

31 July 2025

Official information request for Ferry Holdings Limited (FHL) Ministerial briefings

I refer to your official information request dated 3 July 2025 for “all aide-mémoires, briefings, memos, notes, reports or any other advice provided to Ministers since 1 April 2025, or prepared for that purpose, by Ferry Holdings Ltd. Where a document that falls under scope of this request cannot be released, a summary of that document’s contents has been requested”.

Below we summarise the information that relates to your request, outlining the relevant documents we are releasing with redactions or are declining under the Official Information Act 1982.

The information you have requested, which contains redactions, includes:

1. **OIA 04072025 FHL - Shareholder Resolutions (Major Transaction) May 2025** (Dated April 2025).
 - The commercial contract figures have been redacted under **s9(2)(b)(ii)** of the Official Information Act, as disclosure of these would be likely to unreasonably prejudice the commercial position of the organisation who supplied the information.
 - information.
2. **OIA 04072025 -001 FHL Memo Shareholder Major Transactions 010525 V1** (1 May 2025).
 - The commercial contract figures have been redacted under **s9(2)(b)(ii)** of the Official Information Act, as disclosure of these would be likely to unreasonably prejudice the commercial position of the organisation who supplied the information.
3. **OIA 04072025 -001 FHL Monthly Report 5 March 2025 to 30 April 2026 Final** (30 May 2025).
 - Information referring to the commercial arrangements of the ports has been redacted under **s9(2)(j)** of the Official Information Act as this is currently under active consideration.
4. **OIA 04072025-001 Summary of key milestones 19 June 2025.**
 - All future dates have been redacted under **s9(2)(i)** of the Official Information Act, as these are commercially sensitive given commercial arrangements are currently under active negotiation.
5. **OIA 04072025-001 OIA 04072025 -001 FHL - Update on progress since Cabinets March decisions** (18 June 2025).
 - The contents of this document are being withheld for the following reasons under the Official Information Act (2008):



- 9(2)(f)(iv) the confidentiality of advice tendered by Ministers of the Crown and officials;
 - s9(2)(j) Subject under active consideration, and
 - s9(2)(i) Subject to commercially sensitive.
6. OIA 04072025 -001 FHL Monthly Minister's Report May 2025-FINAL V1 (30 June 2025).
- Details about the Project Delivery Agreement have been redacted under s9(2)(j) of the Official Information Act as this is currently under active consideration with the shareholding Ministers.

The following information we decline to provide under the Official Information Act:

1. **FHL Statement of Intent 5 March 2025 – 31 December 2029 (SOI) and FHL Statement of Performance Expectations 5 March 2025 - 30 June 2026 (SPE)** under s18 of the Official Information Act as the information is publicly available on our website www.ferryholdings.co.nz.
2. **Project Delivery Agreement** under s9(2)(j) of the Official Information Act as the information is under active consideration by shareholding Ministers (Minister for Rail, Minister of Finance and Minister of Transport). This agreement is a legally binding Project Delivery Agreement to set out the basis on which Ferry Holdings Limited will deliver the Cook Strait ferry replacement project between the shareholding Ministers representing the Crown and Ferry Holdings Limited (FHL).

It outlines the following:

- **Parties**
- **Background**
- **Role of government in the project, ways of working, and key personal.**
- **Ferry Procurement Workstream** including shareholding Ministers' review points, Shareholding Ministers' approval rights / Government reserved decisions, and Ferry Procurement Workstream specific matters.
- **Port Infrastructure and Port Commercial Arrangements Workstreams** including scope and programme, shareholding Ministers' review points, shareholding Ministers' approval rights / Government reserved decisions, Port Infrastructure and Port Commercial Arrangements.
- **Future Options Workstream.** The details of this are being withheld as the work on this programme until after the commercial arrangements have been finalised.
- **Funding Decisions** including Project budget, funding of the purchase of the ferries and contributions to port infrastructure, and additional funding
- **Provisions dealing with other stakeholders** including the role of KiwiRail and The Treasury.
- **Assurance, reporting and monitoring framework and governance.**



- **Other provisions** including variations to workstreams, dispute resolution and miscellaneous matters.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact info@ferryholdings.co.nz

Finally, please be advised that this OIA and the documents release will be published on the www.ferryholdings.co.nz on 1 August 2025.

Your sincerely



Paul Silk
Interim CEO
Ferry Holdings Limited

Enclosed

1. OIA 04072025-001 Special resolutions of the shareholders of the Company (Dated April 2025) / OIA 04072025-001 Ferry Holdings Limited: Shareholder Authorisation of Major Transactions (1 May 2025).
2. OIA 04072025-001 Ferry Holdings Limited Monthly Report to shareholding Ministers - 5 March 2025 to 30 April 2026 Final (30 May 2025).
3. OIA 04072025-001 FHL Monthly Minister's Report May 2025-FINAL (30 June 2025).
4. OIA 04072025-001 Summary of key milestones 5 March – 16 June 2025 (Dated 19 June 2025).
5. OIA 04072025-001 Update on progress since Cabinet's March decisions: agreed scope of work and approach to commercial arrangements (18 June 2025).

Not Enclosed - Withheld

1. OIA 04072025-001 FHL SOI 5 March 2025 – 30 Dec 2029 FINAL.
2. OIA 04072025-001 FHL SPE 5 March 2025 – 30 June 2025 FINAL.
3. OIA 04072025-001 Project Delivery Agreement



Ferry Holdings Limited
NZCN 9325726
(Company)

Special resolutions of the shareholders of the Company

Authorisation of major transaction
(Section 129 of the Companies Act 1993 (**Act**))

The undersigned, being all of the shareholders of the Company, confirm the details below and adopt and approve the following resolutions:

Background

- A. It was noted that the board of directors of the Company (**Board**):
- (a) at the Board meeting on 2 April 2025, approved the appointment of Knud E. Hansen as the preferred respondent of the Naval Architecture services package and delegated authority to the Board Chair to finalise and enter into the KEH Contract on behalf of the Company;
 - (b) at the Board meeting on 2 April 2025, approved the appointment of OSK Design A/S as the preferred respondent of the Ship Interior Design services package and delegated authority to the Board Chair to finalise and enter into the OSK Contract on behalf of the Company; and
 - (c) at the Board meeting on 16 April 2025, approved the appointment of BRS Shipbrokers as the preferred respondent of the Ship Broker services package and delegated authority to the Board Chair to finalise and enter into the BRS Contract on behalf of the Company,
- each contract as further described in the Schedule.
- B. For the purpose of these resolutions, each of the KEH Contract, OSK Contract and BRS Contract is a “**Transaction Document**” and the transactions contemplated by each Transaction Document is a “**Transaction**”.
- C. Entry by the Company into each Transaction Document and performance of each Transaction may constitute a major transaction for the purposes of section 129 of the Act. Accordingly, approval has been sought from the shareholders of the Company, by special resolution.
- D. These are resolutions in writing pursuant to clause 6.3 of the Company's constitution.

