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The ferry programme remains one of the Government’s largest infrastructure projects, intended to replace ageing Cook Strait vessels and modernise associated port infrastructure.

\$14.4m spent on consultants

That’s how much state-owned company delivering Cook Strait ferry fleet has spent in 13 months

MARITIME
Andrea Vance

The state-owned company delivering the new Cook Strait ferry fleet has spent more than \$14.4 million on external contractors and consultants in its first 13 months of operation.

But that’s not the total bill. Ferry Holdings Limited (FHL) won’t disclose the true cost, withholding several supplier-level payments under the Official Information Act on commercial and privacy grounds.

More than \$11.85m of the total was spent on consulting and professional services, covering ship design, engineering, legal advice and commercial advisory work.

A further \$2.5m went on contractors filling temporary and interim roles across project management, human resources, communications and other corporate functions, while the agency built out its permanent staffing.

The spending covers the period from the company’s incorporation on March 5, 2025, to March 31, 2026, and the figures are exclusive of GST. The largest areas of consulting spend were dominated by ship design and legal advisory work. Danish naval architecture firm Knud E.

Hansen was paid \$2.38m, while OSK Design received \$1.72m for ship design services.

Legal and commercial advice accounted for a further significant share, with MinterEllison Rudd Watts receiving \$2.38m and international lawyers Holman Fenwick Willan LLP \$697,000.

In December, it was revealed FHL turned to MinterEllison after declining an Official Information Act request from *The Post* and facing a complaint to the Ombudsman.

Engineering and infrastructure advisory work was led by Beca, which received \$1.7m, alongside a range of smaller consultancies supporting planning, procurement and project delivery.

In November, Rail Minister Winston Peters said the new ferry programme would deliver savings by removing what he described as “expensive consultants” from the previous iReX project.

Announcing the replacement ferry deal, Peters said savings were achieved “because we have done away with the expensive consultants who hijacked the project by adding more and more infrastructure until Treasury warned the project would cost \$4 billion”.

Peters did not respond to a request for comment.

Top 10 disclosed external spends (excluding GST)

1. Knud E. Hansen: \$2,381,000
2. MinterEllison Rudd Watts: \$2,379,000
3. OSK: \$1,716,000
4. Beca Limited: \$1,696,000
5. Hays Specialist Recruitment Ltd: \$992,000
6. Holman Fenwick Willan LLP: \$697,000
7. KPMG: \$665,000
8. PWC: \$537,000
9. TSA Riley: \$507,000
10. Smartship Australia: \$298,000

FHL chief executive Sandip Ranchhod said the use of contractors and consultants reflected the “specialised nature” of the programme and the organisation’s small size as it was set up.

The company needed to engage specialist advisers in areas such as ship design, infrastructure and legal services given the scale and complexity of the ferry replacement project and the multi-party commercial agreements required to deliver it, he said.

Outsourcing functions such as financial processing and technical advisory work was “more economical” than building equivalent capability in-house at this stage and reliance on contractors was expected to reduce as permanent staffing levels increased.

Some payments remain partially or fully withheld.

These include fees paid to ship broker Barry Rogliano Salles (Geneve) S.A, which FHL said were withheld because disclosure may allow its commercial terms to be inferred.

FHL also withheld exact amounts paid to several individual contractors, including Andrew Brown Limited, Darren Halka and Clyde Built Solutions Limited, saying disclosure would reveal personal remuneration rates and could prejudice future contracting arrangements.

The agency also declined to release a comparison of budgeted versus actual consultant expenditure, saying this will instead be published in its updated 2025/26 Statement of Corporate Intent in May 2026.

FHL said the use of consultants was expected to reduce as permanent staffing levels were filled out by the end of the 2026/27 financial year.