

Media Release | **INTERVIEW OPPORTUNITY AVAILABLE**

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Attention National Media

**CONSUMER WATCHDOG FINDS NORTH QUEENSLAND STRATA INSURANCE PREMIUMS ROSE 60% - 80% IN TEN YEARS**

**PEAK STRATA BODY SAYS \_\_\_\_\_ APARTMENT OWNERS MUST BE FUNDED IMMEDIATELY TO INSURE THEIR PROPERTIES BEFORE NEXT CYCLONE SEASON**

The trillion dollar strata sector is calling on the Federal Government to urgently intervene and provide financial assistance to \_\_\_\_\_ apartment owners, following the release of new expert findings into Northern Australia's insurance market which show North Queenslanders are paying bloated insurance premiums compared to the rest of Australia.

A preliminary report by the Australian Competition & Consumer Commission (ACCC) has found North Queensland strata insurance premiums rose 60% to 80% over a ten-year span, while premiums elsewhere remained 'relatively flat'.

SCA (Qld) has long advocated against the increases and urged the government to allocate funding for affected schemes to get cyclone proofing. By law, strata buildings are required to carry insurance as opposed to detached houses, so the insurance increase is impacting every single strata owner.

Without cyclones on the horizon for at least a few months, the peak body for Australia's \$1 trillion strata sector says now is the perfect time for the Federal Government to look at special funding assistance to affected owners.

Strata Community Association (SCA) is the peak industry body for Body Corporate and Community Title Management in Australia and leaders say between an ACCC inquiry, a Royal Commission and others, there has been plenty of talk, but little action to help owners insure their properties at an affordable price or cyclone proof them.

"By the time a final report is delivered by the ACCC to the Treasurer in November 2020, three cyclone seasons will have come and gone and it's an unacceptable waiting period to subject owners to, given the region's history with cyclone damage," says SCA CEO Erik Adriaanse.

SCA (Qld) Board member Jason Carlson adds that repeated damage repairs that strata schemes have had to fund over the last few years have left many

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financially stretched, and the Government must look to financially support them ASAP.

Mr Carlson says Strata Community Association (Qld)'s primary concern is that the rising cost of insurance in North Queensland in recent years may have led to strata schemes becoming money conscious and as a result, underinsured.

"If our concerns are right and some communities in \_\_\_\_\_ are underinsured, it would be a disastrous outcome for owners in the region, after Cyclone Debbie just last year saw \$2.4 billion in damage caused to communities in Queensland."

"The average wage hasn't gone up by 60% to 80% in the past ten years so it's not hard to understand why we fear that some strata schemes may be underinsured as a result of recent premium rises."

Strata Community Association says this is an issue with a price tag and has thrown its support behind the Productivity Commission's proposal for a \$200 million annual funding commitment to the region from Federal leaders.

"We agree there is a need for the Federal Government to invest at least \$200 million a year in cyclone mitigation and resilience measures, to be matched by state and territory governments, and the time is now for that to happen," Mr Adriaanse said.

"Funding of this nature will be instrumental for strata property owners in high risk areas that have been ravaged by previous cyclones and haven't been able to afford to retro-fit or upgrade buildings with the latest cyclone proofing measures."

Mr Adriaanse says natural disaster insurance will be on the agenda as the Royal Commission into misconduct in the banking and financial services industries turns its attention to insurance this week in Brisbane, with a keen focus on Cyclone Debbie's impact in 2017.

"Through the ACCC's community forums late last year, and these public hearings via the Royal Commission, Federal leaders have had multiple opportunities to hear first-hand how this issue is impacting North Queensland property owners, so there will be no excuse for failing to act immediately."

A full list of the Royal Commission round 4 hearings details can be viewed [here](#)

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## **About Strata Community Association**

Strata Community Association Limited (SCA) is the peak industry body for Body Corporate and Community Title Management in Australia & New Zealand. Membership includes body corporate managers, support staff, committee members and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate.

SCA has in excess of 3,300 members who help oversee, advise or manage a combined property portfolio with an estimated replacement value of over \$1.2 trillion. Website: <http://stratacommunity.org.au/>