Resolutions

1. The Company's entry into, and performance of, the Transaction Documents and the Transactions are confirmed, approved and ratified for the purposes of section 129 of the Act.

2. The directors of the Company are severally authorised to do or cause to be done all such further acts and things as they consider in their absolute discretion necessary or desirable to effect or carry out the above resolutions and otherwise give effect to the Transactions and the Transaction Documents, including completing any blanks or other options that may be contained in the Transaction Documents.

Dated _____ 2025

Signed by all of the shareholders of the Company:

Minister of Finance

Minister for Rail

Minister of Transport

Redact under the Official Information Act

Schedule

Contract	Counterparty (Supplier)	Contract description	Contract value
KEH Contract	Knud E. Hansen	Contract for Ferry Holdings Naval Architecture Services for two RoPax vessels.	██████████ [s9(2)(b)9(ii)]
OSK Contract	OSK Design A/S	Interior Design Contract (for project NEW FERRY HOLDINGS' ROPAX) for the purchase of certain consultancy, design and engineering services for its project comprising the interior design of two new RoPax vessels.	██████████ [s9(2)(b)9(ii)]
BRS Contract	BRS Shipbrokers	Contract for BRS to provide the Company with ship broking services to assist in the process to procure two rail-enabled RoPax Ferries.	██████████ [s9(2)(b)(ii)]

ate:	1 May 2025
To:	Rt Hon Winston Peters, Minister for Rail Hon Nicola Willis, Minister of Finance Hon Chris Bishhop, Minister of Transport
From:	[REDACTED] [s9(2)(a)] Programme Director, Ferry Holdings Limited [REDACTED] [s9(2)(a)] Establishment Lead, Ferry Holdings Limited

Ferry Holdings Limited: Shareholder Authorisation of Major Transactions

Authorisation sought

Ferry Holdings Limited (FHL) requests that shareholding Ministers sign the attached special resolutions pursuant to section 129 of the Companies Act 1993:

1. **Authorise** FHL to proceed with entry into, and performance of, contracts with the technical advisors necessary to support the Request for Proposals for the Design and Construction of two RoPax ferries.
2. **Authorise** the Directors of FHL to severally do or cause to be done all such further acts and things as they consider in their absolute discretion necessary or desirable to effect or carry out the above resolutions and otherwise give effect to the associated contracts.

Background

FHL is progressing the procurement process for two RoPax ferries to continue to provide a safe, reliable and commercially viable ferry service for the Cook Strait in accordance with its Constitution and the Minister for Rail's Letter of Expectations for Ferry Holdings Limited.

On 22 April 2025, FHL released a Request for Proposal (**RFP**) for the Design and Construction of two RoPax ferries.

To enable FHL to deliver on its mandate it requires technical and specialist advisors to assist in the development, and delivery of the planned procurement, including support in the early stages of the RFP process.

Procurement Process and Negotiation of Contracts with Technical Advisors

FHL has completed an appropriate procurement process, in accordance with the New Zealand Government Procurement Rules, for the required Naval Architecture services, Ship Interior Design services, and Ship Broker services. It has negotiated the terms of the contracts with each of the selected providers, with input and review from specialist maritime external legal counsel Holman Fenwick Willan LLP.

FHL Board Approval

The Board of Directors of FHL (**Board**):

- (a) at the Board meeting on 2 April 2025, approved the appointment of Knud E. Hansen as the preferred respondent of the Naval Architecture services package and delegated authority to the Board Chair to finalise and enter into the KEH Contract on behalf of the Company, with expenditure of [REDACTED] [s9(2)(b)(ii)] or the initial two stages of services;
- (b) at the Board meeting on 2 April 2025, approved the appointment of OSK Design A/S as the preferred respondent of the Ship Interior Design services package and delegated authority to the Board Chair to finalise and enter into the OSK Contract on behalf of the Company, with expenditure of [REDACTED] [s9(2)(b)(ii)]; and
- (c) at the Board meeting on 16 April 2025, approved the appointment of BRS Shipbrokers as the preferred respondent of the Ship Broker services package and delegated authority to the Board Chair to finalise and enter into the BRS Contract on behalf of the Company, with expenditure of [REDACTED] [s9(2)(b)(ii)] being [REDACTED] [s9(2)(b)(ii)] per Ship.

Major Transaction Status

FHL is in its establishment phase and holds initial funding of NZD2.1 million by way of the initial Crown equity contribution upon incorporation. Further funding is pending the finalisation of the Share Subscription Agreement and related conditions as specified in the Minister of Rail's Letter of Expectations to Ferry Holdings Limited. The underlying activities for these conditions are well advanced, but not expected to be completed or further funding provided until June 2025.

Accordingly, entry by FHL into each of the contracts referred to above may constitute a major transaction for the purposes of section 129 of the Companies Act 1993.

In order to meet the Request for Proposals and Ships Programme delivery timeframes, FHL seeks shareholding Ministers' prompt approval of the foregoing transactions by way of the special resolutions attached to this memorandum.

No other major transactions are envisaged by FHL except for the entry into a lease for permanent office premises in June 2025. Once agreed by the Board, we will seek shareholding Ministers approval for this transaction if needed.

Ferry Holdings Limited

Monthly Report to shareholding Ministers

Cumulative report for the period 5 March 2025 – 30 April 2025

Ferry Holdings Limited Delivery between 5 March - 30 April 2025

Overview

Ferry Holdings Limited (FHL) was incorporated on 5 March 2025. FHL took over the lead for the Cook Strait Ferry Services work programme from 1 April 2025. This Monthly Report meets the obligations outlined in the letter of Owner's Expectations to FHL from the Minister for Rail, on behalf of Shareholding Ministers.

This report outlines the progress towards company establishment, programme delivery, relationship management, financial reporting and any associated risks for the period 5 March - 30 April 2025.

