



Ferry Holdings Limited

Four Year Plan

Statement of Intent

5 March 2025 – 31 December 2029



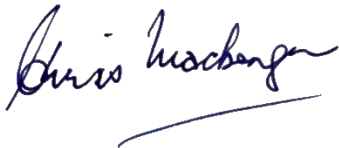
Contents

Four Year Plan	1
Statement of Intent	1
5 March 2025 – 31 December 2029.....	1
Contents.....	2
Background	4
Who we are.....	4
Statement of Intent (SOI)	4
Nature and scope of our activities	5
Strategic intentions	5
Performance Indicators.....	6
What we will deliver - strong connections.....	7
Key functions.....	7
First Year Priorities	8
How we will deliver.....	9
Design and delivery of ships	9
Shipyard selection.....	9
Shipbuilding requirements	9
Operational readiness.....	9
Development of port infrastructure.....	11
Infrastructure requirements	11
Commercial arrangements	12
Operational readiness.....	12
Future options	13
Our business - organisational performance, health and capability	13
Governance	13
Workforce	14
Business planning and management	14
Probity management	14
Asset management	15
Financial management	15
Data and digital management	15
Communications.....	15
Health and safety	15
Who we work with.....	16

Introduction

This Statement of Intent is submitted by the Board of Directors of Ferry Holdings Limited (Ferry Holdings), pursuant to the Crown Entities Act 2004.

It sets out the objectives and intentions of Ferry Holdings for the period 5 March 2025 to 31 December 2029.



Chris Mackenzie
Chair
June 2025



Heather Simpson
Deputy Chair
June 2025

Background

In December 2023, the Government cancelled Project iReX which sought to replace the Interislander ferries and upgrade the related infrastructure. The costs for this Project had grown substantially to \$3.1 billion. In subsequent decisions the Government established Ferry Holdings to deliver better value for money in ensuring the new ferries would be operational in 2029.

In March 2025, the Minister for Rail confirmed plans for the procurement of two new ferries that will serve people, cars, trucks, and rail across the Cook Strait, along with the development of related port infrastructure in Wellington and Picton which maximises reuse of existing facilities and minimises cost of new facilities.

The Government is committed to safe, reliable and affordable Cook Strait ferry services and this programme will deliver that for all New Zealanders.

Who we are

Ferry Holdings was incorporated in March 2025 and commenced operations on 1 April 2025 to lead the contractual negotiations with shipyards, ports, and other parties required to deliver safe, reliable, resilient and affordable inter-island services to serve the future.

Ferry Holdings is listed on Schedule 4A of the Public Finance Act 1989 and is enabled by the Public Finance Act 1989 and the Crown Entities Act 2004. This authorises the company to act as an independent, decision-making body, while operating within the parameters set for it by the Government and being transparent and accountable for its decisions.

We are a small but expert organisation. We are not a Government department. We apply appropriate technical, financial and commercial expertise to deliver value for the taxpayer through providing an enduring solution for inter-island ferry services and landside assets.

The Minister for Rail, Minister of Finance, and Minister of Transport are the shareholding Ministers who will make the final major decisions on the ship procurement, as well as the final landside development funding and commercial arrangements with the ports and future ferry investment and operations. Ferry Holdings' Board reports to its shareholding Ministers.

The Government has provided \$4 million of establishment funding for Ferry Holdings. A further \$9.4 million has been approved by shareholding Ministers for 2025/26. Further capital will be sought by Ferry Holdings when further commitments are made.

Statement of Intent (SOI)

The performance of Ferry Holdings will be measured on the timely completion of the work programme outlined below.

