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Fletcher Building attacks ‘crude’ WA builder BGC in fallout over bursting Iplex pipes



John Flint The West Australian
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 BGC has been attacked over the Iplex pipe saga which has affected thousands of Perth homes. Credit: The West Australian

Construction giant Fletcher Building has attacked BGC, accusing it of a “crude attempt” to pressure negotiations to resolve Perth’s bursting water pipes crisis.

The manufacturer of the controversial Iplex piping, which was installed in thousands of local homes, released a statement to the ASX attacking the WA builder, which claimed the rate of pipe bursts was getting worse.

“The public claims made by BGC are a crude and apparent attempt to place pressure on those negotiations,” Fletcher Building said.

“The conclusions shared by BGC have not been verified, shared with (Fletcher) and are, in many respects, inconsistent with evidence we have gathered first-hand or been provided by other parties. “

The West on Thursday revealed BGC’s claims, which included that bursts were over 20 per cent higher than the same period last year.



 A split pipe in a Perth home. Credit: Daniel Wilkins/The West Australian

BGC was the biggest group builder to use the “defective” Iplex piping, accounting for about 65 per cent of installations in new homes.

BGC claims the pipes were faulty and has blamed the manufacturer, which in turn denies the product is defective and claims incorrect installation is the cause of all the leaks.

Fletcher Building said it hadn’t changed its view.

“Fletcher Building stands by its views on causation shared with the market previously,” it said in Friday’s statement.

Both companies are participating in mediation organised by the Cook Government to find a way out of the impasse, with affected home owners calling for their houses to be re-piped.


The bickering is over who will wear the steep cost.

As revealed by The West, the Government has put \$30 million into a fund, that has so far accumulated \$130-to-\$150 million to remediate homes.

BGC had earlier walked out of negotiations, but was persuaded to return.

In its statement, Fletcher Building said it remained “committed to a sensible, data-led and proportional solution from all parties and to playing its part in that process.”



 Chris, Sarah and Nate Lyne are among the thousands of WA families affected by the burst pipe saga.
Credit: Daniel Wilkins/The West Australian

“We continue to participate in mediated discussions alongside the Western Australian Government and many WA builders, including BGC, to finalise an industry response to the plumbing failures occurring in Perth. These negotiations are confidential and have not yet concluded.

The State Government, which is still pinning its hopes on negotiations succeeding, also said it was disappointed by BGC’s comments.

“The State Government’s priority throughout this process has been to ensure the best outcome possible for Western Australians who have been impacted by leaking pipes,” Commerce Minister Sue Ellery said.

“Our key focus, in what is a commercial dispute, is to ensure the safety of homeowners and the rectification of faulty pipes while ensuring WA builders remain in business.

“Last month the State Government agreed to requests from all the stakeholders, including BGC, to formally join the mediation and contribute an amount of \$30 million to an industry fund which would see homes rectified and kept safe and so we asked BGC to rejoin the mediation. They agreed.”

Former Supreme Court justice John Chaney is overseeing the mediation.

Some estimations put the cost of replacing all Iplex piping at more than \$1 billion.

“No builder can afford to carry the cost of this issue,” BGC CEO Danny Cooper said on Thursday.

In its latest update, BGC said the company had just tipped over 3,000 total bursts across 1,500 homes.

It said seasonally adjusted bursts were between 21 per cent higher in the summer than the previous summer. In winter, they were 37 per cent higher than the prior winter.

“We have about 110 bursts per month over summer, with about 40 homes bursting for the first time each month,” the company said.
