

# Levy Collection

*What are the changes under the new laws?*



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# **Strata Schemes Management Act 2015**

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## **Reforms to Levy Collection Practice & Procedure**



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# Levy Collection – The Changes

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# Levy Collection – The Changes

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1. There are several key changes to levy collection procedure as a result of the commencement of the new strata laws.
2. This short paper will summarise the top 10 changes to levy collection procedure that will apply from 30 November 2016.



# Levy Collection – The Changes

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1. A levy becomes due and payable on the due date set out in a levy notice.
2. A levy cannot fall due until at least 30 days after a levy notice for it is given.
3. A 21 day notice\* must be given by the owners corporation to an owner before legal action can be taken to recover overdue levies.



# Levy Collection – The Changes

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4. A motion must be considered at **each AGM** on how to deal with overdue levies.
5. **Interest** on overdue levies can be waived by ordinary resolution (a special resolution is no longer required).
6. A **discount** of 10% on levies paid in advance can be given by ordinary resolution (a special resolution is no longer required).



# Levy Collection – The Changes

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7. A **payment plan** for up to 12 months may be approved but only by ordinary resolution at a general meeting (a strata manager cannot approve a payment plan).
8. A **special levy** can be raised to the administrative fund or capital works fund.
9. A **mortgagee in possession** is now liable for levy recovery expenses.



# Levy Collection – The Changes

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10. **NCAT** can order payment of overdue levies, interest and recovery expenses.





# Levy Collection – The Changes

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- \*We have developed a template 21 Day Notice which is suitable for any strata managing agent to use before action is taken to recover overdue levies.
- Should you wish to purchase this notice, you should email [jsmmarketing@muellers.com.au](mailto:jsmmarketing@muellers.com.au) and the notice will be forwarded to you in word.doc format.



# Levy Collection – The Changes

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## **About JS Mueller & Co**

JS Mueller & Co is a specialised firm of strata lawyers with knowledge and experience in all aspects of strata law. We have been resolving development, statutory, commercial and contractual issues within the strata industry since 1983. Our experience and expertise brings valuable service to our clients that consistently exceed expectations. Working with property developers, owners corporations, executive committees, strata and building managers through to large scale commercial developers. We are there to assist you every step of the way.

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# Thank You!

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