

## Perth leaky water pipe update: 110 homes a month suffer failures - builder BGC



By [Anne Gibson](#)

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Australian builder BGC has released an update on the scale of [Perth's leaky water pipe issue](#), reporting failures in 110 homes a month due to the problem blamed on products made by a subsidiary of NZX and ASX-listed Fletcher Building. But ex-Fletcher CEO Ross Taylor blamed poor workmanship and poor installation for the failures which he said were not the company's fault. Sam Gray, general manager of strategy and commercial at BGC, today reported just over 3000 total bursts in 1500 Perth homes built by that company "so we're getting more bursts now than we had at the same time last year. "We have about 110 bursts per month over summer, with about 40 homes bursting for the first time each month. We've completed approximately 700 ceiling repipes which are helping keep burst rates down, combined with an unusually warm autumn in Perth," he said. Pipes were still bursting in new homes. More pipes burst in winter than in summer. Some homes were suffering their third burst pipes "but we also have homes that suffered more". The average cost of a full home repipe is now A\$80,000 (\$86,130) in BGC homes, Gray said. "Just fully repairing and repiping the BGC homes that have burst so far equates to A\$123 million," he said.

Fletcher went into a [trading halt last year](#) over the problems and established a \$15m fund while causes, resolution and industry solutions were developed, Taylor saying Fletcher was committed to helping the industry resolve issues. Last October, Fletcher shareholders got an [update on the Perth pipe issue](#) when then-chairman Bruce Hassall cited Fletcher's Iplex polybutylene pipe as the [cause](#). Yet the company has in turn blamed poor plumbing installation practices and other factors and said it's not its fault. "Turning to the [Western Australia plumbing matter](#), I would like first to acknowledge the impact and distress on homeowners from the plumbing failures that are occurring. I wish to assure our shareholders and all our stakeholders that the board is taking this matter very seriously. We have a dedicated board committee in place, which provides strong oversight on the developing matters," Hassall told shareholders at Auckland's Eden Park in late October. Asked about how much the company had allowed for the A\$10,000 cost to fix a West Australian home, Hassall said the cost of repairs was averaging far below that, at about A\$4000 - a big difference to today's BGC figure of A\$80,000 for a full house repipe. A Western Australian government department's consumer safety division this year sought information about injuries in Perth homes where Fletcher's Iplex pipes are installed. The Government of WA's Department of Mines, Industry Regulation and Safety has sought details of cases where ceilings have collapsed, water has come through electrical sockets or light fittings or people have sought medical attention. Asked about the state of Western Australian government involvement in the issue, Gray said today that was not something he could comment on. However, his update said the building business was awaiting the outcome of a product recall investigation that had begun last year. "We ceased mediating some time ago," Gray said, referring to discussions with two other builders as well as Iplex. "We pulled out of that some months ago but this is 100 per cent a pipe manufacturing issue and it's Iplex's fault," he said. **Anne Gibson has been the Herald's property editor for 24 years, written books and covered property extensively here and overseas.**