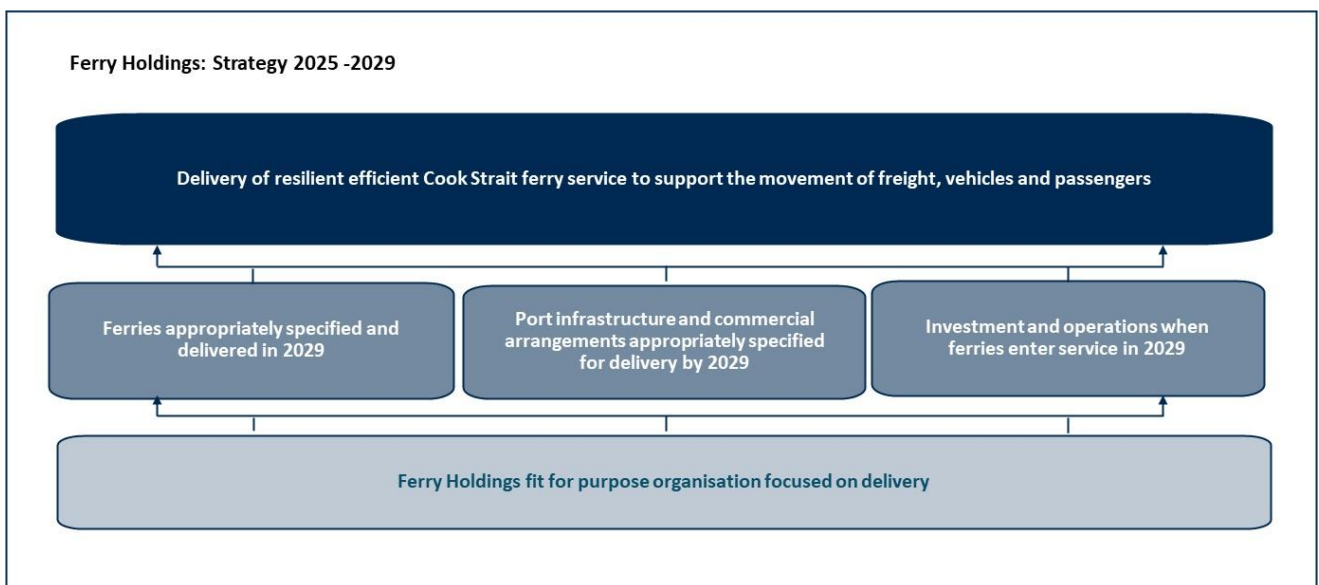
Nature and scope of our activities

Ferry Holdings has a clear mandate and direction provided by our shareholding Ministers. We are responsible for entering ship procurement contracts with an international shipyard and port infrastructure agreements with CentrePort Wellington Limited (CentrePort), Port Marlborough New Zealand Limited (Port Marlborough) and other required parties to enable the affordable delivery of inter-island ferries to enter service in 2029. Affordable has been determined to be markedly cheaper than the cancelled Project iReX.

We also acknowledge the Government has reserved the right to determine the ultimate asset owner and operator of the Cook Strait ferries procured by Ferry Holdings. Our work programme will also address these longer-term investment and operating matters.

Strategic intentions

Our strategic intentions were outlined in a Letter of Expectations from the shareholding Ministers and are outlined in the diagram below:



Performance indicators

The long-term deliverables and key performance indicators that reflect our strategic objectives in the period 2025-2029 are set out below. These can be expected to be updated as milestones relating to the signing of material contracts and agreements are achieved.

Workstream	Deliverable
Ships' procurement	Signed contract for the procurement of ships with ship builder in 2025/26.
	Monitoring the ship builder to ensure they are on track to meet contracted milestones, and ships are designed and built to agreed specifications.
	Ships are delivered and put into operation in 2029.
Ports infrastructure, funding and commercial contracts	Signed agreements with the port companies and KiwiRail for delivery of the required port infrastructure in Wellington and Picton, asset ownership and the associated infrastructure funding arrangement.
	Overseeing the procurement and delivery of the required port infrastructure to ensure it is designed and built to agreed specifications, milestones and cost estimates.
	Port infrastructure is fully built and operational for the arrival of the ships in 2029, with a commercial and funding arrangements in place between the ferry operator and the port companies.
	Port infrastructure is delivered at a significantly lower cost than under Project iReX, maximising the reuse of existing infrastructure.
	Negotiating best value for money from commercial arrangements.
Future options	Working with the Government to develop a programme which explores the options for future ferry investment and operations to optimise efficiency and maximise the value of the Government investments.
Organisational delivery	Ferry Holdings is a small, independent organisation, governed by a strong Board and resourced with the right people with the desired expertise at the right time.
	Efficient and effective processes are in place to enable delivery of the programme in line with our strategic objectives and provide confidence through the Board to shareholding Ministers and key stakeholders.
	Our workforce is focused on delivery, working within a supportive environment and demonstrating the positive and collaborative mindset required to meet the evolving needs of the work programme and related expectations. .

