

Doubts fly about Ansett Mk II

Jane Boyle

Doubts are growing that a viable restructured Ansett can be established, and one bidder for the airline's trunk route operations warned yesterday that time was fast running out.

Former Ansett chief executive Mr Graeme McMahon, who is leading the ANstaff pilots' syndicate, admitted it was difficult raising funds given the depressed global environment. "Every day that goes by is making it more difficult because of the swing of business to Qantas," he said.

His warning came as Federal Government officials pored over a submission received late on Wednesday from Ansett's administrators urging the Government to subordinate its \$195 million loan to cover early redundancies behind unsecured creditors. They warned that a deal to establish "Ansett Mark II" depended on the Government's agreement to do so.

Meanwhile, Melbourne businessmen Mr Lindsay Fox and Mr



Ansett workers join a protest march in Melbourne.

Photo: JOHN WOULDSTRA

Solomon Lew are tightening the screws on Ansett's administrators.

It is understood they have threatened to walk away from negotiations unless the Government provides the grant and the adminis-

trators deal with them exclusively, among other conditions.

Sources said the administrators were also negotiating with a financial institution "with close links to Singapore", although it is unclear

whether it is associated with Singapore Airlines, which is providing consulting services to the Ansett administrators.

Administrator Mr Mark Korda told creditors on Wednesday that each bid had strengths and he would like to combine them.

But Mr Fox and Mr Lew, the only bidders to have made a formal proposal, have balked at that prospect.

The Opposition Leader, Mr Kim Beazley, has pledged to support the provision of funds to Ansett. But Government officials said the administrators' proposal lacked detail and they would seek more facts.

ANstaff advisers are due to return on Sunday from a whirlwind trip to the United States and Europe to finalise financing for their proposal for a full-service airline with a fleet of about 38 planes.

Mr McMahon said yesterday: "If we get the money, we get the money. If we don't, we don't."

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