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## JCU engineering inspection scheme delivers scientific assessments for strata-title properties

An independent engineering inspection scheme to estimate the resilience of strata-title properties to cyclones has been researched by James Cook University's (JCU) Cyclone Testing Station.

Commissioned by the Insurance Council of Australia (ICA), the scheme delivers scientifically determined indicators of building vulnerability and identifies targeted options for remediation to minimise potential structural damage, rainwater ingress and damage from storm surge during future tropical cyclones.

ICA CEO Rob Whelan said benefits of engineering inspections extend beyond the potential for reduced premiums.

"An engineering inspection scheme has the potential to improve the resilience of the wider community through increased awareness," Mr Whelan said.

"If introduced across North Queensland strata-title properties, engineering inspection reports would allow a comprehensive assessment of building performance and potential issues, with remediation of any identified elements leading to lower damage bills and a more resilient community that is less dependent on immediate government resources.

"The assessments would also help body corporates communicate to residents the vulnerability of their properties to damage from wind events.

"Rainwater ingress in particular is a significant issue even in buildings without obvious wind damage – as part of its report JCU identified a case study where tens of thousands of dollars of damage was caused to a strata building as a result of initial damage to a rooftop kitchen area.

"Follow-up inspections could build on this resilience knowledge and create greater community understanding of risks associated with properties located in cyclone-affected areas, and generate ongoing conversations on the reduction of risk for all types of residential properties."

Key recommendations:

- An engineering inspection scheme should allow body corporates to engage independent inspectors to assess their property and provide an **Inspection Report** on its vulnerability to damage from cyclones

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- The **Inspection Report** would identify and rank elements that may contribute to damage in future cyclones and allow body corporates to target appropriate remedial work.
- The body corporate should be free to use the **Inspection Report** to both undertake remedial work if necessary, and as a tool to assist with negotiation with insurers who need to understand the vulnerability of the building
- The scheme should be independently owned and administered, with an administrator providing information to body corporates, insurers, and inspectors, and potentially resolving disputes between these parties
- Registered inspectors would be independent of the body corporate and the insurer, have appropriate qualifications, training and continuing professional development.
- **Inspection Reports** would be valid for a period to be determined by the scheme administrator (suggested at between five and 10 years)

Preliminary estimates of the cost of an initial inspection range between \$500 and \$1000. Costs may be more for very large or complex properties. Body corporates could elect to have a follow-up inspection after a tropical cyclone, remediation work or expiry of the initial inspection.

JCU developed the proposed scheme using experience from damage investigations by the Cyclone Testing Station following tropical cyclones including Tropical Cyclones Yasi and Larry, data from properties with claims and those with no claims, and feedback from a range of stakeholders.

The ICA commends the work carried out by JCU and trusts governments will now consider steps to implement a scheme that will assist community members living in vulnerable strata developments.

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