

IN-CONFIDENCE

From: [MCLACHLAN, Pip \(CAE\)](#)
To: [BENNET, Dawn \(SEL\)](#); [GRIFFITH, Richard \(NAD\)](#)
Cc: [FULLER, Nicolasa \(NAD\)](#); [VERSTEEG, Tessa \(NAD\)](#); [PARK, Jeongmin \(SEL\)](#); [FISHER-MASHOOD, Abby \(SEL\)](#)
Subject: RE: Engagement on the iReX project
Date: Friday, 15 December 2023 7:13:55 am
Attachments: [image001.png](#)

[IN CONFIDENCE]

s6(a) Thanks Dawn!

Sent with BlackBerry Work
(www.blackberry.com)

From: BENNET, Dawn (SEL) <Dawn.Bennet@mfat.govt.nz>
Date: Friday, 15 Dec 2023 at 2:04 AM
To: GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>
Cc: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>, MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>, VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>, PARK, Jeongmin (SEL) <Jeongmin.Park@mfat.govt.nz>, FISHER-MASHOOD, Abby (SEL) <Abby.Fisher@mfat.govt.nz>
Subject: RE: Engagement on the iReX project [SEC=IN CONFIDENCE]

[IN CONFIDENCE]

Hi Richard

A couple of hours after sending you the « no response » readout below, I got the following text message back from our bilateral DG:

s6(a)

Dawn

Dawn Bennet ([she/her](#))

대사 | Ambassador

주한 뉴질랜드 대사관 | New Zealand Embassy Seoul | Te Aka Aorere

M s9(2)(a)

T s9(2)(a)

E Dawn.Bennet@mfat.govt.nz

IN-CONFIDENCE

cid:image002.png@01D98337.C8F6FCD0



From: GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>

Date: Thursday, 14 Dec 2023 at 18:32

To: BENNET, Dawn (SEL) <Dawn.Bennet@mfat.govt.nz>

Cc: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>, MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>, VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>, PARK, Jeongmin (SEL) <Jeongmin.Park@mfat.govt.nz>, FISHER-MASHOOD, Abby (SEL) <Abby.Fisher@mfat.govt.nz>

Subject: RE: Engagement on the iReX project [SEC=IN CONFIDENCE]

[IN CONFIDENCE]

Nicolasa's read out attached. s6(a)

From: BENNET, Dawn (SEL) <Dawn.Bennet@mfat.govt.nz>

Sent: Thursday, 14 December 2023 9:05 pm

To: GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>

Cc: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>; MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>; VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>; PARK, Jeongmin (SEL) <Jeongmin.Park@mfat.govt.nz>; FISHER-MASHOOD, Abby (SEL) <Abby.Fisher@mfat.govt.nz>

Subject: RE: Engagement on the iReX project

[IN CONFIDENCE]

s6(a)

Dawn

Dawn Bennet ([she/her](#))

대사 | Ambassador

주한 뉴질랜드 대사관 | New Zealand Embassy Seoul | Te Aka Aorere

M s9(2)(a)

T s9(2)(a)

E Dawn.Bennet@mfat.govt.nz

cid:image002.png@01D98337.C8F6FCD0



From: GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>

IN-CONFIDENCE

Date: Thursday, 14 Dec 2023 at 12:49

To: BENNET, Dawn (SEL) <Dawn.Bennet@mfat.govt.nz>

Cc: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>, MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>, VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>, PARK, Jeongmin (SEL) <Jeongmin.Park@mfat.govt.nz>, FISHER-MASHOOD, Abby (SEL) <Abby.Fisher@mfat.govt.nz>

Subject: RE: Engagement on the iReX project [SEC=IN CONFIDENCE]

[IN CONFIDENCE]

Hi Dawn – Thanks again for the message below. Any further reaction from the Korean system today?

Richard

From: BENNET, Dawn (SEL) <Dawn.Bennet@mfat.govt.nz>

Sent: Wednesday, 13 December 2023 3:35 pm

To: GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>

Cc: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>; MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>; VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>; PARK, Jeongmin (SEL) <Jeongmin.Park@mfat.govt.nz>; FISHER-MASHOOD, Abby (SEL) <Abby.Fisher@mfat.govt.nz>

Subject: RE: Engagement on the iReX project

[IN CONFIDENCE]

Thanks Richard

I was not able to reach DG Seo (Asia Pacific Division, MOFA) by phone this morning. s6(a)

I texted her the following message. s6(a)

Hello again DG Seo.

