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## YSP Podcast Transcript: 407. The Deadline Driven World of Strata Management

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**Intro:** Welcome to Your Strata Property, the podcast for property owners looking for reliable, accurate and bite-sized information from an experienced and authoritative source.

**Amanda Farmer:** Hello and welcome. I'm Amanda Farmer and I have with me today, Reena Van Aalst from Strata Central. Hi there, Reena.

**Reena Van Aalst:** Hi Amanda, how are you?

**Amanda Farmer:** I am great. I'm looking at the calendar and it occurs to me that you must be jetting off overseas soon.

**Reena Van Aalst:** Yes, I am actually. It'll be in a few days time. I'll be away for three weeks, which I'm really looking forward to.

**Amanda Farmer:** You want to share with us where you're off to?

**Reena Van Aalst:** Yes, I'm going to Hong Kong and Spain. So yeah, I've never been to Hong Kong before, so I have been to Spain, but I'm going to different parts of Spain this time. So it's actually a conference that's been put on by Professor Hazel Easthope and a few other professors that's going to be in Tarragona, which I'll be attending. And Michael Tease is also going to be presenting at that conference. So looking forward to attending that as well.

**Amanda Farmer:** Yes, I believe it is the International Research Forum on Multi-Owned Properties. And I am very sorry to have missed out. I was in Spain last year and unfortunately can't squeeze it into the schedule to get back there this year, though I know it's a fantastic conference and I'm glad that some of our Aussie strata professionals are going to be represented. So you'll have to let us know how it all goes.

**Reena Van Aalst:** Yeah, definitely.

**Amanda Farmer:** Well, I know what it's like a few days before you're about to head overseas. So let's get straight into it, busy lady. What is your challenge you'd like to share with us this week?

**Reena Van Aalst:** Well, this challenge Amanda, I think is sort of coming off the back of recent events that have occurred in strata as we've been discussing recently in terms of strata manager and remuneration. And I wanted to just to perhaps give an outline to our listeners, especially those that don't work in strata, but obviously owners and residents and strata committee members, the actual challenges that strata managers deal with in terms of time-driven deadline function.

So a lot of professions have deadlines, like lawyers have deadlines in terms of filing documents, appearing at courts and tribunals, et cetera. Accountants would have the tax year. Engineers may have deadlines for particular projects, especially if they're government-type projects. But strata manager is actually, I would say, as far as I'm aware, and even when I was a pharmacist, our only deadline was to have an order in by 10 o'clock, say for our stock or with the submitting our pharmacy claims to the government to be reimbursed. That was done on a certain day in the month. But apart from that, there was no deadline-driven things in the same number as applies to strata managers. And I wanted just to outline this to our listeners. So the first thing is collective sale. These are all, I mean, even though it's not a common thing for any managers that are actually doing them, there are deadline-driven things.

Agency agreements, we have to give three to six months' notice of expiring agency agreements and then we have to make sure that they're on the agenda, they don't get missed for a general meeting, it's got to be convened so the agreement doesn't expire. Strata hub, again, we have a deadline of providing the information on the strata hub. I think it's within three months of the AGM. Annual fire safety statements, doing the inspections, making sure they're all done three months before the actual statement is due. Submitting the statement, following up and then getting it back if something's not right on the statement. Again, if there's a problem

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with a particular building in terms of something that needs to be fixed up, and it won't be fixed up by the day that the statement is due, we've got to actually, for some most councils now, submit a stay of penalty application. So it's again, you got to pay to stop the fine being charged. Land notices, another thing that again, deadline-driven, if you don't put your objection in by a certain time, these can lapse and then you're out of time in terms of being able to affect any refusal of equipment.

**Amanda Farmer:** And that's a LAN notice, LAN, which you receive from a telecommunications provider who wants to install infrastructure on the.

**Reena Van Aalst:** Correct. Then you have pool for the schemes that have swimming pools, swimming pool registration. Okay, these have you've got to have the inspection ready and have it done before it lapses again, for landlords that are trying to say rent their apartments that they need the certificate, it's got to be in date, it's got to be valid for vendors trying to sell. So there are repercussions just beyond the fact that something has expired. Insurance declarations and renewals again.