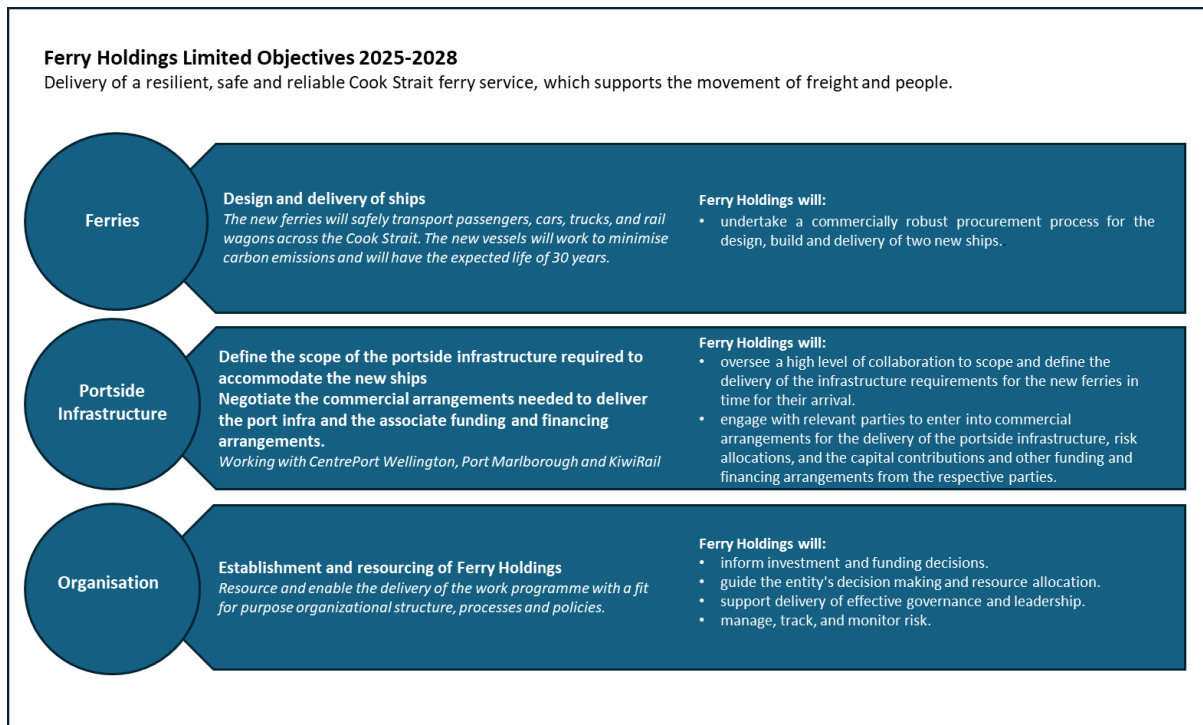
We have aligned our deliverables to the actions outlined in the draft Statement of Performance Expectations (SPE) 2025/2026. Items that are contained in the SPE which have not yet commenced are not listed in this work.

Key achievements include:

- FHL has been incorporated, key leadership and advisory roles have been filled, and key enabling services have been brought onboard to support the company's establishment.
- Commencement of the ships Request for Proposals (RFP) procurement process with six shipyards.
- Commencement of the work with Centreport Wellington (CPL), Port Marlborough New Zealand (PMNZ) and KiwiRail to refine the scope the infrastructure required at the ports.
- Commencement of the work regarding the commercial arrangements for the delivery and funding of the portside infrastructure.
- Establishment of the Cook Strait Ferry Chief Executives' Group (Ferry CE's Group), to ensure all workstreams under the work programme are advancing as planned, key milestones are achieved and required cross-organisation engagement and collaboration is timely and unified.
- Submission of the draft Statement of Intent and Statement of Performance Expectations to shareholding Ministers.
- Appointment of key external commercial, legal and engineering advisors to support the delivery of the work programme.

Ferry Holdings Limited (FHL) establishment

FHL is operational. A small interim team has been appointed to commence delivery of the work programme and to establish the systems and processes that are required for the business to operate. FHL's objectives are:



Key commercial, legal, and engineering advisors, and support services have been appointed to support the company through the establishment and delivery phases. Key corporate policies and business processes are being developed to ensure we meet our regulatory obligations as a limited liability company.

We have completed the draft Statement of Intent and Statement of Performance Expectations, and these documents are currently being reviewed by the shareholding Ministers and The Treasury.

Programme delivery

Ferry Holdings is responsible for entering commercial shipyard construction contracts and port agreements on the delivery and funding of the infrastructure with CPL, PMNZ and KiwiRail for required rail and related works and equipment, and any other party, to enable the affordable delivery of ferries to enter service in 2029.

1. Design and delivery of ships

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

We have commenced a commercially robust and competitive RFP procurement process with six shipyards for the design, build and delivery of two new ships in 2029. See Appendix

2. Negotiation of arrangements for the port infrastructure, including rail and roading

Ferry Holdings will work with CPL, PMNZ and KiwiRail, to deliver the port infrastructure required to support ferry services across Cook Strait.

We have established systems and governance to deliver a high level of collaboration between Ferry Holdings, CPL, PMNZ and KiwiRail to scope and define the delivery of the infrastructure in time for commissioning in 2029.

The Ferry CEs' Group has been established to provide oversight and direction in the early stages of developing the commercial arrangements and specifications for the port infrastructure. See Appendix 3.

Negotiations with CPL, PMNZ and KiwiRail are underway in relation to the delivery of the portside infrastructure and commercial arrangements are expected to be in place by October 2025. These arrangements also relate to the funding contributions from the port companies and the operating fee payable and terms for the long-term use of the facilities.

Relationship management

We are establishing processes and regular engagements with our shareholding Ministers, associated ministries, commercial shipyards, CPL and PMNZ (as the port operators and owners), and KiwiRail (as the long-term Interislander operator, contributor to infrastructure and a chief Cook Strait freight customer), to deliver the infrastructure to support the new ships and the transition arrangements. Appendix 4 outlines our key meetings for the period and the expected meetings for May.

Financial reporting and processes

KPMG has been appointed to provide financial and accounting services to Ferry Holdings.

See Appendix 5 for the financial report covering the profit and loss statement and statement of cash flows for the period from establishment to 30 April 2025 and the balance sheet as at 30 April 2025.

Key points:

- The first tranche of FHL operational funding of \$2.1 million has been received from the Crown.

[REDACTED]

[s9(2)(i)]

- The cash balance at 30 April 2025 was \$1.972 million which will be sufficient to cover operational costs to at least end June (estimated at ~\$2 million) by which time we expect the second tranche (\$1.9 million) of operational funding will be received after the execution of the share subscription agreement and Project Delivery Agreement.
- The budget for FY26 is in development, being a condition of the Project Delivery Agreement, and will be approved by the Board in conjunction with the Statement of Performance Expectations for the period 1 April 2025 – 30 June 2026. Future reporting will include comparisons to the budget.

Media coverage

We are currently establishing a Media Policy and a Proactive Disclosure Policy and associated processes. At the end of April, we worked with KiwiRail to align to their media statement about the retirement of the Aratere ferry. FHL released one media statement on the “Decommissioning of the Aratere Ferry”. This was reported in Scoop and the FHL Chair was interviewed on NewsTalk ZB, by both Kerre Woodham and Nick Wells on their respective programmes. See Appendix 6.

Associated risks and issues

We are yet to establish a formal Risk Register.

Current risks include:

1. Timelines and available resources to deliver the work programme. The management team is actively recruiting to ensure that there are sufficient people with the right skills are available at the right time in order to meet the tight deadlines and achieve key milestones.

