

**Office of the Commissioner for
Body Corporate and Community Management**

Practice Direction 18

EMERGENCY EXPENDITURE APPLICATIONS

This Practice Direction is issued pursuant to *section 233* of the *Body Corporate and Community Management Act 1997*. Its purpose is to provide further information on the policies and procedures applying to dispute resolution applications lodged with the Commissioner's Office. Nothing in this Practice Direction supersedes or overrides the requirements of the legislation and the Commissioner retains the discretion provided for in the legislation in the case management of dispute resolution applications.

1. The legislation sets limits on the amount that a body corporate committee can spend without general meeting authorisation. An exception exists when an adjudicator is satisfied that the spending is required to meet an emergency and makes an order authorising the expenditure [for example Standard Module, *section 151*].
2. A body corporate may lodge an application seeking the authorisation of an adjudicator for emergency expenditure.
3. The applicant must demonstrate a genuine emergency. Emergency expenditure applications are not a means of circumventing the normal processes for approving expenditure or for expediting authorisation of expenditure when there is no genuine emergency.
4. Factors to consider may include:
 - a. whether there is an immediate and serious health or safety risk;
 - b. whether the failure to act immediately may result in the body corporate incurring significant additional costs; or
 - c. whether there is an urgent need to act to protect the body corporate's rights or interests.
5. The fact that the body corporate has failed to take appropriate or necessary action to address an issue over time does not necessarily create emergency circumstances.

6. An application for authorisation of emergency expenditure should include a written quote for the proposed expenditure. Multiple quotes are preferable, and may be required by the adjudicator where the proposed expenditure would be above the major spending limit for the body corporate. Applications should also detail the expected timeframe for the work, including when contractors are able to commence.
7. Where the Commissioner reasonably considers that an application should be referred to an adjudicator immediately, because it relates to emergency circumstances, the Commissioner may refer the application without seeking submissions from all affected parties [Act, *section 243A*].
8. Where appropriate, applications for emergency expenditure may be expedited by the Commissioner and/or the adjudicator.
9. The applicant body corporate may wish to consider taking steps to convene a general meeting to seek owner approval for the expenditure as well as lodging an emergency expenditure application. This will limit delays in the event that the requested expenditure is not authorised by an adjudicator.



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