What we will deliver - strong connections

Ferry Holdings is procuring marine assets and entering infrastructure agreements appropriate to the long-term needs of inter-island Cook Strait ferry services. In doing so, we will ensure the scope of these assets and related infrastructure delivers a minimum viable product and service within a total government funding contribution established by Cabinet. Ferry Holdings is committed to developing strong connections with all of our key stakeholders. We will work constructively with KiwiRail, as both a material freight customer and the longstanding operator of the inter-island ferry service. We will also work constructively with CentrePort Wellington and Port Marlborough as critical infrastructure owners and operators. Strong connections will ensure these companies will provide working information about ferry, rail, and port operations and infrastructure to enable Ferry Holdings to be effective.

Ferry Holdings is already engaging with the port companies to formalise the arrangements for port infrastructure, seeking to minimise costs and deliver value for money for the New Zealand Government. To deliver best value, the negotiations focus on the minimum viable infrastructure necessary to support the ferry service and the maximum reuse of existing assets where possible.

Key functions

Procurement of ships and supporting port infrastructure

We will undertake a commercially competitive process to procure two new ships that will provide freight, passenger, car and rail-enabled services across the Cook Strait.

We will negotiate commercial arrangements with the port companies that maximise the reuse of existing infrastructure and only upgrade what is necessary to accommodate the new ships and ensure a minimal viable product and service.

The successful delivery of the work programme requires that we maintain strong working relationships with our key partners and suppliers, while retaining our focus on delivering the lowest cost solution to the taxpayer. We will implement appropriate governance, management, and commercial procurement processes to deliver the work programme and provide transparency and accountability to our shareholding Ministers.

Ferry Holdings' work programme related to the Ship and Infrastructure programmes include:

- the design and contract delivery of ships by 2029; and
- arrangements for the delivery of the port infrastructure, including rail and roading to support the arrival of ships in 2029.

To implement the work programme, Ferry Holdings needs to establish and resource itself. In 2025 Ferry Holdings will ensure it has access to the right advice and expertise to support ferry contracting and port specification to achieve the outcomes identified in our strategic intentions above.

Ferry Holdings will work with KiwiRail, Centreport Wellington, Port Marlborough and others to ensure delivery of key outcomes by the end of 2029.

Future options – investment and operations

Looking to the future investment and operations of the Cook Strait ferry service, the Government, through Ferry Holdings, will look to optimise efficiency and maximise the Government’s return on its investment arrangements. Within this, the Government has reserved the right to determine the long-term operator of the Cook Strait ferries.

First year priorities

Ferry Holdings, work programme priorities for the first year of this SOI period are summarised below.

Ferry Holdings: 2025/2026
 The focus of Ferry Holdings from 5 March 2025 until 30 June 2026 includes:

Ferries	<p>Design and delivery of ships <i>In 2025, Ferry Holdings will complete a commercially robust procurement process for the design and build of two new ships.</i></p>	<p>Ferry Holdings will:</p> <ul style="list-style-type: none"> • Confirm ferry specifications. • Complete procurement of the shipyard to build the ferries.
Portside Infrastructure	<p>Negotiation of arrangements for the port infrastructure, including rail and roading <i>In 2025, Ferry Holdings will focus on the activities necessary to conclude commercial arrangements with the ports and KiwiRail for the delivery of infrastructure.</i></p>	<p>Ferry Holdings will:</p> <ul style="list-style-type: none"> • Confirm portside, rail and roading infrastructure requirements. • Finalise commercial arrangements, including funding and ownership of the required assets.
Investment and Operations	<p>Defining future ferry investment and operational delivery <i>Working with the Government, through the Treasury and the Ministry of Transport, to explore the options for future ferry investment and operations to improve efficiency and recycle Crown capital.</i></p>	<p>Ferry Holdings will:</p> <ul style="list-style-type: none"> • Participate in the independent Government programme of work as required. • Ensure any commercial negotiations for the transfer of the ferries and operations is completed at a date agreed by shareholding Ministers.
Organisation	<p>Establishment and resourcing of Ferry Holdings <i>In 2025 Ferry Holdings will focus on ensuring that the organisation is adequately resourced and supported to ensure the successful delivery of the portfolio of work.</i></p>	<p>Ferry Holdings will:</p> <ul style="list-style-type: none"> • Ferry Holdings will deliver fit for purpose business and financial: fit for purpose business and financial management plans; and accountability and risk management frameworks. • Establish an organisational and management structure, policies and processes to support the delivery of the work programme.

