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EXCLUSIVE

Home sale headache for thousands of owners trapped in flooding dwellings



John Flint The West Australian
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Thousands of WA families can't get 'defective pipes' ripped out of their homes quickly enough as insurers decline to renew policies on properties hit with repeated water bursts. Credit: Supplied

Thousands of WA families can't get "defective pipes" ripped out of their homes quickly enough as insurers decline to renew policies on properties hit with repeated water bursts.

The Sunday Times can reveal a growing number of homeowners with Iplex's Pro-fit Typlex 1050 resin pipes are being knocked back for home and contents insurance by insurers including RAC and QBE.

The RAC said it did not query the type of pipes when issuing policies, but that "a person's claims history... is considered when assessing if insurance can be

provided”.

QBE said it was “standard practice” to assess each situation individually.

Marc Lukaitis and his family have endured an incredible 13 bursts in five years at their Success house.

“This is something that is 100 per cent on our minds at the moment and is preventing us from making financial decisions until the issue is fixed,” he said.

“We can’t rent the place out as we wouldn’t want to put tenants through the same problems we have been through.”



📷 Thousands of WA homeowners are impacted by the defective Iplex pipe saga. Credit: Daniel Wilkins/The West Australian

One carpet has had to be replaced four times.

“The first burst was about two years after we moved in, and it’s just been pretty constant since then. . . it’s like a ticking time bomb.”

Fed up owners instead hoping to escape their waterlogged hell by selling their properties are also being stonewalled on a different front.

Real estate agents risk being sued if they fail to disclose information to a homebuyer who suffers losses or damage as a consequence.

REIWA CEO Cath Hart said the issue had “potential implications across the established property market, including sales, property management and strata management”.

It’s prompted Consumer Protection to recommend homebuyers request a Seller Disclosure Statement or make their own enquiries about whether a home has the Iplex piping.

Ms Hart said REIWA was scheduled to meet with Commerce Minister Sue Ellery to discuss the issue and its ongoing impact on agents, buyers and sellers.

But when it comes to addressing the underlying issue – replacing the pipes – homeowners remain at the mercy of the builders who installed them.



The Cook Government has agreed to help fund the replacement of pipes from affected homes, with manufacturer Iplex Australia agreeing to fund 80 per cent of the remediation costs under a deal brokered by the Government.

Dubbed the “industry response”, the deal only covers homes with Pro-fit Typlex 1050 resin pipes – installed in an estimated 15,000 WA homes between 2017 and 2022.

Homeowners with other types of Iplex piping installed before 2017 claim their pipes are prone to the same failures, and they’ve been “forgotten” by the Government.

BGC, which built 50-60 per cent of the affected homes, has refused to join the agreement, choosing instead to sue the manufacturer.

It will likely see the Building Commissioner issue a stream of remedy orders, requiring it to undertake the same work as the industry response.

BGC said it had already done more than Iplex and its parent company Fletcher Building to help its clients.

“BGC has spent more than \$20 million replacing pipes for its WA homeowners, more than double what Fletcher has contributed to the rest of the industry through its ‘interim investigation fund’ to date,” a spokesperson said.

The industry response is being finalised, but remedial works will be undertaken proportionate to the number of leaks.

Homeowners with one leak will be offered repairs and a ceiling re-pipe, those with two offered a zone re-pipe, and those with three or more will be offered a full or partial replacement of all pipes.

Accommodation costs will be covered where homeowners need to move out during replacement works.

But the manufacturer has warned the industry response “will terminate” for those who participate in a current class action against it at the conclusion of that action.

For homeowners like Mr Lukaitis, the repeated leaks are an ongoing stress.

His most recent leak went into a cavity backing onto his three-year-old son’s bedroom and caused black mould.

He said “the stress of not knowing” what the next one will cause, like mould or electrical incidents, was most concerning for him.

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“He had to move out of his room for about two months while it was fixed,” he said.

North Coogee resident Amanda Rushby has had nine leaks in her two-storey home so far.

“We had one leak when we were in Europe,” she said. “Fortunately for us, our son was home. Otherwise, our whole top level would have been like destroyed.

“It’s almost to the point where you can’t be away from your home for fear of what you’re going to come home to.”

Consumer Protection advised homeowners to contact the manufacturer for failures in older pipes, adding that it was investigating the pre-2017 issue with a view to providing further advice in future.

“This advice will focus on a consumer’s rights to make a claim on any manufacturer warranty that may apply to the pipes,” a spokesperson said.

The Sunday Times understands owners haven’t had any success with warranty claims so far.
