
Senate Standing Committees on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

31 October 2021

Dear Senators,

RE:INQUIRY INTO THE STERLING INCOME TRUST

Thank you for the opportunity to make a submission regarding the Senate Inquiry into the Sterling Income Trust.

My husband and I are the only Queensland victims of the Sterling Income Trust. We were signed up to the Sterling New Life Scheme in February 2018 after selling our family home with the assistance of Sterling New Life Sales personnel.

We had discovered Sterling New Life through an advertisement and made contact with _____, The Queensland representative in 2017. We attended a seminar about the Sterling New Life where _____ explained the concept of the rent for life for retirees. It was explained that our money which was paying the rent on the property upfront was going to be paid into a trust account and therefore was a safe holding of the money. At no time were we ever told we were investors and reiterate the money we paid was paying the rent on the property for the term of the lease.

WE sold our home and paid \$210,000 to Sterling and had found our “forever home” in Thornlands Queensland, The building of this property was not completed so for the next 8 months we were sub leasing a Sterling property in Loganlea.

After completion of our Thornlands property we signed a 5 year lease from the 26 October 2018 ending on 25 October 2023 with the option of a further seven, 5 year extensions. This was handled by Rental Management Australia. We were now settled in our “forever home”. Or so we thought.

In May 2019 we were alerted by Rental Management Australia of a potential problem with Sterling as rent was not being paid and then entered into this ongoing nightmare and fighting for justice for our stolen funds.

A- ASIC oversight of the Sterling Income Trust

Before we moved into our Thornlands Property we were told by our Queensland

Sterling representative, that ASIC had an issue with the Sterling PDS (which we did not have a copy of) and may be contacted by ASIC for an interview regarding our experience with Sterling. We were never contacted by ASIC and to this date still have not been contacted by ASIC. The next conversation from the Sterling representative was that ASIC had assisted Sterling and everything was now fine for Sterling to keep moving ahead. AT NO TIME DID WE EVER HAVE COMMUNICATION WITH ASIC.

B - Need for legislative and regulatory reform to prevent such losses in the future

I am begging for reform to be introduced in order that this type of situation does not occur in the future. There must be a body such as ASIC who can regulate these companies such as Sterling. After the contact that ASIC had with Sterling and assisting with a new PDS surely an investigation would have sent the alarm bells on how this company was operating. Vulnerable elder Australians or any Australians should not have to be duped like this and there should be laws in place to protect people from this type of scheme in the future.

C - Access to justice and redress for victims of the Sterling Income Trust Collapse

We were promised further to the Banking Royal Commission that there would be a Compensation Scheme of Last Resort that would be of assistance. We have since found out that we have been put into the category of a Managed Investment Trust and therefore be excluded from this scheme. At no time did we consider ourselves investors as the money we paid upfront was for rent for a possible 40 years or the rest of our lives. The Government must ensure that there is a regulator to ensure these schemes are not able to happen and 'rip off' life savings from elderly people who have worked hard their whole life only to have it all taken away from them.

We feel totally let down by the system in Australia and feel that ASIC stood back watching and allowed this disaster to happen. Compensation needs to happen for all of the victims so we can get on with our lives without the threat of not having a roof over our heads at this time of our lives. ASIC FAILED IN THEIR DUTY!

D - Novelty of the Sterling Income Trust products

We were sold on the Sterling New Life Scheme as we were told that our money was paid into a trust and our understanding of a trust account was that our money would be safe. The fact that we would not have to pay ongoing rent as we were paying this upfront and rates and maintenance of the property would not be ongoing overheads for us, made the Sterling New Life Scheme very appealing. The people promoting the scheme as seen on videos at the seminar made it a very appealing proposition as our life savings were limited due to our ages, we had limited access to superannuation schemes and wanted to be self sufficient in our retirement.

E - Why the scheme collapsed and where the money went

Unfortunatley I have no answers on this. As above we believed our money was being

paid into a trust account which made it a safe option and would earn some interest and cover the rent for the rest of the lease. It is now obvious though that we paid our money to criminals who have stolen it and seem to be getting away with it scot free.

What did KPMG find out? They were being paid the bick bucks weren't they?

F - Related matters

We have written 3 letters to the Prime Minister, Mr Scott Morrison who's office did not even have the courtesy to reply. The same applies to the Treasurer, Mr Josh Frydenberg. Further letters to federal and state politicians have met the same fate.

We the victims of this disaster are suffering very badly and unfortunately the numbers of those who have passed away are increasing. Please help us to obtain justice and compensation so we can get on with the rest of our lives.

Please contact me if you would like more information.

Yours sincerely

Pamela Hellen