

EFFECTIVE FROM
9 SEPTEMBER 2026

CONSUMER LEGISLATION AMENDMENT ACT 2026

Changes effective now

The Consumer Legislation Amendment Act 2026 received Royal Assent on 8 September 2026.



Legal proceedings

The requirements for an owners corporation to commence legal proceedings have changed.



Monetary order or relief

An ordinary resolution can now authorise proceedings for payment of an amount, or relief, of no more than twice the total amount of the owners corporation's current annual fees.



Non-monetary order

An ordinary resolution can now authorise proceedings for an order that is non-monetary in nature.

In either case, the proceeding may be commenced in a court or tribunal that has jurisdiction to make that type of order. Proceedings that do not fall within these exceptions continue to require a special resolution.



Important

This amendment changes the resolution required to authorise proceedings. It does not itself give a court or tribunal jurisdiction to hear a particular matter.

Related Subdivision Act change

Also effective from 9 September 2026, section 34D of the Subdivision Act 1988 has been amended to restore VCAT's ability to make an order on certain applications where more than half of the owners corporation membership previously consented to the proposal, subject to the statutory requirements.

Information current as at 9 September 2026. This summary provides general information only and does not constitute legal advice.

P 03 9416 4688 | E admin.vic@strata.community | W vic.strata.community

Suite 106, 134-136 Cambridge Street, Collingwood VIC 3066

Strata Community Association (Vic) Incorporated | ABN: 91 066 558 592

COMMENCEMENT
DATE TO BE PROCLAIMED

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More changes coming

The Act also introduces a broader payment plan framework that will commence on a later date.



New payment plan framework

The Act introduces a new statutory payment plan framework for Tier 1–4 owners corporations. Tier 5 owners corporations are excluded.



Payment plan requests

After receiving a fee notice or final notice, a lot owner will be able to request a payment plan for amounts owing to the owners corporation. The request must be in writing and made using the approved form. An owners corporation will generally have 28 days to accept or refuse the request. If no decision is made within the required period, a request may be taken to have been accepted, subject to the conditions in the Act.



Owner-occupier protections

Additional protections will apply where the lot owner occupies the lot as their principal place of residence. An owners corporation will only be able to refuse an owner-occupier's request on specified grounds, including the financial impact on the owners corporation, prescribed hardship information, existing or previous payment plans, a requested plan longer than 12 months, or other grounds prescribed by Regulations. Owners corporations will retain discretion when considering payment plan requests from lot owners who are not owner-occupiers.



No payment plan fee

An owners corporation must not charge a lot owner a fee or other charge for offering a payment plan.



Penalty interest and debt recovery

While a qualifying payment plan request is awaiting a decision, or while an accepted payment plan is being complied with: restrictions apply to penalty interest; relevant final notice and debt recovery timeframes are paused or restricted; and the owners corporation cannot make certain VCAT applications to recover the amount owing.



The original Bill contained these protections, which SCA (Vic) raised concerns about during its advocacy.

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Other important changes

The remaining reforms will commence later and members should begin preparing now.



Voting and committee rights

For relevant voting, proxy and committee provisions, a lot owner will be treated as not being in arrears while a qualifying payment plan request is awaiting a decision, or while the lot owner is complying with an accepted payment plan.



Proxy voting

Once commenced, the general proxy restriction will change so a person must not vote as proxy on a resolution on behalf of more than one lot owner, subject to existing statutory exceptions.

Currently, where an owners corporation has more than 20 occupiable lots, a person may generally vote as proxy for up to 5% of lot owners.



Privacy and payment plan information

New privacy requirements will apply to personal information provided for payment plan requests. Owners corporations will be required to protect the information from misuse, loss and unauthorised access, modification or disclosure; notify a lot owner within 7 days after becoming aware of certain misuse, loss or unauthorised access, modification or disclosure; restrict disclosure; and comply with requirements for returning original documents and destroying copies.



AGM reporting

Owners corporations will have new AGM reporting requirements covering payment plan requests, including:

- number received;
- number accepted and refused;
- reasons for refusals; and
- information about payment plan variations.



Application of arrears

Subject to any court or VCAT order, amounts received towards arrears must be applied in this order:

- fees and charges;
- penalty interest; then
- relevant recovery costs.



When do these changes commence?

The payment plan, proxy, voting, privacy and related reforms do not commence on 9 September 2026. The Victorian Government has confirmed they will commence on 1 December 2027 unless proclaimed earlier, allowing time for supporting Regulations to be developed and consulted on. Consultation on the Regulations will commence shortly.



SCA (Vic) advocacy

SCA (Vic) supported assistance for lot owners experiencing genuine financial hardship while advocating for clearer and more workable requirements for owners corporations and managers. Some matters remain to be addressed through Regulations, forms and implementation guidance.

SCA (Vic) will continue to keep members informed as commencement dates, Regulations, approved forms and implementation requirements are confirmed.

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