

## Observation-7: Australian Strata Economics.

Community Titles Scheme (CTS) Strata Data from various internet sources, treat all data as estimated as needs to be validated by government. We need precise and accurate Strata economics numbers from our Qld Government to improve our NQ Insurance conversations and decision making.

**Table-B: CTS Strata Apartments Economics<sup>1</sup>**

	<b>Australia</b>	<b>Queensland</b>	<b>Townsville</b>
CTS/Strata Schemes	340,601 <sup>2&amp;3</sup>	49,821	2,000
CTS Lots – apartment units	2,869,845	497,903	20,000
Building Insured Value (BIV)	\$1,117 Billion	\$203 Billion <sup>4</sup>	\$13.4 billion
Employment Direct	9,330	1,825	125
Trade Services pa	\$5,728 million	\$845 million	\$69.3 million
Professional pa	\$903 million	\$304 million	\$10.9 million
CTS Insurance Premiums <sup>5</sup> pa	\$995 million	\$192 million	\$53.6 million
CTS GST (10%) pa	\$99.5 million	\$19.2 million	\$5.36 million
CTS Stamp Duty (9.9%) pa		\$19.0 million	\$5.31 million
Broker Insurers <sup>6</sup> Commissions/fees (20%) <sup>7</sup> & <sup>8&amp; 9 &amp;10</sup> Prem/BIV	\$198 million	\$38.2 million	\$10.7 million
CTS ARPC Terrorism Tax			\$60,000
CTS Volunteers (estimate)	600,000	150,000	7,000
<p><i>ACCC report NQ has 6,610 CTS residential strata policies<sup>11</sup></i>  <i>ACCC report NQ has 5,486 (83%) strata buildings have 10 or less lots. And 1,124 (17%) strata buildings have more than 10 lots</i>  <i>ACCC report Townsville has 108 BIG CTS strata building, where big means more than 10 lots and \$5.0 million Building Insured Value.</i>  <i>Qld Body Corporate and Community Management BCCM report Qld in 2016 that only 35% of strata buildings had 10 lots or less.</i></p>			

<sup>1</sup> A25.3 - Info UNSW National Strata Data Report 2020, Other table numbers presented are ratio'd and or estimated.

<sup>2</sup> - A14.6p124 - ACCC reports the 9013 North Australia Strata policies make 3% of national strata policies,

<sup>3</sup> A25.3B City Futures at cityfutures.be.unsw.edu.au/research/projects/national-strata-data-analysis 2020 national strata schemes

<sup>4</sup> A25.3.p12 - City Futures at cityfutures.be.unsw.edu.au/research/projects/national-strata-data-analysis

<sup>5</sup> - CTS Insurance premiums Tax invoices study depict averaged premiums around 0.5% of BIV for TSV and 0.1% for rest of Australia..

<sup>6</sup> - A34.6p5: ICA 2012 submission Residential Strata Insurance, that product is sold by Brokers and Strata Managers acting as agents of strata insurers.

<sup>7</sup> - A7.6 info Strata Ratings agency serve over 300,000 strata schemes in Australia nominal Insurer paid insurance commissions.

<sup>8</sup> A14.6p445 ACCC-20 report Figure-16.22 – 17.5% commissions on strata revenues of \$14 million to \$60 million increase 2019

<sup>9</sup> A14.6p501 ACCC-20 report chapter 19 15-20% commissions are common.

<sup>10</sup> A14.6.p507 ACCC The scale of payments to intermediaries, \$650 million for Australia, \$62 million for Northern Australia

<sup>11</sup> A14.6p427 ACCC-20 report Table 16.2

# North Queensland Apartment Insurance Review 2021