As I haven't been able to reach you here is the information I was going to convey (in confidence):

- You may be aware that Kiwirail, a New Zealand transport company in which the NZ Government is a shareholder, has contracted Hyundai Mipo Dockyard (현대미포조선) to build two new ferries for passenger and cargo transport between New Zealand's north and south islands.
- Kiwirail had requested significant additional funding from the government to address cost escalations in their overall project to replace the interisland ferries.
- Yesterday the recently elected Coalition government declined that request for additional funding.
- This is likely to have implications for the scope of the project by Kiwirail.
- What happens next is a matter for the Board of Kiwirail. We will keep in touch with you as decisions are made.
- Note that the government's decision on funding is in no way a reflection on Hyundai

IN-CONFIDENCE

IN-CONFIDENCE

Mipo Dockyard as the contracted shipbuilder.

- Only 21% of the the escalated costs are associated with the replacement of the ferries.

The bulk of the cost-escalation relates to upgrading harbourside infrastructure in the ports of Wellington and Picton to accommodate the new, larger, ferries.

- New Zealand continues to value our close relationship with the Republic of Korea, including our important trade and economic links.

s6(a) Hope you agree!

Cheers

Dawn

Dawn Bennet ([she/her](#))

대사 | Ambassador

주한 뉴질랜드 대사관 | New Zealand Embassy Seoul | Te Aka Aorere

M s9(2)(a)

T s9(2)(a)

E Dawn.Bennet@mfat.govt.nz

cid:image002.png@01D98337.C8F6FCD0



From: GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>

Sent: Wednesday, 13 December 2023 6:33 am

To: BENNET, Dawn (SEL) <Dawn.Bennet@mfat.govt.nz>

Cc: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>; MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>; VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>; PARK, Jeongmin (SEL) <Jeongmin.Park@mfat.govt.nz>; FISHER-MASHOOD, Abby (SEL) <Abby.Fisher@mfat.govt.nz>

Subject: RE: Engagement on the iReX project

[IN CONFIDENCE]

And sorry Dawn – one more caveat; if you speak to the Korean system before 1500 NZDST, you need to be clear that the information is shared in confidence and not discussed publicly. ^{s9(2)(g)(i)}

Richard

From: GRIFFITH, Richard (NAD)

Sent: Wednesday, 13 December 2023 10:30 am

To: BENNET, Dawn (SEL) <Dawn.Bennet@mfat.govt.nz>

Cc: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>; MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>; VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>; PARK,

IN-CONFIDENCE

IN-CONFIDENCE

Jeongmin (SEL) <Jeongmin.Park@mfat.govt.nz>; FISHER-MASHOOD, Abby (SEL) <Abby.Fisher@mfat.govt.nz>

Subject: RE: Engagement on the iReX project

Kia ora Dawn,

We have the green light to speak to the Korean Ambassador at 1300 and so you are also able to engage the Government of Korea.

The Government (MinFIN) will make an announcement this afternoon at 1515. The TPs below hold and you can draw on the attached Q+A that has been prepared for the Minister Finance; the proviso is that we provide no further details beyond these. So after 1300 NZDST is an appropriate time for you to speak to the DG.

Any questions, let us know.

Richard

From: BENNET, Dawn (SEL) <Dawn.Bennet@mfat.govt.nz>

Sent: Wednesday, 13 December 2023 12:35 am

To: GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>

Cc: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>; MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>; VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>; PARK, Jeongmin (SEL) <Jeongmin.Park@mfat.govt.nz>; FISHER-MASHOOD, Abby (SEL) <Abby.Fisher@mfat.govt.nz>

Subject: RE: Engagement on the iReX project

[IN CONFIDENCE]

Got it thanks Richard

Standing by to have a conversation with our bilateral DG in MOFA tomorrow morning. Do we need to wait for a green light from you in the morning or should I go ahead first thing?

