



Strata Titles Amendment Act 2018 Fact Sheet

SECTION 102 Budget

- (1) A strata company must prepare a budget for each financial year and submit it for approval to its annual general meeting.
- (2) The budget must be prepared —
 - (a) taking into account, if applicable, the 10 year plan for the reserve fund; and
 - (b) in accordance with any requirements set out in the regulations and the scheme by-laws.
- (3) The strata company may, by ordinary resolution at its annual general meeting or at a subsequent general meeting, approve a budget with or without modification.
- (4) The strata company may, by ordinary resolution, vary its approved budget.
- (5) If a budget or a variation of a budget provides for expenditure on common property under section 91(2) (other than expenditure on sustainability infrastructure) exceeding an amount determined under the regulations —
 - (a) information regarding that expenditure must be provided to the members of the strata company as required by the regulations; and
 - (b) the budget or variation must be approved by special resolution.
- (6) A strata company must not make any expenditure that is not authorised by an approved budget except for expenditure as follows —
 - (a) expenditure of an amount not exceeding, in a financial year, for each lot in the strata titles scheme —
 - (i) the amount fixed by the strata company by special resolution; or
 - (ii) if the strata company has not fixed the amount by special resolution, the amount fixed by the regulations;
 - (b) expenditure (not being of the kind referred to in subsection (5)) made on the following conditions being met —
 - (i) notice in the approved form of the purpose and amount of a proposed expenditure is given to the owners and first mortgagees of all lots in the strata titles scheme; and
 - (ii) if the regulations so require, quotations or tenders for the expenditure are submitted to those owners and first mortgagees; and

- (iii) within 14 days after the requirements in the preceding subparagraphs are met, objection to the proposed expenditure has not been notified in writing to the strata company by the owners or first mortgagees of-
 - (I) 25% or more of the lots in the scheme; or
 - (II) lots of which the total unit entitlement is 25% or more of the sum of the unit entitlements of all the lots in the scheme;
 - (c) expenditure required by a court or tribunal or by a notice or order given under a written law to the strata company.
- (7) For subsection (6) (b), if an objection is notified under subsection (6) (b) (iii) by a first mortgagee of a lot, an objection notified by the owner of that lot must be disregarded.
- (8) This section has effect subject to any regulations or scheme by-laws that require a special resolution, resolution without dissent or unanimous resolution or other steps to be taken for expenditure of a particular class.

Regulation 81 Budget variations that are authorised.

The amount fixed for the purposes of section 102 (6) (a) (ii) is \$500.00 (being \$500.00 for each lot in the strata titles scheme)

Note for this regulation

*Under section 102 (6) (a) expenditure that exceeds the approved budget of a strata company is authorised if the expenditure does not exceed an amount fixed by a **special resolution** or if no amount is fixed the amount fixed by this regulation.*

Regulation 82 Expenditure subject to objection procedure

For the purposes of section 102 (6) (b) (ii) a notice under section 106 (6) (b) (i) must include particulars of a least 2 separate quotations or tenders obtained by the strata company in relation to the proposed expenditure.