

Financial Review - afr.com

Oct 22 2018 at 9:00 PM

Updated Oct 22 2018 at 9:00 PM

Reprimanded: LU Simon's Jim Moschoyiannis Lacrosse cladding penalty hearing ends

by [Michael Bleby](#)

Lacrosse builder Jim Moschoyiannis will likely be reprimanded by a [Victorian disciplinary body](#) for his company's role in installing combustible cladding on the Melbourne residential tower, after lawyers prosecuting the case against him said that would be an appropriate penalty.

Building Practitioners Board panel chairman Geoff Hoare concluded a penalty hearing on Monday, saying he was likely to reprimand LU Simon construction director Mr Moschoyiannis, following a submission by counsel assisting the board saying it would be satisfied with that level of penalty.

"It will be in line with the submissions from council assisting... that is, a reprimand and some quantum of costs," Mr Hoare said.

"The costs will be in the range of somewhere between \$50,000 and \$65,000. An exact quantum will be advised with our reasons in writing once we've handed that decision down. We'll have reasons and a final closure of this out within a fortnight."

The costs awarded against Mr Moschoyiannis are about one-quarter of the \$270,000 incurred by the prosecution. The reprimand, which still has to be finalised by the board, carries no fine and is at the lighter end of a range of possible penalties that includes cancellation of building licence.

But the relative lightness of this penalty in this case, separate from the [\\$24 million Lacrosse damages tribunal claim hearing](#), supports LU Simon's arguments [that it depended on its](#)

[consultants](#) – architecture firm Elenberg Fraser as well as a building surveyor and a fire engineer – to advise it on building materials and ensure it complied with the rules.

Mr Moschoyiannis, found in March to have [breached the state's Building Act](#) by installing the non-compliant polyethylene-core cladding, faced just one allegation over LU Simon's behaviour through a deeming provision in the legislation – he was the director whose name was on the building permit. LU Simon built the building in accordance with the contract and the building permit.

In contrast, separate "notices of inquiry" – allegations – the board has made against building surveyor Stasi Galanos and fire engineer Con Nicolas suggest they have more direct questions to answer over the polyethylene-core cladding that caused [fire to race up 13 levels of the 21-storey building in as little as 10 minutes](#) one night in 2014.

The board's cases against Mr Nicolas starts later this year. The case against Mr Galanos will start after Mr Nicolas' case has concluded.

Mr Moschoyiannis declined to comment to *The Australian Financial Review* after the hearing.