Dawn

Dawn Bennet ([she/her](#))

대사 | Ambassador

주한 뉴질랜드 대사관 | New Zealand Embassy Seoul | Te Aka Aorere

M s9(2)(a)

T s9(2)(a)

E Dawn.Bennet@mfat.govt.nz

cid:image002.png@01D98337.C8F6FCD0



IN-CONFIDENCE

From: GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>
Date: Tuesday, 12 Dec 2023 at 18:45
To: BENNET, Dawn (SEL) <Dawn.Bennet@mfat.govt.nz>
Cc: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>, MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>, VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>
Subject: Engagement on the iReX project [SEC=IN CONFIDENCE]

[IN CONFIDENCE]

Good evening Dawn – good to talk this afternoon.

We're seeking to try to speak to the Korean Ambassador tomorrow before any announcement of the reduction in funding for the iReX project. We are planning for Pip to speak to the Ambassador directly drawing on the following lines:

- o The Government is about to announce that it will not meet the project funding shortfall for the iReX project
- o This is likely to have implications for the scope of the project given the reduced funding envelope
- o What happens next is a matter for the Board of KiwiRail, but we will keep in touch with the ROK government as decisions are made.
- o New Zealand continues to value our close bilateral relationship with the ROK Government including our important trade and economic relationship.

We think it would be useful for you to reach out to the Korean system also and have a conversation about the decision to provide context. If possible, engagement on Wednesday 13 December would be appreciated at our end.

We'll look for more background on the project but the lines above are a good start point to draw from. We'll provide further details tomorrow.

Richard

Richard Griffith (he/him)

Unit Manager, Japan and Koreas
North Asia Division
Ministry of Foreign Affairs and Trade | Manatū Aorere

Ts9(2)(a) E richard.griffith@mfat.govt.nz

cid:image006.jpg@01D8F29F.069B6A00



IN-CONFIDENCE

From: FULLER, Nicolasa (NAD)
To: BENNET, Dawn (SEL)
Cc: MCLACHLAN, Pip (CAE); GRIFFITH, Richard (NAD); FISHER-MASHOOD, Abby (SEL); PARK, Jeongmin (SEL)
Subject: FW: Fwd: Info for the Korean Embassy/Ambassador
Date: Wednesday, 13 December 2023 1:00:00 pm

Hi Dawn

See latest points from Minister Willis below. Updated Q&A to come.

Nicolasa

Nicolasa Fuller ([she/her](#)) | South Korea (ROK) North Asia Division | s9(2)(a)

From: MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>
Sent: Wednesday, 13 December 2023 12:48 pm
To: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>
Subject: FW: Fwd: Info for the Korean Embassy/Ambassador

[UNCLASSIFIED]

Sent with BlackBerry Work
(www.blackberry.com)

From: s9(2)(g)(ii)
Date: Wednesday, 13 Dec 2023 at 12:44 PM
To: GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>, KEMP, Peter (NAD) <peter.kemp@mfat.govt.nz>, MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>
Subject: Fwd: Info for the Korean Embassy/Ambassador

Riding instructions below.

s9(2)(g)(ii)
Senior Foreign Affairs Adviser
Office of Rt Hon Winston Peters
Deputy Prime Minister & Minister of Foreign Affairs
Phone: s9(2)(a)

From: Paula Oliver <Paula.Oliver@parliament.govt.nz>
Sent: Wednesday, December 13, 2023 12:30:40 PM
To: s9(2)(g)(ii)
Subject: Info for the Korean Embassy/Ambassador

Hi s9(2)
() (ii)

We're going through final approvals now for our PR and timeline that we'll be releasing this afternoon. I can't yet give you final wording as the Minister has been tied up in the House with the RBNZ Bill.

However, in order to have MFAT use something for its communications with Korea, we would be happy to supply the following guidance at this point:

The coalition Government has declined a KiwiRail request to contribute significant additional funding to

IN-CONFIDENCE

IN-CONFIDENCE

address cost escalations in the project to replace the InterIslander ferry fleet.

KiwiRail had requested an additional \$726 million on top of an in-principle decision by the previous government to provide additional funding to the project to address cost escalations with associated harbourside infrastructure.

The Government remains committed to a resilient safe and reliable Cook Strait connection, but the cost of this project has almost quadrupled since 2018 to approximately \$3 billion. It is also now the case that only 21 per cent of these costs are associated with the core project of replacing ageing ferries.

