

15 October 2015

Auckland Prison Public Private Partnership

The Department of Corrections announced in September that financial close was reached with a Public Infrastructure Partners (PIP) Fund consortium. Next Step Partners (NSP) was the successful PPP bidder to design, build, finance and maintain a new Auckland Prison facility, and maintain the existing facility.

The NSP consortium comprises the PIP Fund, Fletcher Construction (Building and Interiors), Cushman and Wakefield (formerly DTZ) and Westpac. Fletcher is undertaking the design and construction of the new facility, Cushman and Wakefield will be responsible for the Asset Management and Facilities Maintenance and Westpac are debt providers. Macquarie Capital provides financial and commercial advice to NSP.

To ensure Corrections received the highest quality and most cost effective solution NSP worked with Corrections and Treasury.

The Auckland Prison PPP is a Design, Build, Finance and Maintain (DBFM) contract and is unique in that it also includes the maintenance of an existing facility. The Auckland Prison PPP contract involves:

- The design, construction, finance and maintenance for 25 years of a new maximum security facility;
- The maintenance of the existing Auckland Prison West Facility for approximately 27 years (concurrent with the start of construction of the new facility); and
- Custodial operations are not included in the contract and both facilities will continue to be operated by Corrections.

The Project

Auckland Prison is located near Albany, northwest of Auckland City and has designated capacity for 681 male prisoners, ranging from minimum to maximum security classification. The existing Auckland East Facility within Auckland Prison is New Zealand's only maximum security facility and has a capacity of 261 male prisoners.

The existing Auckland East Facility was built nearly 50 years ago and is one of Correction's older facilities. It requires redevelopment as it has been assessed as having reached the end of its operational life, with structural and operational deficiencies. Corrections is not seeking to simply replace like with like. The 1960s design of the existing facility reflects an operating model focused mainly on the containment of difficult prisoners.

This project will see the existing end of life maximum security facility replaced with a secure, modern facility.

Early works started on the new maximum security facility site in October 2014. Construction starts in December 2015. The development and construction period is 25 months, with completion in December 2017 and operational commencement forecast for mid-2018.