

WED, 15 JAN 2025

Fletcher mum on leaky pipes counterclaim

Subsidiary Iplex Australia has sued builder BGC over leaky pipes scandal.



Fletcher Building has provisioned A\$155m for the cost of leaky pipes in Western Australia.

Journalist: Tim Hunter

Fletcher Building is refusing to discuss a lawsuit filed by its Australian subsidiary Iplex against companies in the BGC building group over the leaky pipes scandal in Western Australia.

The claim was filed on November 15 last year at the Australian Federal Court in Victoria as a cross-claim in the class action brought against Iplex last August by law firm Baker McKenzie.

Respondents to the cross-claim are listed in court filings as BGC and related companies Atlas Building, Ventura Home Group, J-Corp and Lisson Nominees.

The claim has not previously been disclosed by Fletcher.

Asked for details of what Iplex was alleging and what remedy it sought, Fletcher's chief corporate affairs officer Christian May initially said he was not familiar with the legal action. After checking with Australian colleagues he said: "Apologies but we are not making a comment on this".

A spokesperson for BGC did not respond to a request for comment.

Blame and counterblame

The litigation follows a spate of burst pipes in Western Australian homes fitted with polybutylene pipes made by Iplex.

BGC, the largest home builder in the state, **blamed** the leaks on defects in the Iplex products, while Iplex and Fletcher **blamed** faulty installation.

Last month Fletcher confirmed a deal with the WA Government, **announced** last August, in which Iplex Australia would pay up to A\$155 million (NZ\$171m) to fund remediation of homes affected by the leaks. The provision assumes the costs of leaks in BGC-built homes would be included through BGC's participation in the deal, but so far the WA company has chosen not to be involved, reducing the potential cost to Iplex.

In December's [announcement](#), Fletcher said it was expecting costs to June 2025 of A\$15m relating to the deal.

The class action filed by Baker McKenzie alleges Pro-fit pipes made by Iplex after July 2017 using Typlex resin were defective and led to the leaks causing damage to homes.

In a statement issued in August, lead plaintiff Tracey Watters said Pro-fit pipes installed in her home had burst or leaked 10 times in the past four years.

"These instances have caused damage to my property and possessions including ongoing damp and mould issues, and at times my family and I have had to relocate to alternative accommodation while repairs have been undertaken.

"I am one of many homeowners being forced to deal with these issues and I am hopeful that through this class action, Iplex will compensate me and others for the defects in the Iplex Pro-fit pipes."



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Security for costs

Court documents indicate the class action litigation funder Amtrust Europe has been ordered to provide security for costs amounting to A\$678,800 in the form of a deed of indemnity and a cash deposit of A\$30,000 into the court's trust account.

Iplex has been ordered to provide a range of documents to BGC, including copies of reports relied on in statements to the market that there were no manufacturing defects, and that the leaks had been caused by installation failures.

Iplex has also been ordered to provide a copy of the "the document or documents in which the Western Australian Department of Energy, Mines, Industry Regulation and Safety informed Iplex that 'concerns were identified' regarding the manufacturing process used for Pro-fit pipes and that the regulator had ruled out installation practices being the cause of the leaks".

A case management hearing in the case is scheduled for May 2 this year.

Iplex Australia is also subject to a lawsuit brought by BGC, [filed](#) in late August last year.