

Owning in an incorporated society FAQs



What is it?

An Incorporated Society (also known as a Residents Society) is a group of owners of land or homes that have been brought together in order to achieve a purpose. For example, the purpose may be something as simple as maintaining gardens, or perhaps maintaining stormwater ponds, street lighting and security. It is becoming more common in areas of larger subdivisions where there are common facilities that require maintenance to share costs by members.

WHAT GOVERNS A SOCIETY? WHAT IS A CONSTITUTION?

An Incorporated Society is registered under the Incorporated Societies Act 1908 and is required to have a Constitution (set of rules) that outlines its 'objects' (purpose), and how it will operate. As an example, these can include owners' obligations and the requirement to pay levies, rules to abide by, how meetings are to be conducted, and how the Society is to keep its financial accounts.

HOW DOES THE SOCIETY AFFECT ME?

The Constitution sets out the requirements of all Owners. It is important that you read the Constitution and, if you're looking to purchase into a Society, ask your Solicitor to help you understand the Constitution and explain the purpose of the Society. There will be community rules that you need to abide by and annual levies to be paid.

WHAT KIND OF RULES DOES A SOCIETY HAVE?

The Constitution sets out the general rules such as:

- Meeting procedures and protocol
- How decisions are made
- How the Society raises levies
- The use of communal spaces such as footpath or parks.
- The maintenance of property.

WHAT IS THE SOCIETY RESPONSIBLE FOR?

Every Society is different and has different responsibilities. To understand your Society's responsibilities, you first must understand the purpose of the Society. This information can be found in the Constitution. Most often, Societies will have responsibilities of maintaining common areas and common facilities. Costs for these maintenance requirements will need to be raised by a levy to the members. There are usually Rules attached with the Constitution that the Society will also be responsible for enforcing on its members.

WHAT DOES CROCKERS DO?

Crockers focus on helping the Society build a community whilst also ensuring that it is abiding by the requirements of its Constitution. Because the Constitution is often complex and wordy, we find that new owners sometimes do not fully understand the what they need to do. Owners are supported by an experienced Account Manager who will educate and communicate with owners to achieve the Society's purpose. This includes providing professional financial reports, running annual general meetings, facilitating maintenance requirements, lodging the appropriate documentation with the Companies Office and regular correspondence with the Committee and Owners.