

Publication Date: 6 February 2026
YSP Podcast Transcript: 474 - Strata conflict is surging + schedule B fee shock

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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. Hey, Reena.

Reena Van Aalst: Good morning, Amanda. How are you?

Amanda Farmer: I'm great. This is our first episode together for 2026. Happy 2026 to you, ma'am.

Reena Van Aalst: Happy New Year to you too, Amanda.

Amanda Farmer: We were just chatting before we pressed that record button about the overwhelm that has already hit, not just us, but others. We're hearing from in various strata circles. We predict it. It's here. I'm not sure how what we could do about it, but just push on. Just where I'm going with that for sure.

Reena Van Aalst: Exactly. Amanda,

Amanda Farmer: Sharing our wins and our challenges as best we can and as we like to do here on our chats together. Reena, jump in with your challenge for this week.

Reena Van Aalst: Yes, we're obviously all back into the swing of things now in our first week of February, and yesterday I had my first mediation ready for the year and before the mediator could get onto the respondent, because we were the applicant in these particular mediation application. She said to me, Reena, the start to this year has been quite intense, and there's an unprecedented increase in mediation, and they just don't have the resources to cope with it.

And I said to her, funny you should say that. I said, because obviously, I said to her before it gets to mediation, there's a lot of stuff that would be happening. If you're the applicant, you'd be obviously writing to that owner. If you're an owners corporation, if it's a by-law breach or whatever it is, you'd be following up with another letter and then having a meeting with the committee to decide what to do, and then eventually go to mediation.

This particular matter started in April 25, and this is how long it's taken for us to get to mediation. By the time we had resolved back in October to proceed with mediation. So the application was lodged not long after that, and by the time, obviously, with the break and everything. Yesterday was the first date that was scheduled.

And I said to her, I said, she said that you don't have the resources. And I said to her, this is what I think people don't realise for strata managers, is that we also don't have the resources because when we're dealing with conflict on a much larger scale, it's taking away from our day-to-day work.

So while I'm in mediation for two hours, all the emails are growing, the phone calls are coming in. I'm lucky, I've got a good team that assists me in the background as well in trying to look after things. But there are certain things that I still have to deal with that I have knowledge of, that clients want to speak to me, and there's no point in trying to get a third person involved.

And in many companies, it's just the assistant, and maybe they're sharing an assistant amongst two or three managers, and then yet then I had a meeting in the afternoon for that same building, and that was another two hours. So that was four hours out of my day, just taken up with one building. And, we don't have extra buildings, so this is not as if like with more buildings comes more problems, or which is a factor of mathematics.

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This is actually in buildings that someone moves in. And then this person was telling me yesterday that in the meeting that when I spoke to him about renovations that he is undertaken without authorisation, removing a bathtub and all that. He said that when I tried to explain it, the legislation says any fixed waterproofing requires a by-law. He said, that was just my view.

Amanda Farmer: Sorry, that was what you were saying was just your view.

Reena Van Aalst: Exactly.

Amanda Farmer: You didn't otherwise know what you were talking about.

Reena Van Aalst: Yes. And the committee, obviously, were assisting me, saying you didn't get permission, and they were help, obviously trying to assist. But, and at the end of the day, we spoke about deflection, where there's some people, it's a personality thing. It's just one of those things where certain people, just are the masses of deflection and don't take responsibility. And then when you try and use legislation, it's it just becomes my view.

So it's I can't argue with that. What can I say? Yes, sure. I just, I'm making this up. But yes, and I think people are understanding what they own in a department, so yes. It's just, I think, already this is what's happening in 2026.

Amanda Farmer: Yes. And. I know you haven't asked the question, but we are all thinking, why? How does this happen? Why is this happening? Very interesting that you point out. It's not as if your business in particular is taking on more buildings, so you've got more clients to deal with. This is actually a change in the frequency. And, perhaps type, or nature of disputes that your existing buildings are being confronted with?

We got a lot of new legislation, so more legislation, more rules to enforce, and that are available to be enforced. And more rules that can be breached. So it's very easy these days, and I think a lot easier than it was, say 20 years ago. And both you and I have been in strata long enough to remember those times.

It's a lot easier for a committee to point to a breach of the legislation and say you should have got a dialogue, got a special resolution. Put this to a general meeting, more educated committees. The rise of AI as we often talk about. Easy to pop that into ChatGPT and get an answer, and then shoot out an email.

