

Regulators split as State, Federal Government ‘pass the Buckeridge’ amid BGC and Iplex’s burst pipe bust up



Matt McKenzie The West Australian
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The disputed pipes are installed in nearly 1200 WA households. Credit: The West Australian

Victims of the BGC-Iplex burst pipes saga are still waiting for action from regulators, two months after WA raised the alarm with the Australian Competition and Consumer Commission.

As the companies battle over whether the pipes or their installation is the root cause of a saga potentially affecting 12,000 homeowners, WA’s Building & Energy office is still leading the investigation after asking the ACCC in August to step in under national product safety laws.

News of the regulatory runaround comes a day after BGC’s extraordinary claim of a \$700 million bill to fix the flood of plumbing issues hitting WA homes.

The building company – owned by Len Buckeridge’s heirs – said on Wednesday its expert investigation attributed the leaks to resin used in the manufacturing of the pipes by Iplex, a subsidiary of ASX-listed Fletcher Building.

BGC was actively working to secure a product recall through regulators with more than 2000 burst pipes discovered so far.

On Thursday, a spokeswoman for the ACCC said the State’s Department of Mines, Industry Regulation and Safety was continuing to lead the investigation.



News. BGC customers protest over delays in the construction of their houses, some longer than three years. The group protest outside a BGC display home in Mandogalup. Pictured are James and Sonia Skerratt with daughter Esmeralda, 8 weeks old. Credit: Jackson Flindell/The West Australian

“The issues being investigated raise important safety issues,” she said.

The bureaucracies operate under a “one-law, multiple-regulator” model which shares powers.

Commerce Minister Sue Ellery said she had spoken to BGC on Wednesday and would move forward a meeting with the builder previously scheduled for December – but declined to specify when that would occur.

Ms Ellery said she was aware of the problematic pipes which had “caused stress and inconvenience” for many homeowners.

She said Building & Energy had been investigating whether product manufacturing or installation was at the heart of the issue, or a combination of both.

The department had continued working with Fletcher Building on a path forward, Ms Ellery said.

Fletcher revealed on Wednesday that more than 383 pipe repair jobs had been funded by the company.

The Auckland-based manufacturer said 20 testing regimes with a total of 875 samples had shown a clear link between installation mistakes and plumbing failures.

BGC's sensational \$700m fix claim came as the company warned 11,817 WA homes were built with pipes which use the resin, about a quarter of all houses built in the State since 2017.



News. BGC customers protest over delays in the construction of their houses, some longer than three years. The group protest outside a BGC display home in Mandogalup. Credit: Jackson Flindell/The West Australian

That huge figure assumes all homes with the pipes would need a full replacement job – if all the pipes are problematic and the leaks are not linked to installation issues.

The builder said the cost of relaying piping at affected homes would average an extraordinary \$60,000 each, but work was underway to find alternative solutions.

Reports on Thursday also indicated Iplex had delayed a debt deal amid the pipe spat.

“We are still in the middle of the process and are continuing to consult with potential investors,” a spokesman said.