



Affordability of residential strata title insurance an urgent issue

The affordability of residential strata title insurance is an urgent issue across Australia and may threaten the viability of unit ownership, particularly in Far North Queensland. The House of Representatives Standing Committee on Social Policy and Legal Affairs is investigating the issue and is calling for submissions addressing the inquiry's terms of reference by **Monday, 16 January 2012**. The Committee will also be holding public hearings in **Port Douglas, Cairns, Townsville and Mackay** at the end of the month.

The Chair of the Committee, Mr Graham Perrett MP, is concerned by reports from body corporate residents of insurance premium increases of up to 400 percent during 2011. Mr Perrett said "the rate of strata title insurance premium increases in northern Queensland since Cyclone Yasi has been absolutely staggering and people are concerned whether these increases will be sustained."

Mr Perrett added, "The cost of insuring properties in body corporates is rapidly becoming prohibitive, particularly for residents on pensions and fixed incomes. We have to be concerned about the financial and social impacts for residents and property investors, as well as the flow-on effects for the regional economies of Far North Queensland. This is a very serious issue that warrants further investigation".

The Committee is investigating the magnitude and causes of strata insurance pricing, whether there is a market failure in the insurance market for residential strata properties, and whether the nature of body corporate arrangements are contributing to affordability issues. The Committee will assess whether it is justifiable for the government to intervene to address the affordability and accessibility of insurance in the residential strata title market.

For the full terms of reference, please visit the Committee's website at <http://www.aph.gov.au/house/committee/spla/strata/index.htm> or contact the Secretariat on spla.reps@aph.gov.au or 02 6277 2358. Information about making submissions can be found at <http://www.aph.gov.au/house/committee/documnts/howsub.htm>

Details of the public hearings are as follows:

Monday 30 January 2012, 9am-12pm, Port Douglas Community Hall, Mowbray St, **Port Douglas**

Monday 30 January 2012, 2:30pm-5:30 pm, Sebel Hotel, 17 Abbott St, **Cairns**

Wednesday 1 February 2012, 9am-3pm, Reef HQ, 2 - 68 Flinders St, **Townsville** with vide Conferencing available to Mackay from 1pm-3pm, Central Queensland University, 6/G.03 Boundary Rd, Planlands, **Mackay**.

People who are interested in speaking to the Committee at these hearings should contact the secretariat on (02) 6277 2358 or spla.reps@aph.gov.au

Note: The Committee cannot investigate or make rulings on particular insurance claims.

For media comment, please contact the Committee Chair, Mr Graham Perrett MP, on (07) 3344 2622 or 0408 883 312.

For background information, please contact the **Secretariat of the Committee on Social Policy and Legal Affairs**:

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