I think that is part of it. People spending more money on their apartments. So you've got new purchases, so you might not have more owners, but you've got different owners and where your owner before spent a few hundred thousand on their apartment, perhaps this one has spent a couple of million on their apartment. It's a different, possibly a different type of person with a different approach to communications and to life.

Reena Van Aalst: Yes. I think there must definitely is an element of that, Amanda. I totally agree. But I think there, like this person's a new person that just moved in last year, and it's basically like the first breach, there's a number of them. The first one was about a dog, which in a resort is not, I know it's because when he was buying in the conveyance rang me and I said no. And she said, Why isn't that illegal to have a and a no animal by-law? I said no. I said, this is a resort and the owners are not allowed to live in the resort more than 42 days in a year, or 105 as per the New South Wales government development consent.

So that is a restriction. And that's in the by-laws. And that's at the moment, even that's being challenged as well. So it's not another story that we're dealing with, but in this particular development. But the issue is that the person knew that they couldn't have a dog there, and then all of a sudden they say things that never happened, and yes. And so I think it's partly personalities, like I said, the type of people that are buying into strata. You're right, it's the type of people that are buying in, people that had perhaps more money, more resources, more time. I do think - I think a lot of my colleagues have said this since COVID, there has been a shift, because I think people are working from home.

There's more focus on, for example, today I was at home before I came in, and something was happening in my building. Whereas if I'd stayed at home, that would've been bothering me. All the noise from the tree lopping and things like that. Yes.

Amanda Farmer: Yes, I think that's probably a factor as well. And at least from my perspective as a lawyer, most of what I do these days is repair and maintenance disputes. And that just tells me buildings are aging. There isn't the money to fix it. There's pushback on raising levies and contributing to those costs. And so things are let slide for too long, or have been let slide for too long, and we end up in the Tribunal seeking orders.

That's day in, day out for me, and that wasn't the case. I'm going to say five years ago. It just wasn't. So it is that perfect storm. I've used those words before. Interesting to hear that. Fair Trading is feeling it as well. I filed a couple of mediation applications earlier this year. I did get a date back for, I think we filed in January, and we got a March date, which was great, but unfortunately, that date clashed for my client and I. And we sought a new date and the next date we were given was in May.

Reena Van Aalst: Yes, exactly.

Amanda Farmer: So now we've filed in January, so we must have just got caught up in that window of suddenly we're going through all those applications. So, just, I do like to update our listeners on where we think the backlog is at with mediations. It's possibly about five to six months now in New South Wales, which is a bit of a shame and tricky to get Tribunal hearing dates as well, especially if you need a whole day. If you need half a day for your hearing, great. Try to get it in, and half a day you'll get on quicker, a day, two days. Yes. Good luck with that.

Reena Van Aalst: God.

Amanda Farmer: Alright, on that cheery note. Let's move into my challenge for this week. I want to raise the topic of transparency, which we do talk about here often. Something that, again, is coming up more and more often, I think, through owners being more educated, asking more questions, spending a lot more money, transparency around the strata manager's fees. For those who aren't quite across this, or you haven't had a close look at your strata management contract. The way that a lot of strata managers charge their buildings is that they have a fixed fee or an agreed services fee for their regular services that they provide to a building.

Things that they expect to do because they do this for every building. Send out levy notices, attend annual general meetings, arrange the usual repairs and maintenance. They can quote a fixed fee for that on an annual basis, and then additional fees or additional services fees. You'll often find those listed at the back of the contract, and they are what is called in New South Wales, colloquially, as Schedule B fees.

And I believe that's because it's in Schedule B of the template. SCA Agency Agreement. Schedule B fees are our additional services fees. And it's sometimes the case in some buildings, depending on what's going on, that your scheduled B fees can be the same, or sometimes more than your agreed services fee, and it can come as a surprise to owners to see that what they thought was going to be a \$20,000 contract becomes a \$40,000 contract because of those increased Schedule B fees.

So something that I encourage owners to do, and I certainly do it in my building as well, is to ask their strata manager for the itemised list of charges that, being made under Schedule B, so that they're across what those fees are if they're not already getting a monthly or a quarterly invoice from their strata manager for those fees. When I make that suggestion, I've been hearing from a few people that their strata manager says, No, we're not going to provide that to you, or you're not entitled to that, or we don't have to. Thought I bring it here to the pod, Reena, and ask what you think about that. Have you heard about that? What's your practice?

