

MEDIA RELEASE (UNDER EMBARGO)

LET'S GET RID OF THE ROCKHAMPTON LINE

A powerful lobby group has emerged in North Queensland, in response to the explosion in insurance costs for apartments in North Queensland.

Apartment owners, the majority of whom are represented by Body Corporate Committees, rely on these volunteer groups to oversee the day-to-day management of their apartment buildings throughout Queensland.

A large group of Body Corporate Committees in Townsville has now got together and undertaken a major review of the insurance cost crisis facing apartment owners in North Queensland.

“We applaud the Budget announcement by the Federal Government that a reinsurance pool for cyclone damage and related flooding will be backed by a government guarantee. However, the insurance cost blow out for apartment owners is a separate issue, and is directly under the control of the Queensland Government.” said Body Corporate spokesperson Andrew Turnour today.

“Apartment insurance is different to house insurance, because the two insurance scenarios are different – householders have individual freedom of insurance choice, but apartment owners do not. Insurance products offered to apartment owners, via their Body Corporate committees, are very different to the insurance offered to individual households.” Mr Turnour said.

Our detailed Body Corporate investigation into the cost of apartment insurance in North Queensland clearly shows that, in the last decade, apartment owners have faced increasing insurance premium price hikes north of Rockhampton, despite no evidence of an increase in risk.

“There is in effect, a ‘Rockhampton Line’ isolating North Queensland into a different insurance category.” he said.

“Apartment owners have invested \$203 billion in Queensland, yet now North Queenslanders face falling property values because of poor regulations and misinformation about the true state of natural disasters in North Queensland.” he said.

Mr Turnour noted that because apartment owners are being singled out by the insurance industry, and suffering huge increases in the cost of insurance of their apartment buildings, the annual fees due to Body Corporates are increasing, out of step in comparison to insurance costs for apartments throughout the rest of Australia.

“This is having the effect of devaluing the apartment market in North Queensland. Our investigative report indicates that up to \$3 billion has been ripped out of the value of the apartment market in North Queensland.”

“The wellbeing of retirees who made the lifestyle change and moved into apartments is at risk. There are serious consequences for the physical and mental wellbeing of people who should be enjoying their retirement – not worrying about ever increasing insurance costs.” Mr Turnour said.

Mr Turnour said that the Body Corporate group – the Townsville Lot Owners Group – has called for changes to the Queensland legislation under which the regulatory body operates.

“There is huge investment in apartment buildings all throughout Queensland, but Townsville has stalled, and is signalling to investors that we are effectively closed for business. We call on the Queensland Government and the Commissioner for Body Corporate and Community Management to urgently review our report and remove the insurance barriers that are currently devaluing the North Queensland apartment market.

North Queensland Apartments Insurance Review 2021

It is possible to rectify this situation, by getting rid of the “Rockhampton Line” and reconnecting North Queensland with the Australian insurance market.” he said.

Mr Andrew Turnour, spokesperson for the Townsville Lot Owners Group is available for interview and further comment: Phone 0419 651 263