

## **Blue Aurora Pty Ltd – Application for an individual exemption**

### **Submission From Carolyn Dobson Against The Proposed Application By Blue Aurora Pty Ltd For An Individual Exemption** **- For Publication if required.**

#### **Without Prejudice**

I am the owner of a unit in Cairns Beach Resort, 129-135 Oleander St, Holloways Beach, Queensland 4878. The unit is let privately through a managing agent acting on my behalf.

#### **My Key Objections To Blue Aurora Pty Ltd's Application For An Individual Exemption**

- Section 196 of the *Body Corporate and Community Management Act 1997* applies to a community titles scheme (Cairns Beach Resort is such a scheme) if:
  - (a) there is no practicable way available to a utility service provider to measure the extent to which the utility service is supplied to—
    - (i) each lot included in the scheme; and
    - (ii) if the utility service is also supplied to the common property—the common property; and
  - (b) the supply of the utility service to scheme land is charged according to usage, and is not charged for on the basis of the value of land.Parts (2) and (3) of Section 196 state “A lot owner is liable to the utility service provider for a share of the total amount payable for the provision of the utility service to scheme land.” and “The share is proportionate to the contribution schedule lot entitlement for the lot.”  
Blue Aurora Pty Ltd (Blue Aurora) is in contravention of this section of the Act by charging owners of unmetered units different rates for electricity usage based on a paradigm of Blue Aurora's concoction.
- The caretaker/manager of Cairns Beach Resort (CBR) is very well remunerated for caretaking the complex on behalf of the Body Corporate (BC) including obtaining services (with permission if expenditure exceeds a certain \$ value) on behalf of the BC in the BC's name. The caretaker/manager should be acting in the best interests of the complex and its owners. It is not acceptable, legal or ethical that they make a profit by purchasing and on selling energy utilities to the unit owners at a profit unless authorised by those owners to do so as it is clearly to the financial detriment of the owners.
- The electricity rates Blue Aurora has provided recently in their newsletters are Ergon Tariff 11 rates yet they have stated in their submission to AER that the electricity they purchase is supplied by Origin Energy. Publication of Ergon rates without making it clear Blue Aurora are buying at a discounted rate from another retailer is, in my view, an attempt to mislead owners. My understanding is that Blue Aurora is only able to legally buy electricity at discounted rates and on-sell at a profit using Ergon rates if they are a licensed/approved Embedded Network Operator. They are not licensed/approved.
- It is my understanding that the original Caretaking Agreement and Letting Authority of 1999 in which the BC granted the management rights of CBR to Auram Hotels & Resorts

did not allow for the caretaker/manager to buy and on-sell energy utilities to the unit owners and to utilise the BC's infrastructure in doing so.

- Further, it is my understanding that subsequent transfers of the management rights, which must be approved by the BC, have not included any variation which allows for such activity.