

The West Australian

Burst pipes hit Perth homes by BGC Housing Group, Ideal Homes, WA Building Company, Affordable Living

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📷 Hundreds of new homes across WA are caught up in another building industry crisis caused by a deluge of burst pipes, resulting in flooded houses and costly repairs. Credit: Supplied

Hundreds of new homes across WA are caught up in another [building industry crisis](#) caused by a deluge of burst pipes, resulting in flooded houses and costly repairs.

Industry sources claim 400-500 homes have been impacted so far by the mass failure of polybutylene plumbing pipes. A support group for affected customers has 753 members that are contemplating a class action.

Building companies are sweating hard on the outcome of an investigation by the State's building regulator to determine whether the cause and financial liability sits with them or the manufacturer.

The situation threatens to push more of them into liquidation.

Pipe manufacturer Iplex, which is part of the Fletcher Building Group, stopped selling its Pro-fit brand of pipes on May 31 last year.

Fletcher Building is an ASX100 listed company. Despite halting sales, Iplex doesn't yet accept it is to blame in any way for the crisis, which is not being mirrored in other parts of the country.

It has prompted affected local builders to wonder if they simply got a bad batch. Most of the impacted houses were built in 2019 and 2020.



Building companies in WA have been buckling under extreme economic pressures for the past two years due to escalating costs of materials linked to the pandemic-related supply chain issues, as well as a dire shortage of skilled tradespeople and an over-stimulated market due to government grants.

Building times have stretched out to three and four years and more than 100 local firms have gone into liquidation.

Several of the firms which have survived now fear the prospect of bills for all the repair work – as high as \$40,000 per home – ending up at their doors.

BGC Housing Group, as a high volume builder, is among those most exposed. Other impacted builders are understood to include Ideal Homes, Broadway Homes, WA Building Company, Affordable Living, Seacrest Homes, First Home Buyers Direct, Potter Homes, Express Homes, Multi Development 360, Nu-Style Homes, Aveling Homes and Status Residential.

Matthew Peacock, a Building and Energy director within the Department of Mines, Industry Regulation and Safety, has spent the past few months investigating the issue, and said he wasn't yet in a position to apportion blame.

“Building and Energy’s investigation has been focusing on determining the root cause of the problem i.e. whether it is a product manufacturing issue, substandard workmanship at the time of installation or a combination of both,” he told The Sunday Times.

“We have recovered some samples from consumers’ properties and have sent them for laboratory testing to confirm compliance with Australian Standard AS/NZS 2642.2 and WaterMark Certification. The laboratory needs a statistically significant number of samples to be able to make some definitive conclusions.

“Once the laboratory reports are available we will be in a better situation to gauge whether it is an issue with a batch or installation practices and will then know the potential extent of the problem.”

Because the pipes are behind walls, mostly tiled, replacing the defective pipes with new ones is a messy and expensive exercise, with all the tiling and other finishing trades having to be recalled afterwards.

Under the Building Services (Complaint Resolution and Administration) Act 2011 (WA), builders are required to attend to building defects within six years of practical completion

of the home.

“Consumers are encouraged to contact their builders first and if the issue is not attended to they can then lodge a complaint with Building and Energy,” Mr Peacock added.

“Building and Energy has, to date, received less than 10 complaints under the Act about this issue. It understands that, in most cases, the relevant builders have been attending to the issue.”

Naomi Thorne has endured six separate burst pipes at her three-year-old South Yunderup home due to the issue.

“We worry when the next one will burst,” she said. “I think all the houses that have had this happen should be getting re-piped.”

Jen Cornwell said her leaks at her new Wandi home weren’t discovered until they had “caused considerable damage and mould”.

“My son was without a bedroom from December to March whilst we waited for things to dry out and carpets be replaced,” she said.

“So far our builder has fixed – or is in the process of fixing – damage but will not replace all our wrecked furniture . . . our neighbour has also just had his second leak. We feel like we can never relax, just waiting for the next one to come and we are really worried about hidden mould and being left thousands out of pocket.”



Gailan and Shaun O’Connell said they’d had a shocking experience with WA Building Company, claiming it refused to repair damage done to their Yanchep home following five leaks.

“It would only stop the leaks, it wouldn’t repair the damage,” Ms O’Connell said. “We were told to go through our insurance company. They ignored emails and never returned our numerous calls.

“We went through our insurance company after the second leak. There was over \$26,000 worth of damage. We had mould, floors ripped up, damaged walls and cabinetry (on top of all the) dust, stress and time living in a building site.”

WA Building Company was unavailable for comment on Saturday.

Some affected homeowners told The Sunday Times they’ve had insect infestations caused by the damp.

Industry sources said polybutylene piping had been used for many years without any issues. It is considered easier to work with and is much cheaper than copper.

“It is strange that all of a sudden it has been failing,” said one plumbing industry insider.

In February, Fletcher Building addressed the deepening situation in its half year results.

“Iplex Australia has received a number of product quality complaints relating to a hot and cold water polybutylene pipe product it previously manufactured,” it reported.



“The complaints relate to leaks in homes, primarily built by group home builders in Western Australia, which have caused repair or replacement of the pipes and, in some cases, damage to the affected homes. No legal proceeding has been commenced but the complaints directed at Iplex Australia assert that the cause of the failures is attributable to it.

“Iplex Australia has not identified the root cause or causes of the leak, including whether they are the consequence of pipe defect, building practices, local conditions or a combination of factors. The Group is also aware that the Western Australia building regulator (DMIRS) is undertaking its own investigation.

“Iplex Australia’s exposure to costs incurred by the leaks, if any, will depend on the final determination as to their cause (or causes) and the extent to which it and/or third parties are responsible and any relevant insurance policies respond. Clarification of all these matters may take some time to be finally determined.

“There remains a risk the exposure of Iplex Australia to these claims will be greater than the amount it has currently allowed.”