How we will deliver

Design and delivery of ships

The Ship Procurement workstream will undertake a commercially robust procurement process for the design, build and delivery of two new ships.

The new ferries will safely transport passengers, cars, trucks and rail wagons across the Cook Strait. The new vessels will work to minimise carbon emissions and will have an expected life of 30 years.

The performance of Ferry Holdings will be measured on the timely completion of the work programme outlined below.

Shipyard selection

We are implementing a two-stage procurement process which will be completed by the end of 2025, and includes:

- development of a preferred shortlist of six shipyards with the desired expertise, capability and capacity to deliver the ships in 2029.
- completion of a closed tender process, including selecting the preferred shipyard, and completion of final contracting arrangements.
- The Board will recommend to shareholding Ministers, the final selected shipyard for their approval.

Shipbuilding requirements

The design and building of the ships will commence after contracts are signed and the first ship will be delivered in 2029. We will closely monitor and report on the delivery of project milestones. Any risks or issues associated with the ships' construction will be tracked and managed by our delivery team and reported to the Board and, if significant, the Board will report to shareholding Ministers.

Operational readiness

Planning, in conjunction with Interislander for the delivery of the two ships from the

shipyard to New Zealand, the training of the officers, crew and other portside personnel will commence as soon as the design of the new ships is confirmed. This will include confirming the required equipment and systems and finalising the shipyard master schedule. This process will familiarise all relevant personnel with critical safety equipment, emergency evacuation, and the ships' equipment and systems.

Between 2025 and 2029 we will:

- confirm the ferry design and build specifications for the two ships required to provide services from 2029.
- complete the closed tender procurement process for the selection of the preferred shipyard.
- complete negotiations and sign the contract with the preferred shipyard.
- complete the review and approval of the shipyard basic and detailed design of the new ferries.
- complete the review and approval of the makers of the ships' equipment and system proposed by the shipyards.

- specify the requirements for the port infrastructure required, including rail and roads.
- mobilise the shipyard site supervision team.
- commence and monitor construction of ships.
- develop operational readiness plans for the new ferries.

Development of port infrastructure

Working with our key partners CentrePort Wellington, Port Marlborough and KiwiRail, we will contract for the delivery of the port infrastructure and commissioning required to support ferry services across the Cook Strait.

This workstream will also consider the climate change and environmental impacts resulting from the infrastructure upgrades.

The performance of Ferry Holdings will be measured on the timely completion of the work programme outlined below.

Infrastructure requirements

Ferry Holdings, CentrePort Wellington, Port Marlborough and KiwiRail will work to maximise the reuse of the existing port, rail and roading infrastructure, and undertake upgrades where they are required to meet the requirements for the new ferries.

The Port Infrastructure Workstream will ensure that the port infrastructure meets the operating needs of the new ferries in time for their arrival in 2029, balanced against our shareholders' expectation that we deliver an affordable programme for taxpayers.

Portside infrastructure

Detailed designs required for the implementation and delivery of the port infrastructure will be agreed between the key partners.

The remodelling and construction work will be completed by the current asset owners CentrePort Wellington, Port Marlborough and KiwiRail. The life expectancy for the new work completed is anticipated to be 60 years or two ship lifecycles. Where existing assets are being modified the expected life of the asset is 30 years.

