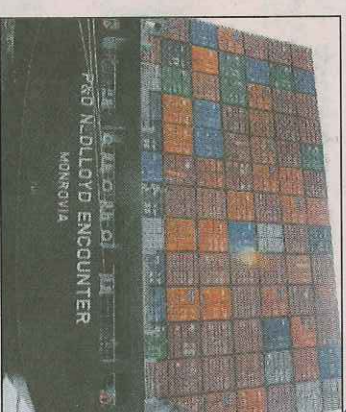


Recap of the Next Generation Project

In August Port Otago announced plans to establish itself as a true deep-water port by deepening the Otago Harbour channel and redeveloping its wharves, berths and the container terminal. These plans will enable Port Otago to accommodate larger container ships and ensure that Dunedin and the lower half of the South Island remains a strong and significant part of New Zealand's international supply chain.

The project dubbed the 'Next Generation', is well under way. Community consultation has begun through a Project Consultative Group which meets regularly. Research by a team of specialists in science, engineering and logistics is also in progress.

Currently, the biggest container ships that come to New Zealand call at Port Chalmers. They have a nominal carrying capacity of 4,100 TEUs and are 285m long, 32.6m wide and have a maximum draft of 12.5m. The next generation of ships is likely to have a carrying capacity of up to 6,000 TEUs and could be up to 320m long, 42m wide and require a draft of 14.5m.



Giant step ahead... this container ship, now called Maersk Decatur and last in Port Chalmers in February last year, can carry up to 4,112 containers and is 281m long and 32m wide. But it is small compared to the new class of ship the Port of Otago hopes to attract, which carry 6,000 containers and are 320m long.

Science – Beginning of Scoping Report

How the Next Generation project will impact the Otago Harbour environment is a critical part of the planning process. Port Otago is placing a lot of emphasis on ensuring this aspect of the project is thoroughly investigated, using top scientists and other researchers from around New Zealand for a variety of environmental and logistical studies.

Port Otago has contracted Dr Robert Bell, of the National Institute of Water and Atmospheric Research (NIWA), to develop a computer model of hydrodynamics to predict the effects of dredging on harbour tides and currents, coastal erosion and the coastal ecology.

A number of key construction and operational-related issues have already been identified and these are outlined below:

Construction (channel deepening/widening)

- Effects on the ecology of area to be dredged
- Extent of any sediment plume and its effects on the ecology and resources of the harbour
- Noise and lighting nuisance during dredging
- Disruption to other ship traffic
- Cultural issues

Operational (what happens when the channel is deepened)

- Effects on harbour hydrodynamics (tides, currents)
- Coastal erosion
- Maintenance requirements

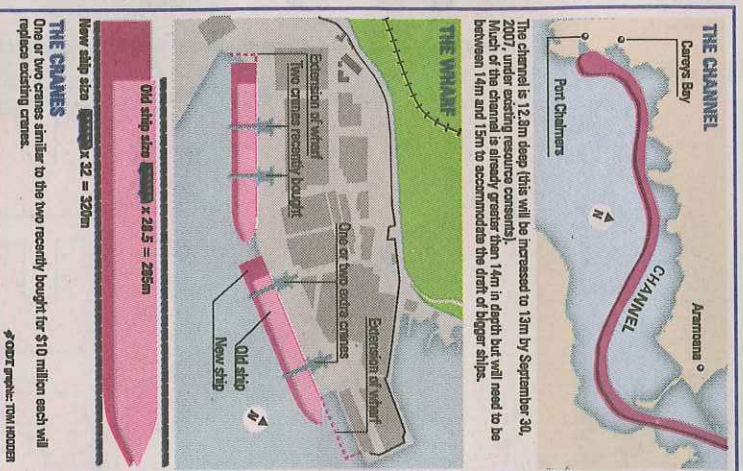
Infrastructure at the port

- New cranes and a new tug will be required
- Berths and wharves will be extended
- Greater intensity of operation will occur
- Need to address transportation and amenity issues with the local community

Currently, an 'Environmental Status Report' is being prepared. This report will identify all the available scientific reports about the marine environment and scope the specific scientific studies required to:

- Define the environmental baseline (inside and outside harbour)
- Assess the effects of the dredging
- Confirm best marine disposal site for dredged material
- Assess environmental effects of marine disposal

The report will be presented to the Project Consultative Group early next year and will lay the foundation for future progress on the Next Generation Project.



Project Consultative Group Established

The establishment of a Project Consultative Group is a key aspect of the project, allowing a comprehensive process of consultation with the community. The group is independently chaired by Stephen Higgs from Poison Higgs and includes representatives from Otakou and Huirapa Runanga, the Department of Conservation, Otago Regional Council, Dunedin City Council, Port Chalmers Community Board, Port Environment Liaison Committee, commercial harbour users, recreational harbour users, Port Otago and other community representatives.

The group has met four times in the past three months. Its first priority was to establish Terms of Reference, with the primary objective being to attempt to achieve consensus on Port Otago's project to identify the environmental and logistical implications of preparing Port Chalmers and Otago Harbour for the arrival of bigger ships.

The key principles of the PCG are:

- To actively promote and provide for the participation of all those who have an interest in the issues.
- To share relevant information on organisational perspectives, perceived issues and causes, and options for addressing them with other group members, and report back to their organisations.
- To identify information gaps, including information gaps in relevant Port Otago plans and proposals, and provide advice to Port Otago on cost-effective investigations to address these information gaps.
- To share all relevant information and discuss the results of investigations as they become available.
- To seek opportunities for reaching agreed goals and outcomes and share these with other parties, recognising that on occasions some of these parties may choose not to agree.
- To use the consultative process.
- To act in good faith



Stephen Higgs

Beginning the Consultative Phase

Wider community consultation on the Next Generation Project has begun, with Port Otago's Technical Services Manager, Lincoln Coe and consultant Phil Mitchell making presentations to relevant community groups on the project. Most recently, they presented the importance this project is placing on consultation, involving residents, recreational harbour users and fishing industry representatives.

Want More Information??

A dedicated Next Generation website will be up and running early in 2008, through the Port Otago Limited website www.portotago.co.nz. This website will be updated regularly with progress reports, scientific information, PCG meeting notes, pictures and media releases. For further information please contact Emma Morey at Port Otago on emorey@portotago.co.nz or (03) 4729 723.