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Media Release – For Immediate Release

United Call for Investigation into NetStrata Practices by Regulatory Bodies

In response to alarming revelations broadcast on ABC's 7:30 Report, the Australian Consumers Insurance Lobby (ACIL), Owners Corporation Network of Australia (OCN), and Unit Owners Association Queensland (UOAQ) are jointly calling upon ASIC, ACCC, and the Strata & Property Services Commissioner of New South Wales to commence a thorough investigation into the practices of NetStrata and its associated entities.

The ABC report, aired last night, unveiled allegations surrounding excessive fees and apparent conflicts of interest within NetStrata's operations, specifically concerning its dealings with Strata Insurance Services—a company purportedly linked to a director of NetStrata. The implications of these practices raise serious concerns about the transparency, integrity, and legality of NetStrata's business conduct.

Our organisations are united in the belief that transparency, fairness, and legal compliance are non-negotiable standards within the strata and insurance sectors. We have, therefore, taken the step to formally request an investigation into the following areas:

- The process by which NetStrata appointed Strata Insurance Services (and other related entities) to act for their clients.
- The exercise of informed consent in these dealings.
- The legality of actions taken with respect to Trade Practices Act, Corporations Act, Strata and Body Corporate Legislation, Consumer Law and other legislation.
- The financial impact on consumers resulting from these actions.
- The necessity for restitution to consumers found to have suffered financial losses due to any activity found to be unlawful.

This collective action underscores our commitment to championing the rights and interests of strata consumers across the nation. It is imperative that the concerned regulatory bodies conduct a comprehensive review to ensure those affected receive justice and that such practices are rectified to prevent future misconduct.

Further to this, ACIL has recently submitted to the ASIC and ACCC 146 instances of suspected misconduct relating to strata insurance policies, urging a sweeping investigation of the industry. The recent story by ABC highlights the urgent need for regulatory oversight to safeguard consumer rights and interests, along with a more comprehensive review of the strata insurance industry that extends beyond the specific instances we've highlighted, to ensure all consumers are covered.

“Our demand for a separate inquiry into NetStrata's operations, distinct from the ongoing reviews already initiated, reflects the critical nature of the allegations and the necessity for prompt and decisive regulatory action,” stated ACIL Chairperson Tyrone Shandiman. “We are reassured by ASIC and ACCC's engagement with our organisation and the evidence we've presented and are hopeful of the commencement of a formal investigation.”



"OCN is deeply troubled by the findings reported on ABC's 7:30 Report. The revelations underscore a pressing need for enhanced powers and resources for the Strata & Property Services Commissioner to protect consumers effectively," said Karen Stiles, Executive Director of OCN. "We are committed to addressing this issue directly with Minister Anoulack Chanthivong and the Strata & Property Services Commissioner. Given the limited number of just 16 inspectors to manage the extensive NSW property portfolio, OCN has noted instances of investigations into serious allegations against a strata manager that have stretched beyond two years without reaching a conclusion. We see this as an invaluable moment to advocate for the necessary changes that will ensure the safety and rights of strata residents."

For more information about this media release, contact Tyrone Shandiman on (07) 3185 5256 or info@acilobby.org.au.