

19 June 2006
Reference: 20060080

Stephen Church
Parliament Buildings
WELLINGTON

Dear Stephen Church

Thank you for your letter which was received on 20 April 2006 concerning an Official Information Act request. You requested:

Copies of all documents prepared and received by the Treasury regarding the costs and the contractual arrangements for the regional prisons project.

In a discussion with a Treasury official you narrowed the request to specifically cover:

- *comments and advice proffered by Treasury on any costs and fiscal risks associated with the contractual arrangements at Northland, Auckland Women's, Spring Hill and Otago prisons, particularly as they relate to Collaborative Working Arrangements (CWAs);*
- *supporting contextual documentation (including that "received by" Treasury from other sources) necessary to understand any such comments and advice.*

I have identified the following documents as being relevant to your request:

No.	Date	Document Description
1	02/07/1999	Internal notes from meeting with Corrections officials
2	31/08/1999	Internal notes for meeting between Alan Bollard and Mark Byers
3	15/02/2001	South Auckland Prisons Review
4	03/01/2002	Treasury Report: Vote Corrections 2001 Value for Money – Progress Report T2001/1996
5	1/8/200 2	Corrections VFM 2001/02
6	1/2/2004	Comments on Department of Corrections Business Case Title: Auckland Regional Women's Corrections Facility Commissioning and Northland Region Corrections Facility Operating
7	18/03/2004 25/03/2004	Regional Prisons Development Project (CWA report)
8	30/03/2004	RPDP Steering Group Meeting (No. 35)
9	24/08/2004	Corrections Internal Memo: SHCF Earthworks CWA
10	25/8/2004	Spring Hill earthworks cost increases
11	29/08/2004	Corrections Internal Memo: SHCF Earthworks

12	30/08/2004	Corrections Internal Email:SHCF Earthworks
13	31/08/2004	Corrections Internal Memo: SHCF Earthworks CWA
14	13/09/2004	Internal and external emails on Collaborative Working Arrangements
15	13/9/2004	External Email: Spring Hill CWA
16	13/9/2004	External Email: Spring Hill
17	19/11/2004	Corrections Internal Memo: SHCFE Earthworks for noting
18	7/12/2005	Corrections CBC paper: Progress Report on Regional Prisons Development Project
19	8/12/2005	Briefing Note: Capital Cost Increases at Auckland Women's, Otago and Spring Hill
20	12/12/2005	Aide Memoire: Cost Increases at Spring Hill and Otago Regional Prisons
21	16/12/2005	Treasury Report: Briefing for Cabinet Business Committee 19 December 2005 (T2005/2379)

I have withheld parts of documents under 9(2)(a) the Official Information Act 1982 — to protect the privacy of natural persons, including deceased people.

There are two reviews currently underway that cover the subject matter in question (one being undertaken by the State Services Commission). I have withheld in full documents 3 – 21 under sections 9(2)(f)(iv) and 9(2)(g)(i) of the Act, as release of these documents now may prejudice these reviews.

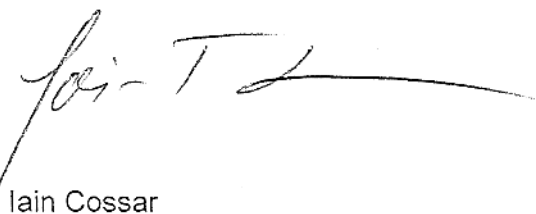
Insofar as the request relates to documents created in the State Services Commission review, we propose to transfer the request to State Services Commission, as the agency whose functions are more closely connected with such information. The transfer is outside the normal time limits for such transfer. However, the Treasury only recently received documents in connection with that review. This, combined with the extension of time limit for response, meant that such documents are now within the scope of the request. As a result, we consider the purposes of s.14 of the Act are best given effect by such transfer.

This fully covers the information you requested.

In making my decision to withhold the information outlined above, I have considered the public interest considerations in section 9(1) of the Act.

You have the right to ask the Ombudsman to investigate and review my decision to withhold this information.

Yours sincerely



Iain Cossar
 Manager, Justice and Welfare
 for Secretary to the Treasury

NOTES FROM MEETING WITH
ON FRIDAY 2 JULY 1999

Withheld under section 9(2)(a)

Northland Prison

Dept will report back in mid August to request the \$.

Discussed issue of private financing and management of prisons. Corrections are open to exploring the option, however want a mandate from Ministers to do so before they go out and do any work (this mandate will be requested in the 1-August report back).

ie.
Corrections
open to it

IN CONFIDENCE

Date: 31 August 1999

To: Alan Bollard

cc: **Withheld under section 9(2)(a)**
Withheld under section 9(2)(a)

From: **Withheld under section 9(2)(a)**

MEETING WITH MARK BYERS ON WEDNESDAY 1 SEPTEMBER

Listed below are the key issues for the Department of Corrections that you may wish to discuss with Mark Byers when you meet with him on Wednesday 1 September.

[Not relevant to the request]

[Not relevant to the request]

[Not relevant to the request]

Private Financing and Management of Prisons

Treasury has encouraged the Department to consider investigating the viability of contracting out the design, construction, ownership, and management of the proposed new prison in Northland.

Overseas experience indicates that contracting out prison operations reduces costs, both in the design and construction and in the management of prisons. The creation of a competitive market for prison operations would also provide the Public Prisons Service with an incentive to increase efficiency.

The Department has already contracted the management of the Auckland Central Remand Prison (due to open in May 2002) for an initial term of five years. However, there has not yet been a privately designed or owned prison in New Zealand (a tender process for such a prison was previously unsuccessful 925/96).

[Not relevant to the request]

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

[Not relevant to the request]