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Rubbish collection services outcome

Dear Neighbour / apartment owner,

when we entered into our contract with Rubbish Direct, you all will have received with your rates bill of July 2010 an additional letter telling you that a “Refuse Rates Remission” of \$122.00 has been granted for your apartment. 4 months later came another letter telling you that you also have been granted a \$58.00 “Recycle Rates Remission”. These combined \$180.00 were the number originally quoted in my previous mail to you. In the following year, it was a slightly higher number, you will have received a rates bill in August 2011 granting you a total of \$191.18 “Recycling & Refuse Remission”.

In the following rates bill of August 2012, with the Auckland Supercity restructuring completed, the previous “Recycling & Refuse Remission” was completely dropped from your rates bill, the accompanying information leaflet and the Auckland Council web site. But the rates bill still contained a charge titled “Waste Management Rate”. This was the base for everybody’s shared understanding that we are currently paying for rubbish and recycling to Auckland Council, even though we are using a private contractor. I spoke to Auckland Council to ask about the matter in late 2012 and was informed, it was a policy change and rates remissions for alternative rubbish disposal providers are no longer granted. Paula Beaton from BCA mentioned this loss of the remission at our previous AGM. In our subsequent Owners Committee Meeting on 5. March, committee members accepted that loss, but decided to continue our contract with Rubbish Direct *regardless* of paying twice.

I disagreed with this decision based on my belief, you as owner would not accept wasteful usage of your money. So, I decided to take the matter to you directly. It is the right of an owner, who wants a matter to be decided, to make a proposal and put it out for a vote to all other owners. Since the owners register is kept by our secretary BCA Ltd., they are the ones to facilitate the sending out of the proposal. I prepared my “call for votes” letter, asking BCA to forward it to all owners. On Friday, 24. May, it was sent to those owners preferring to communicate via e-mail, with those preferring to communicate via postal mail still held up



at BCA. Subsequent interference the following Monday by Graham Smith, convincing BCA to stop the delivery of the remaining letters and the vote itself did not have the desired effect.

By Thursday, 13. June, an absolute majority of 34 apartments' owners voted in favour of the cheaper option (understood to be Auckland Council rubbish collection), with 2 votes in favour of Rubbish Direct and 2 votes containing additional considerations. All based on the stated Auckland Council information, about which no questions have been raised.

The following day, Friday, 14. June, I visited Auckland Council and also had an extended discussion with Rubbish Direct. Auckland Council explained that, while it is true that "Rates Remission" for using an alternative rubbish collection service has been abolished, the new rates calculation formula adopted in the 2012/2013 rating period still does account for the choice of rubbish collection in a different way. If we were to revert to Auckland Council rubbish and recycling collection, our "Waste Management Rate" would increase to \$227.97. In fact, despite not receiving a "Rates Remission" any more, we are actually *not* paying twice, as previously believed. This was not mentioned in the previous discussion with Auckland Council and is not directly visible in our rates bill, but buried deep down in the policy framework document "Auckland Council Long-term Plan 2012-2022, Volume Three: Financial information, policies and fees. Section 6.3.3 (Targeted rates), page 155", if you are interested to look it up yourself.

The Rubbish Direct representative explained, he had many customers tripped up by the Auckland Council rates information in the same way as we were. We also discussed the other concern about our 3-year contract renewal commitment in light of ever-changing Auckland Council rating policies. He offered to alleviate the problem of rating policy uncertainty by adjusting our contract to allow us to decide at the start of each rating year, whether we want to continue with our contract or not.

With these clarifications in place, both the choice of the Owners Committee and of the majority of owners are not in conflict any more. Continuing our contract with Rubbish Direct, as preferred by the Owners Committee, continues to be slightly cheaper than Auckland Council rubbish collection (currently \$17.14 cheaper per apartment per year), offering a 3x/week service and now also a reduced risk for us due to the re-negotiated 1-year commitment period. There was and is **no financial disadvantage for us** and our contract with Rubbish Direct continues.

With kind regards,
Christoph Paszyna
Owners Committee Member,
Belvue Apartments Crosslease 93132