

STRATA COMMITTEE TRAINING · ATTENDEE Q&A

# Strata Money Matters

Levies, Cash Flow and Planning Ahead

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**Webinar held** Tuesday 29 September 2026

**Questions answered** 46

**More resources** [learning.netstrata.com.au](https://learning.netstrata.com.au)

## About this Q&A

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Thank you to everyone who joined our Strata Money Matters webinar. Attendees asked a wide range of questions during the session, and this document brings together our answers in one place.

Questions have been lightly edited for clarity, and where several attendees asked the same thing, the questions have been combined. They are grouped by topic below.

|                               |              |
|-------------------------------|--------------|
| Mandatory committee training  | 6 questions  |
| Funds and budgeting           | 5 questions  |
| Capital works planning        | 3 questions  |
| Cash flow and investment      | 5 questions  |
| Levies and payments           | 3 questions  |
| Arrears and debt recovery     | 12 questions |
| Payment plans                 | 5 questions  |
| Insurance                     | 1 question   |
| Auditing and reporting        | 2 questions  |
| Committee role and governance | 1 question   |
| Netstrata services and app    | 3 questions  |

Have a question about your own scheme? Speak with your strata manager, or email [learning@netstrata.com.au](mailto:learning@netstrata.com.au)

## Mandatory committee training

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### **1 Does this webinar count towards the mandatory strata committee training, and can I back-date it to meet the 1 October 2026 requirement?**

No. This webinar is part of Netstrata's own Strata Committee Training series and is not the NSW Fair Trading mandatory course. The mandatory course is 'Introduction to Strata Committee Rights and Responsibilities' – free, online, self-paced and about one hour – delivered through Strata Hub, with registration details published from 1 October 2026. Completion cannot be back-dated to a course taken before the scheme goes live.

### **2 How many hours of training are required each year after 1 October 2026?**

There is no annual hours requirement. The obligation is a one-off course of approximately one hour, to be completed within three months of being appointed to a strata committee. New and returning members appointed from 1 October 2026 are captured. Non-completion results in automatic removal from the committee.

### **3 I sit on two strata committees. Do I need to complete the training once or once for each committee?**

Once. The training attaches to you as an individual, not to each scheme, and completion is recorded against the person through Strata Hub. You do not need to repeat it for a second committee. We will confirm the exact recording process once Fair Trading publishes the Strata Hub registration detail from 1 October 2026.

### **4 I am moving overseas for 6 to 12 months. Can I still complete the course while I am out of the country?**

Yes. The course is online and self-paced, so it can be completed from anywhere with an internet connection. The three-month deadline from appointment still applies, so complete it early rather than close to the deadline.

### **5 How is attendance at this session recorded? I do not want to lose my committee membership.**

Attendance at this webinar is recorded by Zoom for our own records, but it has no bearing on your committee membership. Only the NSW Fair Trading course delivered through Strata Hub satisfies the mandatory training requirement from 1 October 2026.

**6 Can you send a link for the strata training?**

Netstrata's own training material, including recordings of past Strata Committee Training webinars, is at [learning.netstrata.com.au](https://learning.netstrata.com.au). Links to previous webinars are also included in each webinar invitation email. The NSW Fair Trading mandatory course will be accessed via Strata Hub from 1 October 2026 – we will circulate that link to committees once Fair Trading publishes it.

## Funds and budgeting

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**7 Can I assume the Administration Fund is for operating expenditure and the Capital Works Fund is for capital expenditure?**

Yes, that is a fair shorthand. Section 79(1) directs the Administration Fund to insurance premiums, day-to-day maintenance of common property and other recurrent expenses. Section 79(2) directs the Capital Works Fund to painting, replacing or renewing fixtures, fittings and personal property, major repairs and other expenses of a capital nature. Put simply: Administration Fund = operational, Capital Works Fund = savings.

**8 Can money be taken from the Administration Fund when there is not enough in the Capital Works Fund – and can we dip into the Capital Works Fund if the Administration Fund is low?**

Section 76 permits an owners corporation to pay money from one fund for purposes of the other where the fund concerned is short. It is a borrowing, not a transfer: the owners corporation must determine the amount to be repaid, levy a contribution to cover it and repay the borrowing within three months. It should be a considered decision recorded in the minutes, not a routine habit – repeated borrowing usually signals the budget itself is too low. Please speak with your strata manager before relying on it in a particular case.

