



Cook Strait Ferry Replacement Programme

Interim Approval to Deliver (ATD)

Proactive Release

11 March 2026

This document has been proactively released by Ferry Holdings Limited on the Ferry Holdings website www.ferryholdings.co.nz.

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Proactively Released by Ferry Holdings Limited

Cook Strait Ferry Replacement Programme

Interim Approval to Deliver (ATD)

Ferry Holdings Limited

Prepared by:	One Beautiful Life Limited
Prepared for:	Ferry Holdings Limited
Date:	6 November 2025
Version:	5.0
Status:	Final



Document Control

Document Information

Document ID	<i>Ferry HoldingsIATD5.0</i>
Document owner	Stephen O'Keefe, General Manager Commercial and Finance
Issue date	6 November 2025
Filename	<i>V5.0 Interim ATD 6 November 2025</i>

Document History

Version	Issue date	Changes
0.1	8 August 2025	Nil – original early exposure draft for feedback
0.2	12 August 2025	Incorporates changes from Chief Executive review
0.3	13 August 2025	Incorporates changes from General Manager – Commercial and Finance review
1.0	21 August 2025	Includes new content and incorporates feedback from multiple reviews
1.1	25 August 2025	Incorporates feedback from Ferry Holdings Senior Leadership Team
1.2	3 September 2025	Incorporates new content, including executive summary and risk
2.0	4 September 2025	Incorporates feedback from Ferry Holdings Senior Leadership Team
3.0	20 October 2025	Incorporates significant new content
3.1	24 October 2025	Incorporates new content and Ferry Holdings Senior Leadership Team feedback
3.2	28 October 2025	Incorporates further Ferry Holdings Senior Leadership Team feedback
3.3	29 October 2025	Incorporates feedback from Ferry Holdings Chief Executive and the Treasury
4.0	30 October 2025	Incorporates changes from final proofread
5.0	6 November 2025	Incorporated feedback from Ferry Holdings Board

Document Review

Role	Name	Review Status
<i>General Manager, Commercial and Finance</i>	Stephen O'Keefe	Final review complete
<i>General Manager, Enabling Services</i>	James Shannon	Final review complete
<i>Ship Programme Director</i>	Massimo Soprano	Final review complete
<i>General Manager, Infrastructure (Acting)</i>	Karl Jackson ¹	Final review complete

Document Sign-off

Role	Name	Sign-off Date
<i>Senior Responsible Owner</i>	Sandip Ranchhod, Chief Executive Officer, Ferry Holdings Limited.	6 November 2025

¹ Karl Jackson was the acting General Manager (Infrastructure) until 3 November 2025, when he was succeeded by Richard Hickman.

Interim Approval to Deliver Executive Summary

The Cook Strait Ferry Replacement Programme (programme) is one of New Zealand's most strategically important transport investments. It safeguards a vital national link between the North and South Islands, a connection that underpins the movement of people, goods, and rail freight and is essential to New Zealand working as one nation. This investment is a strategic one that ensures a safe, reliable, and resilient ferry service across Cook Strait, that meets the needs of New Zealanders, remains available for decades to come.

The existing Interislander fleet and associated port infrastructure at Wellington and Picton are nearing the end of their serviceable lives. The fleet's remaining vessels face increasing operational risks and escalating maintenance costs. Without timely replacement, New Zealand would face severe service disruption, reduced capacity, and a loss of resilience across its freight and passenger supply chains. The programme therefore addresses an issue of national importance: maintaining a rail-enabled Cook Strait connection that supports economic activity, regional accessibility, and national cohesion.

In December 2024, Cabinet agreed to establish Ferry Holdings Limited (Ferry Holdings) to lead the delivery of this replacement programme on behalf of the Crown. In March 2025, Ministers confirmed a Crown-led delivery model for two new rail-enabled ferries and the enabling port infrastructure at Wellington and Picton. Ministers also endorsed the principles of minimum viable product and maximum reuse to deliver a long-term, resilient solution within a fixed Crown funding envelope. Ferry Holdings assumed responsibility for delivery from 1 April 2025 under a Project Delivery Agreement (PDA) that sets clear obligations to achieve cost, scope, and schedule alignment across ships, ports, and rail infrastructure.

