



HOW A STRATA SCHEME FUNDS THE BUILDING LEVIES & SPECIAL LEVIES

Budget first, owner decision, clear notice and controlled spending

WHAT IS A LEVY?

A levy is each owner's contribution to the approved costs of running, maintaining and planning for the strata scheme.

- ✓ Budget approved at the AGM
- ✓ Usually paid in instalments
- ✓ Calculated using unit entitlement
- ✓ Paid into controlled funds
- ✓ Levy notice issued before payment is due

LEVIES BELONG TO THE SCHEME
and must follow the approved purpose

TWO MAIN FUNDS

ADMINISTRATIVE FUND

Day-to-day operating costs.

CAPITAL WORKS FUND

Major repair and replacement planning.

SEE HOW THE MONEY FLOWS



OWNERS -> APPROVED FUNDS -> AUTHORISED EXPENSES

WHEN IS A SPECIAL LEVY USED?

A special levy may be approved when available funds are not enough for an expense such as major or urgent repairs.

- ✓ Approved at a general meeting
- ✓ Motion states amount and payment dates
- ✓ Normally allocated by unit entitlement
- ✓ Instalments can reduce owner pressure
- ✓ Issue the required written levy notice

**THE STRATA MANAGER DOES NOT
CREATE A SPECIAL LEVY ALONE**

NOTICE TIMING

AT LEAST 30 DAYS

for ordinary levy payment notices.

AT LEAST 14 DAYS

for the defined emergency-repair exception.

THE DECISION PATH

- 1 COST**
Know the expense
- 2 FUNDS**
Check available money
- 3 BUDGET**
Prepare the amount
- 4 MEETING**
Owners vote
- 5 NOTICE**
State due dates
- 6 CONTROL**
Spend as approved

A SPECIAL LEVY IS A FUNDING DECISION - NOT A SUBSTITUTE FOR A CLEAR SCOPE AND BUDGET

For hardship, owners may request a formal payment plan for overdue levies while continuing to pay new levies.



STRATA IQ ACADEMY

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CONNECTED LEARNING: Strata Finance, Budgets & Levies

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Educational overview only. Check current law, registered plans, by-laws, approvals and specialist advice for the actual matter.
Sources: NSW Government - Levies; Levies, finances and insurance; Strata Schemes Management Act 2015 (NSW), ss 79-83.