The problem is that the insurers now want the information three months ahead of time, even though the renewal is actually in terms of reporting from the brokers is coming at the last minute because all the insurance companies are overloaded. We have to provide information three months beforehand so that they can then go out to the market and that gives them enough time. If there's any requirements for any inspections done by insurance companies for larger schemes, they'll have an assessment done by their own people. That's again, got to be done in a timely manner.

The other thing also is agendas and minutes. So agendas have to go out 14 clear days for an AGM. Again, a deadline that's driven by legislation, having, making sure you've got your audit certificate ready, budgets being approved by the committee, et cetera. So there's all these timelines and then getting the minutes out within 14 days. I think the 14-day time limit is probably one of the most generous, I would say, in terms of that aspect. However, if you've got like seven meetings in two weeks and that still becomes another challenge. The most challenging thing that I find is a strata committee meeting agendas. So again, if it's a large scheme it's 14 days, including postage and you got to get the minutes out within seven days.

Now, some people may think, well, that shouldn't be too hard. But when you've got a pretty long agenda and your minutes are actually quite informative and not just like dot points, like I see some people say, like agreed to get a quote or very minor sort of notes. But when you're doing a proper meeting, you have proper minutes. People don't realize it does take time to condense a lot of words into very succinct statements in terms of giving context to a discussion and then providing what the resolution or the decision was.

And some of our schemes also want drafts of everything. So that means that there's another week or two added before the agenda even goes out, that a draft sent out that could be back and forth. Then some of our schemes also want us to provide the minutes before they're issued. So if you have a seven-day timeline, you've got to send pretty much the minutes within two or three days to the secretary or chairperson, whoever's being delegated the task of checking minutes. And then you've got to get it back and make the changes if there are any and then get it out.

So again, people don't realize that timeline is a very tight one. We also have month end. So if you think about it the month end is a process that we have to do whatever software you're using. And most software until you do the month end, you won't be able to actually pay any invoices or provide up to date financials. Now, of course, there's someone in your office doing all that, but it's another deadline that's got to be met. Then we have the VAS and tax return. So again, we've got to submit VASAs that has to go to the tax accountant or tax agent. They've got to check it, make sure it's right, make any adjustments. You've got tax returns once a year for a strata scheme. It'll provide all that information to the tax agent.

Then strata managers also have trust account audits that we have to do, which are due by the 3rd of September, which is a list of all our trust accounts, all our balances, how much is in there, have there been any breaches, et cetera. Recently, the tax department also made changes on who can be the authorised person on an account. And so before our tax agent would be able to

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do that, they would just go into the portal and change it. Now as of 1 January, we have to be involved in signed forms and log in and it's a very cumbersome process. Term deposits, again, for schemes that do have money, which is, I mean, not many.

**Amanda Farmer:** Just keeps coming.

**Reena Van Aalst:** Term deposits, when they're maturing. There's seven days before any instructions can be changed. So you have a seven-day grace period. Some schemes want us to go out to every single bank and get different rates, different terms. Some schemes will need the money. So we have to then close the term deposit. But again, it's another deadline-driven function. So if you don't give instructions within the seven-day grace period, what will happen is that, that term deposit will automatically renew at the rate of the time that the bank is offering for the same term. So if you need the money or something's happened or the startup plan wanted to change it to a different bank and you haven't, then you're in trouble.

Levies have to be issued 30 days in advance. So again, if AGMs are delayed and you want to increase the levy, sometimes we hold back the levy again, 30 days in advance. Sometimes that's a long time for people to wait for money to come in. However, it's still not a deadline that we have to be aware of. Electricity contracts. So for those schemes that have contracts, once they're out of contract, they go to the default rate. So we have to make sure that we have diarised the expiry at least two to three months before that contract is expiring to make sure that we go out again either go out to tender using an energy broker, some schemes want us just to go out individually to different energy providers and just get individual quotes. You got to provide all the past invoices and electricity bills so they can make an assessment as to your consumption and what discounts you can get. And so that again is another thing where we had a scheme that we couldn't get a decision from the committee and we're sending, I'm saying, if you don't make a decision, it's going to go into default, which is like 20 % or 30 % higher.

