

Rt Hon Winston Peters

Minister of Foreign Affairs
Minister for Racing
Minister for Rail



Dom Kalasih, Chief Executive
Billy Clemens, Head of Policy and Advocacy
Transporting New Zealand
dom@transporting.nz
billy@transporting.nz
By email

Dear Dom and Billy

Re: Making steady progress toward a 2029 launch

Thank you for your email dated 15 August 2025 requesting an update on the Cook Strait ferry replacement programme. We remain focused on delivering better outcomes through maximising re-use of existing facilities where it makes sense while providing new infrastructure in a cost-effective manner.

The timeline, scope and approach we supplied in May 2025 remains in place. Every milestone in the first half of the year that we outlined to you has been achieved in full.

Ferry Procurement

In May the procurement for the two new ferries formally commenced, and Ferry Holdings visited the six short-listed shipyards. The Request for Information phase was completed in June and resulted in 229 information requests received and processed by Ferry Holdings. This process enabled Ferry Holdings to clarify important technical matters with the shipyards before receiving their proposals.

The resulting proposals from the shipyards are currently being evaluated by a team of advisors and Ferry Holdings to determine which yard will best deliver to our requirements. This has been a thorough process which has been rigorously executed, and Ferry Holdings remains on track to complete negotiations later this year with the successful shipyard. Further communication will be made when we are able to do so.

Port Infrastructure

In May Ferry Holdings started due diligence—with CentrePort, Port Marlborough and KiwiRail—to review, validate and ultimately confirm the scope of the infrastructure requirements for the new ferries. This process sought to validate the infrastructure proposals, ensuring alignment between the parties, as well as to maximise the reuse of existing infrastructure where possible, and explore opportunities to reduce the overall programme cost by doing so.

On 1 July 2025, we announced in Picton that Ferry Holdings had secured agreement from CentrePort, Port Marlborough and KiwiRail on the no-nonsense infrastructure scope. This set the basis for the current negotiations between those parties on their respective funding shares, roles and responsibilities.

Agreements between these parties will be signed in the final quarter of this calendar year, alongside the ship contracts, enabling the Government to announce details of the Ferry Holdings Cook Strait Ferry Replacement Project.

In the meantime your members can remain assured that two new ferries will replace the Interislander fleet in 2029, serving passengers, road and rail. The Cook Strait connection is essential to the people of New Zealand, our freight, and our economy—this upgrade strengthens that lifeline.

We also add that while many have commented on the “2026” completion date under the wasteful iReX project, no main works contracts were entered in 2023 which means it would have been impossible for that project to be completed in 2026. Ferries would have arrived and sat in the Wellington Harbour for a considerable period, while billions would have flown out of the Government’s accounts into wasteful, over-specified infrastructure.

Last week, KiwiRail confirmed it reached a final settlement payment agreement with Hyundai of \$144 million, which brought the sorry saga of the previous Government’s mismanagement of Project iReX to a close. The total spent on the project was \$671 million, of which KiwiRail confirmed \$424 million was spent before the last election – with relatively little to show for it. The good news is that our infrastructure programme will utilise the built items under that programme, like the “temporary” departure lounge in Picton which they planned to demolish once they built a Taj Mahal lounge and office building beside it. That departure lounge is a comfortable environment for passengers within steel structure built on a concrete foundation, and we are saving it. When all is said and done in our no-nonsense ferry solution, the taxpayer will have saved billions compared with iReX.

Finally, we wish to thank Transporting New Zealand for attending the launch of Rail Safety Week 2025. The campaign message is “Stay Off, Stay Safe – Tracks are for Trains.” We know how perilous safety can be across the entire freight sector, and how closely road and rail operations work together so that goods can get across the country. Of course, the Interislander brings much of the domestic freight goods together on the Auckland-Christchurch corridor.

Yours sincerely

A handwritten signature in black ink, reading 'Winston Peters' in a cursive style.

Rt Hon Winston Peters
Minister for Rail

Copied. Chris Mackenzie, Ferry Holdings Limited