

Strata Community Association (SCA) Welcomes Northern Australia Reinsurance Pool Announcement

Tuesday 8 February 2022: The strata sector peak body has welcomed the announcement that legislation has been finalised on the Northern Australia reinsurance pool and will be presented to parliament in this sitting period.

The strata sector in Queensland and in Northern Australia has long pushed for a reinsurance pool and SCA is pleased that Minister Michael Sukkar has listened to and incorporated feedback from consultation and submissions from the sector.

Although modelling is yet to be released, SCA (Qld) President Kristi Kinast was extremely encouraged that premiums may be reduced by as much as 58 per cent for some strata properties.

“This announcement by the Federal Government is extremely welcome. Maximising the benefits of the Northern Australia Reinsurance Pool to strata is incredibly important, and a potential 58% saving as announced will be a game changer,” said Ms Kinast.

“We are glad the Federal Government appears to have listened to our initial concerns and will ensure that strata receives a fair deal.”

“There are several changes announced that have come directly from SCA advocacy efforts, including the intention to change the threshold from the originally quoted 80 per cent of residents down to 50 per cent in mixed use buildings to qualify for the scheme.

“Additionally, a review in 12 months was heavily recommended by SCA and will provide a chance to further advocate for the strata sector based on the outcomes,” she said.

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

“The Northern Australia Reinsurance Pool will hopefully make a big difference to premiums, however other policy levers must be pulled to ensure the long term viability of the Pool in the region,” Ms Kinast said.

“The Strata Title Pilot Resilience Program has been announced but no detail has really been given, any funding which helps make strata communities in the North more resilient is critical to getting equity with insurance costs. We urge the Federal Government to get moving on this program as quickly as possible.”

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,” he said.

“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.

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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.

We believe in taking action with urgency in order to raise public awareness about some of the most pressing issues facing today's society. Please join us by supporting our efforts to make a measurable difference for the community.

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.