The decision is not a reflection on shipbuilder Hyundai Mipo Dockyard which was awarded the contracts to build two rail-enabled ferries. The bulk of the cost-escalation is related to upgrading harbourside infrastructure in Wellington and Picton, including to accommodate new ferries about twice the size of the existing vessels.

The Minister will be making the point above regarding Hyundai Mipo Dockyard publicly as part of her communications.

s9(2)(g)(i)

Paula

Released under the Official Information Act 1982

IN-CONFIDENCE

IN-CONFIDENCE

From: FULLER, Nicolasa (NAD)
To: Daniel Madley [TSY]; VERSTEEG, Tessa (NAD); TURNER, Rebecca (NAD); SALMOND, Jeremy (CLU); GEELS, Deborah (DS AAG); VERHAEGHE, Geetha (CLU); GRIFFITH, Richard (NAD); MCLACHLAN, Pip (CAE); Siobhan Routledge; Bev Driscoll; Nick Graham; Sarah Carson; Stacey Lulham [TSY]; Yi Nicholl [TSY]; Ann Webster [TSY]; Bryan McDaniel [TSY]
Cc: Aaron Gill [TSY]; Michael Moore [TSY]
Subject: RE: For response by 9.45am today please - draft Q+A re. Project iReX
Date: Wednesday, 13 December 2023 2:53:17 pm

[IN CONFIDENCE]

Kia ora koutou

Pip McLachlan spoke to Ambassador Kim at 1.50pm today. They spoke for 8 minutes.

RECORD:

Pip made the following opening comments:

- Great to meet on Monday, glad this is not the first time we have spoken.
- Noted that the call was in confidence.
- The Minister of Finance would make a statement at 3.15pm today. Ambassador Bennet would be making a similar call on her counterpart in Seoul.
- The new coalition government has declined a request from KR for funding for the IReX project – this project includes the purchase of Korean ferries.
- Cost escalation is related to ports not the ferries.
- KW would advise HMD today.
- We remain committed to the NZ – ROK trade and economic r/ship
- Advising under strict confidence so that it doesn't come as a surprise and to underline the importance of the bilat r/ship.
- Reiterated confidentiality.

s6(a)

Pip reiterated the key messages, that is was a decision not to provide funding. Next steps were with Kiwi rail. s6(a)

s6(a)

Separately, I understand Ambassador Bennet in Seoul is going to text the information through to her counterpart in tandem with the announcement, as a call has not been arranged yet.

Nicolasa

Nicolasa Fuller ([she/her](#)) | South Korea (ROK) North Asia Division | T s9(2)(a)

From: Daniel Madley [TSY] <Daniel.Madley@treasury.govt.nz>

Sent: Wednesday, 13 December 2023 1:40 pm

IN-CONFIDENCE

IN-CONFIDENCE

To: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>; VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>; TURNER, Rebecca (NAD) <Rebecca.Turner@mfat.govt.nz>; SALMOND, Jeremy (CLU) <Jeremy.Salmond@mfat.govt.nz>; GEELS, Deborah (DS AAG) <Deborah.Geels@mfat.govt.nz>; VERHAEGHE, Geetha (CLU) <Geetha.Verhaeghe@mfat.govt.nz>; GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>; MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>; Siobhan Routledge <S.Routledge@transport.govt.nz>; Bev Driscoll <B.Driscoll@transport.govt.nz>; Nick Graham <N.Graham@transport.govt.nz>; Sarah Carson <S.Carson@transport.govt.nz>; Stacey Lulham [TSY] <Stacey.Lulham@treasury.govt.nz>; Yi Nicholl [TSY] <Yi.Nicholl@treasury.govt.nz>; Ann Webster [TSY] <Ann.Webster@treasury.govt.nz>; Bryan McDaniel [TSY] <Bryan.McDaniel@treasury.govt.nz>

Cc: Aaron Gill [TSY] <Aaron.Gill@treasury.govt.nz>; Michael Moore [TSY] <Michael.Moore@treasury.govt.nz>

Subject: RE: For response by 9.45am today please - draft Q+A re. Project iReX

Hi all, we have received KiwiRail's Q+A (drafted as if the Minister were saying them), as below for your reference:

s9(2)(g)(i)

Released under the Official Information Act 1982

IN-CONFIDENCE

s9(2)(g)(i)

Regards,

Daniel Madley | Senior Analyst – The Treasury

M: s9(2)(a)

