.

Chris is past President, and current Member, of the IFTRIP, where ARPC is a Member Organisation.

He has a Doctor of Philosophy in Economics, specialising in general insurance pricing and strategy. Chris is a Fellow of the ANZIIF, a Certified Insurance Professional (CIP) and a Graduate of AICD (GAICD).



Scott Unterrheiner | Chief Financial Officer (CFO)

BCom (Accounting/Finance), GradDip CA

Scott Unterrheiner leads ARPC's Finance, Actuarial, Company Secretariat and Legal, and People and Culture Functions. He is the Accountable Executive for Reinsurance Pool pricing, Investment and Financial management, and oversees the publication of the Annual Report, Financial Outlook Report, and Pricing Determination Reports.

He brings over 20 years of financial leadership experience spanning reinsurance, capital markets, and professional services. Prior to joining ARPC, Scott held senior roles at Gen Re, including Chief Financial Officer of Australia and New Zealand, and Chief Risk Officer for Asia Pacific. Through his career Scott has implemented complex funding and business transactions, and projects which enhanced the systems, capabilities, and processes of financial service organisations. He began his career in chartered accountancy and financial control in Australia and the United Kingdom.

Scott holds a Bachelor of Commerce in Accounting from Macquarie University and a Graduate Diploma in Chartered Accountancy. He is a member of Chartered Accountants Australia and New Zealand.



Michael Pennell PSM | Chief Underwriting Officer (CUO)

BE, Advanced Management Program (Wharton), ANZIIF Fellow and CIP, GAICD

Michael Pennell has almost 30 years' industry experience, having held reinsurance management roles with Swiss Re and General Re prior to his role at ARPC. He started his career as a civil engineer.

Michael assists insurers and brokers to understand the terrorism pool and is responsible for negotiating and implementing ARPC's annual retrocession program. He also leads various projects that enable ARPC to develop and enhance our catastrophe modelling capabilities.

Michael is the Chair of the Reinsurance Faculty Advisory Board of ANZIIF and teaches reinsurance at the Institute's annual Reinsurance Study Course Seminar. He holds a Bachelor of Engineering from University of Technology, Sydney; has completed the Advanced Management Program at the University of Pennsylvania (Wharton School); is a Fellow and CIP with ANZIIF; and a GAICD.

Michael was awarded the Public Service Medal (PSM) as part of the 2017 Australia Day Honours List for outstanding public service after developing the terrorism pool.



Victoria Simpson | Chief Operating Officer (COO)

MSc, FIAA, GAICD

Victoria Simpson joined ARPC in January 2023 and has over 20 years' experience in financial services. She joined ARPC from her role as COO at Avant Law – a commercial law firm and subsidiary of Avant Mutual, Australia's largest medical defence organisation which provides indemnity insurance, business insurance and legal services to doctors.

Previously, Victoria was Head of Group Strategy and Portfolio Management Office at Avant Mutual.

Victoria's career also includes 14 years at AMP where she held several prominent roles, most recently as Head of Insurance Proposition. Before that she was Head of Strategic Marketing – Wealth and Insurance and Head of Group Insurance Product and Pricing Actuary.

Victoria began her career as an actuary at Canada Life in County Dublin, Ireland. She holds a Master of Science in Computer Science and Applications from Queen's University in Belfast. She is a Fellow of the Institute of Actuaries in Australia (FIAA) and the United Kingdom and a GAICD.



Jason Flanagan | Chief Claims Officer (CCO)

BCom (Accounting), GAICD, CA

Jason Flanagan joined ARPC on 7 February 2022. His role covers both the terrorism and cyclone pools.

Jason has substantial experience across general insurance claims, transformation and customer functional areas within the insurance and financial services industries. His previous roles include Head of General Insurance Claims and Head of Customer Care and Regulatory Change at Westpac. He had an earlier role with BT Financial Group as Head of both Contact Centres and Customer Relations.

Jason has direct experience with natural disaster insurance claims management in northern Australia, gained through his role as Head of General Insurance Claims at Westpac. Jason was also on the ground during the Townsville floods in 2019, where he saw firsthand how such events impact local communities, and the important role general insurance plays.

Jason holds a Bachelor of Commerce (Accounting) from the University of New South Wales. He is a Chartered Accountant (CA) and a GAICD.



Karin Rathbone | Chief Risk Officer (CRO)

BA, LLB (Witwatersrand), Dip.Banking (Johannesburg), MAICD

Karin joined ARPC on 3 July 2024 from Colonial First State (CFS), where she was Chief Risk Officer. She also held a number of senior risk leadership roles at CFS when it was part of the CBA.

Her early career includes being a Partner with KPMG, and a Director specialising in Governance, Risk, and Conduct at Deloitte.

Her corporate roles include risk leadership at BT Financial Group, Westpac, and CBA. Karin relocated to Australia in 2013 from South Africa. She holds Bachelor's degrees in Arts and Law from the University of Witwatersrand and a Diploma in Advanced Banking from the University of Johannesburg.

Composition of ARPC's workforce

As at 30 June 2025, ARPC had 76 employees. All employees are Sydney based – 70 full time and six part time, of which 51 per cent are female, and the average age of employees is 43 years.

Our recruitment processes and ongoing operational activities strive to create a diverse workplace providing equal opportunity employment. Employees work in a hybrid model, with a balance between in-office and remote work, and have the flexibility to operate within extended hours.

As at 30 June 2025, we had one indigenous employee and are continuing to work towards meeting the Australian Government's indigenous employment target to achieve five per cent representation across all organisational levels, by 2030.

Figure 6.1: ARPC's workforce composition by organisational level (classification) and gender, as at 30 June 2025

	Man/Male			Woman/Female			Non-binary / Preferred not to answer / Used a different term			Combined total
	Full time	Part time	Total	Full time	Part time	Total				
ARPC Level 2	-	-	-	-	-	-	-	-	-	-
ARPC Level 3	-	-	-	-	-	-	-	-	-	-
ARPC Level 4	-	-	-	-	-	-	-	-	-	-
ARPC Level 5	3	-	3	2	-	2	-	-	-	5
ARPC Level 6	7	-	7	8	1	9	-	-	-	16
EL1 ⁹	11	1	12	17	2	19	-	-	-	31
EL2 ¹⁰	11	-	11	6	1	7	-	-	-	18
SES ¹¹	4	-	4	2	-	2	-	-	-	6
Total	36	1	37	35	4	39	-	-	-	76

⁹ Executive Level 1

¹⁰ Executive Level 2

¹¹ Senior Executive Service equivalent

Performance framework

At the start of each financial year, employees establish their performance objectives in alignment with organisational strategic objectives. The performance framework places equal weighting on outcomes and behaviours:

- achieving outcomes against role-based objectives
- actions appropriate to ARPC's Capability Framework (based on the Australian Public Service Integrated Leadership System) and our values.

Annual employee engagement survey

We used ORIMA Research to measure employee engagement. Staff satisfaction was 75 and commitment and loyalty 75. Overall employee engagement was 75 – approximately 4 points higher than the APS average.

We also undertake employee pulse surveys during the year.

Key management personnel remuneration

Figure 6.2 shows the remuneration for key management (Board Members and senior executives) for the reporting period. Members of the senior executive service (SES) received company super contributions, in line with the minimum Superannuation Guarantee Contribution (SGC).

Figure 6.2: Remuneration for key management personnel

Name	Position title	Base salary	Other benefits and allowances	Superannuation contributions	Long service leave	Termination benefits	Total remuneration
Schafer, Julie-Anne	Chair	\$30,719	\$6,455	\$3,537	-	-	\$40,711
Nucifora, Greg	Member	\$15,369	\$5,815	\$1,769	-	-	\$22,953
Whithear, Rod	Member	\$15,369	\$4,652	\$1,769	-	-	\$21,790
Horton, Evelyn	Member	\$15,369	\$5,815	\$1,769	-	-	\$22,953
Hurley, Eilis	Member	\$15,369	\$4,652	\$1,769	-	-	\$21,790
Raymond, Fran	Member	\$15,369	\$5,815	\$1,769	-	-	\$22,953
Shub, Oscar	Member	\$15,369	\$5,815	\$1,769	-	-	\$22,953
Wallace, Christopher	CEO	\$466,976	\$-53	\$59,620	\$11,169	-	\$537,712
Flanagan, Jason	CCO	\$354,897	\$212	\$40,660	\$16,664	-	\$412,433
Rathbone, Karin	CRO	\$378,600	\$53	\$54,561	\$5,002	-	\$438,216
Pennell, Michael	CUO	\$373,665	\$106	\$44,946	\$8,408	-	\$427,125
Simpson, Victoria	COO	\$374,021	-	\$43,186	\$4,110	-	\$421,317
Unterrheiner, Scott	CFO	\$386,356	-	\$43,553	\$3,129	-	\$433,038
Hick, Cameron*	Acting CUO	\$133,143	\$527	\$19,154	\$1,717	-	\$154,541
Total		\$2,590,591	\$39,864	\$319,831	\$50,199	-	\$3,000,485

* Cameron Hick was Acting Chief Underwriting Officer from 1 July to 29 November 2024, and the amount represented in this table is the remuneration received and accrued for that period.

