

Levy Registers After 27 October 2025: Avoiding Costly Mistakes

The reforms which commenced on 27 October 2025 have reshaped what and how amounts are payable by a lot owner, and these changes flow into how levy registers must be kept under section 99 of the Strata Schemes Management Act 2015 (“SSMA 2015”).

Section 86 (7) and (8) of the SSMA 2015 now provides that:

86 Recovery of unpaid contributions and interest

(7) Payments by an owner in arrears must be applied in the following order—

- (a) to contributions, in order of due date,*
- (b) to interest,*
- (c) to expenses of the owners corporation in recovering contributions **ordered to be paid** under this section.*

(8) Subsection (7) does not apply to the extent that—

- (a) a court or the Tribunal has made an order specifying how payments must be applied, or*
- (b) the owner in arrears specifies how payments must be applied.*

This means that managing agents need to be more careful than ever when inserting and removing items from the ledger and it impacts on whether a lot owner is unfinancial.

Section 99 of the SSMA 2015 provides that:

99 Levy register

The treasurer of an owners corporation must keep a levy register that includes, for each lot in the strata scheme (other than a utility lot), the following particulars in relation to contributions payable—

- (a) the date on which the contribution is due and payable,*
- (b) the type of contribution and the period in respect of which it is to be made,*
- (c) the amount of the contribution levied shown as a debit,*
- (d) the amount of each payment shown as a credit,*
- (e) the date on which each payment relating to the contribution is made,*
- (f) whether a payment made was made in cash or in some other specified manner,*
- (g) whether an amount paid comprised full payment or part payment,*
- (h) details of any discount given for early payment,*
- (i) the balance of the account.*

Managing agents may include other amounts in the register as Section 99 specifies the above items must be included, but care needs to be taken to ensuring “the balance of the account” as having non-payable amounts could misrepresent the correct balance.

It is our view that amounts recoverable from the owner can be included, such as under by-laws, interest, payment due under utility agreements and certain levy recovery fees.

Typical scenario

Let us explore the scenario of 4 levy instalments of a lot owner, due on 1 January, 1 April, 1 July and 1 October of \$4,000 each.

1st instalment

The owner intentionally delays payment to take advantage of the 10% strata interest rate, which is lower than commercial credit interest rates of 18%. During this period, the managing agent issues:

- 1st levy reminder notice – \$30
- 2nd levy reminder notice – \$50 (30 days later)
- 3rd levy reminder notice – \$50 (60 days later)
- 30-day statutory notice – \$150

The lot owner then pays the levy before the 30-day statutory notice period expires. None of these expenses are payable by the lot owner as no court order can follow for those amounts. But up until

the payment of the levy, they were recoverable and could be counted towards the owner being unfinancial.

2nd instalment

A levy notice is issued for the second quarterly levy. The lot owner then:

- requests a payment plan,
- requests monthly progress reports on that plan, and
- requests a committee meeting to consider waiving interest.

None of these expenses are payable by the lot owner as they are not related to levy recovery, but to a payment plan.

3rd instalment

The managing agent issues:

- 1st levy reminder notice – \$30
- 2nd levy reminder notice – \$50 (30 days later)
- 3rd levy reminder notice – \$50 (60 days later)
- 30-day statutory notice – \$150
- Statement of claim - \$450

As there was no response from the lot owner and the statement of claim was filed in the Local Court, these expenses are now recoverable from the lot owner by order of the court.

4th instalment

The managing agent issues:

- 1st levy reminder notice – \$30
- 2nd levy reminder notice – \$50 (30 days later)
- 3rd levy reminder notice – \$50 (60 days later)
- 30-day statutory notice – \$150

The owner:

- requests a payment plan.
- requests progress on that plan.
- defaults on the plan.
- The statement of claim is filed and the costs of the first levy reminder notice through to the 30-day statutory notice are recoverable.

Key Obligations for Managing Agents

These changes were made on 27 October 2025, with prospective and retrospective application. So careful consideration of the whole ledger needs to be given.

Please note we have amended explanatory motion for Motion 26 of the [Annual General Meeting Notice](#), which deals with overdue levy contributions as follows in highlighting below:

[Explanatory Note:

- 1. Due to changes made on 27 October 2025, a lot owner is not liable to pay the levy reminder or statutory notice fees, unless the application for recovery of the levies is filed in a Court or Tribunal and an order is obtained, or if the lot owner themselves direct it to be paid. Fees in relation to administering payment plans will not be recoverable against a lot owner at any time. For further information please refer to the article titled [‘Review your levy processes now to avoid potential complications from 27 October 2025’](#).*
- 2. Clause 9(h) of Schedule 1 of the Strata Schemes Management Act 2015 requires a form of motion to decide how to deal with any overdue contributions payable to the owners corporation.*
- 3. Section 86(4) of the Strata Schemes Management Act 2015 states that an owners corporation must not take action to recover unpaid contributions and interest unless it has given the person against whom the action is to be taken at least 30 days notice of the action.*
- 4. Section 86(5) of the Strata Schemes Management Act 2015 and clause 19 of the Strata Schemes Management Regulation 2016 require that the notice of proposed action contain various details, including whether a payment plan may be entered into.*

5. *Section 12 of the Strata Schemes Management Act 2015 provides that the owners corporation for a strata scheme may employ such persons as it thinks fit to assist it in the exercise of any of its functions. In doing so, the owners corporation must ensure that any person so employed has the qualifications (if any) required by the Strata Schemes Management Act 2015 or any other law for the exercise of that function.*
6. *Section 103(3)(b) of the Strata Schemes Management Act 2015 provides that legal services requiring payment do not require approval of the owners corporation by general meeting resolution if they concern taking legal action to recover unpaid contributions, interest on unpaid contributions or related expenses.*
7. *The fee proposal from [INSERT LAW FIRM OR MERCANTILE AGENT] is available from the Strata Managing Agent on request.]*

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27 May 2026

Related Articles

- [Unfinancial Owners in Strata Schemes](#)
- [Levy Recovery Expenses & Lot Owner Ledgers](#)
- [Review your levy processes now to avoid potential complications from October 2025](#)



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