

NEWS

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# Hidden costs of jail deal

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TAXPAYERS have been left in the dark about how much they will pay to resurrect the stalled Ararat prison project after a new contract was approved by the Baillieu Government.

Premier Ted Baillieu yesterday signed a re-financing agreement that will allow work on the stalled \$400 million development to continue, with the prison to be

built by the end of 2014. The rescue deal is a win for hundreds of subcontractors, who will be paid debts they have been owed since May, when builder St Hilliers Construction Pty Ltd went into liquidation.

But it was unclear last night when workers — some owed as much as \$750,000 — would get their money.

Claims must first clear a strict assessment process.

Under the deal struck between the Government, Commonwealth Bank and Bendigo and Adelaide Bank, the lenders will search for a new builder to take over construction.

Despite declaring the re-financed project would not have a significant impact on

the state's net debt or budget surplus, Mr Baillieu could not say how much the deal would cost Victorians.

"When other contractual matters, other commercial matters, are settled, we will undertake to make a further statement about those matters," he said.

Mr Baillieu was also unable to say exactly when

work would restart. He said he had instructed officials to do "everything possible within the Government's authority" to expedite the process.

Under the deal, subcontractors will have to take their claims to the two banks.

Mr Baillieu said he hoped the claims would be assessed within weeks.

But Construction Forestry Mining and Energy Union state president Ralph Edwards said the Government had been "asleep at the wheel" in renegotiating the contract and claimed the agreement gave unpaid workers no guarantees.

"After 80 days, the Premier has come up with no assurances, no guarantees that the subbies are going to be paid all the money they are owed," he said.

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