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Rubbish collection services: resolution and what happened behind the scenes

Dear Neighbour / apartment owner,

when we entered into our contract with Rubbish Direct in 2010, 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, the number was even slightly higher, 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 2012 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. BCA Ltd., the maintainer of our owners’ register, are the ones to facilitate the sending out of the proposal. On Friday afternoon, 24. May, my “call for votes” was sent to those owners preferring to communicate via e-mail, with those preferring to communicate via postal mail still held up at BCA. At this point, external interference in the democratic decision process started. Fellow Owners Committee Member Graham Smith obviously did not like my move to ask owners for a vote. He addressed BCA and a selected minority of committee members



(excluding me) immediately Monday morning, asking for my call for votes to be retracted. His arguments for the retraction notice were that (1) my call for votes was not discussed by the committee (true, but irrelevant), (2) the rubbish collection decision was justified in 2010 (true, but it was 2013 now!) and (3) that “no response from owners is required”, because the committee along with BCA would do what’s “necessary” (in my view a patronising attempt to disguise that the committee already decided to do nothing and let the contract roll over for another 3-year period).

The rules of our crosslease do not recognise a privileged leadership position. While it is true that the committee gives Graham Smith the common courtesy of chairing our meetings, the “chairman” has no democratic mandate to act with any special powers beyond those of any other committee member. But instead of keeping a professional neutrality in this matter, BCA decided to support the position of Graham Smith, stop the delivery of the remaining letters and issue Graham’s retraction notice to owners. Of course, I was upset about this move and then took it upon myself to address owners directly through their tenants, bypassing BCA.

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 had been raised. Only after I declared having the majority mandate, did BCA start to examine the issue.

The following day, Friday, 14. June, BCA and I acted independently. Yes, I’ve issued a contract termination notice, which was within my mandate. But on the same day, I also visited Auckland Council and had an extended discussion with Rubbish Direct after recognising the crucial mistake. It all started and was resolved on that Friday. 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 from the current \$21.08 to \$227.97. In fact, despite not receiving a “Rates Remission” any more, we are actually *not* paying twice, as previously believed. This 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”. You may want to look up your rates bill and Auckland Council’s rates web pages yourself to confirm this lack of clarity. 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 turned out not to be 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 \$26.58 cheaper per apartment per year). It still remained to be decided, whether to switch from the 3-year to the 1-year renewal period. This decision was put back to the Owners Committee and by Friday, 21. June, the committee decided to switch to the contract with 1-year renewal period.

There was and is **no financial disadvantage for us** and our contract with Rubbish Direct continues, now with the added advantage of not being tied to a 3-year commitment period, should Auckland Council rating policy change again in the future.

The whole affair in the end has turned out to be just a “storm in a tea cup”. Sorry, if I have wasted some of your time. But you might have gained some insight into the politics behind the scenes and the actions of individual players involved. This letter is my perspective on the whole matter. Sadly, in my view, Graham has chosen not to communicate with me directly at all on this issue during the past month, while I have been following an open communication policy. I would encourage any owner to seek additional viewpoints and enter into an active debate on how our affairs are being run. In fact, I have written a 28-page discussion paper documenting many other issues we are facing and voicing my opinion about them. This has so far been only released to the Owners Committee itself and contains a lot of criticism about our own internal operations. It has not been received well by those who prefer to “sweep things under the carpet” rather than discuss them in the open. The discussion paper still needs some more work before being released to the wider public of apartment owners. I’m committed to ensuring an open debate and will release it closer to our next AGM. If I can’t reach you through BCA, then you will be able to read it at least 2 weeks before the next AGM through <http://belvue.org.nz>

With kind regards,
Christoph Paszyna
Owners Committee Member,
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