

Dear Sarah,

My partner David Cummings and myself (Josephine Mathews) own a unit in Cairns Beach Resort, 129 Oleander Street, Holloways Beach.

We were the first managers of the complex when it opened in 1999, working for Harvey World Travel who co-owned the management rights with Islands Resorts group. In 2001 we subsequently bought the management rights from the company and operated the management rights ourselves under a partnership. We sold the management rights in 2006.

My reason for providing this background is to qualify how the electricity charging was initially set up and why it was done this way.

I have read Blue Aurora's application implying the current arrangement has been in place since the resort opened in 1999. This is not actually the case.

When the resort opened, there were still quite a few units unsold and hence not a lot of money in the Body Corporate funds to handle the monthly utility expenses. It was requested that the management pay the account and be reimbursed by charging the individual unit owners via the trust accounting software system (Hirum) which allocated payments and recorded fees and charges. As there were no individual meters we were advised that legally the only fair method was to divide the total as per the utility bills issued for electricity (and also gas) equally among the units.

I will also add that at every audit performed, we were made to verify that the Electricity and Gas account bill totals matched the Trust cheques issued totals exactly. For the reason that there were no meters, and that there was no license held to on sell, I believed how we were made to charge owners was deemed to be the correct method by the Trust auditors.

This was how it was done - at least till we sold the management rights in 2006.

Being a unit owner, I became aware from my monthly rental statements, that this method had been altered during the previous management to Blue Aurora, and that units were being charged at different rates yet without being quantified by meters. So, Blue Aurora inherited a system which is questionable. Without a qualified formula for charging which would not disadvantage any unit owner whether on the letting pool, owner occupied, or via an outside agent - then you simply cannot charge fairly without meters.

We have recently been contacted by both the management and concerned owners asking how it was set up when we were there, and what we thought would be the best solution.

In both cases, we strongly suggested the only way to solve this so there could be no further arguments was to have the units individually metered and include a separate meter for the common areas (to be paid from owners' quarterly Body Corporate fee contributions).

Since July 2018, Ergon meter services charges now cover the costs for installing and maintaining meters. This means there is no longer an upfront cost for a new or replacement meter. Apart from an electricians' costs, the argument for this no longer being an option perhaps needs to be revisited.

As owners buy and sell the units, they do have an entitlement to be able to make use of any pension rebates or other applicable discounts available to them which would not be available under the current method

For this reason, the fairest solution is to have the units individually metered which would allow owners to make their own contracts directly with the providers or alternatively via an arrangement through the onsite management.

Please feel free to contact us should you need clarification or if we can provide any further details which might help in this

Regards,
Jo Mathews & David Cummings

Phone [REDACTED]