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No cladding replacement work for LU Simon, Hickory

Michael Bleby *Senior reporter*

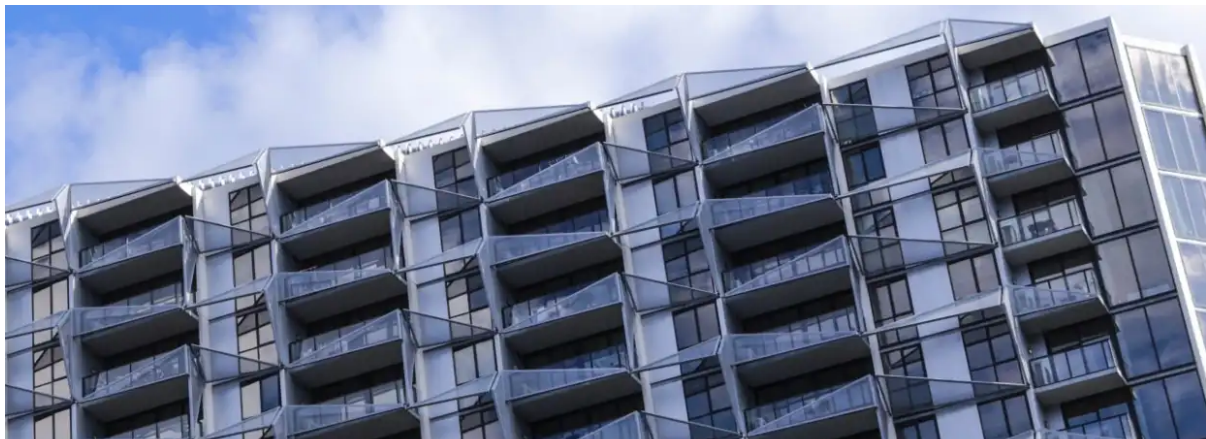


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Victoria has excluded builders LU Simon and Hickory Group from a new fast-track cladding rectification scheme, in a move that creates confusion about which companies can tender for work under the \$600 million spend.

State Planning Minister Richard Wynne this week said the government would speed up the program initially slated to rectify combustible panels on 100 buildings a year, setting the new target of starting work on 400 buildings by the end of next year, the program's second year.



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But while Mr Wynne said "original builders" would be invited to participate, on Wednesday he singled out [LU Simon, the builder of Melbourne's infamous Lacrosse tower](#), and Hickory, which halted cladding-related damages claims against it [when it put subsidiary H Buildings](#) into administration.

"Neither Hickory nor LU Simon will get a look in," Mr Wynne told *The Australian Financial Review* on Wednesday.

"Participating builders will be subject to rigorous government checks in addition to having no relevant or significant pending or past disciplinary action on their records."

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The statement will create confusion about which companies will be eligible to participate in the fast-track recladding program.

While LU Simon was found by a tribunal last year to bear some liability for the use of combustible cladding on Lacrosse, it was not ultimately to blame and its

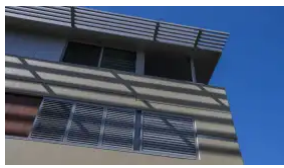
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Romuald Andrew, who acted for LU Simon in the VCAT tribunal hearing.

Mr Wynne also said builders engaged to rectify their projects would do so on a no-profit basis, but industry figures questioned how this would be done.

"If government is going to run open-book contracts then builders will just inflate their costs from other parts of their business to show the cladding rectification was not profitable," said Sahil Bhasin, the national general manager of building consultancy Roscon.



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"What the builders should do in goodwill is just try and claim the money for the replacement cladding material and not claim additional expenses – labour and admin and associated costs – on top of this."

A Hickory spokeswoman said the company hoped to bid for work.

"We wish for the opportunity to take part in the solution," she said. "Surely, willing and caring businesses like Hickory who have the resources can be of help."

A spokeswoman for LU Simon said the company could not respond in time to Mr Wynne's comments made late on Wednesday.

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