

Business

Homeowners launch class action against Fletcher B subsidiary Iplex over 'defective' pipes

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A class action has been launched against a subsidiary of New Zealand-based construction materials giant Fletcher Building over all that are believed to have caused flood damage to thousands of homes.

The class action was filed in the Victorian registry of the Federal Court of Australia and served on the dual-listed company's subsidiary Australia, by law firm Baker McKenzie.

It was filed on behalf of mostly homeowners who acquired polybutylene pipes manufactured by Iplex composed of a resin known as anytime from July 1, 2017. The alleged faulty pipes have been installed in homes and some commercial premises, and could affect n dwellings on the east coast and in Western Australia, which has been the focus of the flooding incidents.

The class action is seeking damages on behalf of group members who have suffered loss and damage as a result of the alleged defect misleading and deceptive conduct by Iplex. Iplex intends to defend the proceedings.

Lead plaintiff Tracey Watters of Perth said that in the past four years there had been 10 occasions where Iplex Pro-fit pipes installed had burst or leaked.

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

“This has caused severe stress and anxiety for myself and my family, and I am constantly living with the uncertainty of when another incident will happen.

“I am one of many homeowners being forced to deal with these issues and I am hopeful that ... Iplex will compensate me and others affected by the Iplex Pro-fit pipes.”

The class action against Iplex refers to claims that the pipes manufactured with the Typlex resin have an unusual propensity to expand, including crazing, cracking, rupture and leaks. It alleges the pipes were defective and do not comply with the statutory guarantee of fitness for purpose under the Australian consumer law. It also alleges Iplex engaged in “misleading and deceptive conduct”.

The issue has been a long drawn out saga, and Fletcher and Iplex have participated in mediated discussions alongside the WA government and WA builders, including BGC which has claimed the repair bill could be as much as \$750m.

In June, Fletcher denied its product was defective and blamed the torrent of pipe bursts on poor installation by builders, most specifically those who used Iplex’s polybutylene pipe products extensively in its new builds. BGC claimed that 11 per cent of new houses built in WA between 2010 and 2015 used the Iplex product, but Fletcher said those public claims were “a crude” attempt to place pressure on the negotiations.

“The conclusions shared by BGC have not been verified, shared with Iplex and are, in many respects, inconsistent with evidence we have in our hand or been provided by other parties,” it said.

Fletcher shares closed 1c down at \$2.78 on Tuesday.