

Committee spending

The following information is for community titles schemes registered under the:

- Standard Module
- Accommodation Module
- Small Schemes Module.

See [other regulation modules](#) for information on the Commercial Module and the Specified Two-lot Schemes Module.

Spending limits

The relevant limit for committee spending (how much money a committee can spend) can be set by ordinary resolution of the body corporate (i.e. a motion voted on by the owners at a general meeting). There is no minimum or maximum limit that the body corporate can set.

If no amount is set by a general meeting resolution the relevant limit is calculated by multiplying the number of lots in the scheme by \$200.

For example, in a body corporate with 6 lots, the relevant limit is \$1,200 ($\200×6).

GST included

The committee must allow for any goods and services tax (GST) in its spending.

For example, the committee spending limit for a scheme made up of 12 lots is \$2,400 ($12 \times \200).

The committee has a quote for maintenance of \$2,300 plus GST. The total amount, including the GST is \$2,530. This is more than the committee's spending limit of \$2,400.

The committee would need approval by ordinary resolution at a general meeting to accept this quote.

Committee spending limits in a layered scheme

The relevant limit for committee spending in a layered scheme can be set by ordinary resolution of the body corporate. There is no minimum or maximum spending limit that can be set.

If no amount is set, the relevant limit is calculated by multiplying the number of layered lots in the scheme by \$200.

For example, the principal body corporate consists of 5 lots and common property. Four of the 5 lots are also community titles schemes with 20 lots each. These lots are referred to as the layered lots.

In this example the relevant limit for committee spending for the principal body corporate is \$16,200.

The figure is calculated as: $(1 + 20 + 20 + 20 + 20) \times \200

= 81 lots x \$200

= \$16,200.

Available funds

Before the committee approves any spending within its limit it will need to be sure there is enough money in the budget for the specific expense.

The committee can call a general meeting to amend the budget or raise a special levy if no money or not enough money is available.

Spending in stages

The committee cannot divide a single project into smaller parts in order to bring the project within its spending limit.

For example, the committee for a scheme made up of 25 lots is limited to spending \$5,000 (25 x \$200). The committee wants to renovate the main foyer and has obtained quotes.

The costs are:

- tiles \$2,800
- light fittings \$3,000
- paint \$1,200.

Even though each quote is below the committee's limit, it cannot do the renovations because the whole project is over the spending limit.

The committee would need approval by ordinary resolution at a general meeting.

Spending over the committee spending limit

The committee can only spend over its relevant limit if:

- the spending is authorised by an ordinary resolution of the body corporate **or**
- the owners of all lots in the scheme have given written consent **or**

- an adjudicator has authorised the spending to meet an emergency **or**
- the spending is needed to comply with a statutory order or notice given to the body corporate, or the order of an adjudicator, or the judgment or order of a court.

Quotes for spending

The number of quotes that a committee needs to consider when making decisions is determined by the [relevant limit for major spending](#).

The body corporate may set the relevant limit for committee spending higher than the relevant limit for major spending by the scheme.

The committee must have at least 2 quotes for any spending that is more than the relevant limit for major spending by the scheme.

For example, if the committee spending limit is \$12,000 and the major spending limit is \$10,000, any spending over \$10,000 but under \$12,000 can be approved by the committee if it gets and considers at least 2 quotes.

The body corporate can obtain extra quotes even if the legislation does not require it.

Spending that is not permitted

The committee cannot spend more than its relevant limit for spending.

It can only spend on items provided for in the budget.

If there is no provision in the budget for the expense, the committee cannot authorise the spending even if the amount is within its spending limit.

A committee cannot spend on items that can only be approved by a general meeting resolution.

A committee should not spend funds above the level approved by the body corporate.

Improvements to common property

A body corporate committee can organise improvements to the common property. The authority of the committee is again set by spending limits.

Detailed information on improvements to the common property by the body corporate and the improvement limits is outlined on our [improving common property and lots](#) webpage.

Other regulation modules

Schemes registered under the Commercial Module must elect a committee but the committee does not have a spending limit.

Committees in those schemes can spend as much as needed. Spending must be authorised at either a committee meeting or by voting outside a committee meeting. See [voting at committee meetings](#) for more information.

Schemes registered under the [Specified Two-lot Schemes Module](#) do not need a committee.