This Interim Approval to Deliver (ATD) now seeks approval to enter into contracts to procure the ships so they are ready for service in 2029. This approval enables ship procurement to proceed while detailed port infrastructure arrangements continue to mature for final confirmation in the final ATD in mid-2026 (Final ATD). Crown funding required for the programme remains within the \$1.7 billion Crown tagged contingency approved by Cabinet in March 2025.

This executive summary covers:

1. Ships;
2. Enabling infrastructure;
3. The programme as a whole; and
4. Unknowns and risks, and their management.

Ships

Ferry Holdings has undertaken a two-stage procurement process for the replacement ferries, beginning with a Request for Information (RFI) in late 2024 to test market capability, followed by a closed Request for Quotation (RFQ) issued to shortlisted international shipyards in early 2025. A closed, competitive procurement was deemed the most appropriate and commercially sound approach in order for ships contracts to be signed by November 2025 to meet a 2029 delivery. Evaluation included detailed technical, commercial, and due-diligence assessments across cost, specification, delivery schedule, and risk allocation. Following this process, Guangzhou Shipyard International (GSI) was selected as the preferred supplier, offering a technically robust and commercially competitive proposal within the Crown's funding parameters.

The two vessels are central to maintaining a safe, reliable, and resilient Cook Strait connection, ensuring continuity of one of New Zealand's most strategically important transport links. Each vessel will be approximately 200 metres long and 28 metres wide, capable of carrying around 1,530 passengers, 2,800 lane metres of vehicles, and 40 rail wagons per sailing, more than doubling the rail freight capacity of the recently retired Aratere.

The design specification was developed to meet both the operational requirements of the Cook Strait environment and the needs of the future operator² of the ferries. The ships feature azimuth thruster propulsion systems that enhance manoeuvrability and berthing performance in Wellington's high-wind conditions, improving turnaround times and timetable reliability. Simulation testing undertaken in early 2025 validated these systems and confirmed safe navigation through Tory

² KiwiRail is the current operator of Interislander Service.

Channel. Each vessel is designed for a 30-year service life, with built-in redundancy, fuel efficiency, and the capability for future conversion to lower-emission fuels, such as biodiesel or methanol.

From an operator perspective, the design reflects lessons from existing Interislander operations and maintenance regimes. Systems have been selected for reliability, local serviceability, and ease of maintenance, ensuring minimal disruption and efficient lifecycle performance. Engagement with Maritime New Zealand (MNZ) and the Harbour Masters at Picton and Wellington confirmed the design is consistent with navigational and safety requirements and expectations for Cook Strait operations.³

The negotiated contract price for the two vessels is USD 346 million (equivalent to approximately NZD 596 million based on a mix of hedged and estimated exchange rates). The total ships programme amounts to NZD [s9(2)(j)][s9(2)(i)] million, which includes:

- Shipbuilding contracts with GSI – the fixed-price construction of two vessels, including hulls, systems, and fit-out.
- Owner-supplied equipment – specialist equipment required to operate the new ferries provided directly by Ferry Holdings such as onboard passenger services, cargo operations, marine and engineering equipment, and on-board IT and ticketing systems.
- Design assurance – independent technical review of design compliance, performance, and classification requirements.
- Site supervision – our team of naval architects and engineers overseeing construction at the shipyard to ensure quality and schedule control.
- Commissioning and delivery costs – testing, sea trials, crew familiarisation, and delivery voyages to New Zealand.
- Insurance and mobilisation allowances – insurance coverage during construction and delivery, and initial set-up costs for the site-supervision and contract-management teams.

