

A Big Spending Budget and Big Announcements for Strata – But Can Government Deliver?

The Federal Government has delivered a big spending 2021-22 Budget with disaster relief, an extension to HomeBuilder and small business stimulus dominating for the strata industry, but government must consult and cooperate to ensure this is not a golden opportunity missed.

After nearly a decade of advocacy by SCA, Northern Australian MPs and Mayors and many property industry stakeholders, the **Federal Government announced a \$10 billion reinsurance pool and \$40 million Strata Title Resilience Pilot Program** for residents and owners affected by weather events in Northern Australia.

In addition, **\$600 million will be set aside through the National Recovery and Resilience Agency** to oversee mitigation and forward planning activities to combat disaster throughout Australia.

SCA President Andrew Chambers said the funding and program announcements are a welcome acknowledgment but warned their effectiveness for strata properties will require proper industry consultation and attention to detail.

“The strata industry and insurance in particular is complex and we urge the Federal Government to get the right people, including SCA, around the table when working out how the pilot program, reinsurance pool and mitigation program will work in practice.

“And it’s now up to the State and Territory Governments to step up for their residents with appropriate funding and cooperation to ensure this incredible opportunity is not wasted,” he said.

The popular **HomeBuilder program has been extended for a further 12 months** after receiving 120,000 applications so far and supporting more than \$30 billion in residential construction, with **off-the-plan apartments and townhouses eligible if construction commenced after 4 June 2020**.

“SCA advocated strongly on HomeBuilder and the extension is welcome, especially in its application to new, off-the-plan apartments and townhouses.

“We maintain our position, however, that the substantial renovation component for projects of more than \$150,000 should be extended to common area and long-term maintenance projects and will continue to make representations to government on this position,” said Mr Chambers.

Mr Chambers said stimulus measures including write offs for small business, tax breaks for individuals and extensions to savings and deposits schemes were also welcome for the strata industry and the economy more broadly.

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For media enquiries please contact Shaun Brockman, National Policy Manager,
shaun.brockman@strata.community, 0468 334 277.

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. Direct employment in specialist strata management companies is approaching 10,000 people. More significantly, they are pivotal in an estimated \$6.7 billion in annual economic activity.