**9 Who manages the different funds – the strata manager or the committee?**

Both, in different roles. The owners corporation owns the funds. The strata manager holds and administers the money in trust, prepares the draft budget, processes payments and reports on the position. The committee reviews the draft budget, provides feedback on planned works, approves expenditure within its delegation and keeps watch over income and expenditure. The budget itself is approved by owners at the AGM.

**10 How does a special levy help when it ultimately loads the owners corporation with an increased levy anyway?**

A special levy does not create new money – it brings forward money that would otherwise have to be raised anyway, and that is exactly why it is a last resort rather than a plan. The purpose of funding the Capital Works Fund properly over time is to avoid special levies, because a special levy lands on whoever owns the lot on the day it is struck rather than being spread across the years in which the asset was actually used. Where a shortfall is already foreseeable, raising the levy early gives owners more notice and more options than waiting until invoices are overdue.

**11 What recourse is there when a group of owners regularly blocks any change to the budget, to the detriment of the scheme?**

The budget is set by ordinary resolution at the AGM, so a majority can hold it down. Practical options, in order: put the capital works fund plan and the cash flow position in front of owners in writing so the consequences of under-funding are on the record; convene a general meeting with a specific motion where the shortfall is tied to a known obligation; and note that the owners corporation's duty to maintain and repair common property under section 106 is not optional – if the scheme cannot meet that duty because it is under-funded, an owner or the Tribunal can compel it. An owner may apply to NCAT for orders, including orders relating to contributions that are inadequate. This is an area where we would recommend specific legal advice.

## Capital works planning

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**12 Where do I find the capital works cash flow schedule, how often is it reviewed or updated, and who does that?**

The capital works fund plan is a scheme document, available through the Netstrata mobile app and the owners portal under building documents, or on request from your strata manager. Under section 80 the plan must cover a 10-year period, must be considered at each AGM, and must be reviewed and updated at least every five years. The plan itself is prepared by a qualified capital works fund plan provider engaged by the owners corporation; the committee and strata manager review it at each AGM against actual expenditure. From April 2026 NSW Fair Trading requires plans to be presented in a mandatory standard form.

**13 Is it common for new buildings to have low capital works funds, relying on building warranties to cover any issues?**

It is common, and it is a risk. Statutory warranties under the Home Building Act cover defective building work for a limited period – they do not cover ordinary wear, life-cycle replacement or the cost of running a claim – and a new scheme still needs to be saving from day one for items such as lifts, waterproofing and external paint. Section 79(4) requires the initial maintenance schedule requirements to be included in the annual budget for a first AGM, and section 80 requires a 10-year capital works fund plan. A new scheme relying on warranties instead of a funded plan usually meets its first large item with a special levy.

**14 How do we make sure contracts entered into by the developer are being met?**

Ask your strata manager to obtain and register every contract handed over at the first AGM so they sit in the scheme's records with their expiry and review dates diarised. The committee should then review performance against each contract at committee meetings and raise any shortfall in writing. Note that certain agreements entered into by the original owner are limited in term or can be terminated – the detail turns on the type of agreement and the date it was entered into, so please raise the specific contracts with your strata manager and we will advise.

## Cash flow and investment

**15 Does Netstrata guide us when funds are sufficient to move into a higher interest account, or flag it with the committee to consider?**

Yes. Your strata manager monitors balances and will raise investment options with the committee where a scheme is holding surplus funds beyond its short-term needs. As at 23 September 2026 the Macquarie at-call facility yields approximately 2.9% per annum with funds retrievable promptly, and term deposits range from about 2.10% to 5.25% per annum depending on term, with 31 days notice required to return funds to the general trust account. Rates are subject to change. If your scheme is holding a surplus and has not had that conversation, ask your strata manager to put it on the next committee agenda.

**16 Do all owners need to agree to establish an at-call account, or can the committee agree to this?**

The committee can generally resolve to place surplus funds in an at-call or term deposit facility, as it is an administrative decision about where the owners corporation's money is held rather than a decision to spend it. It should be a recorded committee resolution, and the funds remain in trust for the scheme throughout. Where a scheme's by-laws or a prior general meeting resolution restrict investment decisions, or the amount is significant, we would take it to a general meeting. Your strata manager will advise on the right path for your scheme.

**17 Can the owners corporation schedule the annual insurance premium payment as late as the insurer allows, so the funds stay in the trust account longer?**

The premium can be paid at any point up to the insurer's due date, and there is nothing wrong with not paying it weeks early. The gain is modest, though – holding roughly a month's premium in an at-call account earns very little – and the risk is not: cover must not be allowed to lapse, and a late payment during a renewal is how a scheme ends up uninsured. The better lever is the one on the cash flow slides: time the levy instalments around the premium so the money is in the account when the bill falls due, rather than delaying the bill to chase the money.