Reena Van Aalst: No, I've never heard people saying no about providing this request if it's made. Yes, I don't really know why they wouldn't provide it, Amanda. I don't know. But, I think also when I look at some of the legal bills, obviously we're getting invoices, and they just say, I'll letter it to client and they don't say what it's about. They don't, or they give this sort of one-liner thing. So I think anyone that's time charging has to be more accountable. And that's why like at the end of the month, when I'm going through the charges that the team are putting out, I need to make sure that, are they charging for things that. It shouldn't be like inclusions that are already in Schedule A.

Is there like too much charging for a particular thing that you know, like even though it might have taken them 10 minutes or 20 minutes, it should have only taken them five, because someone that's competent. But sometimes, obviously, it could take 20, because you got to go back and research into the history of the building or find a document or do some reading and all that. So it's more than just, it's not just what as the last email. It's perhaps as for a lawyer, you're doing your research, you're considering the law, you are looking at all the correspondence. Yes. But to me it's I don't know why managers would refuse to provide it, and I'm not sure that, why they would think that they don't have to provide it.

Amanda Farmer: Yes. It's a good point that you raise, and this is yet another example of where we see strata managers really having to operate more like lawyers. If you are going to have those hourly rates for your additional services, absolutely. You have to be recording your time somewhere internally, and I say, you should be billing your owners corporation with that itemised invoice, or at least making that available. You might have the ability in your agency agreement to draw down your fees from the trust account without necessarily getting sign off or approval, but on request, if that committee, that treasurer asks for that information on request, you should be able to produce that timesheet.

As lawyers have to legally, and this is in our legislation that governs our operation as lawyers across the country, if lawyers have issued a lump sum bill for work, and the client requests an itemised invoice. That time to be itemised, then the lawyer has to do it. That's in our legislation. We have to comply with that, and maybe that's what we need for strata managers. If you are not going to have a contract that is 100% fixed fee, agreed services fee, you're going to have those hourly rates that you can apply for additional services, then you have to be able to substantiate that on request. And maybe saying that's just good practice or in the interest of transparency is not enough. Maybe we need our legislation to say that.

Reena Van Aalst: Perhaps. So that's what's required. Yes. But I think also too was actually doing this yesterday is like when someone had in a TCO owner regarding it was to do with some sort of calculation of something that's out of the ordinary, not your normal levy. But it's which owner is it? You need to say which owner, like again, when you're producing itemised bills and you know that these could be obviously you're seen by third parties. Even if it's not to do with a request as such, you still have to have the detail.

More people don't realise it is, recording time is time-consuming as well, so however, you've got to do it properly. Otherwise, when there's a dispute, the first thing that people will say is that, when you aren't clear in your charging or then people are going to start, if there's something that's not right in one of the charters, and that will start to cause people to look at everything and thinking if you've making a mistake here, then how many other mistakes have you made? Or what haven't we seen? Or, you know what I mean.

And unfortunately, what I see across the board in strata management is really very it's just this is a very broad brush approach to things. And unfortunately, it's only when it goes wrong. Will people then realise that they should have been a bit more careful and a bit more astute in their detail.

Amanda Farmer: Yes. And in my view, from a legal perspective, you have to be able to produce that record of your charges. You have to be able to substantiate the amounts that you are drawing from the trust account or invoicing your clients. And if you had a building that challenged those fees, I think they'd be on strong ground.

It's not just one person that has told me that this is happening, Reena. There are bizarrely strata managers out there who are refusing to provide these details, saying, You're not entitled. That's an internal record of ours. I think about where you have those rates set out in Schedule B to just.. Yes, it just baffles me how managers think that they can just pull down a lump sum and say that's Schedule B fees and not claim calculated.

Reena Van Aalst: Yes. But to me, this just shows the lack of understanding of strata managers to even say that. Like the thing is to, pursuant to the law of agency, even if you take out all this internal stuff, end of the day. Yes. It's just very strange in terms of not understanding the law and how it works. It's like to me, it's like just basic contract law. Even if you take away the law of agency.

Amanda Farmer: Yes. I think the problem is, they are relying on agency agreements that don't say they have to do it, right? So owners are struggling to point to. This is where you have to provide me with an itemised bill and something that came up, actually. I'm reminded of it now in our forum, where this question was being asked about providing the itemised bill. There was a member in our forum who pointed to some advice from Fair Trading that said, Where a contractor is charging fees for their services, if an invoice is requested or an itemised invoice is requested. I'm not sure if those were the words that has to be provided. And there was, that was the guidance on Fair Trading's website. I'm actually just putting my hands on that link right now and looking at that page, and it's a page about your responsibilities as a business.

