



JOYFUL AND TRIUMPHANT

at Circa One, Wellington

Rich in insight, humour and pathos

[Read the full review on Theatreview >>](#)



<http://www.scoop.co.nz/stories/BU1604/S00072/serco-to-pay-8m-to-corrections-after-step-in-clause-invoked.htm>

Serco to pay \$8m to Corrections after step-in clause invoked

Monday, 4 April 2016, 10:50 am

Press Release: BusinessDesk

Serco to pay \$8m to Corrections after step-in clause invoked in Mt Eden contract

By Jonathan Underhill

April 4 (BusinessDesk) - Serco has agreed to pay \$8 million to Corrections after the department stepped in last July to manage the Mt Eden Corrections facility.

The payment is to cover the costs after Corrections chief Ray Smith invoked a step-in clause in the Crown's contract with Serco, taking back management, and the cost of settling performance notices, said Corrections Minister Judith Collins.

The multinational outsourcing group is awaiting the outcome of a judicial review into reports of its management of the facility, which was terminated after reports of organised fights and contraband surfaced on social media. Serco took over the management of the Mt Eden remand prison in 2011 after winning a \$300 million, 10-year contract.

"An agreement with Serco has also been reached that effectively narrows down the contractual arrangements with Serco to a labour supply agreement with other transition services for the balance of the contract through to 31 March 2017," Collins said. "Corrections will continue to manage Mt Eden with Serco providing personnel at cost until the end of the contract. Serco will make no profit from the arrangement."

Serco hasn't been banned from seeking other contracts in New Zealand and continues to manage the Wiri Prison in South Auckland for Corrections.

The agreement over the \$8 million payment is separate from a report from the chief inspector of Corrections into Serco's management of Mt Eden, which is currently before the courts, Collins said.

London Stock Exchange-listed Serco runs outsourced public services around the world in numerous sectors, employing 122,000 people in 30 countries, including Australia's mainland and Christmas Island immigration detention centres to house asylum-seekers and illegal migrants arriving by boat and air.

ends