

COVID-19 LEVY PAYMENTS

In the midst of the COVID-19 pandemic, we understand that some owners may be wondering what options are available to reduce their levy payments. Whilst our role is to help guide the Owners Corporation to making decisions that are in the best interest of all owners, we are impartial to decisions made and have no authority to amend levies without a series of processes being followed in the first instance.

WHY AM I STILL PAYING THE FULL AMOUNT?

- Recreational facilities such as a gym or pool that may currently be closed, still require ongoing maintenance to ensure the property is maintained to a safe standard.
- If the Owners Corporation decided to temporarily cease maintenance of these facilities, they may find themselves spending more money to return these facilities to a safe standard fit for use – i.e. pool maintenance.
- Current conditions have seen a rise in some areas of expenditure, such as cleaning and sanitisation or security.
- Existing contracts or service agreements prior to the COVID-19 crisis are still valid, with requirements for ongoing payment of services – i.e. lift maintenance. Many of these service agreements relate to statutory maintenance obligations (such as fire safety).
- Cancelling any agreed maintenance work could have a severe and costly impact on the workflow and budgets with adverse legal consequences if these agreements were breached.



WHAT CAN BE DONE?

- In some cases, the Committee can approve payment plans and waive interest and penalties in accordance with legislation, without requiring a General Meeting.
- The Committee could review the budgets for any possible cost savings and hold a General Meeting of all owners to consider a revised budget based on the reduced figures.
- The Committee could review planned capital expenditure of from the Sinking Fund and make recommendations to a General Meeting about deferring projects.
- Owners can approve the budgeted levy amount at a General Meeting. However, must carefully consider essential maintenance and services in their budgets.
- Owners decide how much money will be raised to fund the operations of the corporation, including insurance, maintenance of common property and service of assets.
- Owners suffering from financial hardship or difficulty paying their levy contributions can opt into a repayment plan; however, must contact our Credit Control Officer at Creditcontrol@vantagestrata.com.au

IMPORTANT INFORMATION

- A Strata Manager has no power to make decisions, changes, or reductions to levies.
- The Committee does not have the ability to make changes without approval of the corporation.
- All options available to the Committee are subject to minimum meeting notice requirements and will not be available for immediate implementation as process must be followed.
- The Government has not implemented an assistance package to offer any direct relief to Owners Corporations or owners.
- The Sinking Fund is designed to accumulate over time, to ensure the Owners Corporation has available funds for major capital expenditure and those funds are not available to meet operating costs without an agreement by the Owners Corporation.

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