

Media Release

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Reinsurance Pool Tip of Strata Insurance Iceberg

The peak body for the strata sector has welcomed the passage through the Senate of the Treasury Laws Amendment (Cyclone and Flood Damage Reinsurance Pool) Bill 2022.

SCA (Qld) President Kristi Kinast was pleased to see the passage of this bill prior to the election, ensuring security for the strata sector.

“We are so pleased to see this pass and give certainty to our sector. Savings of up to 58% for the most at risk schemes is massive,” said Ms Kinast.

“We are glad the Federal Government has taken the steps to ensure that strata owners are not forgotten people.”

Ms Kinast believes this legislation was the critical starting point for really fixing the issues in the strata sector.

“The Reinsurance Pool will make a big difference to strata owners and managers; however, it is only the first step in solving this ongoing strata insurance crisis,” Ms Kinast said.

“The Strata Title Pilot Resilience Program has been announced but is lacking in detail and a timeline. We believe huge amounts of work need to be done to ensure mitigation and resilience works are at absolutely optimal levels in strata and hope this program delivers.”

Ms Kinast feels that it is now time for the State Government to do its share of the lifting to help Northern strata owners.

“We are asking the State Government to rebase, rebate or abolish stamp duty on North Queensland strata insurance premiums. The cascading effect of bigger taxes on higher premiums is a crippling and vicious cycle for strata owners,” Ms Kinast said.

“Governments at all levels must work together to help solve this crisis, we urge Councils and the State Governments to help improve strata community resilience.”

SCA (National) President Chris Duggan said that there is still much more work to be done, particularly at the State Government level once the Reinsurance Pool passed the Federal Parliament.

“We are asking the State Government to examine rebating or abolishing stamp duty on strata insurance premiums and increase mitigation funding in the North, every single thing they can do to help strata communities will have a big impact.

“But on how stamp duty is structured, the reality is that as premiums have skyrocketed the tax paid to the State Government has increased as well. The State Government must become part of the solution, not the problem.”

“Mitigation funding in particular is critical to driving down long term insurance costs and protecting consumers, and the strata industry will keep pushing governments on this front.”

“Governments at all levels must work together to ensure the long term viability of the Northern Australia Region, and a big part of this is ensuring affordable and accessible insurance. The Federal Government is doing their part and we urge the State to do their share of the heavy lifting,” said Mr Duggan.

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.