And it says things like, you must honor any warranty or promise made to the consumer or consumer guarantees proof of transaction. So there's a heading on the page that says Proof of transaction. It's a document that states the supply of the goods and services, the date of the supply, the tax invoice, blah, blah, blah. A business has an obligation to provide proof of transaction to consumers for goods or services valued at \$75 or more. Businesses are also required to provide a receipt for any transaction under \$75. You must provide an itemised bill. If a consumer asks for one, they may request it within 30 days of whichever occurs the services or they receive their bill.

I've had a quick look at that. This is the detailed legal advice here, but I can't see why that doesn't apply to our strata managers, and I haven't dug any further. But I will do that and just pull out the actual legislation that this comes from. Let's be a real lawyer here. It's probably a Fair Trading Act summary here that I'm looking at on the page where the itemised bill is required. And if my view changes, I'll add a note. To this episode, but yes, you're a business, you're providing services to consumers. If an itemised bill is requested, it should be provided. Maybe you do have that legislation in place by the Fair Trading Act that lawyers have via our legal profession rules.

So there you go. That link for you. If anyone wants to send that through to a recalcitrant strata manager who's refusing to provide you with an itemisation of your Schedule B charges, then let me know how you go with using that argument.

Reena Van Aalst: Yes, exactly.

Amanda Farmer: Alright, your win for this week, Reena.

Reena Van Aalst: Oh, last week I attended the UNSW Eighth International Research Forum on multi-owned properties that was held in Sydney from Wednesday to Friday. It's been put together by Dr. Hazel Easthope, that we all know. The keynote speaker was Professor Cathy Sherry, who, obviously, many of you, our listeners, already know. We had speakers from Japan, from New Zealand and India. Michael Teys spoke about the building safety laws, the post-greenfield reforms in England, Florida, and New South Wales, and how our states and country fits in with all that in international aspects. We also had a field trip to Green Square on Friday, which was quite interesting.

Even though I drive through that area so many times, we had the City of Sydney Council give us a presentation about the history, which goes back to 96 and when it was still South Sydney Council and before, prior to the amalgamation. So yes, it was just great to be in a great forum of intellectual people in terms of presentations and information and seeing how the world is faring. With the same challenges of aging buildings that we have here in New South Wales and Australia.

Amanda Farmer: Yes. Thank you for sharing that. Reena. The International Research Forum is a great event. That annual conference, I wish I could have been there. It was my son's first couple of days of high school, so to be home, to be a support here for him. And thank God that I do, let me bring that. So sorry that I missed it, but I agree with you to be able to look more broadly, look internationally at what others are doing in similar spaces, in the same spaces. We all face the same problems. But, as I think maybe Michael Teys spoke to, because I saw his point on LinkedIn, we're all dealing with them in different ways. And it's important to ask the question, is there a better way to do this?

And look outside of our own backyard. And I like you, when I'm in those circles of our researchers and our academics. I find them really positive spaces, a very different energy to the ones that we're often in and maybe where we started this chat, underresourced, it's conflict, it's awful. I find our academics are often very forward-looking, obviously. Very open, very excited, about what their research might be able to do for us and to help us help people better and important to put ourselves in those spaces as often as we can. I think,

Reena Van Aalst: Actually, I think people would find it surprising that India has a really good system for collective sales where the developer actually doesn't buy the land, he just buys the building, the apartments, and then the people are relocated and he has to pay the rent and when they come back, how the developer makes money is by adding more floors and that's his profit. But you come back to a new apartment, you can come back to a different apartment. If you're obviously, to various bits and pieces that you might want to pay extra, whatever. But yes, I thought that was a great idea, because then people would, while they're not living there, their rent's being paid for them.

Obviously, there's, I'm sure there are issues with that too, in terms of where people, how long people are getting relocated for and all that sort of thing. But I thought the concept of - there's a lot of collective sale issues, I think that we have in New South Wales, rent to people not being able to buy back into that same building or even the same area because of the fact that the prices of the new buildings is so much higher than the current. So yes, that was an interesting thing. We'll find out. Yes, so you learn so much from different parts of the world as well.

Amanda Farmer: Very true, and thank you for bringing that to our podcast, Reena. My win for this week comes from a client of mine who has been successful in Tribunal proceedings successful not by obtaining an order at a final hearing, but by settling the case with some consent orders. The other side agreed to. Not going to go into too much detail about that case and exactly what the orders said, but I am going to say this. Because it's come to my attention that not many people know you can do this. Part of the agreement was that a compulsory manager be appointed, but with limited powers. To only do certain things.