From: Daniel Madley [TSY]

Sent: Wednesday, 13 December 2023 10:03 am

To: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>; VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>; TURNER, Rebecca (NAD) <Rebecca.Turner@mfat.govt.nz>; SALMOND, Jeremy (CLU) <Jeremy.Salmond@mfat.govt.nz>; GEELS, Deborah (DS AAG) <Deborah.Geels@mfat.govt.nz>; VERHAEGHE, Geetha (CLU) <Geetha.Verhaeghe@mfat.govt.nz>; GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>; MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>; Siobhan Routledge <S.Routledge@transport.govt.nz>; Bev Driscoll <B.Driscoll@transport.govt.nz>; Nick Graham <N.Graham@transport.govt.nz>; Sarah Carson <S.Carson@transport.govt.nz>; Stacey Lulham [TSY] <Stacey.Lulham@treasury.govt.nz>; Yi Nicholl [TSY] <Yi.Nicholl@treasury.govt.nz>; Ann Webster [TSY] <Ann.Webster@treasury.govt.nz>; Bryan McDaniel [TSY] <Bryan.McDaniel@treasury.govt.nz>

Cc: Aaron Gill [TSY] <Aaron.Gill@treasury.govt.nz>; Michael Moore [TSY] <Michael.Moore@treasury.govt.nz>

Subject: RE: For response by 9.45am today please - draft Q+A re. Project iReX

Thank you all for your very constructive feedback at such short notice. We have just provided the attached document to the Minister of Finance's office and will keep you updated if we hear anything further.

Regards,

Daniel Madley | Senior Analyst – The Treasury

M: s9(2)(a)

From: Daniel Madley [TSY]

Sent: Wednesday, 13 December 2023 8:42 am

To: FULLER, Nicolasa (NAD) <Nicolasa.Fuller@mfat.govt.nz>; VERSTEEG, Tessa (NAD) <Tessa.Versteeg@mfat.govt.nz>; TURNER, Rebecca (NAD) <Rebecca.Turner@mfat.govt.nz>; SALMOND, Jeremy (CLU) <Jeremy.Salmond@mfat.govt.nz>; GEELS, Deborah (DS AAG)

IN-CONFIDENCE

<Deborah.Geels@mfat.govt.nz>; VERHAEGHE, Geetha (CLU)
<Geetha.Verhaeghe@mfat.govt.nz>; GRIFFITH, Richard (NAD) <Richard.Griffith@mfat.govt.nz>;
MCLACHLAN, Pip (DS AAG) <Pip.McLachlan@mfat.govt.nz>; Bev Driscoll
<B.Driscoll@transport.govt.nz>; Richard Cross <r.cross@transport.govt.nz>; Nick Graham
<N.Graham@transport.govt.nz>; Sarah Carson <S.Carson@transport.govt.nz>; Stacey Lulham
[TSY] <Stacey.Lulham@treasury.govt.nz>; Yi Nicholl [TSY] <Yi.Nicholl@treasury.govt.nz>; Ann
Webster [TSY] <Ann.Webster@treasury.govt.nz>; Bryan McDaniel [TSY]
<Bryan.McDaniel@treasury.govt.nz>
Cc: Chris White [TSY] <Chris.White@treasury.govt.nz>; Aaron Gill [TSY]
<Aaron.Gill@treasury.govt.nz>; Michael Moore [TSY] <Michael.Moore@treasury.govt.nz>
Subject: For response by 9.45am today please - draft Q+A re. Project iReX
Importance: High

[IN-CONFIDENCE]

Good morning all,

The Minister of Finance's office has requested that we provide them with draft Q+A by 10am this morning.

We have drafted the attached. With apologies for the short timeframe, can you please let me know if you have any comments, suggested changes, or even Q+A that you wish to insert, by way of making tracked changes in the attached and emailing it back to me by **9.45am today**.

Regards,

Daniel Madley | Senior Analyst – The Treasury

M: s9(2)(a)

CONFIDENTIALITY NOTICE

The information in this email is confidential to the Treasury, intended only for the addressee(s), and may also be legally privileged. If you are not an intended addressee:

- a. please immediately delete this email and notify the Treasury by return email or telephone (64 4 472 2733);
- b. any use, dissemination or copying of this email is strictly prohibited and may be unlawful.

IN-CONFIDENCE