



EXPENDITURE LIMITS

Body Corporate expenditure is controlled by spending limits as provided for in the relevant legislation applying to the scheme. The limits apply to different types of expenditure, and state whether it can be approved by committee or requires a general meeting resolution.

Committee Expenditure Limit

Relevant Limit for committee expenditure S151 & 153 Std Module

Relevant Limit for approval of spending by Committee \$200.00 x number of lots in the scheme incl GST

- An ordinary resolution at a general meeting can increase the Relevant Limit for Committee spending and remains current until otherwise resolved.
- The spending, if above the relevant limit for committee, may also be specifically authorised by an ordinary resolution at a general meeting by the body corporate.
- If a proposal is more than the Major Expenditure Limit for the scheme (\$10,000 incl GST) but **less than the relevant limit for committee expenditure** then two quotes must be obtained and the proposal approved by ordinary committee resolution to spend above the limit for major expenditure. The two quotes must accompany the minutes of the meeting. See S151 Std Module for more detail.

Major Expenditure Limit

Relevant Limit for Major Spending S 152 Std Module

An amount worked out by the number of lots in the scheme by \$1,100 (capped at \$10,000 Incl GST)

Where the Body Corporate is the Principal BC in a layered scheme then by the number of lots in the layered scheme.

- An ordinary resolution at a general meeting can increase the Relevant Limit for major spending and remains current until otherwise resolved.
- The Relevant Limit for Major Spending applies to :
 - the appointment of a Body Corporate Manager, Service Contractor (excluding a service contractor who is also the letting agent).
 - repairs and maintenance to the common property. Where a proposal or series of proposals which form one project. If a series of proposals forms one project and the cost of the project as a whole is more than the relevant limit, then the cost of any proposed part of the project is taken to be above the relevant limit.
- The motion must be a motion with alternatives and two quotations must accompany the voting paper and be attached to the minutes. (Section 152 Std Module).

EXPENDITURE LIMITS

Expenditure Limit for Improvement to Common Property by the Body Corporate s163 Std Module

Committee Resolution Basic Improvement Limit	If the cost of the improvement is not more than \$300.00 x the no. of lots in the scheme
Ordinary Resolution Ordinary Resolution Improvements Range	If the cost of the improvement is higher than the “basic improvement limit” but not more than \$2,000 x number of lots in the scheme the proposal must be approved at a general meeting. Only one resolution of this type in a financial year is allowed.
Special Resolution	If the cost of the improvement is higher than the “ordinary resolution improvements range” (or if the Body Corporate has already passed a resolution in the financial year within the ordinary resolution range) then a general meeting must be held to pass this expenditure by special resolution.

EXAMPLE USING A 100 LOT BUILDING

100 lot building	Basic Improvement Limit Committee Expenditure is \$30,000 incl GST General Meeting Ordinary Resolution Improvement Range is \$200,000 incl GST
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Examples of Expenditure which is an Improvements:

Committee Resolution	New tiles to entrance – cost \$10,000 – can be approved by the committee - refer spending by committee (two quotes etc)
Ordinary resolutions – for consideration at a general meeting	Fire Panel which is an upgrade – cost \$75,000 Installing shade sails over the pool - \$50,000 Upgrading the foyer – cost \$150,000
Special Resolutions – for consideration at a general meeting	New lift – cost \$250,000 Painting of the exterior of the building where the colour is changed – cost \$300,000 over five years New pedestrian gate \$150,000 plus security cameras and intercom \$40,000 plus paving and gardens \$25,000 Total \$215,000

Improvements to Common Property by a Lot Owner S164 SM

The body corporate committee may approve an application for an improvement from a lot owner if the installed value is less than \$3,000 incl GST and does not detract from the appearance of any lot in the scheme or common property.

Note: The approval will depend on the committee’s expenditure limit and number of lots.

Examples

Tile exclusive use courtyard – cost \$2,500 – committee resolution only is required.

Install roller door and enclose car space – cost \$20,000 – ordinary resolution at a general meeting is required.