**18 Can these cash flow reports be made standard for committees? They are a great way to understand incomings and outgoings graphically.**

Thank you – that feedback is noted and we are looking at how to make a cash flow view available to committees as a standard report. In the meantime, ask your strata manager for a cash flow summary ahead of your next committee meeting and we will prepare one for your scheme. Ledgers and financial reports are already available on demand through the Netstrata mobile app and the owners portal.

**19 How much should a scheme be holding in the bank?**

As a guide, the Capital Works Fund balance should track the capital works fund plan, and the Administration Fund should hold at least one quarter's worth of expenditure in surplus for emergencies – measured at the worst point of the year, not the best. In the worked example in the session, a scheme with \$219,900 of annual expenditure and 15% of owners in arrears needed roughly \$77,700 on hand at the start of the year to hold that reserve, against \$28,000 actually held. If the funds are not in the account, work orders should not be issued for repairs.

## Levies and payments

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**20 Can an owner set up an automatic payment process for strata levies?**

Yes. Direct debit and scheduled BPAY payments can both be arranged – your levy notice carries the BPAY biller code and reference, and the same details are available through the Netstrata mobile app and owners portal. Contact your strata manager or our accounts team to set up a direct debit. Remember that levy amounts change after each AGM, so a fixed scheduled payment needs to be checked against the new levy notice each year.

**21 If one quarterly levy is substantially higher than the others, how does that affect the sale or purchase of a property?**

It does not change the owner's total annual liability, but it does affect what a buyer sees. Levies are apportioned between vendor and purchaser at settlement for the period in which settlement falls, and the section 184 certificate discloses the levies struck, the amounts outstanding and any special levy. A single heavier quarter is easily explained where the reason is documented – for example, timing the instalments around the annual insurance premium – so make sure the minutes record why the instalments were structured that way.

**22 What types of meetings does Netstrata conduct? We only have one a year, the AGM. Are meetings a charged activity or included in the service?**

The AGM is the only meeting required every year. Beyond that, strata committee meetings and extraordinary general meetings are held as the scheme needs them – for example to approve a payment plan, consider a by-law, or strike a special levy. What is included in your management fee versus charged as an additional service is set out in your scheme's strata management agency agreement. Ask your strata manager for a copy of the schedule of fees for your scheme and they will walk you through it.

## Arrears and debt recovery

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**23 When someone is in arrears, are they charged interest, and at what rate?**

Yes. Interest accrues at 10% simple interest per annum, and starts one month after the contribution becomes due and payable – so a levy paid within one month of the due date carries no interest. The rate is set by section 85(1) of the Strata Schemes Management Act 2015, not by the strata manager or the owners corporation. The owners corporation may resolve not to charge interest, but it cannot charge more. Interest recovered forms part of the fund to which the contribution belongs.

**24 Is there an industry standard for strata levy arrears, and who determines the interest rate charged on overdue accounts – the strata management company or the owners corporation?**

The interest rate is set by legislation at 10% simple per annum under section 85(1) – neither Netstrata nor the owners corporation sets it, although the owners corporation may resolve not to charge interest at all. On arrears levels, there is no formal industry benchmark; as a working rule a well-run scheme sits in the low single digits as a percentage of levies struck, and sustained arrears above about 15% start to erode the scheme's ability to fund its own maintenance, as the worked example in the session showed.

**25 Can you give more detail on the options used to collect outstanding levies?**

The process runs in stages and can stop at any point if the balance is paid or a payment plan is agreed: the levy falls due; a courtesy reminder issues about two weeks later; at one month overdue interest begins to accrue and the contribution becomes recoverable; arrears reminders issue on the 10th and 25th of each month until the balance clears; after eight reminders a debt recovery letter issues giving at least 30 days written notice setting out the amount claimed and the proposed recovery action; and if it remains unpaid the matter is referred to a solicitor, at which point our reminder fees stop but interest and legal costs continue. Formal recovery is then pursued through NCAT or a court. Phone calls and text message reminders are also used before any formal arrears collections proceedings are initiated.

**26 How often do arrears occur on average?**

Some level of arrears is normal in almost every scheme at any given time – a handful of lots paying a week or two late is routine and rarely a cash flow problem. What matters is persistence and scale. The exposure is best understood as a percentage of levies struck rather than a count of owners: at 15% in arrears the sample scheme in the session lost about \$16,700 a year even after recovery, and past 20% a reserve only buys time. Your strata manager can give you your own scheme's arrears position at any time.