The ships programme milestones align with the port-infrastructure programme to ensure both vessels enter service by the end of 2029. Key milestones are as follows:

Table 1: Shipbuilding and Delivery Milestones

Milestone	Ship 1	Ship 2
Contract execution	November 2025	November 2025
Steel cutting	[s9(2)(b)(ii)]	[s9(2)(b)(ii)]
Keel laying	[s9(2)(b)(ii)]	[s9(2)(b)(ii)]
Launch	[s9(2)(b)(ii)]	[s9(2)(b)(ii)]
Delivery at yard	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]
Arrival in New Zealand	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]
Entry into service	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]

Contract management for the shipbuilding programme sits within Ferry Holdings’ established governance and assurance framework. The Ships Programme Director acts as Buyer’s Representative, overseeing day-to-day delivery, quality, and commercial management, while the Chief Executive retains executive accountability [s9(2)(i)][s9(2)(j)] rights. Variations and

³ Harbour Master functions are delegated by the Greater Wellington Regional Council to CentrePort in Wellington and are administered by the Marlborough District Council in Picton.

payments will be controlled through delegated authority thresholds and a structured reporting and assurance regime, providing the Board and Ministers with clear visibility of cost, schedule, and quality performance.

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED] [s9(2)(i)][s9(2)(j)]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED] [s9(2)(j)]

Enabling Infrastructure

Port infrastructure is required to enable the operation of the new vessels in both Wellington and Picton. This infrastructure is being delivered through commercial arrangements between Ferry Holdings, CentrePort Limited (CentrePort), and Port Marlborough New Zealand Limited (Port Marlborough), consistent with Cabinet’s March 2025 direction for a Crown-led model based on maximum reuse of existing infrastructure.

Ferry Holdings is currently finalising a detailed, integrated timeline for delivery of port and interface works across both locations. Programme-level schedule allowances are in the process of being established to manage uncertainty, with it expected that an appropriate level of contingency would be approximately [REDACTED] [s9(2)(j)] months in Picton and [REDACTED] [s9(2)(j)] months in Wellington.

[REDACTED]
 [REDACTED] [s9(2)(f)(iv)]

The currently identified principal elements of enabling infrastructure are summarised below. These represent the main works packages currently defined and costed, with further detailed scope to be confirmed through design development and commercial negotiations ahead of the mid-2026 ATD decision.

Table 2: Summary of Enabling Infrastructure Scope and Responsibilities

Location	Key Infrastructure Works	Funding & Ownership	Delivery Lead	Estimated Value (\$m) ⁴
Wellington	<ul style="list-style-type: none"> Lengthening and life-extension renewal of existing wharf, reusing piles, revetments, and seawall structures where feasible. Reuse and strengthening of part of the existing vehicle access bridge to connect to new ships. Retention of existing passenger terminal building and marshalling areas. Installation of new dual-level linkspan, linkspan approach structures and passenger 	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(j)][s9(2)(i)]	CentrePort, with Ferry Holdings oversight.	≈ [REDACTED] [s9(2)(i)][s9(2)(j)]

[REDACTED] [s9(2)(f)(iv)]

Location	Key Infrastructure Works	Funding & Ownership	Delivery Lead	Estimated Value (\$m) ⁴
	walkway for rail, road and passenger operations.			
Picton	<ul style="list-style-type: none"> Construction of new wharf (replacing No. 2 Long Arm). Installation of dual level linkspans and automooring units. Dredging and scour protection. New vehicle access bridge and passenger walkway. Transitional berths for use during construction. 	<p>[s9(2)(j)]</p>	Port Marlborough, with Ferry Holdings oversight.	[s9(2)(j)][s9(2)(i)]
KiwiRail Works	<ul style="list-style-type: none"> Picton: Renewal of existing rail approach tracks, modification of the Northern backshunt, construction of a new mainline siding; new shunting (or mainline) locomotive.⁶ Wellington: Renewal of existing rail approach tracks and sidings in Wellington, and modifications required to integrate with the new dual-level linkspan. Road bridging: those items necessary for KiwiRail to undertake road bridging of rail freight during the temporary loss of rail connection in the infrastructure delivery period. 	KiwiRail Holdings Limited (KiwiRail) (KiwiRail funding of Picton backshunt, balance Crown programme-funded).	KiwiRail.	[s9(2)(i)]
Roading & Overbridge	Dublin Street overbridge and local access improvements; traffic integration; Aotea Quay signalised intersection.	New Zealand Transport Agency (NZTA) / Ferry Holdings / local authorities.	KiwiRail / NZTA.	[s9(2)(i)][s9(2)(j)]
Total Enabling Infrastructure Estimate				[s9(2)(i)][s9(2)(j)]

