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Attention Queensland Media

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UNFAIRNESS ELIMINATED FOR 1.1 MILLION QUEENSLAND APARTMENT AND UNIT OWNERS

HOUSING MINISTER MEETS WITH PEAK STRATA PROPERTY BODY TO SEE QBCC INSURANCE PREMIUM ADDRESSED

The price unfairness for apartment and unit owners in Queensland, which prompted thousands of complaints, have been reversed, in a change of luck for 1.1 million strata property owners statewide.

The complaints came on the back of changes made to the Home Warranty Scheme, which strata property leaders calculate would have seen apartment and unit owners pay a significant amount more than single house owners for building works.

The changes (brought in by the Queensland Building and Construction Commission on 28 October) meant that building works undertaken by contractors over the value of \$3,300 and buildings up to three storeys had a notional premium applied on top, multiplying any insurance applicable for necessary repairs and maintenance by the amount of lots in the multi-residential building.

“Eliminating this premium for painting works, rendering, solid plastering and fire protection work is a win for consumers as these are likely to be the more common improvements made to strata schemes,” Strata Community Australia (Qld) President Simon Barnard said today.

The notional premium is unique to strata properties with a thinking that claims could be made by individual lot owners as well as bodies corporate with higher premiums as a side effect.

“The higher premium was applied thinking it would help owners that are faced with defaulting contractors or defects when in fact there is a statutory requirement to have insurance in place for strata communities and rectification of defects have to occur in a timely manner,” Mr Barnard said.

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However, after holding urgent meetings with Housing Minister Mick de Brenni, the peak industry body for 1.1 million Queensland apartment and unit owners has announced more equitable plans, that eliminate this unfairness – at least for the biggest maintenance items in strata.

“After careful consideration, the Housing Minister has agreed that strata property owners need not be unfairly charged more than house owners, on the matter of insuring properties for such works.” .

“The multiplier also often doesn't apply to works under \$20,000 and on some particular types of buildings such as sheds or swimming pools detached from the strata scheme,” Mr Barnard said.

Mr Barnard says maintenance in a strata community isn't a small exercise, and in multi level communities, the works needed far exceed those of a house, making it harder for owners to afford these measures needed to be addressed.

“With communities up to 3 storeys often housing as many as 20-30 occupants, we immediately recognised how difficult it would be for owners to get works funded in the first place, if there were additional costs stacked on top.”

“Preparing for summer in Queensland often means having work done around the home and the Minister heard our concerns that many thousands of owners would be affected by price hikes this Christmas.”

“I'm pleased to say that these concerns have been taken seriously and that action has been taken to resolve this and eliminate the element of unfairness which should have been looked at a long time ago.”

Mr Barnard says the changes caught countless apartment and unit owners off guard, with no time to prepare, and the Minister apologised for the lack of industry consultation prior to the new premium being made effective.

“Our biggest priority is ensuring that there is equity for all Queensland property owners, and it was comforting to get advice from the Minister that the State Government is urgently acting to have the matter resolved.”

Like the ongoing property law review in Queensland, regulatory changes benefit from industry consultation.

“SCA (Qld) represents the everyday person living in a strata community, and consultation with us helps to weed out any major impacts on their day to day life.”

“The Home Warranty Scheme is a valuable insurance scheme providing consumer confidence in many instances, but it’s one that can function well without apartment and unit owners forking out more than any other home owner,” Mr Barnard said.

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