Non-executive employees

ARPC's Enterprise Agreement 2024-27 came into effect on 2 April 2024. It sets out the terms and conditions for non-executive employees. Non-executive employees receive a 15.4 per cent super contribution on top of their base salary.

Figure 6.3: Remuneration for other highly paid non-executive employees

Total remuneration bands	Number of other highly paid staff	Average base salary	Average bonuses	Average of benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$270,001-\$295,000	5	\$241,377	-	\$600	\$36,254	\$6,485	-	-	\$284,716
\$295,001-\$320,000	2	\$249,726	-	\$9,364	\$36,750	\$4,021	-	-	\$299,861
\$320,001-\$345,000	2	\$294,924	-	\$600	\$43,631	\$4,264	-	-	\$343,419

A learning and development organisation

We are committed to providing all employees with technical and professional development to expand their capability and knowledge. This is offered via a blend of on-the-job learning, exposure and experience, and formal learning. During 2024-25, employees attended programs including:

- Advanced Management Program (Melbourne Business School)
- NEW Leader (Australian Institute of Management)
- Maximus Leadership training (EL2)
- Effective Communication- NIDA- short course
- ANZIIF: Reinsurance International Study Course
- Cyber Security for Managers Program (University of Melbourne)
- Developing AI Strategy (RMIT University)
- Physical and Mental Health First Aid
- Mastering Data Governance with Microsoft Purview: Key Insights for Success.
- Essential Eight Assessment Course
- Overview of the Microsoft Power Platform
- Lean Six Sigma
- Lean Six Sigma- Yellow belt qualification
- Shaping Strategy to Create Value
- 'RAP Learning Circle' (Reconciliation Australia)
- ANZIIF Understand Reinsurance
- ANZIIF Windsor Study Course- Reinsurance International Study Course
- Insurance Accounting Course
- Hermann Brain Dominance Instrument accreditation
- Media Training
- Fraud and Corruption Program
- Commonwealth Fraud Prevention
- Climate Essentials

Study assistance

Ongoing employees enrolled in education that supports our core business can access the study assistance program, which includes financial assistance and paid study days.

In 2024-25 assistance was provided for the following educational programs:

- Bachelor of Business
- Bachelor of Business/Bachelor of Laws
- Bachelor of Cyber Security/ Bachelor of Laws
- Bachelor of Social Research and Policy
- Certified Specialist in Catastrophe Risk
- Data Science Applications Micro-credential
- Diploma in Law
- Graduate Diploma of Applied Corporate Governance and Risk Management
- Master of Business Administration
- Master, Social and Organisational Leadership.

Safety and wellbeing

Work, health, and safety (WHS) incidents and identified hazards are provided to the SES on a regular basis. The Board also receives regular reports. There were no WHS incidents during 2024-25 which were reportable to our WHS regulator.

We appoint and formally train first aid representatives and emergency wardens. To provide a safe working environment we also do the following:

- use strong, protective physical security, including air locks, alarms, and access controls
- provide ergonomic assessments and training
- take appropriate precautions for preventing slips, trips and falls
- inspect and tag electronic devices

- inspect and test fire mitigation systems and equipment
- promote hazard awareness training and a safety conscious culture
- offer an annual office inspection by employee representatives
- provide annual harassment, bullying and discrimination training
- train emergency warden and participate in building evacuation exercises.

Wellbeing Committee

An employee-led Wellbeing Committee coordinates quarterly activities to support various domains of wellbeing. With our expanded remit, in 2024-25, the Wellbeing Committee focused on supporting employees to build internal relationships and foster a sense of belonging.

Reconciliation Action Plan (RAP)

ARPC's Reflect RAP was endorsed by Reconciliation Australia in February 2025. The focus of the Reflect RAP is to scope, develop and identify relationships with Aboriginal and Torres Strait Islander stakeholders, outline our vision for reconciliation, and explore our sphere of influence. Our RAP working group consists of First Nations and non-First Nations employees and is sponsored by a senior executive. The working group developed Acknowledgement of Country protocols for ARPC and helped coordinate Reconciliation Week and National Aboriginal and Islanders Day Observance Committee Week events.

Lifestyle payment

Through ARPC's Enterprise Agreement, non-executive employees can access an annual payment towards employee lifestyle expenses.



Damage from Cyclone Seroja, Kalbarri, WA



7 Financial Statements



Brisbane, QLD

Contents

Certification

Primary financial statement

- Statement of Comprehensive Income
 - Statement of Financial Position
 - Statement of Changes in Equity
 - Cash Flow Statement
-

Overview

Notes to the financial statements:

1. Financial performance

- 1.1 Revenue
- 1.2 Expenses

2. Financial position

- 2.1 Financial Assets
- 2.2 Non-Financial Assets
- 2.3 Insurance Liabilities
- 2.4 Payables
- 2.5 Other Provisions
- 2.6 Interest Bearing Liabilities

3. People and relationships

- 3.1 Employee Provisions
- 3.2 Key Management Personnel Remuneration
- 3.3 Related Party Disclosures

4. Managing uncertainties

- 4.1 Risk Management
- 4.2 Contingent Assets and Liabilities

5. Other information

- 5.1 Current/non-current Distinction for Assets and Liabilities



INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer and Minister for Financial Services

Opinion

In my opinion, the financial statements of the Australian Reinsurance Pool Corporation (the Entity) for the year ended 30 June 2025:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2025 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2025 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Mark Vial
Executive Director
Delegate of the Auditor-General

Canberra
28 August 2025



Damage from Tropical Cyclone Alfred, Gold Coast, QLD

Statement by the Accountable Authority, Chief Executive and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2025 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Reinsurance Pool Corporation will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Members.

Signed for and on behalf of and in accordance with a resolution of the Members.



Ms Julie-Anne Schafer
Chair

28 August 2025



Dr Christopher Wallace
Chief Executive Officer

28 August 2025



Mr Scott Unterrheiner
Chief Financial Officer

28 August 2025

Statement of Comprehensive Income

for the period ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Premium revenue	1.1A	1,042,615	973,747
Outwards retrocession premium expense	1.1A	(59,580)	(65,733)
Commonwealth guarantee fee	1.1A	(55,000)	(55,000)
Net premium revenue		928,035	853,014
Claims expense	1.2A	(1,870,822)	(154,941)
Retrocession and other recoveries revenue	1.2A	-	-
Net claims expense		(1,870,822)	(154,941)
Management expenses	1.2B	(30,309)	(28,500)
Movement in deferred acquisition costs	2.1D (iii)	(1,364)	(20)
Movement in unexpired risk liability	2.3C	(1,650)	-
Underwriting result		(976,110)	669,553
Investment income	1.1B	120,285	75,743
Gains from sale of assets		23	-
Finance charges	1.2F	(390)	(242)
Operating result before capital fee		(856,192)	754,054
Capital holding fee		(35,000)	(35,000)
Operating result		(891,192)	710,054

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	2.1A	1,044,307	21,202
Trade and other receivables	2.1B	281,347	268,434
Investments	2.1C	1,770,000	1,930,551
Deferred insurance assets	2.1D	28,513	35,858
Total financial assets		3,124,167	2,256,045
Non-Financial assets			
Leased premises	2.2A	8,505	9,733
Plant and equipment	2.2A	628	649
Intangibles	2.2A	-	44
Other non-financial assets	2.2B	1,377	1,316
Total non-financial assets		10,510	11,742
Total assets		3,134,677	2,267,787
LIABILITIES			
Insurance liabilities			
Unearned premium liability	2.3A	441,621	419,979
Gross outstanding claims	2.3B	1,878,726	138,576
Unexpired risk liability	2.3C	1,650	-
Total insurance liabilities		2,321,997	558,555
Payables			
Suppliers	2.4A	29,083	34,497
Other payables	2.4B	870	513
Total payables		29,953	35,010
Interest bearing liabilities			
Leases	2.6A	8,044	8,650
Total Interest bearing liabilities		8,044	8,650
Provisions			
Employee provisions	3.1A	2,132	1,836
Other provisions	2.5A	455	448
Total provisions		2,587	2,284
Total liabilities		2,362,581	604,499
Net assets		772,096	1,663,288
EQUITY			
Accumulated reserves		-	-
Asset revaluation reserve		60	60
Claims handling reserve		-	91,012
Reserve for claims		772,036	1,572,216
Total equity		772,096	1,663,288

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the period ended 30 June 2025

