

## **Northern Australia Reinsurance Pool to Bring Long Overdue Relief for Strata Owners and Residents**

**Tuesday 4 May 2021:** Strata Community Association (SCA) welcomes the announcement by the Federal Government of the establishment of a \$10 billion reinsurance pool in flood and cyclone-prone regions of northern Australia.

SCA have led longstanding advocacy efforts for the establishment of a reinsurance pool by state and federal governments, as homeowners in these regions have experienced increases in insurance premiums of up to of 178% (compared to 52% elsewhere) arising from vulnerability to extreme weather events since 2011.

Rapidly escalating insurance premiums and an inability to obtain cover have caused availability and affordability issues, particularly within strata schemes, while stifling the ability of their communities to recover and rebuild after a natural disaster.

SCA has worked closely with governments at all levels and inquiries including the three-year ACCC inquiry that finished in December 2020.

SCA President Andrew Chambers said that SCA had been calling on the government to address the failures of the insurance market in Northern Australia for some time and welcomes the government's announcement regarding the establishment of a re-insurance fund and funding for the Pilot Resilience Program.

"We agree with the Prime Minister that for too long, homeowners and business owners have faced crippling costs arising from insurance in northern Australia, and we welcome and embrace the Federal Government's commitment to see this much-needed change through," said Mr Chambers.

"Strata premiums have become unaffordable and put enormous financial pressure on owners with some not able to obtain insurance at all. We look forward to seeing the details of both schemes and how it will address the availability issues.

"We are hopeful that this is the first stage of addressing the wider issues around strata insurance affordability with other issues such as statutory taxes also being reviewed.

"As with any policy proposal, the devil is in the detail, and we wait eagerly to learn more about the proposal.

"We are hopeful that this announcement will bring much needed change to the status quo facing homeowners at present in northern Australia and bring their skyrocketing premiums down," said Mr Chambers.

SCA (Qld) President James Nickless welcomed today's news, stating he wholeheartedly supports the establishment of the reinsurance pool as the first step towards ensuring insurance equality for northern Australians but wants to hear more detail from both the federal and Queensland governments.

"Whether you live in Townsville, Cairns or up in the Cape, proper insurance coverage, and with it, peace of mind, should never be out of reach for any homeowner," said Mr Nickless.

"We urge the Queensland Government to take a good look at the proposal and take decisive action to do what's best for the thousands of people who have faced these affordability and availability issues for so long."

### **ENDS**

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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 a collective sinking fund balance of \$1.02 billion.

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.

Strata Community Association (Qld) members represent 312,000 of the 500,000 lots in Queensland. SCA (Qld) was founded in 1984 as the Body Corporate Manager's Institute Queensland (BCMIQ), subsequently joining the other leading state and territory strata institutes in creating a national organisation. Aligning branding since 2002 we now are known as Strata Community Association (Qld).

### **About Strata Community Association**

Strata Community Association (SCA) is the peak industry body for Body Corporate and Community Title Management (also referred to as Strata Management, Strata Title or Owners Corporations Management) in Australia and New Zealand.

Our 5,000 individual and corporate members include strata/body corporate managers, support staff, owners' representatives and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate.

Direct employment in specialist strata management companies is approaching 10,000 people. More significantly, they are pivotal in an estimated \$6.7 billion in annual economic activity.

Website: <https://www.strata.community/>