One of the complaints in this case, as I said earlier, a lot of my cases are, was about a failure to properly repair and maintain the part of the orders that were ultimately agreed to. Saw the compulsory manager being appointed just to deal with that limited duty, that section 106, duty on the part of an owners corporation to properly repair and maintain the common property. Tribunal has appointed that strata manager to just do that job for the owners corporation without any input from other owners. While the current strata manager, the incumbent strata manager, continues on with their job with a voluntary appointment.

So you can have two different strata managers, one performing a compulsory function specified by the Tribunal or by Tribunal orders and the other doing all the other stuff. It's a thing, and it may be a solution to a difficult problem. Have you ever been involved in that, Reena?

Reena Van Aalst: Yes, I've actually done a few of those, but I think that there are some challenges with that approach. One, because if you are the manager for the remedial work, which I have been, then I don't have the ability to raise any money if I need to raise money for it.

Amanda Farmer: Right.

Reena Van Aalst: So I have to make sure the money's there before I sign a contract, before I engage builders, before I get legal advice on the contracts and things like that. So part of it is that you have to rely on the other manager, who's normally been quite helpful. I haven't really had any adversarial issues with the other manager, but I'm still there is a bit of a lag. I need more money. That person will have to raise the levy for it. And then they're faced with the challenges that probably got your client into trouble in the first place, not wanting to raise enough money for the work, perhaps. And I've been involved in one where I was just dealing with legal proceedings, so again, it wasn't to do with the whole building.

But then, and that was a bit easier, I think, because that was more dealing with the lawyers and that type of thing. So it wasn't dealing with all the day-to-day stuff or a building project, which is more onerous. Because you'd need sometimes, more power to get, raise more money. But if the money's already there, then it's easier. But I suppose that's the only thing that I would say about these partial appointments is where the other manager doing the work needs to raise money, and that's where they can't raise money.

Amanda Farmer: Yes. And that's where the drafting of your order is really important to make it broad enough. That the compulsory manager has the power to do that. To raise the money to do all things necessary to make sure that duty can be complied with, which includes raising levies and pursuing live areas and things like that to avoid disputes down the track about the boundaries of that. So yes, great reminder to make sure that if you're thinking of heading down that track, whether you're an owners corporation or you're an owner, make sure you get some legal advice on that so that those orders can be framed specific to your circumstances.

But it was only a couple of days after those orders were made that I heard from a strata manager, saying, Amanda, I've just been approached to do this. Is this legal? Is this a thing? Can I do this? So I thought I'd share that one here. Because I thought maybe some other managers or owners might not realise that can be a solution for a building as well.

Reena Van Aalst: Yes, I think it's a good idea because what it shows is that there's not total dysfunction, but there's just an area that has dysfunction.

Amanda Farmer: Yes. Which is, I always say. If that's the case, you probably shouldn't have been seeking a compulsory appointment anyway. But here's the thing with compulsory appointment applications, and this happens a lot, where I do advise owners to bring compulsory appointment applications, and then we get to the doorsteps of a hearing, and we're looking at what's been happening in the building in the last six months. And you know what? The building's picked up its act, right? They maybe engaged a new strata manager who's serving them a little bit better and advising them a little bit better. Maybe they have started enforcing the by-laws. Maybe they have had their AGM, which they haven't had for four years.

Maybe they have raised levies, and maybe the only outstanding issue from our long list of issues that was filed a year ago. Maybe the only outstanding issue is this continuing failure to repair and maintain, or to do a particular job or to comply with a particular order. That's when a limited appointment may be a great solution or a proposal that you can make to your opponent to settle proceedings, saying, You know what? We accept that. You've probably cleaned up your act. And we may not get the complete compulsory appointment from the Tribunal, but this is still a concern for us. And we don't believe that the owners corporation should be left to voluntarily comply these obligations. We want this manager in, and owners corporation might agree to that.

Reena Van Aalst: Yes. Sometimes the fear of compulsory appointment is what gets people to start fixing up their act and trying to do what they should have done, as you said, Amanda, but sometimes, yes, it's not obviously a perfect world. And if you can get the limited appointment, which is really sometimes the crux of what is a result of all the other issues that have happened, but those issues are being somewhat resolved, then it's a good outcome because then you get what you need to get done and the owners don't feel like they've had all their power taken away from them.

Amanda Farmer: Yes. Excellent. That's all we got for today. Thank you so much for joining me for 2026, Reena Van Aalst. Looking forward to more of the same.

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Reena Van Aalst: Me too, Amanda. Thank you so much.

Amanda Farmer: I'll send you back your inbox. Bye

Reena Van Aalst: Bye.

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