Leveories, again, even though that may not be a statutory deadline-driven item, our committee has wanted us to make sure that we're following up our leveories, after like day 45, day 55, etc. So it's another thing that we have to be on top of and make sure that we get instructions if to get legal back and forth, that the person never got the levy notice or they've moved out or etcetera. This is all so time consuming.

Loan applications again for buildings that you know have urgent works and they're having meetings and they can't afford it they want us to get loan applications. Again, the minute you get you're approved for a loan I've just had one where we were approved and you got to provide all this information to the loan provider, the financials, agendas and minutes for the last three years, the PACs, your bank statements, this, that, leveories, like again, a lot of time-consuming things. EV grant applications, that's obviously all finished now, but there was a time when we had to get all this committee meetings done before the deadline had elapsed last year in December for any EV grants to be approved. They had to have minutes of meetings showing that the committee had been authorized to be a part of the program.

We had cladding. So again, even though that's probably finished for many of us, there's still a bit of cladding going on in some of our schemes that we're still having to be involved with. And one now that I just took over at City of Sydney, obviously it's under a fire water when you have cladding. And they said, even though you haven't ticked all the boxes, we know you've done all the work and we're happy to take the fire water off you. But again, back and forth with the people at council.

The Security of Payments Act, again, for those that are familiar with that, if you don't pay your invoices, contractors can invoke that clause, which means we have a very short timeframe. Maybe, Amanda, you might want to give a bit more context on the Security of Payments Act in terms of your experience on that. Like, have you had to deal with many of these where...

**Amanda Farmer:** Sounds like a podcast topic of itself there, Reena, the Security of Payments Act. And I'm glad you've raised it because it's important that it's on our radar to address, but I'm going to ask the team to flag that one for another chat.

**Reena Van Aalst:** Now for any schemes that are part of project intervene, which is to do with defects, again, you've got deadlines that are imposed by, even though the deadlines are only one way, we have to make sure that our reports are submitted for consideration, and there's meetings that have to be held. This is for schemes that have very dangerous defects that are life

threatening or fake people's ability to live in their apartments.

**Amanda Farmer:** So where does this leave us in this discussion about a strata manager's role, the service they're providing, the fees that they're charging? I mean, you, by the sounds of it have systems in place, have staff who are assisting you to deliver these services to comply with. I agree. These are very onerous, very challenging legal obligations with serious consequences. If you don't meet these timeframes. What do you want to say about that in this context?

**Reena Van Aalst:** Well, I think, I mean there was only one, there was only a few more, but only one more I want to mention it, which is by-law registration and consolidation within six months. That's another thing. Well, I want to say, Amanda, I think that is what people don't realize the amount of time that is spent by strata managers, meeting all these deadlines means really that in order to be able to provide good service managers really have to charge, really double the fees that they're charging to have half the portfolio sizes that they're actually managing because there is no way when you look at all the complexity of the legislation that managers have to comply with. And there's so many different pieces of legislation apart from the Strata Schemes Management Act that I've just referred to.

You know, you have tech, you have taxation, you have environmental planning and fire, you have so many different types of legislation that we're complying with that it's really getting for a manager who has 45, I don't know how anyone can have 45 buildings unless you're only having an AGM once a year and even then, I mean, it's just not possible to do the job well when you've got this many deadlines that are imposed on you by either legislation or by the client to have every right to have a deadline imposed in terms of how they want things on their, they want agendas issued as drafts, they want minutes issue, they want renovation applications, so with quickly, all those things are all fine, but there's only so many, strata managers and what we're finding as well in terms of trying to get managers, I think every single company will be struggling to find people that have experience.

