

9/1/2019

Attention: Sarah Proudfoot
General Manager, Consumer & Markets Branch
Australian Energy Regulator

Subject: Blue Aurora Pty Ltd – application for individual exemption

I am the owner of three units in the Cairns Beach Resort complex (units ■■■ and ■■■) and have owned two units since 2007 and the third since February 2009.

I am also the Chair of the Cairns Beach Resort Body Corporate Committee.

I am writing this submission in support of the individual exemption being sought by Blue Aurora Pty Ltd that will allow them to sell electricity at Cairns Beach Resort.

It should be noted that the majority of the Body Corporate Committee for Cairns Beach Resort recently voted in favour of Blue Aurora Pty Ltd applying for this individual exemption. This voting occurred after Blue Aurora had made their application and was seen as a way forward where a win/win scenario could be achieved.

Reasons for granting the exemption.

- The usage is currently calculated in a fair and reasonable way, with units in the letting pool (60 units) being charged on an occupancy basis and others being charged as being occupied full time.
- Usage is reported monthly to every owner and usage is also reported in a monthly newsletter.
- All owners are billed one month after the electricity is consumed and no late fees are charged if there has been insufficient income to cover costs. It is merely held over until the income from the rental is forthcoming.
- There are no additional costs incurred by the Body Corporate and no liabilities by the Body Corporate for outstanding debts.
- The current electricity contract was explained to all owners prior to entering into the contract via the monthly newsletter, and no owners or the Body Corporate Committee posed any objection to proceeding with that contract.

If Blue Aurora are not granted an individual exemption the following will definitely occur:

- The majority of unit owners will pay an increase in their electricity, as currently the total bill would have to be split evenly as there is no utility grade sub-metering in place, which would only benefit the few who occupy full time.
- In order to overcome this issue individual metering would need to be installed. The cost of this would be substantial.
- Once metering was installed a retailer would only bill the individual units, with the Body Corporate being responsible for billing the common electricity. This would mean additional costs incurred as the Strata Manager would charge for this service and potential bad debts and costs of recovery to the Body Corporate if the common electricity was not paid for in a reasonable timeframe.
- Blue Aurora Pty Ltd have an electricity contract which expires on December 31st 2020. If they were forced to cancel this contract because of the exemption not being granted then they would incur cancellation fees which would then be passed onto the Body Corporate Committee, incurring additional and unnecessary costs.

Kindest regards,

A handwritten signature in black ink, appearing to read 'Peter Brigden', written in a cursive style.

Peter Brigden
Chair of the Body Corporate Committee
Cairns Beach Resort CTS 26951