

Media Release

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Peak Strata Body Says: Budget Built by Strata Must Deliver for Sector

The Strata Community Association (QLD) has today come out and asked the State Government to deliver for strata owners in this year's state budget. SCA (Qld) President Kristi Kinast said that the body corporate and strata sector was doing much of the heavy lifting in terms of propping up the Queensland budget and that it was only fair that the Government responded with appropriate investment in the sector.

"Queensland's population continues to boom and in the short, medium and long-term an increasing share of our community are making their home in strata," said Ms Kinast.

"People moving into strata are contributing a larger and larger portion of the stamp duty revenue which is propping up the State budget, be it through their property purchases or on the insurances they are obliged by law to pay for. "

"Over the past 7 years more than 100,000 new strata lots have been created. The economic activity and taxation revenue generated by this construction is immense."

"There needs to be fair value returned to owners for the taxes they have paid."

Ms Kinast argues the Government has not been taking the sector seriously and needs to invest appropriately to ensure that the sector can grow sustainably.

"Planning policy and Queensland's economic development are underpinned by a growth in strata lots and the Government should invest in the sector to safeguard this growth," said Ms Kinast.

SCA (Qld) says there are three areas that require an immediate budget injection including the provision of essential services; addressing building defects; and support for insurance equity in Far North Queensland.

"There are a number of services that the sector relies upon that have not seen investment for many years and cannot keep up with the growth of the sector."

As an example, one essential service to the sector the State government provides is the Office of the Commissioner for Body Corporate and Community Management who administer the strata schemes and legislation that underpins the sector. Currently the backlog of strata issues sitting within the Office is seemingly endless and this is having an impact on everyone involved in the sector - residents most significantly.

"It is not appropriate that there has been no increase in resources to match the 100,000 plus lots built over the past 7 years," said Ms Kinast.

Ms Kinast said it was also in the interests of both Government and industry to invest substantially in ending the epidemic of building defects in the sector.

"Confidence in apartment construction will help safeguard the important revenue stream that is stamp duty for the Government. After Mascot and Opal Towers, valuers estimated the loss of confidence

dampened high rise asset values by 16% across New South Wales, given the growth in this sector, a similar loss of confidence would be catastrophic to Queensland's revenue."

"We're calling on the Government to engage in a bit of sensible investment in their own interests by funding the removal of combustible cladding to help restore confidence in Queensland's high rises.

"Getting this cladding off impacted buildings is critical to the preservation of human life, but also overarching economic interests."

Insurance equity for North Queensland has also been an issue that has been impacting on the strata community.

"Rebating or rebasing stamp duty on strata insurance premiums would be a way for the State Government to provide instant and meaningful cost of living relief for North Queenslanders who have been faced with cascading insurance premium rises over the last 10 years."

"Any increase in mitigation funding would also be a boost to lot owners in the short-term in the form of reduced premiums and the Government would benefit in the long term through reduced costs for disaster recovery."

"The high cost and relentless nature of the insurance premium rises is unsustainable."

Ms Kinast believes that strata is a key part of Queensland's future and the sector and the government have a shared interest in making the sector livable and attractive to Queenslanders.

"There are already 1.2 million Queenslanders who live and work in strata title properties. Government has a deliberate policy of growing this figure. People need the confidence to raise a family in an apartment knowing they will have affordable insurance, not be hamstrung by lengthy disputes over by-laws and not be held to ransom by faulty construction," said Ms Kinast.

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.