

## **Strata consumer groups expect a defensible government report about Netstrata**

Shari Driver, CEO of the Owners Corporation Network of Australia (OCN), said that “OCN is deeply concerned to hear that Netstrata may have sought to influence the outcome of the NSW Government’s investigation into alleged malpractice by Netstrata.

Back in March 2024, OCN together with the Australian Consumers Insurance Lobby (ACIL), and the Unit Owners Association Queensland (UOAQ) called 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. These consumer group identified a need for strata practices across all states to be improved.

The ABC ‘Strata Trap’ program that aired on 9 September 2024 made allegations surrounding charging apartment owners exorbitant insurance brokerage fees, taking kickbacks from its contractors and suppliers, excessive fees and apparent conflicts of interest within Netstrata’s operations. The NSW Fair Trading investigation commenced following reports on ABC TV’s 7.30 and Four Corners.

In May 2024, an enforceable undertaking was entered into by Netstrata with NSW Fair Trading to provide for a review of Netstrata (and their subsidiaries) business processes, practices and systems. OCN understands that the ‘desktop document audit’ was undertaken independently by McGrathNicol as part of the overall investigation by NSW Fair Trading.

The most recent ABC article (dated 22 January 2025) suggests that Netstrata may have used their influence to impact the Government’s investigations.

Shari indicated that OCN is pleased to see action taken to protect the legitimate interests and expectations of strata owners and Owner Corporations across NSW. However, strata owners across Australia and consumers interested in buying apartments, need to be reassured by the NSW Government publicly that the Netstrata investigation process has been rigorous, complete and that the findings will be defensible.

Tyrone Shandiman, Chairperson of ACIL agreed that the action on the matter has taken an inordinately long time and that consumers expect action not further suggestions of impropriety.

Mike Murray, President of UOAQ said that "he continues to be disappointed by the lack of a coordinated response from all levels of government about strata matters and called for Federal action and prosecution for inappropriate strata industry activities in Queensland and nationally."

Shari Driver said “I want to ensure that the Netstrata allegations (and other strata industry matters) are thoroughly investigated but the action needs to be timely and resolve the issues. In light of the recent ABC comments, I call on the NSW Government to urgently release the McGrathNicol summary report.

Ms Driver concluded by saying “consumers expect transparency and to know that due process has been followed. The NSW Government needs to quell the concerns that have been raised by the ABC article. Everyone needs to have certainty and confidence in the management of the strata industry. OCN is impatient to see the release of the results of the broader investigation and awaits the government response findings with interest.”

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