Appendices

A detailed summary of the work programme deliverable is outlined below:

Status Legend			
Completed	Progressing and on track	Progressing and delayed	Not progressing as expected

Appendix 1: Our business – organisational health and capability

Status	Our Statement of Performance Expectations deliverables	Commentary
Completed	Assume responsibility for the work programme from the Treasury in April 2025.	FHL was incorporated on 5 March 2025, and FHL Board had its first meeting on 2 April 2025.
Completed	Appoint interim management personnel to establish the new organisation.	Appointed the interim personnel for the establishment phase: Ships Programme Director, Infrastructure Integration Director, Commercial and Finance Director, Chief Operating Officer, Legal Counsel, Governance and Establishment Lead, and Procurement and Accountability Leads. Our workforce will be a blend of full-time and fixed-term staff, contractors, secondees and consultants.
Completed	Establish and support the governance oversight group Cook Strait Ferry Chief Executives' Group.	Established the Cook Strait Ferry Chief Executives' Group.
Completed	Develop Terms of Reference (ToR) for Ferry CEs' Group.	Ferry CEs' Group approved the ToR including membership and purpose of the governance group at the meeting on 17 April 2025.
Progressing	Engage the workforce required to deliver the work programme.	Define the desired workforce and supporting infrastructure to deliver the work programme. Ship Programme Project Manager and Project Integration Manager have been appointed in late April. Roles currently being recruited are the interim Chief Executive Officer, HR Lead, Establishment Lead, Marine Manager and Engineering Manager – Marine.
Progressing	Lease permanent premises to meet the needs of the company until 2029.	Finalising requirements for the needs of the organisation until 2030. Key office criteria have been agreed, and options are being considered.
Progressing	Implement fit for purpose information management, engagement, decision making and risk policies and registers.	Under development. A paper outlining corporate policies and registers required by FHL will be tabled at the Board meeting on 14 May. This paper will seek Board approval of the mandatory policies and

Status	Our Statement of Performance Expectations deliverables	Commentary
		seek Board approval to create and implement corporate best practice policies. We are aiming to have policies and registers completed by end July 2025.
Progressing	Prepare a Proactive Disclosure Policy.	Under development. This will determine the disclosure of key documents ahead of the Select Committee Hearing on 19 June 2025.
Progressing	Deliver a probity framework including principles, code of conduct and decision-making processes.	Under development. This will outline FHL's approach to probity ahead of the Select Committee Hearing on 19 June 2025.
Progressing	Establish and implement policies to support effective health and safety regulations and guidelines as required under the Health and Safety at Work Act 2015 (HSWA).	Under development. This will outline FHL's approach to health, safety and wellness and related policies will be in place by 30 June 2025.
Progressing	Preparation of the Ferry Holdings Statement of Intent (SOI) and Statement of Performance Expectations (SPE).	Under development. The draft SOI and SPE documents are with the Minister for Rail and Ministers of Finance and Transport for review.

Appendix 2: Design and delivery of ships

Status	Our deliverables	Commentary
Completed	Development of a preferred shortlist of six shipyards with the desired expertise, capability, and capacity to deliver the ships in 2029.	Board approved six shipyards to be invited to participate in the RFP process at the meeting on 2 April 2025.
Completed	Confirm the ship specifications including the power and propulsion system.	Board approved the finalised ships' power and propulsion system and specification at the Board meeting on 16 April 2025. These were included in the RFP technical package, which was released on 22 April 2025.
Completed	Appoint key procurement advisors including naval architects, maritime interior designers, shipbrokers and procurement and contract lawyers.	Key appointments are complete of the following advisors: Naval Architects - Knud E Hansen Ship Interiors Designer - OSK Design Maritime Lawyers - HolmanFenwickWillan Shipbrokers - BRS
Progressing	Completion of a closed tender process, including review and selection of the preferred shipyard.	Commenced the closed tender process with the release of the RFP to the six shortlisted shipyard on 22 April 2025. This is due to be completed in August 2025. The action was approved by the Board on 16 April 2025.

Appendix 3: Development of port infrastructure

Status	Our deliverables	Commentary
Completed	Confirm the ship specifications including the power and propulsion system.	Implemented – CPL and PMNZ have received ship specifications. This will continue to be updated as ship/shore interface specifications evolve and are finalised.
Completed	Independent Technical Advisors	Appointment of Beca as the independent technical advisor to FHL. Beca will be responsible for providing assurance to FHL on the scope and cost and of the port infrastructure programme.

Appendix 4: Who we work with

Below is a summary of who Ferry Holdings has engaged with between 1 – 30 April 2025, key meetings planned and a summary of working groups established and the associated membership.

Key meetings in the period

Date	Meetings	Summary of key discussions and decisions
2 April	FHL Board Meeting	Key decisions recorded in this report
16 April	FHL Board Meeting	Key decisions recorded in this report
17 April	Cook Strait Ferry Chief Executives' Group	Discussion on and agreement to the ToR, an overview of the Ship and Infrastructure Programmes
28 – 30 April	Individual briefings with six shipyards invited to the RFP	Meetings involved FHL Ship Programme team and key advisors and shipyards' representatives. The purpose of the briefings was to introduce parties & people involved, provide an overview of the project objectives and concept design and explain the procurement process, timeline and probity requirements.

May key meetings

Date	Meetings	Anticipated agenda
1 May	FHL and Port Marlborough	Picton port infrastructure commercial arrangements
2 May	FHL and CentrePort	Wellington port infrastructure commercial arrangements
2 May	FHL and KiwiRail	KiwiRail Infrastructure scope delivery planning
5 May	FHL and Port Marlborough	Picton infrastructure requirements and delivery planning
6 May	FHL and CentrePort	Wellington infrastructure requirements and delivery planning

8 May	FHL and Port Marlborough	Picton port infrastructure commercial arrangements
12 May	FHL and Port Marlborough	Picton infrastructure requirements and delivery planning
19 May	FHL and Port Marlborough	Picton infrastructure requirements and delivery planning
16 – 30 May	The Ship Programme Director together with some of the key external advisors will visit the six shortlisted shipyards	The purpose of site visits with shipyards is to enable FHL to meet with shortlisted shipyards participating in this RFP Process and understand their operation, facilities, capabilities, and fit for partnering with FHL for the delivery of the ships. As part of the site visit, FHL will provide an in person, interactive procurement session for the purpose of providing shipyards with access to FHL (and its advisors) to facilitate discussion related to the development of their proposal, and any associated technical and commercial questions or clarifications.