Rail infrastructure

Necessary works to support the rail operation of the new ships will be undertaken. This will include some remediation and reconfiguration of the rail yards in Picton and Wellington and may require additional KiwiRail-owned assets to support inter-island operations.

Roading infrastructure

The impacts on the wider transport and roading network will be identified and taken into account, including coordinating works with road controlling authorities where required.

Working relationships

Close partnerships between Ferry Holdings, CentrePort Wellington, Port Marlborough and KiwiRail are required to define and deliver the infrastructure.

Ferry Holdings has a key leadership role and oversight responsibilities, including issues resolution, quick decision making and streamlining processes to ensure the successful delivery of the programme.

Ferry Holdings has convened the Cook Strait Ferry Chief Executives' body governance group. Membership of this group is made up of Ferry Holdings, CentrePort Wellington, Port Marlborough and KiwiRail with observers from

The Treasury and the Ministry of Transport. Ferry Holdings chairs the group. It has been established to ensure all workstreams under the work programme are advancing as planned, key milestones are achieved and required engagement, and collaboration is timely and unified. This will in turn provide confidence to their respective Boards, shareholders and other stakeholders. Any instances where agreement cannot be reached, will be adjudicated by the Chair and Deputy Chair of Ferry Holdings.

Commercial arrangements

Ferry Holdings will work to deliver the best value for money through its commercial negotiations.

The final infrastructure requirements will be confirmed through a commercial negotiation processes with partners and formal contractual agreements will be entered into. If any arrangement involves the acquisition of shares or other interests in companies, trusts, partnerships, joint ventures or similar, excluding Crown entity subsidiaries, Ferry Holdings will follow the requirements of s100 of the Crown Equities Act.

Operational readiness

The key infrastructure will be in place for 2029. The partners will participate in the planning for the commissioning¹ of the new ferry service. This will include the training of the

portside personnel with critical safety equipment, emergency procedures, and the ships' equipment and systems.

Between 2025 and 2029 we will:

- provide leadership and oversight of governance and procurement processes with the port companies and KiwiRail.
- develop and implement plans for the portside infrastructure which maximise the reuse of the existing port, rail and roading infrastructure.
- finalise contractual arrangements with the ports and KiwiRail, whilst meeting the requirements for the new vessels.
- ensure construction of the new port infrastructure is completed.
- monitor and oversee the construction work programme.
- plan for operational readiness and the arrival of the new ferries and port infrastructure.
- provide leadership and oversight to governance and procurement processes with the ports and KiwiRail.

These arrangements will also address funding and ownership of port infrastructure and KiwiRail assets, long term leases and licencing arrangements.

¹ Commissioning of the ferries and port infrastructure refers to the last phase of the work

programme that follows construction which prepares the new facilities and ships for operation.

Future options

Ferry Holdings will support the Government's consideration of the future investment and operations of the Cook Strait ferry service, to improve future efficiency and the return on the Government's investments.

Between 2025 and 2029 we will:

- support the Government-led process to identify investment, operational delivery options, and terms for their final transfer.
- ensure that Ferry Holdings retains flexibility in its contractual arrangements to preserve future development options, including, commercial counterparty considerations.

Our business - organisational performance, health and capability

Ferry Holdings is not a government department. We are a small company with a clear purpose and specific mandate. We will hire key staff to ensure we deliver on the expectations of our Board and shareholding Ministers. We will also oversee and manage external technical expertise required to deliver our work programme. The scope and scale of this expertise will evolve over time as our business transitions from establishment to critical project origination tasks in 2025 and a long-term delivery focus from 2026.

Ferry Holdings' structure will include be organised into ship, port infrastructure, commercial and finance teams supported by a corporate services function. Ferry Holdings will contract external services in an appropriate manner under a board-approved work programme, enabling resourcing to flex accordingly over the life of the work programme.

The Ferry Holdings Board is accountable to its shareholding Ministers and stakeholders to deliver the two new Cook Strait ferries and associated infrastructure.

We will work pragmatically and efficiently to:

- inform investment and funding decisions.
- guide Ferry Holdings' decision making and resource allocation.
- support effective governance and leadership.
- manage, track, and monitor risk.