**27 What is the cost of recovering outstanding levies or financial penalties – is it uneconomic for smaller amounts?**

Reminder fees are \$44 each and are charged to the debtor, not the scheme. Legal fees are likewise charged to the debtor and form part of the recovery, with the solicitor acting for the owners corporation. Because reasonable recovery expenses are recoverable under section 86 along with the contribution and interest, recovery is often economic at levels that would not be worth pursuing in other contexts. That said, for very small balances the sensible course is usually persistent reminders and a payment plan rather than legal action, and the committee decides case by case.

**28 Who pays the solicitor for debt recovery?**

The owners corporation engages and is invoiced by the solicitor, so it carries the cost in the first instance from the Administration Fund. Those costs are then charged to the debtor and are recoverable from them under section 86 as reasonable recovery expenses. Where the debt is ultimately not recovered, the cost stays with the owners corporation – which is why the committee's decision to escalate should weigh the size of the debt and the prospect of recovery.

**29 Can recovery be pursued through strata lawyers before going to NCAT or the courts?**

Yes. A solicitor's letter of demand very often resolves the matter without any proceedings, and that is the usual first step after our internal reminder process is exhausted. Note that the owners corporation must give at least 30 days written notice setting out the amount claimed and the proposed recovery action before recovery action starts. The owners corporation may then recover the debt in a court of competent jurisdiction without first obtaining an NCAT order.

**30 What does NCAT stand for?**

The NSW Civil and Administrative Tribunal. It is the tribunal that hears strata disputes in New South Wales, including applications relating to unpaid contributions.

**31 If a lot owner has overdue levies and sells, does the owners corporation need legal assistance to recover those funds, or are they automatically recovered from the sale proceeds?**

There is no automatic recovery from the sale proceeds in NSW – the debt remains the seller's. In practice it is almost always cleared at settlement: the section 184 certificate obtained by the purchaser discloses the arrears and interest, and the purchaser's solicitor will require the balance to be paid or adjusted at settlement so the lot transfers clear. Where a sale is known to be on foot, tell your strata manager so the certificate and the arrears position are current.

**32 What happens if we never receive the outstanding levy funds? Can the owners corporation sell the unit through the courts?**

The owners corporation cannot sell a lot to recover levies. What it can do is obtain a judgment for the debt through NCAT or a court and then enforce that judgment through the ordinary debt enforcement processes available to any judgment creditor, which in extreme and protracted cases can extend to enforcement against the owner's property. That is a long, costly path and a genuinely last resort. This is legal territory – the owners corporation should take specific advice from its solicitor before going down it.

**33 We have a regular non-payer of levies, which is extremely frustrating. Legal action has started but there are delays. What can be done?**

Delays at the legal stage are common and usually procedural rather than a sign the matter has stalled. Three things help: ask your strata manager for a written status update at each committee meeting so the matter stays visible; keep interest accruing and the ledger current so the judgment captures the full amount; and make sure the scheme's cash flow is not dependent on that lot – a reserve of a quarter's expenditure is what absorbs a persistent non-payer while recovery runs its course. If the owner comes forward with a payment plan request, the committee should consider it on its merits; a plan being complied with is usually a faster route to money than continued litigation.

### **34 Does Netstrata flag when funds are insufficient, or when a pattern is emerging with lot owners consistently late on levies?**

Yes. Arrears reminders run automatically on the 10th and 25th of each month, and your strata manager reviews the arrears position and the cash position for your scheme and raises anything material with the committee – typically at the committee meeting, or sooner where a payment is at risk. If you would like arrears and cash flow as a standing item on your committee agenda, ask your strata manager to add it.

## **Payment plans**

### **35 Are there any guardrails around payment plans – for example duration, or the amount to be paid?**

Yes. A payment plan applies to overdue levies only, and future levies must still be paid on time. The owner must use the prescribed NSW payment plan request form, and no information beyond that form can be required. The plan must be approved by majority vote at an owners corporation meeting or a strata committee meeting. A plan can run for up to 12 months, although a further plan may be agreed after that.

### **36 Must a lot owner prove hardship to enter a payment plan?**

No. There is no statutory hardship test, and the owners corporation cannot require information beyond the prescribed request form. Netstrata's online financial hardship declaration and payment plan request form simply captures the information on that form so the committee has what it needs to decide. A request can be refused where the refusal is reasonable, but an owners corporation cannot adopt a blanket policy of refusing all payment plans.