Details of existing groups and membership

Groups	Commentary	Members
FHL Board		Chris Mackenzie (Chair) Heather Simpson (Deputy Chair) Greg Lowe Iain MacLeod Katherine Rich
Cook Strait Ferry Chief Executives' Group	This governance group is comprised of FHL, CPL, PMNZ and KiwiRail. The Treasury and the Ministry of Transport attend as observers.	Greg Lowe(Chair – FHL) Heather Simpson(FHL) Rhys Welbourn(Port Marlborough) Anthony Delaney(CentrePort) Duncan Roy (KiwiRail) Leilani Frew (The Treasury) Ruth Fairhall (Ministry of Transport)

Appendix 5: Financial processes and performance

Financial processes

Status	Our Statement of Performance Expectations deliverables	Commentary
Completed	Establish a financial management service agreement with KPMG	
Completed	Establish appropriate financial management systems	These have been developed by KPMG and will be extended and enhanced as the scale of expenditure increases.
Progressing	Prepare appropriate financial statements	Financial reporting has commenced

Status	Our Statement of Performance Expectations deliverables	Commentary
Progressing	Establish day-to-day banking services as well as foreign exchange management with Westpac and ANZ banks	Banks appointed (ANZ and Westpac) with routine services in place. Foreign exchange management processes under development.
Progressing	Establish appropriate insurances as required	Directors and Officers insurance has been placed. General Liability and Statutory Liability insurance [was agreed by the Board on 14 May].

Appendix 6: Risk

FHL is in the process of establishing its Risk Management appetite, policy, and associated policies.

Appendix 7: Ferry Holdings - media statements and coverage

Below summarises the media releases for the period.

Date	Media Release Headline		Media release published in
30 April	Decommissioning of the Aratere ferry	See Appendix 1 This was released at 10am to the FHL Media list	Scoop Newstalk ZB Nick Wells Newstalk ZB Kerre Woodam

Released 4pm Wednesday, 30 April 2025

Ferry Holdings Limited

MEDIA STATEMENT

Decommissioning of the Aratere ferry

30 April 2025

Following the announcements made by the Minister of Rail on 31 March 2025, Ferry Holdings Limited has initiated discussions with KiwiRail, Port Marlborough New Zealand Limited and CentrePort Limited to understand the infrastructure required to meet the Ministers deadline of 2029 for the new Cook Strait ferries to enter operations.

To deliver this programme of work, Ferry Holdings is engaging with Port Marlborough and CentrePort to agree detailed port infrastructure plans in quarter 4, 2028. As part of this process work is required to decommission and/or demolition of the Aratere berth.

Port Marlborough has advised that the demolition of the Aratere berth is a critical first step to meet the required port infrastructure requirements ahead of the commissioning of the new ferries in 2029.

The removal of this berth will mean that the Aratere ferry will no longer be able to deliver services across the Cook Strait.

The construction of temporary port infrastructure for the Aratere is not part of the Ferry Holdings work programme.

We will continue working closely with both ports to finalise the specifications of the infrastructure required.

The ongoing delivery of Cook Strait ferry services provided by KiwiRail is a commercial decision and they will work to manage this with the demand for freight and passenger services.

ENDS

Chris Mackenzie

Chair

Ferry Holdings Limited

info@ferryholdings.co.nz

04 886 3440

Ferry Holdings Limited Background:

The Government is committed to safe, reliable and affordable Cook Strait ferry services. In March 2025, the Minister for Rail announced plans for the procurement of two new ferries that will serve people, cars, trucks, and rail across the Cook Strait, as well as straightforward infrastructure in Wellington and Picton which maximise reuse and minimise cost.

In December 2023, the Government cancelled Project iReX which sought to replace the Interislander ferries and upgrade the infrastructure. The costs for this Project had grown substantially to \$3.1 billion and was forecast to go to \$4.0 billion. The Government has established Ferry Holdings to deliver a markedly cheaper deal for taxpayers by 2029.

Ferry Holdings was incorporated in March 2025 to lead from 1 April 2025 the contractual negotiations with shipyards, ports, and any other party required to deliver safe, reliable and affordable inter-island asset replacements to serve the future.

Ferry Holdings is responsible for entering commercial shipyard procurement contracts and port agreements on infrastructure with CentrePort Wellington Limited (CentrePort Wellington), Port Marlborough New Zealand Limited (Port Marlborough) and any other party to enable the affordable delivery of ferries to enter service in 2029. Affordable means markedly cheaper than the cancelled Project iReX.

Summary of key milestones 5 March – 16 June 2025

Select Committee Hearing 19 June 2025

Purpose

1. To summarise the key milestones of Ferry Holdings Limited since being established in March 2025, for the Select Committee Hearing on 19 June 2025.

Milestones

Date	Programme	Activity	Commentary
5 March 2025	Ferry Holding Establishment	Ferry Holdings Limited (FHL) was incorporated	Completed
1 April 2025	Ferry Holding Establishment	FHL Board took responsibility for the Work Programme from The Treasury	Completed
April 2025	Ferry Holding Establishment	Key appointments made	Completed - key leadership, advisory roles and enabling services have been appointed to support the company's establishment. Key appointments include: <ul style="list-style-type: none">• Interim Chief Executive• Ships Programme Director• Infrastructure Integration Director• Commercial and Finance Director• Chief Operating Officer• Ship Project Manager• Integration Project Manager• Marine Manager• Engineering Manager

Date	Programme	Activity	Commentary
			<ul style="list-style-type: none"> • Human Resources Lead • Governance Lead • Accountability and Communications Lead
April 2025	Ships Programme	RFP released to shortlisted shipyards	Completed
April 2025	Infrastructure Programme	Design works by the port companies	Work commenced - with Centreport Wellington, Port Marlborough New Zealand and KiwiRail to refine the scope of the infrastructure
April - May 2025	Ferry Holding Establishment	Key advisors appointed	<p>Completed - key commercial, legal, and engineering advisors, and support services have been engaged to support the company through the establishment and delivery phases. This includes:</p> <ul style="list-style-type: none"> • Commercial lawyers – Minter Ellison Rudd Watts • Commercial advisors - Price Waterhouse Cooper • Port infrastructure technical advisors - Beca • Naval architects – Knud E Hansen providing advice on the design and process for the build of the ships. • Ship interior designer – OSK Design leading the design of the interior ship fit out. • Maritime lawyers – Holman Fenwick Willan providing specialist maritime legal expertise across the ship procurement and build phases. • Shipbrokers – BRS Shipbrokers providing specialist commercial maritime expertise across the procurement and build phases. • Shipyard probity lead - McHale Group will provide probity auditing services across the procurement processes.
May 2025	Ships Programme	RFP released to shortlisted shipyards	Completed – six shipyards were invited to participate in the closed procurement process.