	Accumulated reserves		Asset revaluation reserve		Claims handling reserve		Reserve for claims		Total equity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Opening balance as at 1 July	-	-	60	60	91,012	67,200	1,572,216	885,974	1,663,288	953,234
Comprehensive income										
(Deficit)/surplus for the period	(891,192)	710,054	-	-	-	-	-	-	(891,192)	710,054
Total income and expenses	(891,192)	710,054	-	-	-	-	-	-	(891,192)	710,054
Asset revaluation reserve	-	-	-	-	-	-	-	-	-	-
Transfers between equity components										
Transfer to reserves	891,192	(710,054)	-	-	(91,012)	23,812	(800,180)	686,242	-	-
Transactions with owners										
Distributions to owners	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June	-	-	60	60	-	91,012	772,036	1,572,216	772,096	1,663,288

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Transactions with Government as owners

Pursuant to section 38(3)(a) of the *Terrorism and Cyclone Insurance Act 2003* (TCI Act), the Minister may give written direction to require ARPC to make payments to the Commonwealth designed to ensure that sections 35 and 36 do not result in a competitive advantage for ARPC. Pursuant to section 38(3)(b) of the TCI Act, the Minister may give written direction to require ARPC to make payments to the Commonwealth in the nature of dividends. A direction was given by the Minister on the 3 June 2025, to pay to the Commonwealth a sum of \$90 million in the nature of a combined fee (\$55 million Commonwealth guarantee fee and \$35 million capital holding fee) (s.38(3)(a)). ARPC made these payments to the Commonwealth during 2025 totalling \$90 million (2024: \$90 million).

Reserves

The intention of the Government in establishing ARPC was that premiums would be used to accumulate reserves for future claims.

Cash Flow Statement

for the period ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
OPERATING ACTIVITIES			
Cash received			
Premiums		1,160,179	1,143,963
Interest		110,388	72,742
Total cash received		1,270,567	1,216,705
Cash used			
Retrocession payments		60,964	67,326
Claim payments		130,672	16,464
Employees		16,134	13,335
Suppliers		12,206	14,010
Government		90,558	91,192
Interest payments on lease liabilities		370	229
Net GST paid		96,202	95,582
Total cash used		407,106	298,138
Net cash from/(used by) operating activities		863,461	918,567
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		25	-
Proceeds from maturities of term deposits		3,195,551	2,105,100
Total cash received		3,195,576	2,105,100
Cash used			
Purchase of property, plant and equipment		161	1,761
Placement of term deposits		3,035,000	3,005,551
Total cash used		3,035,161	3,007,312
Net cash from/(used by) investing activities		160,415	(902,212)
FINANCING ACTIVITIES			
Cash used			
Principal payments of lease liabilities	2.1A	771	751
Total cash used		771	751
Net cash from/(used by) financing activities		(771)	(751)
Net increase/(decrease) in cash held		1,023,105	15,604
Cash and cash equivalents at the beginning of the reporting period		21,202	5,598
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		-	-
Cash and cash equivalents at the end of the reporting period	2.1A	1,044,307	21,202

The above statement should be read in conjunction with the accompanying notes.



Melbourne, VIC

Overview

Objectives of Australian Reinsurance Pool Corporation

Australian Reinsurance Pool Corporation (ARPC) is a Commonwealth corporate entity established under the *Terrorism and Cyclone Insurance Act 2003* (TCI Act). It is wholly owned by the Commonwealth of Australia (Commonwealth). ARPC's vision is to be an effective provider of terrorism and cyclone risk reinsurance that facilitates private participation, supports national resilience and reduces losses arising from catastrophic events caused by terrorism and cyclones.

ARPC provides reinsurance for commercial property and associated business interruption losses arising from a Declared Terrorism Incident (DTI). The TCI Act renders terrorism exclusion clauses in eligible insurance contracts ineffective to the extent that the loss or liability is an eligible terrorism loss arising from a DTI.

ARPC also operate a reinsurance pool for cyclones and cyclone related flood damage under the TCI Act. The cyclone pool is designed to reduce insurance premiums for homes (including strata) and small businesses with high risk of damage arising from a Declared Cyclone Event (DCE), which is a significant cost component of premiums for these policies.

The ARPC Board is the accountable authority for the purposes of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). ARPC has the power to do all things necessary in connection with the performance of its functions. The continued existence of ARPC in its present form and with present scope is dependent upon Government policy.

The basis of preparation

The financial statements are general purpose financial statements and are required by section 42 of the PGPA Act 2013.

The financial statements have been prepared in accordance with:

- a. *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b. the Australian Accounting Standards and Interpretations – including Simplified disclosures for Tier 2 entities under AASB1060, issued by the Australian Accounting Standards Board that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value, and claims reserves measured per requirements of AASB 1023 *General insurance Contracts*. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise stated.

The financial statements have been prepared on the basis that ARPC is a going concern.



New accounting standards

Consistent with Government policy, no accounting standard has been adopted earlier than the application date as stated in the standard. All new, revised, amending and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have an impact on the entity's financial statements.

Standards not yet effective

AASB 17 – Insurance contracts

AASB 17 Insurance Contracts will replace AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts*, which currently permits a wide variety of insurance accounting practices.

In July 2020, AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts* deferred the AASB 17 effective date to 1 January 2023. In December 2022, AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*, further deferred the mandatory application date of AASB 17 for public sector entities to annual periods beginning on or after 1 July 2026.

AASB 17 impacts on the measurement and disclosure requirements for all insurers. The impact of transitioning to AASB 17 is still being finalised at the date of this report.

ARPC will be eligible to apply the premium allocation approach (PAA) which is similar to the measurement model for general insurance entities under AASB 1023.

ARPC will continue to apply AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts* to annual periods beginning before 1 July 2026.

AASB 18 – Presentation and Disclosure in Financial Statements

AASB 18 will replace AASB 101 Presentation of Financial Statements. As a result, the requirements in AASB 101 will be:

- a. replaced by new requirements in AASB 18;
- b. transferred to AASB 18 with only limited wording changes; or
- c. moved to AASB 108 Basis of Preparation of Financial Statements or AASB 7 *Financial Instruments: Disclosures* with only limited wording changes.

AASB 18 has also introduced changes to AASB 107 *Statement of Cash Flows*, AASB 133 *Earnings per Share* and AASB 134 *Interim Financial Reporting*.

AASB 18 applies to annual reporting periods beginning on or after 1 January 2027. However, AASB 18 applies to non-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028. Disclosure requirement under Tier 2 will be determined through a separate due process with amendments being made subsequently to AASB 1060 as required.

Taxation

ARPC is exempt from income tax by virtue of section 36 of the TCI Act. ARPC is subject to Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses, and assets are recognised net of the amount of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), or
- for receivables and payables.

Insurance

ARPC has insured its operating risks with a number of leading insurers, with coverage including Directors and Officers Liability, Public and Products Liability, Group Journey Injury Insurance, Corporate Travel Insurance, Cyber Liability Insurance and Business Package Insurance. Workers Compensation is insured through Comcare Australia.

Assets backing general insurance liabilities

With the exception of property, plant and equipment and intangibles, ARPC has determined that all assets are held to back general insurance liabilities.

Events after the reporting period

ARPC is not aware of any significant events that have occurred since reporting date which warrant disclosure in these financial statements.

1 Financial performance

This section analyses the financial performance of ARPC for the financial year ended 30 June 2025.

1.1 Revenue

1.1A: Net premium revenue	2025 \$'000	2024 \$'000
Gross written premium	1,064,257	1,123,226
Movement in unearned premium reserve	(21,642)	(149,479)
Total premium revenue	1,042,615	973,747
Outwards retrocession premium expense	(59,580)	(65,733)
Commonwealth guarantee fee	(55,000)	(55,000)
Net premium revenue	928,035	853,014

Accounting policy

1. Terrorism pool

Premium revenue

Premium revenue comprises amounts charged to insurers, excluding taxes collected on behalf of third parties. The earned portion of premiums received and receivable, including accrued premium, is recognised as revenue in the Statement of Comprehensive Income. Premiums are recognised as earned based on time from the date of attachment of risk. The proportion of premium received, or receivable but not earned at the reporting date is recognised in the Statement of Financial Position as unearned premium.

The unearned premiums are released to the Statement of Comprehensive Income using the one eighth method, a fractional method of calculation of the balance. This method is driven by the assumption that the risk attached to the revenue ceded expires evenly over each quarter of the financial year.

Premiums are received quarterly in arrears from insurers. Premiums not yet received at the reporting date are recognised as premium receivable in the Statement of Financial Position. Premium receivable is brought to account by estimating the premium due but not yet received based on historical experience with due allowance made for any changes in the pattern of new business and renewals.

