

Media Release

Tuesday 28 June 2022

Peak Strata Body Says Reinsurance Pool Modelling a Call to Action

Peak property body Strata Community Association (Qld) (SCA (Qld)) has today asked for urgent action for Northern strata owners in light of modelling released by the Federal Government regarding the Northern Australia Reinsurance Pool. SCA (Qld) President Kristi Kinast has urged all tiers of Government to work as quickly as possible to give urgent cost of living relief to North Queensland strata owners.

SCA (Qld) is 'extremely disappointed' to learn that relief from the Reinsurance Pool won't go anywhere near delivering equity for consumers in North Queensland.

"Our members in Far North Queensland feel they have been led up the garden path on this issue. Earlier in the year it was announced that strata homeowners could expect premium reductions on strata insurance of up to 58%," said Ms Kinast.

"By any measure, 15% is much closer to zero than 58% and this has left our members feeling very disappointed."

With cost of living spiraling out of control the figure of a 15% insurance premium reduction on average for high-risk strata properties still leaves a gaping hole between costs in the North and the South-East. With insurance premium increases increasing substantially and in some cases doubling or trebling in a very short space of time in the region, a once off 15% reduction has very little impact.

SCA (Qld) believes more can and should be done by government.

"Strata owners hit by endless premium rises well above inflation have now been hit with the knowledge that this pool will not help ease their ongoing cost of living woes. A 15% reduction brings them to nowhere near the national average in terms of premium costs."

"Insurance is a compulsory expense for strata owners and more relief is needed to deliver something approaching fairness."

Ms Kinast believes there is scope for the State Government to provide relief through taxation changes.

"The Reinsurance Pool passed Federal Parliament with bi-partisan support, and whilst it is better than nothing, it is certainly not sufficient to deliver the relief needed for Northern strata owners feeling the pressure," said Ms Kinast.

"Almost a third of strata insurance premium costs in Queensland is taxation. The State Government has had a huge windfall in coal royalties this past year and given a huge source of this wealth is derived from North Queensland, we propose that they use some of that windfall to fund stamp duty relief to North Queensland residents on their insurance premiums."

"Whilst we would ultimately like to see stamp duty abolished on strata premiums permanently, some temporary relief is essential at this juncture and a revenue windfall delivered from the North should be used to help Northern residents.

Ms Kinast said all three tiers of Government must invest heavily in resilience and disaster mitigation.

“I urge local councils, the state and federal government to help Queensland strata communities North of Rockhampton to continue to improve resilience. Investment in mitigation funding is ultimately a win for communities and a win for government, who can have their disaster recovery costs substantially reduced as a result.

Ends.

Media inquiries:

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About Strata Community Association (Qld)

SCA (Qld) is the peak association supporting the state's strata sector, with more than 1,200 individual and corporate members who help oversee, advise, and manage hundreds of thousands of lots across Queensland. The association brings together people who manage strata schemes, own units or live in

strata communities, and those who provide products and services for schemes. We also provide education, advice, and advocacy to enable better understanding of the regulations, obligations and owner's rights.