Date	Programme	Activity	Commentary
			Completed - FHL and key advisors site visits to the six shortlisted shipyards by between 15-28 May 2025 as part of the procurement process.
June 2025	Ships Programme	Responses due from shipyards	To be received
30 June 2025	Ferry Holding Establishment	Formalised work programme	To be signed - Programme Delivery Agreement with shareholding Ministers signed.
	Ferry Holding Establishment	Strategic plan and annual financial plan	To be published - Statement of Intent and Statement of Performance Expectations on FHL website.
	Infrastructure Programme	Key terms and umbrella agreements agreed with the port companies and KiwiRail by end of June 2025	<p>To be completed- commercial negotiations between key partners, CentrePort (CPL), Port Marlborough New Zealand (PMNZ) and KiwiRail:</p> <p>Umbrella Agreements Governs cross-party collaboration, defines interdependencies, and ensures that shared objectives across the work programme are clearly managed and aligned</p> <p>Non-binding Key Commercial Terms (KCTs) Outlines the in-principal scope, delivery timeline and commercial parameters for the port infrastructure works. While the KCTs are non-binding, they represent a critical milestone in establishing shared understanding across all parties and will directly inform the development of the binding agreements.</p>
██████████ [s9(2)(i)]	Ships Programme	Preferred shipyard selected	To be progressed
██████████ [s9(2)(i)]			<p>To be progressed</p> <p>Heads of Terms (HoT)</p>

Date	Programme	Activity	Commentary
			Binding agreements that are an expansion of the KCTs at a level of detail that enables the parties to seek approval from their Boards and shareholders prior to entering full project agreements (in Stage 3). This provides certainty of the key terms for the full form agreements
■■■■■ [s9(2)(i)]	Ships Programme	Letter of intent signed with successful shipyard	To be progressed
	Ships Programme	Ferry purchase contract negotiation completed	Full Form Agreements The detailed agreements (Infrastructure Development and Long-Term Lease / License Agreements) under which the Port Infrastructure works will be delivered and the long-term arrangements for use of those assets. The date these agreements become binding will be aligned with the date of execution of the ship contracts.
	Ships Programme	Shareholding Minister's decision on ship purchase contact	
	Infrastructure Programme	Funding and asset ownership structures agreed with port companies,	
	Infrastructure Programme	Operator access agreements agree with port companies and KiwiRail	
	Infrastructure Programme	Development Agreements agreed with port companies and Kiwi Rail	
■■■■■ [s9(2)(i)]	-	Delivery of first ferry	-
■■■■■ [s9(2)(i)]	-	Delivery of second ferry	-

Date 18 June 2025

To Rt Hon Winston Peters, Minister for Rail
Hon Nicola Willis, Minister of Finance
Hon Chris Bishop, Minister of Transport

From Chris Mackenzie, Chair, Ferry Holdings Limited
Paul Silk, Interim Chief Executive, Ferry Holdings Limited

Update on progress since Cabinet's March decisions: agreed scope of work and approach to commercial arrangements

[REDACTED]

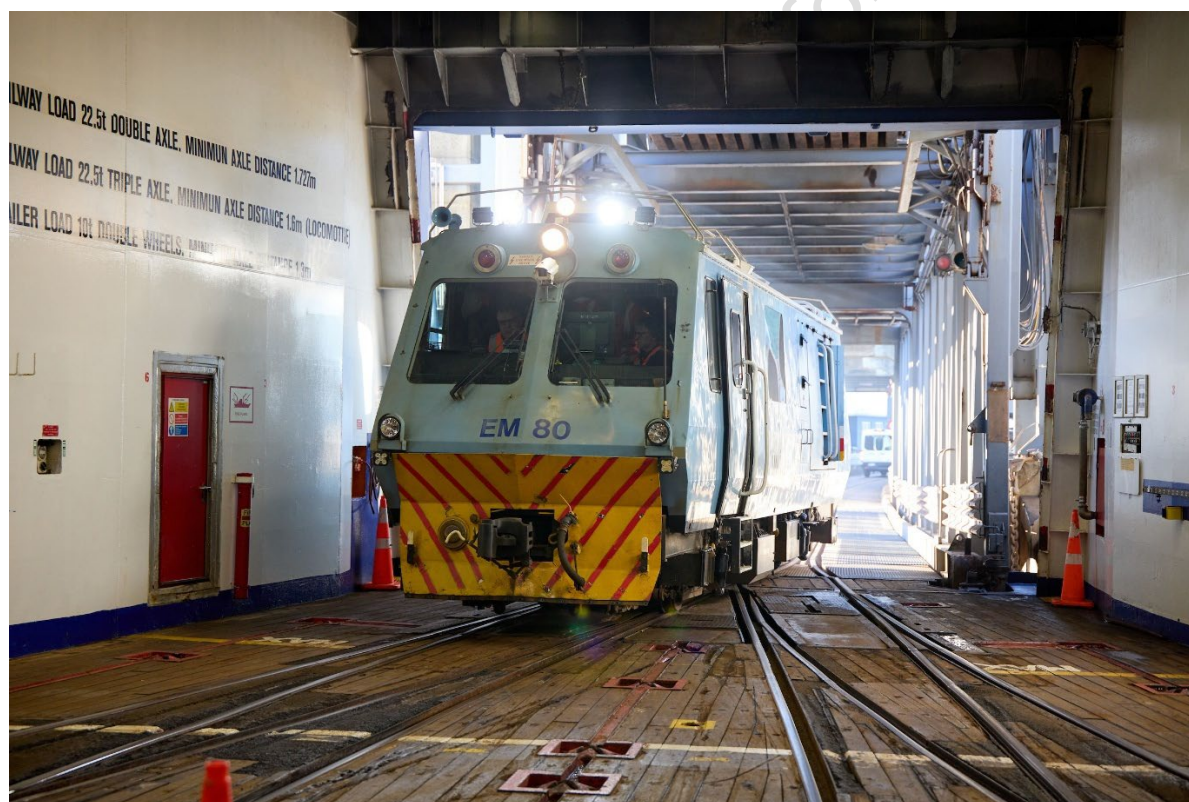
[REDACTED]

[REDACTED]

s9(2)(f)(iv) s9(2)(j) s9(2)(i)

Monthly Report to shareholding Ministers

Cumulative report for the period 1 May 2025 – 30 May 2025



Ferry Holdings Limited Delivery between 1 May - 30 May 2025

Overview

Key achievements include:

- Appointment of Paul Silk as Interim Chief Executive on 26 May 2025.
- Appointment of commercial, legal and probity advisors to oversee the development and completion of commercial contracts; engineering technical experts to support the infrastructure work programme; and naval architects, ship interior designers, maritime lawyers and ship brokers to support the procurement of the two ferries.
- Completion of site visits to the six shortlisted shipyards by FHL and key advisors between 15-28 May 2025 as part of the closed tender ship procurement process.
- Undertaken significant commercial negotiations between key partners, CentrePort (CPL), Port Marlborough New Zealand (PMNZ) and KiwiRail of Umbrella Agreements and non-binding Key Commercial Agreements which are expected to be signed by 30 June 2025.
- Significant progress made on the due diligence activities of port infrastructure proposals.
- Progression of the Programme Delivery Agreement development with shareholding Ministers.
- Completion of financial reports and budgets in support of the Statement of Performance Expectations 5 March 2025 – 30 June 2026.