Retrocession premium expense

Amounts paid to retrocessionaires are recorded as an outwards retrocession premium expense and are recognised in the Statement of Comprehensive Income from the attachment date over the contract indemnity period. This is in accordance with the expected pattern of the incidence of risk ceded.

Commonwealth guarantee fee

Pursuant to section 38(3)(a) of the TCI Act, the Minister may give written direction to require ARPC to make payments to the Commonwealth designed to ensure that sections 35 and 36 do not result in a competitive advantage for ARPC. A direction was given by the Minister on the 3rd of June 2025, to pay to the Commonwealth a sum of \$55 million in the nature of a Commonwealth guarantee fee for the Terrorism Pool. The guarantee is an unlimited solvency guarantee, but the reduction percentage mechanism is designed to limit the guarantee to \$10 billion.

2. Cyclone pool

Premium revenue

Premium revenue is accounted for based on insurer returns received which are submitted a quarter in arrears. For periods where insurer returns are not yet received, ARPC estimates premium using provisional insurer data.

Premiums are released to the Statement of Comprehensive Income based on the pattern of risk transfer assumed from the cedant to the reinsurer (ARPC). For the Cyclone Reinsurance Pool, the seasonal nature of cyclone risk means the earnings are more substantial through the November to May periods. To find the correct earning patterns, commensurate with risk transfer, ARPC reviewed historical frequency and severity of cyclone events and mirrored a monthly earning pattern.

Retrocession premium expense

ARPC does not have retrocession cover for the cyclone pool with claims to be funded via premium receipts. In the event that funds received do not cover the cost of claims, ARPC will use funds received from the terrorism pool and look to cover any further shortfall by calling on the government guarantee.

1.1B: Investment income	2025 \$'000	2024 \$'000
Cash at bank	17,552	11,615
Term deposits	102,733	64,128
Total investment income	120,285	75,743

Accounting policy

Interest revenue is recognised using the effective interest method.

1.2 Expenses

1.2A: Net claims expense	2025 \$'000	2024 \$'000
Gross claims paid	130,672	16,464
Movement in net discounted central estimate	1,427,098	112,620
Movement in claims handling expenses	3,879	418
Movement in risk margin	309,173	25,439
Total claims expense	1,870,822	154,941
Retrocession and other recoveries revenue	-	-
Recoveries revenue from Commonwealth guarantee	-	-
Net claims expense	1,870,822	154,941

Accounting policy

Net claims expense is the difference between the net outstanding claims liability as described in Note 2.3 at the beginning and the end of the financial year plus any claims payments made net of reinsurance and other recoveries received during the financial year.

There were five cyclone events declared for the purpose of the *Terrorism and Cyclone Insurance Act 2003* during the reporting period.

There were no declared terrorist incidents during the reporting period.

1.2B: Management expenses	Notes	2025 \$'000	2024 \$'000
Employee benefits	1.2C	16,787	14,310
Suppliers	1.2D	11,926	12,860
Depreciation and amortisation	1.2E	1,612	1,402
(Reversal of impairment)/impairment loss on financial instruments		(19)	(73)
Losses from asset sales		3	1
Total management expenses		30,309	28,500

1.2C: Employee benefits	2025 \$'000	2024 \$'000
Wages and salaries	12,931	11,094
Superannuation:		
Defined contribution plans	2,505	1,716
Defined benefit plans	-	6
Leave and other entitlements	1,351	1,266
Separation and redundancies	-	228
Total employee benefits	16,787	14,310

Accounting policy

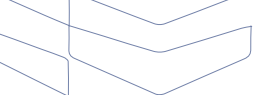
Accounting policies for employee related expenses are contained in the People and Relationships section.

1.2D: Suppliers	2025 \$'000	2024 \$'000
Goods and services supplied or rendered		
Consultants	3,169	5,231
Reinsurance broker services	494	450
External audit service	200	160
Internal audit fee	190	286
Fee for services	1,423	1,345
Information communication technology	4,295	2,856
Shared services	185	92
Legal fees	250	189
Staff development and training	424	413
Travel	382	352
Other	732	1,404
Total goods and services supplied or rendered	11,744	12,778
Goods supplied	182	369
Services rendered	11,562	12,409
Total goods and services supplied or rendered	11,744	12,778
Other suppliers		
Workers compensation insurance	50	55
Low value leases	132	27
Total other suppliers	182	82
Total suppliers	11,926	12,860

ARPC has low value lease commitment of \$184,807 (2024: \$272,238) as at 30 June 2025.

Accounting policy

The Entity has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000 per asset). The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



1.2E: Depreciation and amortisation	2025 \$'000	2024 \$'000
Depreciation		
Leasehold improvements	189	146
Property, plant and equipment	156	153
Total depreciation	345	299
Amortisation		
Intangibles – computer software	44	45
Right-of-use asset – office lease	1,206	1,051
Right-of-use asset – equipment lease	17	7
Total amortisation	1,267	1,103
Total depreciation and amortisation	1,612	1,402

Accounting policy

Accounting policies for depreciation and amortisation are contained in the non-financial assets section.

1.2F: Finance costs	2025 \$'000	2024 \$'000
Bank charges	3	3
Interest on lease liabilities	370	229
Unwinding of discount	17	10
Total finance costs	390	242

2 Financial position

This section analyses ARPC's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1 Financial Assets

2.1A: Cash and cash equivalents	2025 \$'000	2024 \$'000
Cash on hand or on deposit	1,044,307	21,202
Total cash and cash equivalents	1,044,307	21,202

Accounting policy

Cash and cash equivalents include notes and coins held and any deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at the nominal amount.

2.1B: Trade and other receivables	2025 \$'000	2024 \$'000
Premium receivable	254,518	251,205
Interest receivable	26,999	17,102
GST (payable)/receivable from the Australian Taxation Office	(169)	148
Total trade and other receivables (gross)	281,348	268,455
Less expected credit loss allowance	(1)	(21)
Total trade and other receivables (net)	281,347	268,434

Credit terms are net 30 days (2024: 30 days). Trade debtors are non-interest bearing.

Interest receivable

Effective interest rates on cash and term deposits range from 3.80% to 5.31% (2024: 4.05% to 5.52%) and the frequency of payment is monthly for cash accounts and on maturity for term deposits.

Accounting policy

Amounts due from policyholders and intermediaries are initially recognised at fair value, being the amounts due. They are subsequently measured at fair value, which is approximated by taking the initially recognised amount and reducing it for impairment, as appropriate.

For premium receivable, a provision for impairment is established when there is objective evidence that ARPC will not be able to collect all amounts due according to the original terms of the receivables. The remainder of ARPC's receivables are assessed for impairment based on expected credit losses. Any increase or decrease in the provision for impairment is recognised in the Statement of Comprehensive Income.

2.1C: Investments	2025 \$'000	2024 \$'000
Fixed term deposits	1,770,000	1,930,551
Total investments	1,770,000	1,930,551

Term deposits at balance date are held with Authorised Deposit-Taking Institutions regulated by the Australian Prudential Regulation Authority (APRA). These deposits earned an effective rate of interest of 5.55% over the year (2024: 4.33%). Interest is payable on maturity for all term deposits. Terms are between 91 and 365 days (2024: 91 and 366 days).

Accounting policy

Fixed interest deposits are carried at the face value of the amounts deposited, which reflects the fair value. The interest due on maturity is accrued as a receivable.

2.1D: Deferred insurance assets	Notes	2025 \$'000	2024 \$'000
(i) Deferred insurance assets			
Deferred retrocession premium	2.1D(ii)	27,020	33,001
Deferred acquisition costs	2.1D(iii)	1,493	2,857
Total deferred insurance assets		28,513	35,858
(ii) Deferred retrocession premium			
Deferred retrocession premium as at 1 July		33,001	33,091
Retrocession premium deferred		27,020	33,001
Amortisation charged to expense		(33,001)	(33,091)
Deferred retrocession premium as at 30 June		27,020	33,001
(iii) Deferred acquisition costs			
Deferred acquisition costs as at 1 July		2,857	2,877
Capitalised acquisition costs		7,291	5,668
Amortisation charged to expense		(6,229)	(5,688)
Write-down of deferred acquisition costs		(2,426)	-
Deferred acquisition costs as at 30 June		1,493	2,857
Deferred acquisition costs at the beginning of the reporting period		2,857	2,877
Deferred acquisition costs at the end of the reporting period		1,493	2,857
Movement in deferred acquisition costs		(1,364)	(20)

Accounting policy

Deferred acquisition costs

Acquisition costs are incurred in obtaining and recording policies of insurance. They include legal, advertising, risk assessment and other administrative costs.

A portion of acquisition costs relating to unearned premium revenue is deferred in recognition in that it represents future benefits to ARPC, where they can be reliably measured and where it is probable that they will give rise to premium revenue that will be recognised in the Statement of Comprehensive Income in subsequent reporting periods. Deferred acquisition costs are measured at the lower of cost and recoverable amount. These costs are amortised on the same basis as the earning pattern of the corresponding premium revenue.