And I think there's a huge burnout rate I think that's occurring now in the sector because it's just getting harder and harder for managers to do their job with all these requirements. And I think the average person out there as an owner doesn't really understand, I mean, some people do, some people say, Reena, I know you're very busy, I want to keep you long, I know that. But a lot of people don't and they sort of think, well, why haven't you answered my email I just sent, you know, 20 minutes ago and things like that. And I haven't even added the volume of emails that we get. That's another thing that I've spoken about previously, but that's in addition, your emergencies, you've got your day-to-day stuff that happens. This is just trying to get your job done.

And I think I would say, I think for many managers that I'm speaking to, they're all saying the same thing that we're finding the job's getting so much harder, that client expectations are rising, that since COVID people are less patient.

People are having more owners and residents, again, like water coming through now that's last, we had this bit of a rain period in Sydney, the past seven days, quite severe rain. And people are upset that they're getting water in their apartments and that's understandable, but it's not our fault that something can't be fixed if there's no money or they're in the defects claim or whatever. But we sort of bear the brunt of people's aggravations and frustrations.

**Amanda Farmer:** Yes, for sure. Now, Reena, you've been in business for a number of years now, and I can only assume because you're still around that you've found a way to run a profitable business or a business that works for you and for your staff. Do you feel that the way you price your management services is top of the market and you take into account all of these owner's requirements and because of the fees you charge, you're able to still run a business that works for you. Or do you look at all of this and think, gosh, even I really need to be charging more or changing up the model.

**Reena Van Aalst:** Yeah, I think it's more of the latter, Amanda, because all these items that I just spoke to you about are all resource-driven things. So you need people to be trained up, you need people to be able to do the job. And everyone knows to train people is very time-consuming.

People leave, you get new people, people change their minds about whatever roles they're doing. So there's always that complexity of human beings that we're dealing with within our organizations and that's normal. But I just think that the problem is

that to be able to satisfy our clients at the level that we want to, I mean, we want to be able to answer emails. We want to be able to do all those things in a timely manner, which means more people.

And to try and find those more people is getting far more difficult. And that's why I think that for managers to be able to do a better job, they do have to start charging more even in their base rates because all of those things can't be foreseen, Amanda, and you don't want to. And for those people that want this an inclusive fee and some companies do this and they may do it well, I don't know. But you can't estimate all these things well ahead of time. That's why you've got to say, okay, we know how much it costs to do A, B and C and that one that we can charge.

But in some years, you may have very little activity in a building and in other years when something happens, you've got a high. So the fee should, in my opinion, should reflect that scenario. However, the resources that are needed now are growing and growing. And even though we're using technology, Amanda, I mean, we're using every type of technology that we can to try and make ourselves more efficient. It's still becoming a challenge, I think, because of the volume and the client expectations and statutory requirements.

I mean, the strata hub now is a new thing. I mean, people might think it's one little thing, but in isolation, all the things that I'm telling you seem very minor. I mean, not minor but okay, by-laws in the six months, you got six months, but if it's forgotten, or it, you know, you haven't got the cost agreement from the lawyer, then you got to check the consolidation, which there's no errors, then you got to send it back and all that sort of thing. It's just, it's all time consuming, and you have people to do it, but sometimes if you want to give good service and time your service, it's just getting harder and harder when the volume, even if your existing clients is increasing. So, yes.

**Amanda Farmer:** I think you hit the nail on the head there and saying, we want to provide a good service. And if you want to provide service at this standard, then it takes resources. It takes time. It takes skill. And that translates to cost. I had somebody reach out to me the other day saying, Amanda, I know you're all across this space. We're looking for a new manager. The one that we've had has been abysmal and we'd really love to have someone who is responsive, effective and inexpensive. And I said, I think that's kind of one of those riddles where you can only choose one of those things. They don't all go hand in hand. That's a unicorn that you're looking for there. You want responsive, you want effective, you want helpful, you got to pay for that one way or the other.