Ferry Holdings Limited (FHL) establishment

FHL has continued to work through the organisation's establishment phase. Paul Silk was appointed as the Interim Chief Executive on 26 May 2025.

FHL has progressed negotiations with The Treasury to finalise the Project Delivery Agreement.

[REDACTED]

(2)(b)(i)

Programme delivery

1. Design and delivery of ships

The procurement process for the two new ferries has formally commenced, six shipyards were visited during May 2025 by FHL and key advisors, and 229 Requests for Information have been responded to by the programme team.

FHL has appointed external advisors including naval architects, ship interior designers, maritime lawyers and shipbrokers to support the procurement of the two ferries. These are:

Naval Architects – Knud E Hansen will support and advise on the design and process for building the ships.

Ship Interior Designer – OSK Design will lead the design of the interior ship fitout.

Maritime Lawyers – Holman Fenwick Willan will provide specialist maritime law expertise across the procurement and build phases.

Shipbrokers – BRS Shipbrokers will provide specialist commercial advice.

Shipyard Probity Lead – McHale Group will provide probity auditing services across the procurement process.

Two key appointments have been made to the FHL Ships' Programme team. The Ships' Programme Project Manager commenced in May 2025 and the Ships' Engineering Manager commenced work with the team in June 2025.

2. Negotiation of arrangements for the port infrastructure, including rail and roading

FHL commenced a due diligence process with CPL, PMNZ and KiwiRail to review, validate and ultimately confirm the scope of infrastructure requirements for the new ferries. This process seeks to validate the infrastructure proposals, ensuring alignment between the parties, as well as to maximise the reuse of existing infrastructure where possible, exploring opportunities to reduce the overall programme cost by doing so.

Work is continuing to progress the multi-party commercial arrangements for port infrastructure between FHL, PMNZ, CPL and KiwiRail. We are targeting to sign Umbrella Agreements and agree the scope of works via letters with the parties on or around 30 June 2025, subject to counter-party agreement¹.

FHL has appointed an external advisor to support the Port Infrastructure Programme team to support design and implementation of the portside infrastructure. They are:

Port infrastructure technical advisors - Beca to provide independent technical review and assessment of the port options during the Project Origination phase, and assurance activities during the delivery phase.

3. Investment and ownership

This workstream has been added to the SOI and SPE and is yet to be scoped.

¹ We are separately advising shareholding Ministers on the risk to the timing of this milestone, relating to the agreed scope of work at the ports.

Relationship management

There has been significant engagement between FHL and our key partners to progress our programmes of work.

Financial reporting and processes

During May, FHL finalised its operating budget for inclusion in the SPE 5 March 2025 – 30 June 2026. A Share Subscription Agreement to fund that budget has been signed by FHL ready for execution by shareholding Ministers in advance of publishing the SPE.

Total costs (operating expenses and ICT equipment capital expenditure) for the period from establishment to 31 May 2025 were \$1.8 million. The breakdown of that against the expenditure categories established in the 31 March Cabinet approval is:

\$ million	YTD May '25	Full Year FY25 per SPE
FHL Operational Costs		
Ships: programme management	0.2	0.5
Ferry Holdings	1.0	1.7
sub total	1.2	2.2
Ships: other ships delivery costs	0.5	0.4
Total	1.8	2.6

Key points:

- We expect total cost for FY25 to be aligned to the SPE budget.
- Material Ferry Holdings operational costs are consultants/professional fees and contractors filling team positions while we recruit permanent staff.
- The consultants/professional fees include technical support for the infrastructure scope work with the ports, legal and economic advisory support costs associated with commercial negotiations with the ports, and outsourced service fees for financial management and ICT.
- Other ship delivery costs are ships design (naval architects). No more costs will be incurred this financial year.
- The cash balance at 31 May 2025 was \$1.5 million which will be sufficient to cover operational costs until the second tranche (\$1.9 million) of operational funding is received (expected early July).

Payroll processes have been established for permanent employees and banking arrangements established with ANZ in addition to Westpac to facilitate competitive pricing for future foreign exchange hedging. We will also consider other banks for those hedges.

Directors' and officers' insurance and Public Liability insurance is now in place. Other insurance needs will be assessed in July.

Associated risks and issues

The Programme Risk Management Plan has been produced and will be approved by the FHL Board. Once approved, risk workshops will be held team to produce an organisational risk register and.

The emerging issues and risks will be identified through the Risk Management framework

Media coverage

Two media releases were issued by FHL in May 2025, please see Appendix 6.

Redacted under Official Information Act

Appendices

A detailed summary of the work programme deliverable is outlined below:

Status Legend			
Completed	Progressing and on track	Progressing and delayed	Not progressing as expected

Appendix 1: Our business – organisational health and capability

Status	Our Statement of Performance Expectations deliverables	Commentary
Completed	Appoint advisors to support the programme of work.	<p>Completed - key commercial, legal, and engineering advisors, and support services have been engaged to support the company through the establishment and delivery phases. This includes:</p> <ul style="list-style-type: none"> • Commercial lawyers – MinterEllisonRuddWatts • Commercial advisors - PricewaterhouseCooper • Port infrastructure technical advisors - Beca • Naval architects – Knud E Hansen providing advice on the design and process for the build of the ships. • Ship interior designer – OSK Design leading the design of the interior ship fit out. • Maritime lawyers – Holman Fenwick Willan providing specialist maritime legal expertise across the ship procurement and build phases. • Shipbrokers – BRS Shipbrokers providing specialist commercial maritime expertise across the procurement and build phases.
Progressing	Assume responsibility for the work programme from the Treasury.	Progressed negotiations to sign the Programme Delivery Agreement with shareholding Ministers
Progressing	Engage the workforce required to deliver the work programme.	<p>Key appointments for the month include Interim Chief Executive and permanent Marine to the Ship Programme.</p> <p>Key temporary appointment includes</p>

Status	Our Statement of Performance Expectations deliverables	Commentary
		an HR advisor to oversee the development of FHL's workforce resourcing plan.
Progressing	Lease permanent premises to meet the needs of the company until 2029.	Finalising the commercial lease for a 3-year sublease until 2028 and expect to move in from 1 August 2025 (or earlier).
Progressing	Implement fit for purpose information management, engagement, decision making and risk policies and registers.	<p>Completed</p> <p>A suite of policies was approved by the FHL Board in May 2025 including:</p> <ul style="list-style-type: none"> • Register of interests disclosed by Directors • Protected Disclosures Policy and Procedures • Privacy Statement • Board Charter / Code of Practice / Governance Manual Conflicts of Interest Policy <p>Progressing The AutoDesk information management tool is currently being implemented, and will enable the sharing of large, technical files and will streamline information management and workflow.</p> <p>Progressing Risk policies and Risk registers - Programme Risk Management Plan are being developed.</p>
Progressing	Preparation of the Ferry Holdings Statement of Intent (SOI) and Statement of Performance Expectations (SPE).	Under development. The final draft of the SOI and SPE documents are with the Board for approval.
Progressing	Establish investment and funding policies and processes for our work programme.	Progressing. The first draft of the business plan is being developed and will be reviewed by the Board in July. Investment and funding policies will be outlined in the Implementation Business Case, to be finalised by the end of September.
Progressing	Launch a Ferry Holdings website	Progressing. The FHL website is currently under development and is targeting go-live in early

Status	Our Statement of Performance Expectations deliverables	Commentary
		July to align with the publication of the SOI and SPE.

