

To Whom It May Concern:

spla.reps@aph.gov.au

Increased strata insurance costs in North Queensland

As investors in North Queensland with multiple strata titled properties we have yet to receive a clear substantiated rationale for the soaring premium increases we have incurred across all properties.

While these properties are in a known cyclone zone they are also built to a cyclone building code and yet this is not recognised by insurers nor the fact that to-date none of these properties have made any claims due to storm, cyclone or water damage.

These increases are causing affordability problems for us as investors on a number of fronts:

- The same % increase rate cannot be passed on to a tenant. We simply could not be able to rent the properties for that amount.
- As potential future investors, we will no longer consider any strata managed property due to the increased insurance costs. It is simply no longer viable.
- These increases are also indirectly compounded in other property management running costs, ie council, body corporate etc.

We ask the inquiry to consider the following:

- Perhaps tenants should pay a contribution levy directly to a managing body over and above the rent?
- Government to reintroduce a federally managed insurer (ie formerly GIO).
- Impact as other potential investors shy away from the market.
- Costs must be passed on, investors cannot be expected to continually support others.
- Tax incentive for investors; higher reduction rate.
- As we prepare for retirement, we also no longer consider living in a communal strata type facility viable as again, these costs will impact many a retiree lifestyle option / affordability.
- That premiums be subsidised by State and Federal Governments

For your consideration please.

Yours truly,

signed

Jane and Jurg Zindel