**Reena Van Aalst:** Yes. And there are some clients that are happy to pay for that. And there's no issue like as we have in terms of our strata schemes, but there are many that don't. And unfortunately, it's like, you can't have your cake needed to, you can't, it's like anything. If you want service in any sector, normally you've got to pay for it. You know, unless you're on self-serve. And I mean, we can tell people, when they want bottles, go to the portal, some people don't want to go to the portal, some people want you to send it to them, we have to charge for that because well, today, if everyone's asked, if you have 50 people asking for by-laws in a scheme, and everyone's, they're going to all be emailed individually. That's why we're trying to use technology where we can, we have a client portal, we have another software, which is a community app that you can look up your levies and you can get reminders and you can get notices and alerts and all that. So we are trying to use technology to minimize people having to ask us questions.

And also what we try and do is when we do our work, we minimize the asking by sending copies of work orders or quote requests to our commits so that they know we've done it. So we don't have to get all the emails back to say, have you done it? It's still, we're still getting the volume of emails, and especially like property managers, like they want, I'll worry the bottles. It's like, well, they're on the portal. You can get, I've got a tenant moving in tomorrow. Again, they've left it till the last minute. Their deadline becomes our deadline and so forth. So.

**Amanda Farmer:** Yeah, their deadline becomes our deadline. I like that.

**Reena Van Aalst:** Something has to get, I think, in stride at the moment, Amanda, I really do, yes.

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**Amanda Farmer:** Well, thank you for sharing that. So openly, I think that list of statutory deadlines that you gave us at the top of this chat is going to be really helpful for all the managers tuning in those who might be new to strata. Take some notes, grab the transcript of this episode. There's some gold there from Reena. And if you're an owner wondering what does my strata manager do or why are they not responding to my emails same day, then that gives you a little bit of insight and to know that there are professionals out there like Reena, who really are, I believe at the top of their game and providing a really top-notch service, still experiencing these challenges, tells us something about this model of strata management that we have and this perception, I suppose we have of our strata managers and what they're worth.

I'm going to move into my challenge for this week, which also relates to money. Special levies, Reena, and I'd love your view on this. I have heard this a few times in recent months. A special levy is raised to meet an expense. Let's use the example of a roof repair. Waterproof membrane has failed. We need to fix that. It's going to cost, let's call it a million dollars. A lot of buildings are facing that kind of expense. Special levy gets raised and we need to fix that it's going to cost let's call it a million dollars a lot of buildings are facing that kind of expense special levy gets raised and the funds that are raised for this roof repair end up being partly spent on something else. Maybe they're spent on fixing a burst water pipe that has suddenly come up that needs to be fixed. Money was in the capital works fund because that's where all the money for the roof repair got paid.

And it comes to a committee member's attention or an owner's attention who's looking closely at the accounts that the money that was supposed to be there for the roof repair is being used for the pipe replacement or whatever else. My perspective as a lawyer is that that is not legal. Our legislation is quite clear. Section 81 in the New South Wales Strata Schemes Management Act, a special levy is raised for a purpose. It is to meet an expense which cannot otherwise be met by the funds in the account and it is to be spent on that purpose.

The question I have, I suppose, Reena, for you as a strata manager is how do you administratively manage this to make sure that special levy funds are used for the purpose for which they're raised and they don't maybe accidentally or inadvertently get spent on something else.

**Reena Van Aalst:** Yeah. So basically I think part of it, I mean, we had, we were just taking over a building in Colorado that actually had the same scenario when you have a special levy coming in, you've got to actually say special levy going out in the expenses. So that's where it's captured. So you can see coming in and you can see where it's leaving.

The problem is that what this manager has done is that the special levy has come in and they've put replacements defects, replacements consultants, whatever. So they've not dispersed that special levy against in and out. So you actually can't see where it's gone because within the defects, you may have other things or general buildings. So they may have had other things that relate to that project, but have been put in other line items, and I'm not sure why the auditors aren't picking up on it or saying to them, when you get the accounts, like, why haven't you, I don't know why the auditors aren't doing that, because that's to me the clear way of showing the transparency, because I've had to now send the detailed expenses to the treasurer, and she has told me like, Reena, these are all the figure that relate to the special levy project, and I've had to then, we've had to then journal them away and put them into.

