

## **EXPLANATORY STATEMENT**

### **Issued by authority of the Minister for Financial Services and Superannuation**

*Minister to Australian Reinsurance Pool Corporation (Payments to the Commonwealth) Direction 2012*

#### **Purpose**

Section 38 of the *Terrorism Insurance Act 2003* enables the responsible Minister to direct the Corporation responsible for managing Australia's Terrorism Insurance Scheme to pay to the Commonwealth a dividend. The *Minister to Australian Reinsurance Pool Corporation (Payments to the Commonwealth) Direction 2012* will direct the Australian Reinsurance Pool Corporation (ARPC) to make a series of dividend payments to the Commonwealth in the form of: a one-off special dividend payment of \$100 million in January 2013; and a \$75 million dividend payment in each of January 2013, January 2014, January 2015 and January 2016.

#### **Description of Consultation**

Consultation on the scope of the dividend to be paid to the Commonwealth by the ARPC was considered as part of the 2012 Review of the *Terrorism Insurance Act 2003*.

#### **Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

#### **Overview of the Legislative Instrument**

The *Minister to Australian Reinsurance Pool Corporation (Payments to the Commonwealth) Direction 2012* is a Direction made under section 38 of the *Terrorism Insurance Act 2003*.

#### **Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms.

#### **Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

#### **Commencement**

The Direction commences when it is made. This retrospection is not detrimental.