The model will be refined through the Interim Development Agreements (IDAs) and subsequent Development Agreements (DAs) to preserve flexibility through this period of design, consenting, and commercial finalisation ahead of the mid-2026 ATD decision. The IDAs – planned to be executed by the [s9(2)(i)][s9(2)(j)] – establish interim mechanisms with each port to progress works such as demolition, site preparation, temporary berths, early procurement of linkspans, procurement of long-lead marine components, and continued design and cost development. These IDAs will enable work to continue while commercial and consenting matters are finalised, protecting the overall programme schedule.

[s9(2)(i)]

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

Enabling works have commenced, and the total value of enabling works across both ports is currently estimated at [s9(2)(i)][s9(2)(j)] million, providing for early physical works and procurement activities essential to maintain delivery momentum.

Ferry Holdings has undertaken due diligence on the Port Companies' consenting approach, with independent legal and environmental review confirming that the Port Companies are appropriately positioned to lead consenting under their respective statutory frameworks. [REDACTED]

[REDACTED] [s9(2)(i)]

The programme also seeks to maximise economic and regional benefit through the Government Procurement Rules where applicable and local participation objectives. The approval, assurance and reporting framework embedded in the IDAs, enable Ferry Holdings to work with the Port Companies to ensure the adoption of procurement processes that support wider economic benefit and workforce participation while ensuring compliance with safety, quality, and environmental standards.

Procurement of the linkspans, the key operational interface between ships and shore, will be undertaken through a single competitive process led by Port Marlborough with Ferry Holdings' oversight, targeting award of two separate contracts by each of CentrePort and Port Marlborough by [s9(2)(i)][s9(2)(j)] 2026. The Wellington linkspan was unable to be reused and so the scope now includes the installation of a new dual-level linkspan to accommodate the rail-enabled vessels, representing a material scope change from earlier designs and a key interface between the ships and port infrastructure.

Ferry Holdings will finalise the integrated programme and baseline the full delivery schedule ahead of the Final ATD (mid-2026), confirming scope, cost, and risk allocations. During this period, Ferry Holdings will also establish the delivery management and assurance framework for the main works phase, integrate port and rail dependencies, and prepare for transition to the DAs with both CentrePort and Port Marlborough.

Whole-of-Programme

The programme remains on track to deliver its approved scope:

- Two new rail-enabled roll-on/roll-off passenger (RoPax) ferries;
- Enabling port infrastructure at Wellington and Picton;
- KiwiRail land-side and marshalling upgrades; and
- Roading and access improvements to integrate with national transport networks.

The programme remains within Cabinet-approved funding parameters, with contingencies sized and managed at portfolio level to maintain flexibility across ships and infrastructure.

Table 3: Summary of Whole-of-Programme Cost Estimates and Funding Sources

Item	Base Cost (\$m) (incl. escalation)	Confidence ⁷	Contingency (\$m) (above Base Cost)	Funding Source
Ships	[s9(2)(i)][s9(2)(j)]	High	[s9(2)(i)][s9(2)(j)]	Crown-funded via Ferry Holdings
Port infrastructure	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)]	[s9(2)(i)]	[s9(2)(i)]
KiwiRail / Roading	[s9(2)(i)][s9(2)(j)]	Medium	[s9(2)(i)][s9(2)(j)]	Crown-funded via Ferry Holdings and NZTA (\$10 m).
Ferry Holdings	[s9(2)(i)][s9(2)(j)]	Medium	[s9(2)(i)][s9(2)(j)]	Crown funding for Ferry Holdings' operational cost (not opex) over the life of the programme.
Total	[s9(2)(i)][s9(2)(j)]	—	[s9(2)(i)][s9(2)(j)]	Within \$1.7 b Crown funding envelope ([s9(2)(i)][s9(2)(j)])

Compared to the cost estimate endorsed by Cabinet on 31 March, the total programme cost summary is outlined in the following table.