Now, I don't know if I can like because the accounts have come to me it was a week before the end of financial year. So I did it on the spreadsheet to show that they knew how much of the special levy they had used and which was pretty much all of it and how much money they had left in their main account so they could see the difference but I'm not sure if we're able to actually show that in the audit because if financials came sort of completed to us and then we've asked the order to that question I can probably give you an update next time I have our podcast and see whether or not that's possible.

But the only reason that this happens is because there's no in and out and you can't see. And that's why we always tell our community can't use the money for anything else. It's for the purpose it's been raised for. And I've had people say, but we got money in the account, can't we just do that? And I said, No, you can only use it for the purpose that it was raised for. Because I had one where they said, Oh, you know, we paid the loan for this month, we've got an extra thing we're going to pay. Can we use that? And I said, No, you can't do that.

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So I think part of it is because the accounts aren't being shown the way they need to be shown where you have special levy and you may have special levy and then you have special levy. Let's say you could even name it special levy expenses lift special levy expenses, you know, consultants, or you can say you can split it up and show it like if you want to show how that money is being split up, that's still possible, but you still must say special levy. And when you're budgeting, it's the amount in and it's the amount out.

**Amanda Farmer:** And I imagine it's fairly straightforward for you. You know, we're talking about a paper accounting exercise here. You introduce a new line item into your income list, a new line item into your expenditure list.

**Reena Van Aalst:** Correct.

**Amanda Farmer:** I've certainly seen that on nice, neat, clean financials for certain buildings. I've definitely seen the opposite in other buildings as well. A question I was asked recently by an owner was, why doesn't our strata manager set up a separate account and quarantine these funds in a separate account? And my answer was very similar to yours, Reena, that shouldn't be necessary. Everything can go into the one bank account. You don't want to be paying additional fees.

But from from a paper perspective, these line items should be set up and the funds should in and out should be tracked in that way. And I suppose if you are lucky enough, if you're a building that was lucky enough that the project came in cheaper and you had some money left over, passing a resolution at a general meeting to make clear that those funds should then, can then be used for another purpose, I think that would be okay. That would get you around that requirement to use the funds only for that special levy purpose.

**Reena Van Aalst:** Correct. Yeah. And we have had that happen, Amanda, where we've actually like the committee had agreed to use it for other things because it came in, I think it was about, it was like \$20,000, there was only a small amount of money left, it's only \$20,000, but we said, no, have a resolution that people can see. But sometimes usually the converse happens where you actually need more money than what you've budgeted. So you've got to then use your other account to, but the only time we would ever use a separate bank account is, and we have the projects where there's a by-law that only pertains to certain people that are part of a project.

We had like kitchen ventilation for a fire order. That was only like five lots. So we had a separate bank account that was open just for that scheme. And the money was paid into and disposed out of that one. Another one, we had a balcony project again, only like say a third of the apartments were getting new balconies. So we did a separate bank account for that. So all the money went into that separate bank account. And because again, the UE is a variable that is not the same as your UE divided by the total because the UE of a smaller amount of people is a higher percentage. So there's also another reason why we have to do it that way, because the share that's being paid by those owners is not just based on their UE, which is part of their normal account. They would have a UE based on the project. And if there's only 10 balconies, their UE's would be their UE divided by the total UE's of those 10 people. So again, the...

**Amanda Farmer:** And I can only assume from a legal perspective, there were contracts or a by-law in place that allowed you to have that differential contribution. Yeah.

**Reena Van Aalst:** Yes, correct, there was a by-law that was placed to do the project, to alter common property, to open the bank account, to go to the council, to do all those things. Yeah, 100%.

**Amanda Farmer:** Well, great to get your perspective on that. And I think it's an important one to be talking about here for the owners who are tuning in who look, I get the questions both ways. Amanda, why can't we use the special levy for these other expenses? And Amanda, why is my community using the special levy expenses? So that's the New South Wales legal position there for you and some practical advice there for Reena on how she handles that. Do you have a win to share for me this week, Reena?