### **37 Can a payment plan be applied to a special levy?**

A payment plan under the Regulation applies to overdue contributions, and a special levy contribution that has fallen due and is unpaid is a contribution like any other – so yes, once it is overdue it can form part of a plan. What a plan cannot do is pre-emptively defer a special levy that has not yet fallen due. Where a scheme expects a special levy to cause hardship for some owners, the better approach is to structure the levy itself into instalments at the general meeting that strikes it.

### **38 Can a new committee change an existing payment plan if it considers the plan too slow?**

A payment plan is an agreed arrangement, so a new committee cannot unilaterally rewrite it while the owner is complying with it – and importantly, recovery action cannot be taken for those overdue levies while the owner is complying. What a committee can do is decline to approve a further plan when the current one expires, and negotiate different terms at that point. If the owner defaults on the plan, the arrangement falls away and recovery options are back on the table.

**39 On what grounds can a payment plan be refused?**

Regulation 17J sets out the grounds. A refusal may be reasonable where the plan would cause the administrative fund or capital works fund to fall into deficit; would leave insufficient funds to comply with a statutory undertaking, compliance notice or legal order; would leave the capital works fund unable to meet the owners corporation's maintenance and repair obligations under section 106; or would leave the administrative fund unable to pay the scheme's normal expenses. A blanket policy refusing all payment plans is not permitted.

## Insurance

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**40 Owners often ask what insurance coverage exists in a strata scheme – does it include the contents of people's homes?**

No. The owners corporation's policy covers the building and common property, including the original fixtures and fittings, plus public liability and the other covers required of an owners corporation. It does not cover an owner's or tenant's contents – furniture, clothing, electronics, and in most cases carpets, curtains and personal belongings inside the lot. Owner-occupiers need their own contents insurance; investors need landlord insurance for contents and loss of rent. Owners should check their own policy rather than assume the strata policy responds.

## Auditing and reporting

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**41 Why are larger strata schemes audited over smaller ones, when smaller schemes often cannot keep up with the fees required to maintain a building properly?**

The audit threshold is set by section 95: an audit is mandatory for a large strata scheme, or where the annual budget exceeds \$250,000. The threshold reflects the scale of money at risk rather than the quality of a scheme's budgeting. A smaller scheme is not prevented from auditing – any owners corporation can determine to have its accounts audited, and can opt in by resolution at the AGM. Our recommendation is that schemes obtain an annual financial audit regardless of size.

**42 How often can we get a strata report?**

Financial reports and ledgers can be generated on demand at any time through the Netstrata mobile app and the owners portal, for the current or a prior financial period. Formal financial statements are presented to owners annually at the AGM, audited where the scheme is required to audit or has opted in. Owners also have a statutory right to inspect the scheme's records. If you want a particular report on a recurring basis, ask your strata manager to set it up.

## Committee role and governance

### 43 From Netstrata's point of view, how much do you encourage members to take up specific roles within the committee, such as chairperson, secretary or treasurer?

Strongly. The office-bearer roles are required by the legislation and are elected by the committee, and schemes where the roles are genuinely held rather than nominal are consistently better run. A treasurer who reads the monthly figures, a secretary who keeps records in order and a chairperson who runs meetings to time make the strata manager's job easier and the scheme's decisions faster. Netstrata supports office bearers with the training series, the Learning Portal at [learning.netstrata.com.au](https://learning.netstrata.com.au) and direct access to your strata manager.

## Netstrata services and app

### 44 Are financials only viewable through the app? What is the app called, and how can I access them on a computer?

The app is the Netstrata mobile app, available free on the App Store and Google Play. Financials are not app-only – the same ledgers and financial reports are available on a computer through the owners portal at [netstrata.com.au](https://netstrata.com.au). Both give you building contacts, building documents, insurance, financials, request forms and the ability to report and track maintenance issues.

### 45 While overseas, how do I access the Netstrata app? It currently appears to use SMS-only login confirmation. When will authenticator apps be supported?

The app works from overseas over any internet connection; the issue is receiving the SMS code while roaming or on an overseas SIM. Before you travel, make sure the mobile number on your account is one you will still receive messages on, or speak with your strata manager about setting up an alternative. Support for authenticator apps is not available today – we have passed the request to our technology team as a feature request and will let committees know if it is scheduled.

### 46 Are Building Management Committee funds held in a different account?

Yes. A Building Management Committee is a separate entity with its own budget, its own levies against the member schemes and its own ledger, so its money is accounted for separately from any individual strata scheme's funds. Trust accounting rules require a separate ledger for each scheme in any event, and administrative and capital works funds are accounted for separately within each. Your strata manager can provide the BMC's financials alongside your own scheme's.