

# Office of the Commissioner for Body Corporate and Community Management

## Online Training

### Unit 1 – The committee

#### Topic 03 – Committee spending

The committee, as the administrative arm of the body corporate, is charged with the day to day running of the body corporate. However, committee spending is limited by their spending limit.

The committee can authorise reasonable spending, within their limit, even if there is no specific allocation in the budget. If sufficient funds are not available, the committee may need to consider calling a general meeting to amend the budget or raise a special levy (SM s151; s141).

#### **Limit of spending**

The "relevant limit for committee spending" is defined in the Dictionary for the Standard Module. The relevant limit for committee spending can be set by ordinary resolution of the body corporate. If no amount is set, it is an amount determined by multiplying the number of lots in the scheme by \$200. For example, the relevant limit for a body corporate composed of 6 lots is \$1200 ( $\$200 \times 6$ ).

However, there are circumstances under which the committee can spend above the relevant limit. Some examples follow:

- the spending is specifically authorised by ordinary resolution of the body corporate; or
- the owners of all lots included in the scheme have given written consent; or
- an adjudicator is satisfied the spending is required to meet an emergency and authorises it under an order made under the dispute resolution provisions; or
- the spending is necessary to comply with:
  - a statutory order or notice given to the body corporate; or
  - the order of an adjudicator; or
  - the judgement or order of a court.

If a series of proposals forms a single project, and the cost of the project is more than the relevant limit of the committee spending, then the cost of carrying out any one of the proposals is taken to be more than the relevant limit. The committee cannot break down a single project into smaller components in order to bring the project within the limit of committee spending (SM s151).

#### **Example**

*The committee for a scheme composed of 25 lots is limited to spending \$5000 (25 x \$200). The committee decide to renovate the main foyer and have obtained quotes. Broken down, the costs are; tiles \$2800; paint \$1200; light fittings \$3000. Even though the individual quotes are below the committees' limit, the committee can not carry out any of the refurbishment projects, as whole the project is well above the limit.*