

## 22. HAZAKA COMPOST PLANT NEGOTIATIONS – SUMMARY UPDATE

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Corporate Plan Output: Solid Waste Compost, Liquid Waste, Biosolids	

The purpose of this report is to advise Councillors on progress with negotiations concerning the possible construction of a Hazaka Compost Plant in Christchurch.

### BACKGROUND

Councillors will recall that we are negotiating with a Japanese company (Mr Hazaka of Kennan Eisei Kogyour Company) that owns and operates a number of compost plants in Japan about the possibility of establishing such a plant here in Christchurch on a joint venture basis. The principal driver for our interest is the increasingly pressing need to move from an outdoor windrow compost operation with associated dust, odour and large onsite space requirements to an enclosed invessel operation. Such a move will mitigate these problems and also allow us to compost a wider range of organics such as putrescibles (eg residential and commercial food scraps), biosolids, paper etc, all of which occupy considerable space in the landfill and represent a wasted recyclable resource.

Negotiations to date have been complex due to the large number of issues involved and the language and cultural differences.

Since my last report to Council in August 1999 the Hazaka Team has visited Christchurch twice (September 1999 and January 2000) and considerable progress has been made. This has all been reported to the Hazaka Subcommittee (Councillors O'Rourke, Wright with Close and Howell in attendance) over the space of several meetings last year.

### THE WAY FORWARD

Current timetabling for future progress is as follows:

- The Hazaka team is currently estimating capital and operating costs for a plant to process two possible (high and low) levels of waste quantities ie greenwaste which is well defined, putrescibles which are speculative in terms of deliverable quantity at this stage, biosolids which are well defined but disposed of very cheaply elsewhere at the moment and paper. Hazaka-san will inform us of his required costs/tonne to convert this waste to compost.

- We then will compare these costs against existing windrowing costs and report back to the subcommittee on the financial viability of the project. Earliest timing for the next report to the subcommittee is March and to City services is April.

#### **COSTS TO DATE**

It should be noted that this project has associated costs (eg consultants fees – project manager, quantity surveyor, environmental planner, travel etc) which are currently being absorbed within the existing Waste Management Unit 1999/00 budget (\$42,000 to date) and also absorbed by the Hazaka Company (well over \$100,000). It is essential that money is allocated on the 2000/01 budget for future investigations work for this project.

#### **SUMMARY**

Taking the complexities of the situation into account, progress on this project is satisfactory. Mr Hazaka whilst somewhat frustrated at the pace of progress is still extremely enthusiastic and committed to establishing a showcase compost plant and associated demonstration garden in Christchurch. Money should be allocated on the 2000/01 Waste Management Unit budget to fund further investigations on this project and a \$50,000 allocation is recommended to the City Services Budget Committee.

**Recommendation:** That a provision of \$50,000 be confirmed for the draft Annual Plan.

#### **Chairman's**

**Recommendation:** That the suggested budget allocation of \$50,000 be adopted by the Committee and referred to the Annual Plan Working Party for inclusion in the draft Annual Plan.