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**Reena Van Aalst:** Yeah, so you may recall a while ago, I mentioned that one of the owners he had submitted an application for leave to appeal because it's an automatic thing that you can actually appeal. You've got to get leave to appeal. That's the first stage. So that case has been heard and the decision has come down and that owner pretty much failed on every single, there was three applications as part of the NCAT decision that were originally made and there was appeals against all of them and they were all dismissed. So we were very pleased about that because this has been a matter that has been dragging out for years and years and years and obviously they were part of the issue of the appeal was also costs because the owners corporation was awarded costs.

And therefore, one of the three orders that were being appealed against was the fact that costs had to be paid. So that's now been again, defeated, which is now more costs because the owners corporation had to go to more costs to defend this leave to submit an appeal. So, again, it's my first time I've ever had an appeal. And the person that did the appeal, I mean, is that sort of, again, we, as a lawyer, Amanda, I'm sure you've come across the terminology of vexatious. And again, I think that if it was in a real court it would have been deemed to be that way. This is the first and I think third or fourth attempt in NCAT over similar issues.

And this was a building where they were not able to get office fair's liability and we had to negotiate and get some ministerial amount of a couple hundred thousand because of the fact of this case that has been going on and on and on for years, even though the committee has done everything that it should have done. It's unfortunate that third parties like insurers don't even look at the details. And so they were quite happy and indicated that all their efforts in terms of completing the work, doing what they had to do was done. And therefore the owner had no legal basis upon which to seek an appeal of the decisions of the case. So yes, that was a fantastic outcome.

**Amanda Farmer:** Very well done. Congratulations. And did the owners corporation engage a lawyer to assist it with defending this appeal?

**Reena Van Aalst:** Yes. So the same lawyers that had acted for us and embarrassed her at the actual tribunal original hearing, they were re-engaged to conduct the actual appeal. The applicant at the time had not used the lawyer, but for the appeal, they had a lawyer. And I sort of felt sorry for the lawyer because they were just putting it at the last minute and then we didn't know. I mean, lawyer had like 10 things and that he was trying to use as reasons. And then I think he brought it down to one because you really could see that the other nine were just like, it was pretty sad. But anyway.

**Amanda Farmer:** The reason that I ask about the lawyers involvement for the owners corporation is that there would have been costs, probably considerable costs incurred by the owners corporation. Was there a cost order made in the owners corporations favour?

**Reena Van Aalst:** Yeah, there was. And the orders actually say that the cost respondent must file and serve any written submissions. Each side's got time to submit their costs and the other side and back and forth. And yes.

**Amanda Farmer:** Got it. Because sometimes I think when you are dealing with someone who may be classed as a vexatious litigant, it is unhelpful that the tribunal's power to award costs is somewhat restricted by the legislation because it can, what's the word, embolden a vexatious litigant to continue their luck, try their luck at the tribunal making these applications believing that they suffer no loss. They self-represent, they're not out of pocket, but the owners corporation certainly is paying their additional strata management costs.

Maybe a committee member needs to turn up to the tribunal. Usually owners corporations will engage lawyers. They may claim on their policy of legal defense insurance that raises their premiums and their respondents or defendants to these proceedings, they have to respond. So sometimes I think cost orders can play an important role in keeping everybody focused on whether or not we really need to be arguing this in the tribunal.

**Reena Van Aalst:** Yeah. I think I meant also, with these types of applicants, they may have had one win many years ago or like along the way. And I think sometimes that gives people the false impression that you may have one on one thing, but it doesn't

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mean, like you've got to win on everything. And that I think also emboldens people when they have that sort of personality type. And I think I mentioned this before in one of our other podcasts, like pretty much all the evidence was based on my affidavit. No person was asked to give evidence was only just me, the owners corporation and our expert engineers.

