

July 23, 2010

Maritime New Zealand
PO Box 27006
WELLINGTON
Attn. Mr Tara Ross-Watt

Dear Sir

Re: Coastal Resources Ltd: Further Analysis of Alternative Options

Osbornehay write on behalf of their client, Coastal Resources Ltd. In your email dated 11 January 2010, MNZ has requested an analysis of alternative options to the proposed deep sea site. This letter is the required analysis.

Option 1: Ferguson Wharf Reclamation

Description:

This is a reclamation in the Auckland area with resource consents expiring in 2016. Ports of Auckland have been using cement stabilised marine muds from their dredging operations to construct the wharf.

Technical Limitations:

In summary the limitations are:

- 1 The reclamation is only consented until 2016. Pine Harbour has no control on whether a new consent will be sought by Ports of Auckland for further reclamation after 2016 which could use cement stabilised muds.
- 2 There is no agreement between Ports of Auckland and Pine Harbour for the acceptance of spoil from Pine Harbour. Although such an agreement is likely there is a risk of unacceptable conditions being imposed.
- 3 The dredging equipment used by Pine Harbour would need to be available during the exact period which Ports of Auckland is accepting the material for the reclamation. Pine Harbour has concerns that there may be significant issues with arranging for barges to coordinate with Ports of Auckland requirements as dredging equipment is only sporadically available.
- 4 There is a risk that Ports of Auckland could cease taking the spoil at any time or may not require it for certain periods.

As previously confirmed, there are no known current technical constraints for using the Pine Harbour spoil at the Ferguson Wharf Reclamation.

Option 2: New Reclamation (sites not identified)

Description:

This option involves the use of the spoil (most likely as a cement stabilised marine mud) in a new reclamation.

Technical Limitations:

- 1 There are no known currently planned and consented reclamations in the Auckland Region which could utilise the spoil from Pine Harbour.
- 2 Pine Harbour has no plans for further reclamation within the vicinity of Pine Harbour. Any such reclamation would require a raft of resource consents from Auckland Regional Council.

- 3 Based on our knowledge of Pine Harbour resource consent applications in recent years and various other resource consent application processes through this area we would expect any reclamation proposal would be met by strong public and iwi opposition. The use of marina sourced sediment in this reclamation may possibly be perceived adversely by certain local residents. At the recent Pine Harbour hearing, a local group (PCCA) identified the possible use of marina spoil in reclamation but could not identify a site around Pine Harbour where such a reclamation could occur.
- 4 It may take between three and five years to obtain resource consents.
- 5 The final reclamation would have a limited volume and may only provide a short-term solution until a new reclamation site would be required.
- 6 Any reclamation has to be determined by DoC as necessary.
- 7 The issues covered in 3 to 5 above are also likely to occur for any other reclamation projects in the Auckland Region unless they were for a specific end use. It is noted that in the event a reclamation project did proceed in the Auckland Region then for economic reasons Pine Harbour would consider it. It makes economic sense for the berth-holders for spoil to be disposed into this reclamation if the cost was less than or very similar to the consented deep sea disposal site. However, this would only be a temporary solution until such time the reclamation was completed.

Option 3: Disposal to Whitford Landfill (as either waste or cover material)

Description:

Whitford landfill could accept the spoil as either normal waste (ie waste to go into the landfill) or as cover material. The landfill needs three different types of cover material, daily which is put on a night then taken away the next morning, intermediate for waste that is not going to be touched for a few months and final which is the final layer.

Cover material is needed to keep the gas and leachate in. The cover material must be dry, non-porous and stable enough to be track rolled with a bulldozer for compaction. Whitford has an operating quarry on the same site and use clay overburden stripping from that for the capping. If there is a shortfall then this is made up of local supplies. If a further shortfall occurs there is approx 4,000,000m³ of consented clay overburden at Brookby Quarry 10kms away that would require no treatment.

For acceptance as either normal waste or cover material the spoil would have to be de-watered and delivered to the landfill in a "spadable" form. For cover material it may also then need to be cement stabilised (but it is still uncertain if it could be track rolled and therefore utilised as cover material).

