

20th July 2023

Waka Kotahi
NZ Transport Agency
Chews Lane Office,
50 Victoria Street,
Wellington 6141,
New Zealand.

ATTN: out of scope
Principal Advisor – Rail and Freight,
Multimodal & Innovation,
Transport Services.

Dear out of scope

**NZ Coastal Shipping Programme: Funding Agreement – Quarterly Report for January–
March 2023**

I refer to the above referenced Funding Agreement, signed 20th July 2022, and hereby provide a quarterly report covering the period 1st January 2023 to 31st March 2023. Clause 6 of Schedule 1 of the Funding Agreement requires Coastal Bulk Shipping (CBS) to provide a quarterly report in accordance with Waka Kotahi requirements.

Whilst we await your outline of these requirements, we hereby provide an update on our project.

1). Project Scope:

CBS's project is for the acquisition and placing into service on the New Zealand coast of a 2,000 DWT bulk/general cargo vessel to increase CBS's coastal shipping capacity.

2). Funding to date:

The funding agreement between Waka Kotahi and CBS is for a total of NZD\$4,982,756 (plus GST). To date, CBS has invoiced and been paid a total of section 9(2)(b)(ii). This leaves a balance of section 9(2)(b)(ii) still available under the Funding Agreement.

3). Project update:

Deliverable/Milestone	Funding requested to date	Funding received to date	Status of Milestone
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section 9(2)(b)(ii)			
[REDACTED]			

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

section 9(2)(b)(ii)

4). Updates on other commitments:

(a). Vessel Naming Ceremony:

CBS is planning a naming ceremony for the vessel at a port and date yet to be fixed. We will be inviting key stakeholders to this function in order they can be part of the vessels naming ceremony and to be able to see the new vessel "Rangitata" firsthand. We will be in touch once we confirm the port and date for this naming ceremony in order we can have your input as to who should be invited from Government and Waka Kotahi.

This ceremony was planned for the 2nd quarter of 2023. Due to circumstances outside our control including Cyclone Gabrielle this has been further delayed.

(b). Post Implementation Project review:

We indicated we would carry out a post implementation project review once the vessel arrives in New Zealand and has been trading on the coast for some time. This was planned for the 2nd quarter of calendar year 2023 but has been delayed due to outside issues (Cyclone Gabrielle work). We would be pleased to share this review with you once completed. It is anticipated this will now be available by end September 2023.

(c). Emissions Study:

CBS committed to updating the emissions study we had carried out in 2017 by Opus, to take into account our new vessel and its increased capacity, with one of the primary objectives being to reduce emissions through moving coastal cargo by sea instead of road / rail / air. Whilst we plan to undertake this study, we need to have the vessel operating on the NZ coast for 6 months to be able to gather some actual data on which to base the updated study. We plan to undertake this study in the 3rd quarter of 2023.

Operational Observations

section 9(2)(b)(ii)

Cyclone Gabrielle also highlighted both Coastal Bulk Shippings and the Rangitata's versatility when at short notice, it was able to work with local and central government to implement a container service between Eastland and Napier Ports. This was implemented in Mid march and ran to the 31st May 2023. This serviced proved successful in supporting the Tairāwhiti region in a time of need. It also highlighted the opportunities for other regions to consider short haul coastal feeder services.

section 9(2)(b)(ii)

I trust that you find this quarterly report informative and of value for your own internal reporting purposes. If you require any further information with regard to our new vessel or any aspect of this project report, please do not hesitate to contact me.

Yours sincerely,
section 9(2)(a)

**General Manager
Coastal Bulk Shipping Ltd**