Table 4: Total Programme Cost Summary

Item	31 March Cabinet Estimate (\$m) ⁸	Current Estimate (\$m)	Change (\$m)	Key drivers of change
Ships	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]	Lower contract price, improved foreign currency exchange rate, [s9(2)(i)]
Ports	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)]
KiwiRail landside works and equipment	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)]
Roading	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)]	[s9(2)(i)][s9(2)(j)]	Reduced cost for the Dublin Street overbridge in Picton.

⁷ Port infrastructure costs are based on the full concept design for the main wharf and transition berth at Port Marlborough and a pre-concept design that has been developed at CentrePort, which is why there is a lower confidence for the CentrePort costs (this is reflected in a higher level of contingency).

⁸ Ferry Holdings operational costs of the ships programme [s9(2)(j)] were included in the ships programme cost in the Cabinet estimate. For the best comparative purposes, these are now reported in the Ferry Holdings operational costs line item.

Item	31 March Cabinet Estimate (\$m) ⁸	Current Estimate (\$m)	Change (\$m)	Key drivers of change
Ferry Holdings operational costs	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]	[s9(2)(i)][s9(2)(j)]	Greater options work and assurance on infrastructure and increased legal and commercial support in FY26.
Total	[s9(2)(i)][s9(2)(j)]	1,867	[s9(2)(i)][s9(2)(j)]	

The integrated delivery schedule aligns key ships, infrastructure, and governance milestones. Four major milestones are tracked through the Management Case, including:

Table 5: Key Activities and Milestones during the Investment Delivery Phase

Milestone	Target Date	Notes / Dependencies
Execution of IDAs	End of 2025	Establishes interim mechanisms with CentrePort and Port Marlborough to progress early and long-lead works.
Linkspan contract award	[s9(2)(i)] 2026	Procurement led by CentrePort with oversight from Ferry Holdings and Port Marlborough.
Final ATD	Mid 2026	Confirms full programme scope, funding, and delivery arrangements.
Entry into service of both vessels	2029	Infrastructure and operational readiness aligned with ship delivery schedule.

[Redacted text block containing multiple lines of blacked-out content]

Whole-of-life costs have been reduced by adopting standardised ship designs, integrated maintenance regimes, quality major component manufacturers, and energy-efficient technologies that bring down lifetime operating costs and emissions.

Governance structures are established and will be adapted and scaled as the programme transitions into full delivery. The current arrangements are:

- Ferry Holdings Board: accountable for overall delivery, cost, and assurance on behalf of shareholding Ministers.
- Chief Executives Working Group: provides cross-agency coordination between Ferry Holdings, the ports, KiwiRail, Treasury, and the Ministry of Transport, resolving delivery and interface issues.
- Working Groups: oversee ships, infrastructure, and risk domains, ensuring integrated design, schedule alignment, and compliance with technical and safety standards.

[Redacted text block]

Assurance operates through a three-lines-of-defence model: internal delivery assurance, independent technical and financial reviews, and external Gateway and Targeted Investment Reviews by Treasury. Quantitative risk analysis (QRA) underpins cost and schedule confidence risk management.

Unknowns, Risks, and their Management

The programme continues to be managed within established risk and assurance frameworks. Since March 2025, significant progress has been made to reduce uncertainty, ship design, procurement, and port delivery strategies are now well defined, and key commercial arrangements are in advanced stages of agreement. However, a number of material unknowns remain, reflecting areas where further design, analysis, or negotiation is required to confirm feasibility, cost, and timing.

The following table summarises the key open risks and their current treatment status.

Table 6: Key Open Risks and Current Management Approach

Area	Description / Status	Current Action / Mitigation	Residual Risk / Implication
<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(ba)(ii)][s9(2)(i)]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(ba)(ii)][s9(2)(i)]) (i)]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(ba)(ii)][s9(2)(i)]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(ba)(ii)][s9(2)(i)]</p>
<p>[REDACTED] [REDACTED] [s9(2)(i)])]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [s9(2)(i)]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(i)]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(i)]</p>
<p>[REDACTED] [REDACTED] [REDACTED] [s9(2)(i)]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(i)]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(i)]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(i)]</p>
<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(i)]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(i)]</p>	<p>[REDACTED] [REDACTED] [s9(2)(i)]</p>	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [s9(2)(i)]</p>

