



## ***Strata Titles Amendment Act 2018*** ***Fact Sheet***

### **SECTION 100**

#### **Administrative and Reserve Fund Contributions**

##### **100. Administrative and reserve funds and contributions**

- (1) A strata company must —
  - (a) establish a fund (an administrative fund) for administrative expenses that is sufficient in the opinion of the strata company for the control and management of the common property, for the payment of any premiums of insurance and the discharge of any other obligation of the strata company; and
  - (b) determine the amounts to be raised for payment into the administrative fund; and
  - (c) raise amounts so determined by levying contributions on owners of lots —
    - (i) in proportion to the unit entitlements of their respective lots; or
    - (ii) if the scheme by-laws provide for a different basis for levying contributions, in accordance with that basis; and
  - (d) recover from the owner of a lot, by action in a court of competent jurisdiction if necessary, any sum of money expended by the company for repairs or work done by it or at its direction in complying with a notice issued, or order made, under a written law in respect of the lot.
  
- (2) A strata company must, if it is a designated strata company, and may, in any other case —
  - (a) establish a fund (a reserve fund) for the purpose of accumulating funds to meet contingent expenses, other than those of a routine nature, and other major expenses of the strata company likely to arise in the future; and
  - (b) determine the amounts to be raised for payment into the reserve fund; and
  - (c) may raise amounts so determined by levying contributions on the owners in proportion to the unit entitlements of their respective lots.

- (2A) A designated strata company must ensure —
- (a) that there is a 10 year plan that sets out —
    - (i) the common property and the personal property of the strata company that is anticipated to require maintenance, repair, renewal or replacement (other than of a routine nature) in the period covered by the plan; and
    - (ii) the estimated costs for the maintenance, repairs, renewal or replacement; and
    - (iii) other information required to be included by the regulations; and
  - (b) that the 10 year plan is revised at least once in each 5 years and that, when revised, the plan is extended to cover the 10 years following the revision.
- (3) Except in so far as and to the extent that the scheme by-laws may empower the council of that company to exercise the functions in subsections (1)(a), (b) and (c) and (2), those functions must be performed by and in accordance with resolutions passed by the strata company.
- (4) Any contribution levied under this section —
- (a) becomes due and payable to the strata company in accordance with the terms of the decision to make the levy; and
  - (b) if not paid when it becomes due and payable, bears interest on the amount unpaid at the rate of simple interest *specified in the regulations*, unless the company determines (either generally or in a particular case) that an unpaid contribution bears no interest or interest at a lesser rate; and
  - (c) including interest accrued under paragraph (b), may be recovered as a debt by the strata company in a court of competent jurisdiction and the strata company may agree to a compromise of such a debt.

NOTE

REGULATIONS SPECIFY THE INTEREST RATE TO BE 11%

- (5) Interest paid or recovered under subsection (4) or (6) forms part of the fund to which the contribution belongs.
- (6) The owner of a lot is liable in respect of any contribution levied under this section and any interest on the contribution, jointly and severally with any person who was liable to pay that contribution and interest when that owner became the owner of that lot, to pay so much of that contribution and interest as was unpaid when the owner became the owner of that lot.
- (7) In this section —
- designated strata company means* —
- (a) a strata company for a scheme with 10 or more lots; or
  - (b) a strata company included in this definition by the regulations (*i.e Schemes that are insured for \$5,000,000.00 or more*)