

OUR RESPONSE TO ABC AND 7.30 REPORT ON NETSTRATA

It has always been the policy of Progressive Strata Services (PSS) to provide its client schemes with as much information as possible to help ensure each group of owners make informed decisions.

So, just to clarify, the following outlines our policies and procedures regarding the aspects of strata management that have been raised as in the recent investigation by the ABC and 7.30 Report on the conduct of Netstrata.

TRADESMEN AND SERVICE PROVIDERS

All entities that provide services to PSS's clients, as tradesmen, lawyers, accountants and consultants are independently owned and operated. We as a company, nor any of our employees receive financial or other benefits from any service provider.

We do not receive any kickbacks, commissions, sponsorship or training provided/received as an incentive or other benefit. This approach means we are obligation free to recommend who we consider is the right provider for any particular issue.

INSURANCE COMMISSIONS

As discussed at each Annual General Meeting, PSS does receive insurance commissions from a range of insurance brokers, and insurance companies directly which is acknowledged as permissible in the relevant legislation and we always go to great lengths to ensure these are fully disclosed:

- a) Before we are engaged by you as our client – via our agency agreement. This is a requirement under the Property Stock Agents Act 2022 and S57(4)(b) of the Strata Scheme's Management Act.
https://classic.austlii.edu.au/au/legis/nsw/consol_act/ssma2015242/s57.html
- b) At the time the insurance entity provides their quote, their commission to the cent is disclosed to the committee before they make the decision to choose them as their insurer for the coming year.
- c) A letter is addressed to the Secretary of the strata scheme and posted on the scheme's portal after the commission is received. This indicates exactly how much has been paid to PSS. **This is not a legal requirement**, but we feel this is an additional disclosure policy that we have nominated to perform for the sake of absolute clarity since we were established in 1999.

- d) The commission is also disclosed at each annual general meeting as required by S60 of the Strata Scheme's Management Act.

https://classic.austlii.edu.au/au/legis/nsw/consol_act/ssma2015242/s60.html

We do not, nor have we ever had any ownership in any of the entities that perform work for our clients or insurance brokers or companies that insure our schemes.

The receipt of undisclosed payments falls under the Secret Commissions Act and something we have always taken very seriously.

DEBT RECOVERY

At every Annual General Meeting there is a motion, as required under the legislation, to determine each scheme's policy with respect to levy arrears. The motion has two parts. One is whether they wish to enter into payment plans with those who fall into arrears, and the second is if they wish to commence litigation regarding such arrears, including if an owner is in default of their payment plan.

We always strive to act vigilantly on those instructions.

ANY QUERIES

We sincerely trust the above sets out clearly our policies on the matters raised by the ABC and associated entities.

If you have any questions at all regarding the above, or any other matter, please do not hesitate to reach out, in writing, with your query so that we can likewise put our response in writing for the record.

Yours faithfully

Karina Heinz

Director/Licensee-in-Charge

PROGRESSIVE STRATA SERVICES PTY LTD