

Fletcher Building under investigation for leaky pipes: 'We acknowledge frustration'



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Ross Taylor announced the problems today. Photo / Jason Oxenham

Fletcher Building subsidiary Iplex is under investigation in West Australia for leaky water pipes and is establishing a A\$2 million fund to help plumbers and builders who installed products found to be defective.

Ross Taylor, chief executive, announced today issues with the product Iplex Australia makes, called Pro-fit.

“We acknowledge the frustration and inconvenience impacted homeowners and their families are facing. We are working hard with builders to arrive at an acceptable outcome for affected homeowners,” he said.

Fletcher revealed problems after receiving many complaints about the hot and cold water polybutylene pipe product.

“The complaints relate to leaks in homes, primarily built by group home builders in Western Australia, which have required repair or replacement of the pipes and, in some cases, damage to the affected homes,” the company told the NZX today, front-footing the issue.

Iplex Australia will establish a A\$2 million (NZ\$2.16m) fund to assist other WA plumbers and builders who constructed affected homes on a “no admissions basis to reimburse costs incurred”, the company added.

Western Australia’s building regulator the Department of Mines, Industry Regulation and Safety (DMIRS) is doing its own investigation.

Reports to Iplex Australia show about 1200 of the 15,000 Western Australia homes with Pro-fit installed between 2017 and 2022 had leaks.

The date range is relevant because builders have told Iplex Australia they have not experienced unusual levels of leaks in homes built previously. Iplex Australia stopped selling Pro-fit in the middle of last year.

“The Pro-fit product was also sold in other states of Australia in that period. Reports to Iplex Australia are that the leak rate in those states is not materially unusual for a product of this type,” the Fletcher statement said.

The Pro-fit product was sold only in Australia and the resin used in it during the period in question was not used by Iplex New Zealand or any other Fletcher Building company for any other product, it said.

The WA regulator said its tests were not yet complete.

But it also said Iplex Australia should expect its results to lead to the department finding leaks were due to a manufacturing defect.

A Western Australia group home builder has also advised it expects to deliver to Iplex Australia the results of its own tests once completed.

“For its own part, Iplex Australia is undertaking its own ongoing, extensive investigation into the root cause. At this time, the work that has been completed does not identify a manufacturing defect,” the statement today said.

The extent to which Iplex Australia will ultimately have accountability for this matter, the cost and timing of any payments can’t be established right now, the statement said.