Technical Limitations:

For delivery to Whitford landfill in a "spadable" form the following will be required:

- The dredged spoil would need to be piped to shore.
- The spoil would then need to be dewatered. This could be undertaken within a bunded area of approximately 1ha (excluding any required sediment ponds) and would require a 6 week period of no rain. The spoil would be spread 300mm deep and left to dry for six weeks (weather dependant).
- There is no area of 1ha within Pine Harbour landholdings that would be suitable for this bunded area so land would either have to be purchased or leased off Formosa Golf Course or another private landowner further up Jack Lachlin Drive. A 6 week period of no rain in Auckland cannot be guaranteed and seldom occurs. The construction of this bunded area in the area between Pine Harbour and the Beachlands-Mareatai Road is likely to be contrary to PV30 to the Manukau City District Plan and could face strong opposition from Manukau City Council.

- The bunded area and the discharge of the water from the de-watering process would require a range of resource consents. There are likely to be significant consenting issues for the discharge particularly if it is saline discharge into a freshwater environment (as would occur if the bund was located inland from the Marina). The discharge could not go into the local wastewater network. Any resource consent applications may face strong local opposition.
- If the bunded area was away from Pine Harbour then the spoil would need to be tankered to the bunded area with the volume being tankered being approximately 5x the volume of spoil (owing to the salt water content). For lets say 3000m³ of spoil this would result in about 1500 truck movements (using 10m³ tankers). This number of movements along the local roading network (and also then movements then from the bunded area to the landfill) is likely to face strong public opposition and also opposition from Manukau City Council owing to the maintenance impact on the local roading network. MCC may try to seek a financial contribution for these truck movements on the MCC Land Use Consent required for the bunding operation. This financial contribution could add a significant additional cost to the project.

Option 4: Disposal at Current Near-Shore Site

Description:

Pine Harbour Marina currently has a resource consent for the disposal of 3000m² of spoil from the channel at a site just off Pine Harbour Marina. A replacement consent application was lodged in March 2007 (as the current consent was due to expire).

The ARC has now declined the resource consent application for this disposal site and this decision has been emailed to you previously.

Technical Limitations:

- 1 The replacement resource consent application has been declined by Auckland Regional Council.
- 2 There are no known operational issues with undertaking the disposal at an extended Pine Harbour Marina site.
- 3 A new resource consent will be required for an extended site and/or a greater annual volume of spoil disposal. This resource consent application will need to be accompanied by supporting technical documentation. No investigations have been undertaken for a larger site or for a greater volume of spoil disposal.
- 4 There is a significant concern about the political involvement in the processing of the current consents. Requests for the release of information from the ARC have had to be made to the Ombudsman and ARC is still withholding certain information. There is a significant risk that the processing of the application will not be undertaken within the statutory timeframes.
- 5 Any resource consent application is likely to result in strong localised public opposition.
- 6 Our initial opinion is that regardless of the scientific evidence in support of any such application there is a considerable risk that the resource consent application will be declined in the first instance.
- 7 In respect to other near-shore sites, no investigations have been undertaken by Pine Harbour/Coastal Resources to identify alternative near-shore sites. Any such investigations will be both time consuming and costly. It is likely any near-shore site will generate at least some local opposition.
- 8 The evidence of Mr Lee to the recent hearing has been sent to you previously. It is quite obvious that Mr Lee, in his role as the Chairman of the ARC, is of the opinion there should be no near-shore disposal.
- 9 Despite repeated requests over a number of years, Auckland Regional Council officers have declined to nominate any alternative sites for near shore disposal which should be investigated and which may be acceptable to the Auckland Regional Council.

We trust that this further assessment of alternative sites meets your requirements.

Sincerely,



David Hay
Planning Consultant
Ph: 09 425-9844
Mobile: 027 425-0234

Copy to: Coastal Resources Ltd, PO Box 8, Beachlands. Attn. Mr Simon Male