



**Coastal Bulk Shipping Ltd: Application for Coastal Shipping Funding as part of the
National Land Transport Programme 2021 – 2024 (NLTP):**

– Criteria 7 - Pricing.

Date: 6th April 2022

Contact details:

Project title: Increased Coastal Shipping Capacity

Name of applicant(s): Coastal Bulk Shipping Ltd

Key contact: Mr. section 9(2)(a)

Job title or role: General Manager

Contact phone number: section 9(2)(a) (Office)
section 9(2)(a) (Mobile)

Contact email address: section 9(2)(a) [@coastalbulkshipping.co.nz](mailto:section 9(2)(a)@coastalbulkshipping.co.nz)

Web address: <http://www.coastalbulkshipping.co.nz/>

Coastal Bulk Shipping's Proposal:

Coastal Bulk Shipping's (CBS) proposal is for the NLTP to provide funding as per Criteria 7 as a grant for section 9(2)(b)(ii) for the acquisition and placing into service on the New Zealand coast of a 2,000 DWT bulk and general cargo vessel, as an addition to the CBS fleet.



Criteria 1: Alignment with Activity Class (Weighting 35%):

Demonstrate your commitment to delivering the objectives of the activity class and how the proposal will contribute to increasing mode share and delivering a positive market impact.

Criteria 1 – CBS Response:

Please refer to CBS's separate document which contains a response to Criteria 1 – 6 inclusive.

Criteria 2: Co-investment (Weighting 10%):

Demonstrate the level and certainty of financial co-investment that can be provided (by applicant or other sources).

Criteria 2 – CBS Response:

Please refer to CBS's separate document which contains a response to Criteria 1 – 6 inclusive.

Criteria 3: Ability to deliver in desired timeframe (Weighting 15%):

Demonstrate you have, or will allocate, the resources required to create a well-supported, multi-disciplinary team that has the skills and expertise to implement the project in the desired timeframe. Demonstrate how the project can be delivered by June 2024.

Include a summary of how monitoring and evaluation of the project will be completed post implementation to inform benefits realisation.

Criteria 3 – CBS Response:

Please refer to CBS's separate document which contains a response to Criteria 1 – 6 inclusive.

Criteria 4: Leadership and support for delivery (Weighting 10%):

Demonstrate commitment to the implementation of the project.

Criteria 4 – CBS Response:

Please refer to CBS's separate document which contains a response to Criteria 1 – 6 inclusive.



Criteria 5: Reduction in Carbon Emissions (Weighting 15%):

Demonstrate how the proposed project will contribute to reducing overall transport sector greenhouse gas emissions and improving air quality.

Criteria 5 – CBS Response:

Please refer to CBS's separate document which contains a response to Criteria 1 – 6 inclusive.

Criteria 6: Resilience (Weighting 15%):

Demonstrate how the proposed project will contribute to a more resilient freight sector.

Criteria 6 – CBS Response:

Please refer to CBS's separate document which contains a response to Criteria 1 – 6 inclusive.



Criteria 7: Price:

Please confirm the price of your proposal. This should be in New Zealand dollars and exclude GST.

Two prices should be included: the total price for the project (including co-funding), and the price to be met by Waka Kotahi (the NLTF share).

Criteria 7 – CBS Response:

The pricing below is the current estimated project costs to acquire the vessel, carry out modifications to ensure it is suitable for New Zealand coastal operations and for delivery of the vessel ex Asia to New Zealand. We have not included any ongoing operations or maintenance costs in the below as it is planned that these will be met by CBS as a significant ongoing part of our overall contribution to increasing coastal shipping on the New Zealand coast.

Total estimated project cost:

section 9(2)(b)(ii)

The majority of the acquisition, modification and delivery costs would be incurred in US dollars. We have converted these into New Zealand dollars as requested.

The above costs exclude New Zealand GST.



9 Sir James Wattie Drive,
Hornby South,
Christchurch, 8042, NZ

Price to be met by Waka Kotahi (the NLTP share):

The cost of introducing this larger coastal vessel in order to provide improved capacity and service levels is significant for a company such as CBS. The return on a **section 9(2)(b)(ii)** investment is marginal, given the subsidies for road and rail which you mention, which means that they can price too competitively for an unsubsidised coastal ship to compete. The return on a NZD\$5 million investment will be much more sustainable over the expected trading life of the ship **section 9(2)(b)(ii)**

We welcome the Government's commitment to consider providing funding to support coastal shipping.

Based on the above, CBS's Application for Coastal Shipping Funding as part of the National Land Transport Programme 2021 – 2024 (NLTP) is for **section 9(2)(b)(ii)** of the above estimated project cost, being **NZD\$4,989,333**.

We thank Waka Kotahi and stakeholders for the opportunity to submit this application and we look forward to progressing to the next stage.

Signed:

section 9(2)(a)

Print name

6th April 2022

Date

General Manager

Title

section 9(2)(a)
@coastalbulkshipping.co.nz

Email

section 9(2)(a)

Signature

Coastal Bulk Shipping Ltd

Organisation