Appendix 2: Design and delivery of ships

Status	Our deliverables	Commentary
Progressing	Completion of a closed tender process, including review and selection of the preferred shipyard.	<p>Completed site visits to six shortlisted shipyards between 15-28 May 2025.</p> <p>Progressing the Request for Information (RFI) process, which closes on 10 June 2025. The RFI process enables FHL to clarify Request for Proposal (RFP) technical matters with the shipyards. A total of 229 RFIs were received, reviewed and responded to. Preparation for RFP responses evaluation is underway and submissions are due on 4 July 2025.</p>

Redacted under Official Information Act

Appendix 3: Development of port infrastructure

Status	Our deliverables	Commentary
Progressing	Formalising a collaborative approach to develop port infrastructure with key partners.	Progressing. A draft Terms of Reference for a Port Infrastructure Working Group has been developed. This will be shared with FHL's delivery partners at the conclusion of the Due Diligence Phase.
Progressing	Negotiate multi-party commercial arrangements for the port infrastructure	Progressing. Negotiations are ongoing for signing Umbrella Agreements and establishing the agreed scope of works via letter on or around 30 June.
Progressing	Confirm portside infrastructure requirements	Progressing infrastructure due diligence process with KR, PMNZ and CPL to review, validate and confirm the scope of requirements. This process will explore alignment between the parties and seek opportunities to maximise options for reuse.

Appendix 4: Financial processes and performance

Financial processes

Status	Our deliverables	Commentary
Completed	Financial plans and budgets to support the SPE	Completed the financial plans and budgets to support the draft SPE have been completed and submitted to shareholding Ministers.
Progressing	Prepare appropriate financial statements	Commenced the financial reporting developed by KMPG. These will continue to be extended and enhanced as the scale of expenditure increases. This work is supported by the development of required policies.
Progressing	Establish day-to-day banking services as well as foreign exchange management with Westpac and ANZ banks	Banks appointed (ANZ and Westpac) with routine services in place. Foreign exchange management processes under development.
Progressing	Establish appropriate insurances as required	Completed Directors and Officers insurance and Public Liability insurance has been placed. Progressing Further insurance coverage will be assessed in July.

Appendix 5: Ferry Holdings - media statements and coverage

Date	Media Release Headline	Activity	Media release published in
7 May 2025	Ferry procurement proceeds at pace	This was released at 9.30am to the FHL Media list	Shipyards shortlisted for Interislander ferries contract Tourism Ticker Six international shipyards invited to participate in Cook Strait ferry tender – TRANSPORTtalk: Truck and Industry Equipment News Six shipbuilders shortlisted to deliver new Cook Strait ferries RNZ News Six shipbuilders shortlisted to deliver new Cook Strait ferries - NZ Herald Ferry Procurement Proceeds At Pace Scoop News Six shipbuilders shortlisted to deliver new Cook Strait ferries https://newscoop.com.au/2025/05/06/nz-cook-strait-fleet-falls-to-two-after-ferry-retirement-picton-facelift/ Six shipbuilders shortlisted to deliver new Cook Strait ferries - NZ Herald
22 May 2025	Ferry Holdings Limited Announces Appointment of New Interim Chief Executive	This was released at 2pm to FHL Media list	Ferry Holdings Limited Announces Appointment Of New Interim Chief Executive Scoop News

Wednesday 7 May 2025 – 9.30 am

Ferry Holdings Limited

MEDIA RELEASE

Ferry procurement proceeds at pace

Ferry Holdings' closed tender procurement process for the design, build and delivery of two new ships has reached another milestone with key suppliers selected to support the long-term shipbuilding process, chair Chris Mackenzie announced today.

"Ferry Holdings is not a Government department and will be a lean organisation backed by deep expertise," says Mr Mackenzie.

"Six shipyards with expertise, capability and the capacity to deliver the ships in 2029 have been shortlisted by our Board, and our management team has invited them into the closed tender Request for Proposal (RFP) process ahead of contracts being signed later this year.

"Ferry Holdings has met with all shipyards virtually and shipyard visits are planned over the coming weeks, with Ferry Holdings represented by our Ship Programme Director.

Key advisor selections have been made for the ship procurement process:

- **Naval Architects** – Knud E Hansen will support and advise on design and process for the build of the ships.
- **Ship Interior Designer** – OSK Design will lead the design of the interior ship fitout.
- **Maritime Lawyers** – Holman Fenwick Willan will provide specialist maritime law expertise across the procurement and build phases.
- **Shipbrokers** – BRS Shipbrokers will provide specialist commercial maritime expertise across the procurement and build phases.

"In terms of personnel, the company has direct leads on the ship, infrastructure, and commercial finance and legal programmes and is recruiting for a chief executive," Mr Mackenzie says.

ENDS

Chris Mackenzie

Chair

Ferry Holdings Limited

info@ferryholdings.co.nz

04 886 3440

Thursday 22 May 2025 – 2pm

Ferry Holdings Limited

MEDIA RELEASE

Ferry Holdings Limited Announces Appointment of New Interim Chief Executive

Wellington, New Zealand – Ferry Holdings Limited is pleased to announce the appointment of Paul Silk as its new Interim Chief Executive, effective from 26 May 2025.

As an experienced leader in the management of public owned infrastructure, as well as capital and risk management in financial markets, Paul brings a wealth of knowledge and expertise to the role. Most recently, Paul served as Acting Chief Executive at Christchurch City Holdings.

"We are thrilled to welcome Paul to the team," said Chris Mackenzie, Chair of Ferry Holdings. "Paul's experience makes him the ideal candidate to lead our programme of work during the establishment phase of the new company.

As Interim Chief Executive, Paul will be responsible for overseeing the commercial negotiations to procure the two ferries, and port infrastructure agreements with CentrePort Wellington Limited (CentrePort Wellington) and Port Marlborough New Zealand Limited (Port Marlborough), which are to be completed by the end of this year.

"It is an exciting time to join Ferry Holdings and work with the team to deliver the first phase of the ferry procurement and finalising the arrangements for the required port infrastructure," said Paul. "I look forward to working with the Ferry Holdings team and our other key partners over the coming months to lay a strong foundation for delivery."

The Board is currently recruiting for the permanent Chief Executive, and this process is expected to be completed by the end of the year.

Chris Mackenzie

Chair

Ferry Holdings Limited

info@ferryholdings.co.nz

04 886 3440