Governance

The Board will oversee the development of appropriate business and financial management plans, as well as accountability, assurance and risk management frameworks. These will enable a comprehensive, robust assurance

environment, to systematically identify and mitigate risks, validate programme effectiveness, and ensure compliance with strategic objectives and stakeholder expectations.

The Board will be focussing on clear goals, and closely monitoring performance and accountability.

The Board will set and monitor the risk appetite of the company.

The Board will communicate regularly with the Minister for Rail and the shareholding Ministers.

The Board, unless otherwise agreed, will handle communications in conjunction with the shareholding Ministers.

Between 2025 and 2029 we will:

Ensure the Board meets its statutory reporting and assurance requirements including:

- publishing the Statement of Intent (three-yearly), Statement of Performance Expectations (annually) and Annual Report.
- preparing quarterly reports and other reporting as required by shareholding Ministers and The Treasury.
- participating in The Treasury's commercial assurance and gateway processes.

Workforce

Ferry Holdings operates a small organisational and management structure, which oversees the ships' procurement, infrastructure upgrades, commercial and financial arrangements, and its people and stakeholders. Our workforce will be a blend of full-time and fixed-term staff, contractors, secondees and consultants.

Ferry Holdings will operate a personnel policy that complies with the principle of being a good employer.

Between 2025 and 2029 we will:

- appoint the workforce required to deliver the work programme in alignment with the programme deliverables.
- engage with the required specialists including naval architects, shipbrokers and maritime designers, architects and lawyers to deliver the programme of work.

Business planning and management

We will deliver appropriate business planning, risk management and performance monitoring to inform decision making, and resource allocation to effectively manage the timely delivery of the programme.

Between 2025 and 2029 we will:

- support effective governance and leadership of our business.
- advise on investment and funding decisions for our work programme.
- manage and mitigate risk through robust risk management processes.
- manage procurement and delivery activities for the two Cook Strait ships.
- proactively disclose documents in accordance with our Proactive Disclosure Policy.

Probity management

The Government is making a significant investment into the Cook Strait ferry service. The Board will provide surety and timely transparency about decision-making processes to our shareholding Ministers.

We are committed to ensuring that all procurement and related discussions are conducted fairly and appropriately, in accordance with good practice. We will develop, implement and monitor processes to ensure that integrity and transparency is maintained throughout the design, procurement, and delivery of phases of the work programme.

Between 2025 and 2029 we will:

- monitor and manage probity risks.
- engage independent probity auditors to provide an external review of the shipyard procurement process.
- maintain and manage conflicts of interest.
- follow best practice goods and services procurement methods.

Asset management

The management of the ferries and port infrastructure will be finalised as part of the procurement and contracting processes.

Financial management

Ferry Holdings is funded from a government appropriation. We will not operate any debt facilities, and all cash obligations will be met by drawdowns from the appropriation in advance.

Our financial and banking affairs are managed as follows:

- An external provider will manage Ferry Holdings' financial management systems and statements.
- Westpac and ANZ banks will provide day-to-day banking services and foreign exchange management.

- Appropriate insurances will be put in place as required.

Data and digital management

Appropriate digital and data management services will be acquired to best meet the information and commercial sensitivities of our work. We will develop and adopt appropriate Information Management and Security policies to protect confidential information.

Communications

Ferry Holdings is a small company. Major milestones in the programme will be announced in a coordinated manner with our shareholders.

