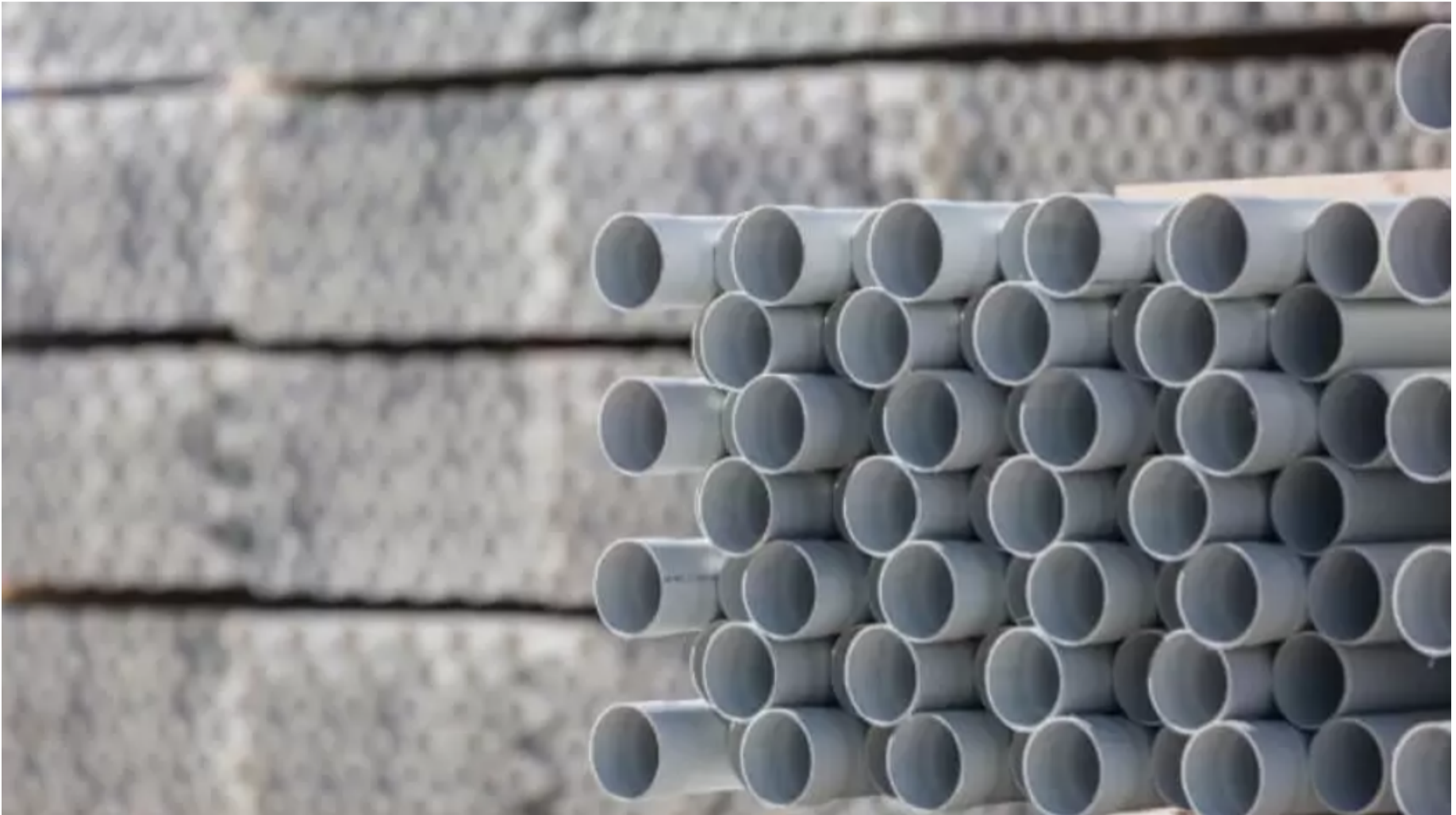


INVESTMENT

## Fletcher counts cost of product defect in WA

Piping installed in thousands of Western Australian homes is implicated in leaks causing damage.



Resin used in the manufacture of the Pro-fit piping in Australia was not used by Iplex NZ, says Fletcher Building.

**NBR Staff**  
Mon, 17 Apr 2023

Fletcher Building has increased its provisioning for the cost of leaky pipes installed in thousands of homes in Australia from A\$2 million to A\$15m.

In a statement to the NZX, Fletcher said problems were apparent with a polybutylene pipe branded Pro-fit made by its Iplex Australia subsidiary.

The pipes were installed in 15,000 houses in Western Australia between 2017 and 2022.

Iplex stopped selling the product in mid-2022.

Fletcher said Iplex had been told about 1200 of the installations had experienced leaks.

Testing by the Department of Mines, Industry Regulation and Safety was not complete but the regulator had told Iplex it was likely to show the problems were caused by a manufacturing defect.

Fletcher Building chief executive Ross Taylor said: “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.”



Ross Taylor.

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### **Repairing damage**

The company said although Iplex had included a provision for the pipe costs in financial statements for the half year to December, there was a risk it was inadequate.

Iplex had proposed a package of assistance to two large group homebuilding companies in the state, offering to repair damage caused by leaks on a no-liability basis, as well as establishing a A\$2m fund to help other plumbers and builders affected.

As a result of those measures it had increased its provisioning for costs from A\$2m to A\$15m, it said.

“That amount will be revisited if facts emerge to warrant it and as part of the full year financial reporting process.”

Fletcher said the resin used for the piping was not used by Iplex New Zealand or for any other Fletcher product.