So the amount of time that I spent like compile, obviously, I have to give all the information I check all the affidavits go through everything, make sure I get them all the emails and all the next years and everything like that took days and days to PDF because you can't, I mean, emails are an outlet. You got a PDF, then you got to file them, email to email from. 'cause for a lawyer to do their job successfully, they need to have all the right the information and they need to have it in a way that is easy for them to read and understand because I mean, I know it inside out but they don't as you know like you're a lawyer you're guided by your clients you know information in terms of putting forward you know drafting affidavits etc and then having them settled etc so but all my fees as strata managing agent we're not able to be included that's not part of cost sort is it.

**Amanda Farmer:** Yeah, they're not legal costs. Yeah, true. So the owners corporation wears those.

**Reena Van Aalst:** It's out of the pocket 100%. Yeah.

**Amanda Farmer:** Well, thank you for sharing that and congratulations to that building for staying strong in that situation. And I suppose, you sit and wait and see what comes next from that owner. If they have perhaps learned a hard lesson, it's nearly time for us to wrap up. And I'm going to wrap up with my win for this week. And that is to share with you that I have registered to attend the inaugural strata Impact Conference. I'm interested to know if you'll be attending this one, Reena.

**Reena Van Aalst:** Yes.

**Amanda Farmer:** It is hosted by our friend of the show, Dr. Nicole Johnston. The Strata Impact Conference is happening at the Langham on the Gold Coast on the first and second of August. And we will share the link where you can check out all the details of the conference and register to attend. But I'll just read you the description of what is happening on the 1st and 2nd of August, 2024 at the strata Impact Conference. Dr. Nicole is bringing together anyone who wants to be inspired to build knowledge, to engage in strata discussions and debates with many diverse professions involved in the strata sector.

It has never been more important to hold a conference that gives us all an opportunity to exchange and challenge ideas, to learn, to improve the services and the products that we deliver to strata communities. So over these two days, delegates are going to hear from world-class researchers and expert service providers on topics that are current and relevant to strata. And when you register, you are contributing to the future development of strata research and the advancement of strata education. So gorgeous venue.

**Reena Van Aalst:** I think, aren't you actually on one of the panels, Amanda, I noticed on the program?

**Amanda Farmer:** I will be moderating a couple of panels. I think I've put my hand out for moderating a couple of panels there at the conference. And I'm really looking forward to seeing many colleagues that I don't often see these days doing most of my work online. You'll be there, Reena.

**Reena Van Aalst:** Yes, definitely. I mean, I've been waiting for my staff to come back to me. So I've actually sent an email to a few of my managers and said, do you want to go? And one person's already said, I can't. The other person said, oh yes, of course I want to go. It's like a long response so I can book the tickets. Because it's an early bird. I think it's the 14th of June, the early bird expires for those that want to.

**Amanda Farmer:** You got it. 14th of June, early bird pricing ends. So do jump in and grab your spots before then. I know there are limited spots available and there is also a, I think it's called a VIP lunch that's happening on the Friday that has very limited spots. I'm going to be at that one. I would love for those who are tuning in, if you can grab a spot to that one, please do join us. Reena, if you can.

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**Reena Van Aalst:** Yes.

**Amanda Farmer:** Grab a ticket to that VIP lunch. It's going to be very special from what I hear on the inside.

**Reena Van Aalst:** Oh, sounds good to me. Yeah. I mean, I went to the Langham last year in September and my first time I've been to the Gold Coast for many, many years. And that is such a fantastic venue and location for a conference. I mean, just being there on holidays, it's like, it was amazing, let alone a conference where you have all the facilities that you can use and just walk down to the beach. It's right on the beach actually, the hotel. So it's sort of far away from all the various different parts of the Gold Coast, so to speak.

**Amanda Farmer:** We love the Gold Coast. We especially love the Langham. I'll enjoy catching up with you there, Reena, after you're back from your trip to Spain and Hong Kong and relaxed and refreshed, I'm expecting.

**Reena Van Aalst:** Yes, definitely Amanda. Looking forward to my break. I really need it.

**Amanda Farmer:** Go and enjoy and I'll catch up with you next time.

**Reena Van Aalst:** Bye Amanda, see you next time. Bye.

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