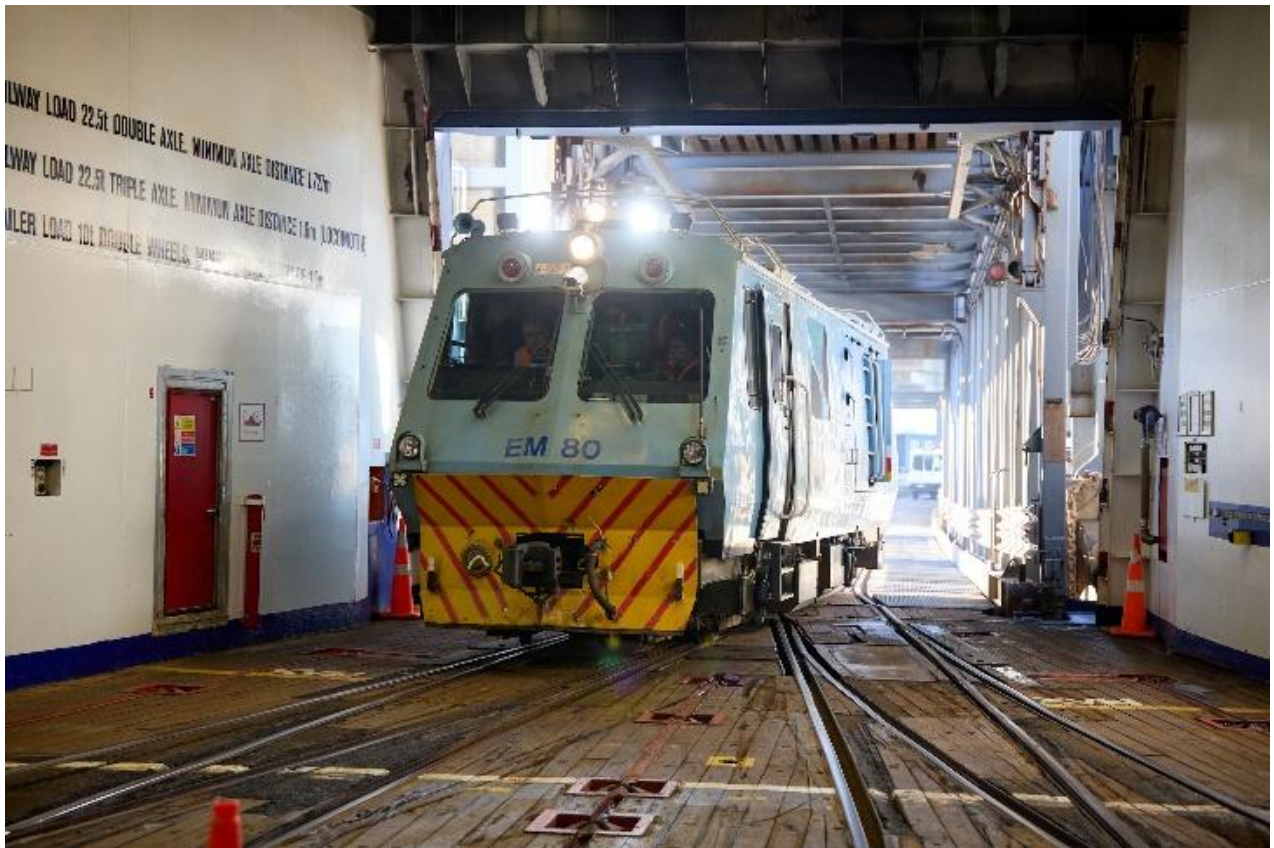
Health and safety

We will manage our organisational, health, safety and wellbeing as required under the Health and Safety at Work Act 2015.

Who we work with

We are a project-focused entity and our primary relationships are with commercial companies. We work with our shareholding Ministers, commercial shipyards, CentrePort Wellington and Port Marlborough as the port operators and owners, KiwiRail as the long-term Interislander operator and a key Cook Strait freight customer.

We will also work with officials at The Treasury, New Zealand Transport Agency, the Ministry of Transport, and port company owners. These relationships will be managed through working groups including the Cook Strait Ferry Chief Executives' Group and working groups for the ships and ports, amongst others. We will operate in a manner than respects the Government's responsibilities to New Zealanders, including mana whenua.



© Crown Copyright

This work is licensed under the Creative Commons Attribution 4.0 International license. In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to the Crown and abide by other licence terms.

To view a copy of this license, <https://creativecommons.org/licenses/by/4.0/>. Please note that no departmental or governmental emblem, logo or Coat of Arms may be used in any way which infringes any provision of the [Flag, Emblems, and Names Protection Act 1981](#). Attribution to the Crown should be in written form and not by reproduction of any such emblem, logo or Coat of Arms.