Deferred retrocession premium

Deferred retrocession premiums are recognised as part of deferred insurance assets. The amortisation of deferred retrocession premiums is in accordance with the pattern of retrocession benefit received. The amount deferred represents the future economic benefit to be received from the retrocession contracts.

2.2 Non-Financial Assets

2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Leased premises \$'000	Plant and equipment \$'000	Intangibles – computer software \$'000	Total \$'000
As at 1 July 2024				
Gross book value	10,554	1,133	2,361	14,048
Accumulated depreciation, amortisation and impairment	(821)	(484)	(2,317)	(3,622)
Total as at 1 July 2024	9,733	649	44	10,426
Additions				
Purchase	14	143	-	157
Right-of-use assets	165	-	-	165
Depreciation and amortisation expense	(189)	(156)	(44)	(389)
Depreciation on right-of-use assets	(1,206)	(17)	-	(1,233)
Other movements	(12)	12	-	-
Other movements of right-to-use assets	-	-	-	-
Disposals				
Asset disposal	(75)	(242)	(534)	(851)
Accumulated depreciation on asset disposal	75	239	534	848
Total as at 30 June 2025	8,505	628	-	9,133

	Leased premises \$'000	Plant and equipment \$'000	Intangibles – computer software \$'000	Total \$'000
Total as at 30 June 2025 represented by				
Gross book value	10,646	1,046	1,827	13,519
Accumulated depreciation, amortisation and impairment	(2,141)	(418)	(1,827)	(4,386)
Total as at 30 June 2025	8,505	628	-	9,133
Carrying amount of the right-of-use assets	7,281	10	-	7,291

No indicators of impairment were found for property, plant and equipment and intangibles (2024: Nil).

At the time of preparing the prior year financial statements, there were no plans to dispose any material assets within the next 12 months.

Accounting policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Assets acquired at no cost or for nominal consideration are initially recognised as assets and income at their fair value at the date of acquisition.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of removing the item and restoring the site on which it is located. This is also relevant to make good provisions in property leases taken up by ARPC where there exists an obligation to restore the property back to its original condition. These costs are included in the value of ARPC's leasehold improvements with a corresponding provision for the make good recognised.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received.

An impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Leased ROU assets continue to be measured at cost after initial recognition.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to ARPC using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2025	2024
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 8 years from purchase date	3 to 8 years from purchase date

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2025. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.



Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

Software development expenditure that meets the criteria as an intangible asset is capitalised in the Statement of Financial Position and amortised over its expected useful life, subject to impairment testing. Costs incurred in researching and evaluating a project up to the point of formal project commitment are treated as research costs and are expensed as incurred.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of ARPC’s software assets are 4 to 5 years (2024: 4 to 5 years).

2.2B: Other non-financial assets	2025 \$'000	2024 \$'000
Prepayments	1,377	1,316
Total other non-financial assets	1,377	1,316

2.3 Insurance Liabilities

2.3A: Unearned premium liability	Notes	2025 \$'000	2024 \$'000
Unearned premium liability	2.3A(i)	441,621	419,979
Total unearned premium liability		441,621	419,979
(i) Unearned premium liability as at 1 July		419,979	270,500
Deferral of premiums on contracts written in the reporting period		441,621	419,979
Earning of premiums written in the previous reporting periods		(419,979)	(270,500)
Unearned premium liability as at 30 June		441,621	419,979

2.3B: Gross outstanding claims		2025 \$'000	2024 \$'000
Gross outstanding claims		1,878,726	138,576
Total gross outstanding claims	2.3B(i)	1,878,726	138,576
Gross discounted central estimate		1,544,082	113,809
Risk margin		334,644	24,767
Gross outstanding claims		1,878,726	138,576
Reinsurance and other recoveries on outstanding claims		-	-
Net outstanding claims		1,878,726	138,576
(i) Reconciliation of movement in net discounted outstanding claims liability			
Outstanding claims liability as at 1 July		138,576	99
Increase in gross central estimate – excluding claims handling expenses		1,583,804	133,021
Movement in claims handling expenses		3,963	418
Movement in risk margin		315,687	25,439
Movement in discounting		(32,632)	(3,937)
Claims paid and other recoveries		(130,672)	(16,464)
Outstanding claims liability as at 30 June		1,878,726	138,576

2.3C: Unexpired risk liability		2025 \$'000	2024 \$'000
Net deficiency		4,076	-
Deferred acquisition costs written off		(2,426)	-
Unexpired risk liability	2.3C(i)	1,650	-
(i) Reconciliation of movement in unexpired risk liability			
Unexpired risk liability at 1 July		-	-
Movement for the year		1,650	-
Unexpired risk liability at 30 June		1,650	-



Accounting policy

Gross discounted central estimate of outstanding claims

The gross discounted central estimate is the present value of the expected future payments for claims incurred prior to the reporting date and includes estimated claims handling costs.

Expected future payments for claims incurred on the cyclone pool are based on loss modelling of declared cyclone events and actuarial development of reported claims. Claims handling costs for the cyclone pool are based on estimates of costs that would be incurred by the ARPC to manage all existing claims, whether reported or not, if the pool were to be placed in runoff as at 30 June 2025.

The gross discounted central estimate of outstanding claims on the terrorism pool is nil based on the absence of declared terrorism events prior to the balance date.

Incurred claims

Expected future payments for claims incurred on the cyclone pool are based on loss modelling of declared cyclone incidents and actuarial development of reported claims. Actuarial development factors are set based on experience to date, and industry benchmarks. These are applied to the claims incurred to date.

Reinsurance and other recoveries on outstanding claims

There is currently neither reinsurance nor any other recoveries on ARPC's outstanding claims for the cyclone pool. Reinsurance recoveries are also nil on the terrorism pool in the absence of any gross claims.

Risk margin

AASB 1023 *General Insurance Contracts* requires an entity to adopt a risk margin on the outstanding claims liability that relates to the inherent uncertainty of the central estimate. While ARPC has discretion on the level of sufficiency, it has elected to include a risk margin on the outstanding claims liability at 75% probability of sufficiency (PoS) for comparability. The risk margin on the outstanding claims liability is calculated based on the distribution of simulated losses (from catastrophe risk models) for each declared cyclone event (DCE).

Discount rate used to determine the outstanding claims liability

AASB 1023 *General Insurance Contracts* requires that the net central estimate is discounted to reflect the time value of money using risk-free rates. These rates have been derived from market yields on Australian Commonwealth Government bonds.

Impact of changes in key assumptions relating to outstanding claims liability excluding risk margins

The ARPC conducts sensitivity analyses to quantify the exposure to the risk of changes in the key underlying actuarial assumptions on outstanding claims reserves. A sensitivity analysis is conducted on the following variables.

Scenario	Sensitivity	Outstanding claims liability including expenses \$'000	Change \$'000	Change (%)
Base scenario		1,544,083	n/a	n/a
Discount rates	1% increase	1,535,564	(8,519)	-0.6%
	1% decrease	1,552,768	8,685	0.6%
Claim credibility weights	50% lower	1,387,977	(156,106)	-10.1%
	50% higher	1,700,189	156,106	10.1%
Changes in paid development pattern		1,539,098	(4,985)	-0.3%

Claims development table

Claims often take more than a year to settle from the date the original loss occurred, particularly for losses arising from larger cyclones. The following table shows the development of the net undiscounted ultimate claims estimate for the current and previous financial year since the cyclone pool commenced and a reconciliation to the net discounted outstanding claims liability. The table informs the user how ARPC's estimates of claims liabilities for the cyclone pool have evolved over time.

	2023 \$'000	2024 \$'000	2025 \$'000	Total \$'000
Net ultimate claim payments				
Development				
At end of year	82	133,046	1,577,776	
One year later	58	139,073	-	
Two years later	58	-	-	
Current estimate of net ultimate claim payments	58	139,073	1,577,776	1,716,907
Less: Cumulative payments made	58	92,987	54,103	147,148
Net discounted outstanding claims liability to date	-	46,086	1,523,673	1,569,759
Discount to present value	-	(692)	(29,283)	(29,975)
Net discounted outstanding claims liability	-	45,394	1,494,390	1,539,784
Claims handling expenses				4,298
Risk margin				334,644
Net outstanding claims liability				1,878,726

Liability adequacy test

AASB 1023 *General Insurance Contracts* requires the application of a liability adequacy test (LAT) of unearned premiums. Where this test indicates that ARPC's unearned premiums are insufficient to cover the premium liability, being the valuation of future cash flows relating to claims under the policies associated with those premiums, the difference is recognised in the Statement of Comprehensive Income as an Unexpired Risk Liability. This test is performed at a portfolio of contracts level using contracts that are subject to broadly similar risks and managed together as a single portfolio, which means that the test is performed separately for the terrorism pool and the cyclone pool. Results of the LAT are shown in the table below.

