

# The West Australian

EXCLUSIVE

## Iplex defective pipe saga: BCG, Fletcher Building to meet over Perth building crisis



**John Flint** The West Australian  
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The failure of Iplex polybutylene pipes has caused repeated flooding of thousands of homes across Perth.  
Credit: The West Australian

Former Supreme Court Justice John Chaney will oversee breakthrough talks between the warring companies to find an industry led solution to the bursting pipes crisis impacting thousands of Perth homes.

All sides have agreed to get around the table to mediate a commercial resolution on the \$1 billion-plus fix, that will likely require all the defective piping to be replaced.

The failure of Iplex polybutylene pipes has caused repeated flooding of thousands of homes across Perth, with extensive property damage and people forced to move out, sometimes for months, as damage is repaired – only for more leaks to

often occur.

It has exacted a mental toll on affected families, who are in constant fear of fresh leaks.

The biggest group builder to use the product, BGC, claims the pipes were faulty and has blamed the manufacturer, ASX-listed Fletcher Building, which in turn denies the product is defective and claims incorrect installation is the cause of all the leaks.

The Sunday Times last month exclusively revealed Commerce Minister Sue Ellery had approached the companies and urged them to enter talks to end the deadlock.

They agreed and John Chaney SC, who is also President of the State Administrative Tribunal, has been appointed to oversee the mediation process, which was facilitated by the Housing Industry Association.

Minister Ellery on Wednesday hailed the “encouraging development”.

“The Cook Government acknowledges that this has been a distressing situation for families, and it’s a matter we are taking seriously,” she said.

“I welcome this encouraging development and the agreement from builders to pursue an industry led solution.

“We want to see the best outcome for consumers who have been affected by this and I am hopeful all parties will participate in good faith.

“I look forward to seeing the outcome from these ongoing discussions.”

The mediation process was independent investigations being undertaken by the Building and Energy and Consumer Protection divisions of the Department of Energy, Mines, Industry Regulation and Safety.

Impacted homeowners’ whose building was completed within the last six years can lodge a building service complaint with Building and Energy.

The regulator can issue remedy orders for the pipes to be replaced.

Time is running out for affected homeowners to get what they’re entitled to under WA building laws.



Time is running out for affected homeowners to get what they're entitled to under WA building laws.  
Credit: Daniel Wilkins/The West Australian

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Some are already time-barred from obtaining the remedy orders because six years have lapsed since their homes were completed.

Consumer Protection was separately looking into whether it can take the extraordinary step of ordering a mandatory product recall. Such a move that would almost certainly be fiercely resisted in the courts by Fletcher Building.

Consumer Protection has recently sought details and witness statements of injuries and electric shocks caused by the flooding incidents.

The Government's preference is an industry-led solution over wielding a big stick.

Building and Energy's investigation into the pipes supported BGC's position that they were defective. The regulator found "work practices and workmanship were not the cause of the pipe failures" after an inspection of 50 homes.

The focus of attention has been WA homes that the Iplex pipes went into during a five-year window from mid-2017 to mid-2022, when the pipes' resin changed.

But there are thousands more homeowners, who had the pipes go into their homes before 2017, screaming theirs are failing as well. They claim Fletcher Building won't honour the 25-year warranty on the product.

The West understands installation time-frames will be discussed between the companies as part of the mediation process





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

Up to now, Fletcher Building has only provided a \$15 million fund to assist local builders deal with the daily leaks and bursts. About 39 builders and plumbers have registered to access the funds, but BGC is not among them. The West understands there are conditions attached to getting the money.

Last month, the company said its estimate for the number of Perth homes with Iplex piping installed in the five year period, had been revised down from 17,500 to 15,000. It claimed fewer than 2200 had reported leaks so far. It alleged there had only been 37 leaks reported in the rest of Australia.

BGC has replaced the piping in the ceilings of some customers' single-storey homes, but not behind walls. It claims it would cost at least \$750m to fully fix homes built between 2017 and 2022. Other expert estimates are much higher.