

Jail builder goes broke

Collapse strands workers

THOUSANDS of construction workers are jobless after a national company went belly-up.

A \$400 million prison in Ararat is in limbo months from its completion date after builder St Hilliers Construction Pty Ltd was put into liquidation.

Six St Hilliers sites in Victoria – mostly large residential towers – have been shut down with more than 300 subcontractors owed about \$20 million.

St Hilliers had been negotiating a \$150 million bailout from the State Government, Ararat Prison equity investors and its bankers, but talks failed.

The cost blow-out came after the builder sourced material from China, including windows and doors, which were unable to be reshaped and had to be sent back overseas.

The Government said yesterday it would not be held to ransom and the private consortium needed to find a new builder to complete the 360-bed prison.

But CFMEU state secretary Bill Oliver accused Premier Ted Baillieu of turning a blind eye to the problems, despite knowing about them in December.

Aleks Devic

“This could have been avoided,” he said. “Every one of those subcontractors pays their taxes, too. It’s up to the Victorian Government to look after them.”

He also took aim at the Brumby government, which commissioned St Hilliers in 2010 to do the job, saying the company was never the right choice but the cheapest.

St Hilliers Group executive chairman Tim Casey said: “It is very regrettable that we have had to initiate this action.

“We have, over a number of months, explored and exhausted all possible avenues to recapitalise the construction business and find a solution to the significant cost and time overruns on the Ararat project.

“Unfortunately a solution was not possible under the current regime.”

A government spokesman said it was the consortium’s responsibility to find another builder.

“We urge the consortium to fulfil its obligations to subcontractors and workers who haven’t been paid,” the spokesman said.

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