	Cyclone Pool (\$'000)	Terrorism Pool (\$'000)	Total \$'000
Premium liability (central estimate valuation of future cash flows)	236,874	52,190	289,064
Risk margin on premium liability	8,370	10,438	18,808
Premium liability inclusive of risk margin	245,244	62,628	307,872
Unearned premium	243,594	198,027	441,621
Less: Deferred retrocession costs	-	27,020	27,020
Net unearned premium	243,594	171,007	414,601
Less: Deferred acquisition costs (net of write-down)	-	1,493	1,493
Premium deficiency	1,650	-	1,650
Unexpired risk liability	1,650	-	1,650

For purposes of the LAT, the premium liability (central estimate valuation of future cash flows) is calculated as the unearned premium multiplied by a loss ratio. The loss ratio assumptions for the cyclone pool are based on pricing loss ratios at the class of business level. A loss ratio of 40% is used for the terrorism pool based on industry benchmarks for low frequency and high severity classes of business. The premium liability loss ratios have been set at a level which allows for discounting at risk free rates and include allowances for claims administration expenses and policy administration expenses.

ARPC has elected to use a risk margin set at a 65% level of sufficiency on the premium liabilities, to recognise the inherent uncertainty in the central estimate of premium liabilities. The selected level of sufficiency for the risk margin on premium liability reflects ARPC's appetite for the risk of a deficiency in premium, given the approach to pricing and access to a Commonwealth guarantee. This results in a risk margin of 3.5% for the cyclone pool (calculated based on the distribution of simulated losses from catastrophe loss models) and 20.0% for the terrorism pool (based on industry benchmarks of low frequency and high severity classes of business).

For the cyclone pool, the LAT results indicate that unearned premiums less deferred acquisition costs (DAC), net of write-downs where applicable, are insufficient to cover premium liabilities on unexpired policies at 30 June 2025 and an Unexpired Risk Liability Reserve of \$1.65 million has been recognised.

For the terrorism pool, the unearned premiums less DAC are sufficient to cover premium liabilities on unexpired policies at 30 June 2025.

2.4 Payables

2.4A: Supplier payables	2025 \$'000	2024 \$'000
Retrocession payable	26,800	32,821
Accruals	2,283	1,676
Total suppliers	29,083	34,497

Retrocession payable:

In accordance with ARPC's retrocession treaty expiring 31 December 2027, the retrocession premium is paid quarterly in advance. Settlement is made net 30 days.

Trade creditors:

Settlement is made net 30 days.

All of ARPC's liabilities are guaranteed by the Commonwealth by virtue of section 35 of the TCI Act.

Accounting policy

Financial liabilities are classified as financial liabilities measured at amortised cost. Financial liabilities are recognised and derecognised upon 'trade date'. They represent trade creditors, accruals and leases and are recognised at the amounts at which they are expected to be settled. Financial liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

All payables are unsecured and are paid within credit terms.

2.4B: Other payables	2025 \$'000	2024 \$'000
Salaries and wages	406	332
Superannuation	464	181
Total other payables	870	513

Accounting policy

Accounting policies for employee related payables are contained in the People and Relationships section.

2.5 Other Provisions

2.5A: Other provisions	Provision for restoration \$'000	Other provisions \$'000	Total \$'000
Carrying amount as at 1 July 2023	181	733	914
Additional provisions made	428	-	428
Amounts used	(26)	(611)	(637)
Unused amounts reversed	(145)	(122)	(267)
Unwinding of discount or change in discount rate	10	-	10
Amounts owing at 30 June 2024	448	-	448
Additional provisions made	-	-	-
Amounts used	(8)	-	(8)
Amounts reversed	(2)	-	(2)
Unwinding of discount or change in discount rate	17	-	17
Amounts owing at 30 June 2025	455	-	455

Provisions noted in Other provisions relate to future premium refunds payable.

ARPC currently has one (2024: two) agreements for the leasing of premises which has a provision requiring ARPC to restore the premise to their original condition at the conclusion of the lease. ARPC has made a provision to reflect the present value of this obligation.

2.6 Interest Bearing Liabilities

2.6A: Leases	2025 \$'000	2024 \$'000
Lease liabilities		
Office lease	8,034	8,623
Equipment lease	10	27
Total leases	8,044	8,650
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	1,179	1,062
Between 1 to 5 years	5,603	4,939
More than 5 years	2,583	4,333
Total leases	9,365	10,334

Total cash outflows for leases for the year ended 30 June 2025 was \$1,140,433 (2024: \$980,109).

The above lease disclosures should be read in conjunction with the accompanying Notes 2.2A and 2.6A.

Accounting policy

For all new contracts entered into, ARPC considers whether the contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department’s incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

3 People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

3.1 Employee Provisions

3.1A: Employee provisions	2025 \$'000	2024 \$'000
Leave	2,132	1,718
Separations and redundancies	-	118
Total employee provisions	2,132	1,836

Accounting policy

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave, as all sick leave is non-vesting and the average sick leave taken in future years by employees of ARPC is estimated to be less than the annual sick leave entitlement.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken. This includes ARPC's employer superannuation contribution rates and other employee benefits to the extent that the leave is likely to be taken during service, rather than being paid out on termination.

The liability for long service leave is the present value of employee entitlements based on the Australian Government shorthand method as per the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

Superannuation guarantee contributions are made by ARPC for employees and Members.

The liability for superannuation recognised as at 30 June 2025 represents the outstanding contributions.

3.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of ARPC, directly or indirectly, including any director (whether executive or otherwise) of ARPC. ARPC has determined the key management personnel to be the responsible Minister, ARPC's Board Members, the Chief Executive Officer, the Chief Claims Officer, the Chief Underwriting Officer, the Chief Operating Officer, the Chief Financial Officer, and the Chief Risk Officer.

Key management personnel remuneration is reported in the table below:

	2025 \$	2024 \$
Short-term employee benefits	2,630,454	2,673,309
Post-employment benefits	319,833	295,929
Other long-term employee benefits	50,198	73,235
Termination benefits	-	220,630
Total key management personnel remuneration expense	3,000,485	3,263,103

The total number of key management personnel that are included in the above table are 14 (2025: 17).

The above key management personnel remuneration excludes the remuneration and other benefits of the responsible Minister. The responsible Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by ARPC.

3.3 Related Party Disclosures

Members of ARPC at 30 June 2025 were:

Ms Julie-Anne Schafer	Ms Evelyn Horton
Mr Greg Nucifora	Ms Eilis Hurley
Mr Rod Whithear	Ms Fran Raymond
Mr Oscar Shub	

Other than where noted, Members held their positions for the full year.

Key management personnel employed by ARPC at 30 June 2025 were:

- Dr Christopher Wallace – Chief Executive Officer.
- Mr Jason Flanagan – Chief Claims Officer.
- Mr Michael Pennell PSM – Chief Underwriting Officer.
- Ms Victoria Simpson – Chief Operating Officer.
- Mr Scott Unterrheiner – Chief Financial Officer.
- Ms Karin Rathbone – Chief Risk Officer.

Related party relations:

ARPC is an Australian Government controlled entity established by section 9 of the TCI Act. ARPC is only authorised to transact business and carry out functions as provided in the TCI Act or as approved or directed by the Minister. ARPC's liabilities are guaranteed by the Commonwealth by virtue of section 35 of the TCI Act. Related parties to ARPC are the Members, Key Management Personnel including the responsible Minister and Cabinet, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions are disclosed in the table below. Apart from the items disclosed in the table below and in Note 3.2 relating to the remuneration and expenses of key management personnel during the year, there were no further related party transactions.

The following transactions with related parties occurred during the year.

		2025	2024
		\$	\$
Related party – Owner	Purpose		
The Treasury	Commonwealth guarantee fee	55,000,000	55,000,000
The Treasury	Capital holding fee	35,000,000	35,000,000
The Treasury	Provision of corporate support services to ARPC	174,692	94,581
The Treasury	Provision of actuarial services to ARPC	54,334	37,337
The Treasury	Provision of recruitment services to ARPC	-	102,000
Australian Government Solicitor	Provision of legal services to ARPC	39,981	95,568
Comcare	Workers compensation insurance premiums	80,366	56,406
Artbank	Office artwork	8,544	6,493
Geoscience Australia	Maintenance of loss estimate model	-	632,000
Dept of Employment and Workplace Relations	Onboarding consulting	22,685	10,700
Australian Bureau of Statistics	Consulting, Governance and data delivery	39,990	-
The Bureau of Meteorology	Provision of consultative services to ARPC	92,212	138,809
Total related party transactions		90,512,804	91,173,894

4 Managing uncertainties

This section analyses how ARPC manages risks within its operating environment.

