

## Media Advisory – **INTERVIEW OPPORTUNITY AVAILABLE**

October, 2017

Attention National Media

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### **APARTMENT OWNERS WARNED ABOUT UNDERINSURANCE AHEAD OF CYCLONE SEASON**

### **BOM ANNOUNCES 13 CYCLONES SET TO FORM IN AUSTRALIAN SUMMER**

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The State Government is being urged to immediately deliver a previously allocated \$12.5 million funding package for at risk North Queensland property owners ahead of what could be a damaging cyclone season.

Or else, leaders of Queensland's \$110 billion strata sector fear the critical funding that envisaged to save countless strata property owners from underinsurance may get axed.

Ahead of wild weather, now is the time to safeguard North Queensland strata schemes. The Bureau of Meteorology's (BOM) annual outlook expects up to 13 tropical cyclones to form around the country in the coming six months, and strata sector leaders say without the delivery of this package, property owners may struggle to afford the adequate insurance.

A federal inquiry into the price of insurance premiums in Northern Australia a few years ago found that insurance premiums are on average five times higher for strata property owners in North Queensland than for their east coast capital counterparts.

Last cyclone season saw Cyclone Debbie cause close to \$2 billion in damage to Queensland and New South Wales communities, and property leaders are urging State Government decision makers to fast track support for owners.

Strata Community Australia (Qld) says owners cannot afford for the delivery of funds to be delayed again and the State Government must make use of what will be the last chance for this funding package to make a difference.

"Repeated damage repairs that property owners and bodies corporate have had to fund over the last few years have left many financially stretched, and the Government must look to support them ASAP," SCA (Qld) President Simon Barnard said today.

“All federal funds not used or re-allocated within 3 years expire entirely and with that date being 30 June 2018 for this package, this is the last chance for the State Government to protect cyclone affected property owners.”

Canstar research shows that the average home insurance premium paid by North Queensland households is \$3030 - almost three times the Queensland average of \$1015 and over that mark for the \$963 average in New South Wales.

Mr Barnard says the best use of these funds will be to facilitate building assessments for the benefit of insurers understanding on a case by case basis, how at risk properties are, allowing premiums to be recalculated.

“We are appealing to the Government to deliver the \$12.5 million grant promised so that properties can be inspected, and insurance premiums reduced.”

“Many owners have taken steps to make their buildings safer following recent seasons, via cyclone proofing and other risk mitigation measures so the next natural step must be to fund inspections for the benefit of insurers.”

Mr Barnard says strata property owners, within apartment and unit blocks along the North Queensland coastline, are top candidates for funding and risk mitigation measures.

“When extreme weather hits these developments, up to 10, 20 or more owners simultaneously become vulnerable to devastating property damage.”

“The insurable value of a 3 storey strata community housing 20 owners and residents resides within the millions of dollars, and it will be of particular importance for these communities to have their building inspected before the upcoming cyclone season.”

“Strata-title developments make up a significant portion of North Queensland communities and their contribution to the local tourism market in regions like the Whitsundays for instance, should prompt some priority action.”

Strata Community Australia (Qld) is also urging property owners and managers to plan ahead for the cyclone season by checking their insurance policies and making sure they accurately report safety and related issues as they arise, in order to avoid costs later.

“Claims for Cyclone Debbie are still being finalised in thousands of cases where there have been complications with damages caused by extreme winds, severe rainfall and flash flooding.”

“In cases like unpredictable weather events where damage is unprecedented, bodies corporate and property managers are advised to take precautions and ensure that they have comprehensive cover ahead of the cyclone season,” Mr Barnard said today.

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### **About Strata Community Australia (Qld)**

Strata Community Australia (Qld) Limited (SCA QLD) is the peak industry body for Body Corporate and Community Title Management in Queensland. Membership includes body corporate managers, support staff, committee members and suppliers of products and services to the industry.

SCA (Qld) members manage property worth just under \$100 billion in replacement value. There are more than 45,000 community titles schemes with in excess of 425,000 communities titled lots in Queensland. 43.3% of all new dwelling approvals are expected to be lots in a body corporate scheme. SCA (Qld) proudly fulfils the dual roles of a professional institute and consumer advocate. Website: <http://qld.stratacommunity.org.au/>



*SCA (Qld) President Simon Barnard*