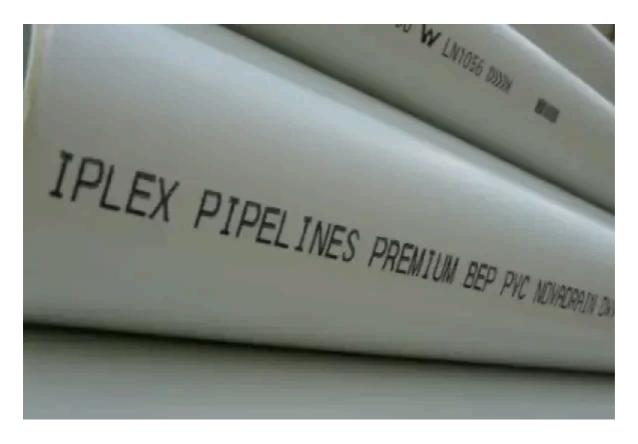
LAWYERLY

Fletcher Building unit faces class action over leaky pipes in Perth homes



Construction

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By Christine Caulfield

A unit of construction company Fletcher Building has been hit with a class action over its Pro-Fit pipes, which have been blamed by Western Australian builder BGC for plumbing failures in thousands of Perth homes.

Fletcher Building acknowledged the class action in a statement to the market on Tuesday, saying it was served on its Australian subsidiary, Iplex Pipelines. "Iplex intends to defend the proceedings," the Auckland-based company said in an announcement on the New Zealand stock exchange.

The case was filed in the Federal Court on Monday by Baker McKenzie on behalf of purchases of Iplex polybutylene pipes made from a resin known as Typlex-1050.

"FBU has previously made a number of related disclosures regarding polybutylene pipes under the name 'Pro-fit' to which this claim appears to relate," the company said.

"FBU and Iplex have no further comment to make on this matter at this time."

Rebutting claims by BGC that the plumbing failures in its houses were caused by a manufacturing defect, Fletcher has previously said the problems were confined to Perth despite Australia-wide sales of the pipes, and that evidence pointed to installation as the cause of leaks.

"The data and information provided by product merchants, builders and plumbing contractors confirms that the plumbing failures are limited to Western Australia and no abnormal leak rates have occurred elsewhere in Australia, contrary to claims made by BGC," Fletcher said.

The company's CEO Ross Taylor has said BGC's allegations were unfounded.

"Despite BGC's attempts to blame shift, Iplex AU and Fletcher Building remain committed to our course of action in helping the industry resolve the plumbing failures in Perth. We will continue to scientifically work through causation of the failures and support the industry to put in place the best solutions for affected homeowners in Perth," Taylor said.

In June, Fletcher slammed BGC's latest claims that the rate of leaking pipes was worsening.

"The situation is getting worse. Bursts are over 20 per cent higher than the same period last year," CEO Danny Cooper said, according to a report in the West Australian. "No builder can afford to carry the cost of this issue."

Fletcher said the builder's comments were a "crude" attempt to place pressure on confidential negotiations between the company, a number of builders and the Western Australian government.

"The conclusions shared by BGC have not been verified, shared with Iplex and are, in many respects, inconsistent with evidence we have gathered first-hand or been provided by other parties," the company said. "Fletcher Building stands by its views on causation shared with the market previously."

The case is Tracey Ellen Watters v Iplex Pipelines Australia Pty Ltd.