4.1 Risk Management

Under section 16 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), ARPC must establish and maintain appropriate systems of risk oversight, management, and internal control.

ARPC maintains risk management related documents to support the effective operation of the Risk Management Framework. The key documents include and are not limited to the following:

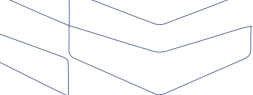
- Risk Management Policy
- Risk Appetite Statement
- Fraud and Corruption Control Policy
- Business Continuity Policy
- Conflicts of Interest Policy

ARPC's risk management process aligns to recognised professional standards in AS/NZS ISO 31000:2018 Risk Management. This includes the steps of risk identification, risk assessment, risk mitigation, risk reporting and risk monitoring.

ARPC maintains and updates its Enterprise Risk Register on a regular basis to reflect the latest operating environment, enabling the effective management of risk. The risks within the Enterprise Risk Register are classified under the following categories:

- strategic risk
- financial risk
- insurance risk
- operational risk

ARPC is exposed to financial risks such as capital risk, market risk, credit risk, and liquidity risk. It seeks to minimise potential adverse effects on its financial performance through its risk management framework. The key objectives are capital stability, accessibility, and rate of return.



Capital risk

ARPC's capital structure to cover claims from declared terrorist incidents and declared cyclone incidents are outlined below:

- In the event of a DTI, ARPC would be required to pay a retention of up to \$350 million (2024: \$225 million) before claiming on its retrocession program;
- In the event of a DTI, ARPC has access to a \$2.15 billion retrocession program in excess of the \$350 million retention (2024: \$3.475 billion retrocession program, in excess of \$225 million);
- ARPC has access to a Commonwealth guarantee for the due payment of money that may become payable by ARPC to any person other than the Commonwealth. If a DTI occurs, the Minister must specify a pro rata (percentage) reduction in claims to be paid out by insurers if, in the absence of such a reduction percentage, the total amounts payable by the Commonwealth might exceed \$10 billion (2024: \$10 billion); and
- In the event of a DCE, ARPC has access to the annually reinstated \$10 billion Commonwealth guarantee, which covers any shortfalls from ARPC. If the guarantee is likely to be exceeded by a single cyclone event, or series of cyclone events within a single year, the Commonwealth will increase funding to meet its obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises interest rate risk (owing to fluctuations in market interest rates).

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial instruments with floating rate interest expose ARPC to cash flow interest rate risk, whereas fixed interest rate instruments expose ARPC to fair value interest rate risk.

The Investment Management Policy notes ARPC must comply with the requirements of the PGPA Act. Section 59(1)(b) of the PGPA Act provides that a corporate Commonwealth entity may invest surplus money:

- on deposit with a bank, including a deposit evidenced by a certificate of deposit; or*
- in securities of, or securities guaranteed by, the Commonwealth, a State or a Territory; or*
- in any other form of investment authorised by the Finance Minister in writing; or*
- in any other form of investment prescribed by the rules; or*
- for a government business enterprise – in any other form of investment that is consistent with sound commercial practice.*

ARPC actively manages portfolio duration. The maturity profile of ARPC's interest bearing financial assets, the exposure to interest rate risk and the effective weighted average interest rate is listed below.

	Notes	Floating interest rate	Fixed interest rate maturing in			Total
		1 year or less	1 year or less	1 to 5 years	> 5 years	
		2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000
Interest bearing financial assets						
Cash and cash equivalents	2.1A	1,044,307	-	-	-	1,044,307
Fixed term deposits	2.1C	-	1,770,000	-	-	1,770,000
Total		1,044,307	1,770,000	-	-	2,814,307
Weighted average interest rate		3.80%	4.67%	-	-	4.35%

	Notes	Floating interest rate	Fixed interest rate maturing in			Total
		1 year or less	1 year or less	1 to 5 years	> 5 years	
		2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000
Interest bearing financial assets						
Cash and cash equivalents	2.1A	21,202	-	-	-	21,202
Fixed term deposits	2.1C	-	1,930,551	-	-	1,930,551
Total		21,202	1,930,551	-	-	1,951,753
Weighted average interest rate		4.13%	5.14%	-	-	5.13%

For sensitivity assessments, the Department of Finance deemed a 132-basis point change to be reasonably possible and ARPC has considered the implied financial impact of the deemed 132 basis point change (2024: 136-basis point change). The table below details the interest rate sensitivity analysis of ARPC's financial assets at the reporting date, holding all other variables constant.

	Movement in variable		Financial Impact			
			Profit/Loss		Equity	
	2025 %	2024 %	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Interest rate movement						
Interest bearing	+1.32	+1.36	37,149	26,544	37,149	26,544
Financial assets	-1.32	-1.36	(37,149)	(26,544)	(37,149)	(26,544)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge a financial obligation. The following policies and procedures are in place to mitigate ARPC's credit risk:

- premium debtors in respect of credit risk are monitored monthly; and
- an approved investment management policy document. Compliance with the policy is monitored and reported monthly.

The following table provides information regarding the aggregate credit risk exposure to ARPC in respect of financial assets. The table classifies the assets according to Standard and Poor's counterparty credit ratings.

		Credit rating							
		AAA	AA	AA-	A+	A	A-	Unrated	Total
		2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000
Notes									
ARPC									
Cash and cash equivalents	2.1A	1,044,307	-	-	-	-	-	-	1,044,307
Receivables	2.1B	3,343	44,688	80,411	-	12,506	3,847	136,552	281,347
Fixed term deposits	2.1C	-	-	1,490,000	-	40,000	240,000	-	1,770,000
Total		1,047,650	44,688	1,570,411	-	52,506	243,847	136,552	3,095,654

		Credit rating							
		AAA	AA	AA-	A+	A	A-	Unrated	Total
		2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000
Notes									
ARPC									
Cash and cash equivalents	2.1A	21,202	-	-	-	-	-	-	21,202
Receivables	2.1B	365	-	13,325	1,787	1,050	575	251,332	268,434
Fixed term deposits	2.1C	-	-	1,496,551	234,000	100,000	100,000	-	1,930,551
Total		21,567	-	1,509,876	235,787	101,050	100,575	251,332	2,220,187

The following table provides information regarding the carrying value of ARPC's financial assets that have been impaired and the ageing of those that are past due but not impaired at the balance date.

	Notes	Not past due or impaired		Past due		Total	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Financial assets							
Premium receivables	2.1B	254,437	249,918	80	1,266	254,517	251,184
Interest receivable	2.1B	26,999	17,102	-	-	26,999	17,102
Net GST receivable	2.1B	(169)	148	-	-	(169)	148
Total		281,267	267,168	80	1,266	281,347	268,434

	Notes	Ageing of financial assets past due				
		0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
		2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000
Financial assets						
Premium receivables	2.1B	6	-	29	45	80
Total		6	-	29	45	80

	Notes	Ageing of financial assets past due				
		0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
		2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000
Financial assets						
Premium receivables	2.1B	-	-	519	747	1,266
Total		-	-	519	747	1,266

Retrocession counterparty risk

ARPC purchases retrocession to protect capital, reduce exposure to DTI events and encourage commercial reinsurance capacity to return to the terrorism reinsurance market. ARPC's strategy for retrocession selection, approval and monitoring is addressed by:

- placing treaty retrocession in accordance with ARPC's retrocession management strategy requirements
- regularly reassessing retrocession arrangements based on current exposure information, and
- actively monitoring the credit quality of retrocessionaires.

Counterparty exposures and limits are reviewed by management on a regular basis. Retrocession is only placed with counterparties that have a Standard and Poor's credit rating of A minus and above and concentration risk is managed through counterparty limits. In the event of a DTI, at the second balance date after the loss, ARPC will receive recognised collateral from non-APRA authorised participants on the program.

Liquidity risk

ARPC's financial liabilities are payables. Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities. ARPC has the internal policies and procedures in place such that there are sufficient resources to meet its financial obligations. ARPC's liquidity risk is also mitigated through the strategy of short-term investments that provides for ready access to assets.

The table below summaries the maturity profile of ARPC's financial liabilities. All liabilities are measured on an undiscounted cash flow basis given their short-term maturity.

	Notes	1 year or less		From 1-5 years		Total	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Financial liabilities							
Payables	2.4A	29,083	34,497	-	-	29,083	34,497
Total		29,083	34,497	-	-	29,083	34,497

4.2 Contingent Assets and Liabilities

Quantifiable contingencies

As at 30 June 2025 ARPC had no quantifiable contingencies (2024: Nil).

Unquantifiable contingencies

As at 30 June 2025 ARPC had no unquantifiable contingencies (2024: Nil).

Accounting policy

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured.

Contingent assets are reported when settlement is probable, but not virtually certain, and contingent liabilities are recognised when settlement is greater than remote.

5 Other information

5.1: Current/non-current Distinction for Assets and Liabilities

5.1A: Current/non-current distinction for assets and liabilities	2025 \$'000	2024 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	1,044,307	21,202
Trade and other receivables	281,347	268,434
Investments	1,770,000	1,930,551
Deferred insurance assets	28,513	35,858
Other non-financial assets	1,222	1,252
Total no more than 12 months	3,125,389	2,257,297
More than 12 months		
Other non-financial assets	155	64
Leased premises	8,505	9,733
Property, plant and equipment	628	649
Intangibles	-	44
Total more than 12 months	9,288	10,490
Total assets	3,134,677	2,267,787
Liabilities expected to be settled in:		
No more than 12 months		
Unearned premium liability	441,621	419,979
Gross outstanding claims	1,603,364	106,660
Unexpired risk liability	1,650	-
Suppliers	29,083	34,497
Other payables	870	513
Leases	844	697
Employee provisions	1,268	1,280
Other provisions	-	10
Total no more than 12 months	2,078,700	563,636
More than 12 months		
Gross outstanding claims	275,362	31,916
Leases	7,200	7,953
Employee provisions	864	556
Other provisions	455	438
Total more than 12 months	283,881	40,863
Total liabilities	2,362,581	604,499



Tree uprooted in South Hedland WA by Cyclone Zelia



8 Index



Acronyms and abbreviations

Acronym	Full name
AASB	Australian Accounting Standards Board
ANAO	Australian National Audit Office
ANZIIF	Australian and New Zealand Institute of Insurance and Finance
ARPC	Australian Reinsurance Pool Corporation
CBD	Central Business District
CEO	Chief Executive Officer
CCO	Chief Claims Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CRO	Chief Risk Officer
CUO	Chief Underwriting Officer
DCE	Declared Cyclone Event
DTI	Declared Terrorist Incident
GA	Geoscience Australia
GST	Goods and Services Tax
OECD	Organisation for Economic Co-operation and Development
PACE	ARPC’s reinsurance system
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PID	<i>Public Interest Disclosure Act 2013</i>
S&P	Standard & Poor’s
SES	Senior Executive Service (senior executive)
TCI Act	<i>Terrorism and Cyclone Insurance Act 2003</i>
WHS	Work, Health and Safety

Glossary

Term	Description
Aggregate sum insured	The total of a cedant's property sum insured in a reporting zone, such as ARPC's tiers.
Calendar year	1 January to 31 December of a particular year.
Capacity	The ability of an insurer, reinsurer, syndicate, or market to absorb risk.
Captive insurer	An insurance company wholly owned by one or more entities (parent organisations) and whose main purpose is insuring the parent company's risks.
Cedant	An insurer that transfers some or all of its risk to a reinsurer.
Deductible	The loss the reinsured assumes for its own account in non-proportional reinsurance.
Financial year	1 July to 30 June of a particular year.
Reinsurance	Reinsurance is insurance that is purchased by an insurance company from one or more insurance companies (the reinsurer/s) directly or through a broker as a means of risk management.
Retention	The amount retained by a reinsured after placing reinsurance.
Retrocession	Reinsurance purchased by reinsurance companies as a means of risk management.
Retrocessionaire	A reinsurer that accepts retrocession business, reinsuring reinsurers.
Statutory Review	A review which examines the need for the TCI Act to continue to operate, that takes place every five years.
Underwriting year	An underwriting year includes all premiums for all policies commencing within a given financial year.

List of figures

Figure #	Description	Page/s
	Terrorism Reinsurance Pool funding	6
	Cyclone Reinsurance Pool funding	6
	ARPC values	7
	Our story	8 to 9
1.1	Summary of key financial metrics 2024-25 (in \$millions)	15
1.2	ARPC's strategy for 2024-25	21
2.1	ARPC funding layers for terrorism claims from all sources as at 30 June 2025	28
2.2	Premium by pricing tiers by underwriting year	29
2.3	Property types covered by the terrorism pool	30
2.4	2024-25 Tier rates and broad geographical location	31
2.5	Retrocession program counterparty credit rating for the 2025 calendar year	31
2.6	Number of ARPC insurer reviews	33
2.7	Premium revenue split by underwriting year and tier	34
2.8	Premium revenue split by state and financial year	34
2.9	Premium revenue split by underwriting year and business class	35
3.1	Cyclone pool snapshot	39
3.2	Cyclone pool aggregate exposure	39
3.3	Cyclone pool average exposure	39
3.4	Cyclone pool coverage and eligible policies	40
3.5	Pricing principles and objectives	41
3.6	Average Home cyclone pool premiums by region	42
3.7	Reinsurance claims paid in 2024-25 by the cyclone pool (to 30 June 2025)	45
4.1	2024-25 Strategic Priorities	48
4.2	Achievements against 2024-28 Corporate Plan measures and targets	49
4.3	TCI Regulations regarding the FOR	50
4.4	ARPC operating expenses	53
5.1	Number of meetings attended by each Board Member in 2024-25	64
5.2	Board Member remuneration for 2024-25	64

Figure #	Description	Page/s
5.3	Meetings attended by each ACC Committee Member during 2024-25	65
5.4	Meetings attended by each Risk Committee Member during 2024-25	66
5.5	Meetings attended by the Board observer	67
5.6	Organisational chart 2024-25	68
5.7	2024-25 Greenhouse gas emissions inventory – location-based method	71
5.8	2024-25 Electricity greenhouse gas emissions inventory – location-based method	72
6.1	ARPC's workforce composition by organisational level (classification) and gender, as at 30 June 2025	80
6.2	Remuneration for key management personnel	81
6.3	Remuneration for other highly paid non-executive employees	82

List of requirements — Corporate Commonwealth Entities

Below is the table set out in Schedule 2A of the [PGPA Rule](#). Section 17BE(u) requires this table to be included in entities' annual reports.

PGPA Rule Reference	Part of Annual Report	Description	Requirement
17BE	Contents p10		
17BE(a)	Background p20	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Entity Functions p20	A summary of the objects and functions of the entity as set out in the legislation	Mandatory
17BE(b)(ii)	Background p20 and p21	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Governance Framework p58	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period and the titles of those responsible Ministers	Mandatory
17BE(d)	Compensating the Government p58 Transactions with the Government as owners p94	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	Governance Framework Confirms no GPOs p58	Any government policy order (GPO) that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	NA	Particulars of non-compliance with: 1. a direction given to the entity by the Minister under an Act or instrument during the reporting period; or 2. a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(g)	Annual Performance Statement p47	Annual performance statements in accordance with 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	NA	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory
17BE(j)	Board Members p59	Information on the accountable authority or each member of the accountable authority, of the entity during the reporting period	Mandatory

PGPA Rule Reference	Part of Annual Report	Description	Requirement
17BE(k)	Organisational Chart p68	Outline of the organisational structure of the entity (Including any subsidiaries of the entity)	Mandatory
17BE(ka)	ARPC's People p80	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: 1. statistics on full-time employees; 2. statistics on part-time employees; 3. statistics on gender; 4. statistics on staff location	Mandatory
17BE(l)	ARPC's story p8-9 and APRC's people p80	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Governance p58	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Financial Statements p86	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions is more than \$10,000 (inclusive of GST): a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate value of the transactions	If applicable, mandatory
17BE(p)	The Cyclone Reinsurance Pool p37	Any significant activities and changes that affected the operation and structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	NA	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of an entity	If applicable, mandatory
17BE(r)	NA	Particulars of any reports on the entity given by: a) the Auditor General (other than a report under section 43 of the Act); or b) a Parliamentary Committee; or c) the Commonwealth Ombudsman; or d) the Office of the Australian Information Commissioner	If applicable, mandatory
17BE(s)	N/A	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory



PGPA Rule Reference	Part of Annual Report	Description	Requirement
17BE(t)	Board oversight of risk p68	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	Governance p65	The following information about the audit committee for the entity: a) a direct electronic address of the charter determining the functions of the audit committee b) the name of each member of the audit committee c) the qualifications, knowledge, skills or experience of each member of the audit committee d) information about each member's attendance at meetings of the audit committee e) the remuneration of each member of the audit committee	Mandatory
17BE(ta)	Key management personnel remuneration p81	Information about executive remuneration	Mandatory
17BF	N/A	Disclosure requirements for government business enterprises	
17BF(1)(a)(i)	N/A	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	N/A	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory
17BF(1)(b)	N/A	Details of any community service obligations the government business enterprise has including: a) an outline of actions taken to fulfil those obligations; and b) an assessment of the cost of fulfilling those obligations	If applicable, mandatory
17BF(1)(c)	N/A	Information on dividends paid or recommended	If applicable, mandatory
17BF(2)	N/A	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory



Australian Government

Australian Reinsurance Pool Corporation