

The West Australian

EXCLUSIVE

Thousands of WA families plagued by defective plumbing product, with no help from Cook Government



John Flint The West Australian
Sat, 10 February 2024 11:00PM



Thousands of WA homeowners plagued by devastating water bursts and leaks from a defective plumbing product have been kept in the dark on their rights to full replacement of the faulty piping. Credit: Daniel Wilkins

Thousands of WA homeowners plagued by devastating flooding and leaks from a defective plumbing product have been kept in the dark on their rights to full replacement of the piping.

And time is running out for them to get what they are entitled to under WA building laws.

No remedy orders have been issued by the industry regulator to builders who installed the Iplex polybutylene pipes in homes, despite that being the standard practice in the case of other defects.

Instead, the regulator directed impacted homeowners to register their details on a webpage it created. As a consequence, many are now time-barred from obtaining the remedy orders.

The catastrophe is a \$1 billion-plus headache for the Cook Government and the companies involved, particularly BGC which built 65 per cent of the impacted homes.

If the regulator, which has determined the product is faulty, slapped remedy orders on the builders, it would likely send them broke, a situation the Government is keen to avoid.

Not least, because the pipes would then have to be stripped out of homes and replaced under WA Home Indemnity Insurance scheme, which is underwritten by the Government.

But the alternative is thousands of West Australians continuing to live in “ticking timebomb” homes that continue to flood. Some have suffered dangerous ceiling collapses and electric shocks.

They are being left high but-not-so-dry.



📷 Chris and Sarah Lyne with their son Nate (7) in one of the damaged rooms. Credit: Daniel Wilkins/ Daniel Wilkins

Those who can afford to are paying up to \$200,000 to re-plumb their homes. It is more expensive in two-storey dwellings.

With BGC and the other builders pointing the blame at the manufacturer, Fletcher Building, and the Australian Securities Exchange-listed company returning fire, accusing WA builders of not installing their product correctly, consumers are caught in the crossfire, hoping the Government will rescue them.

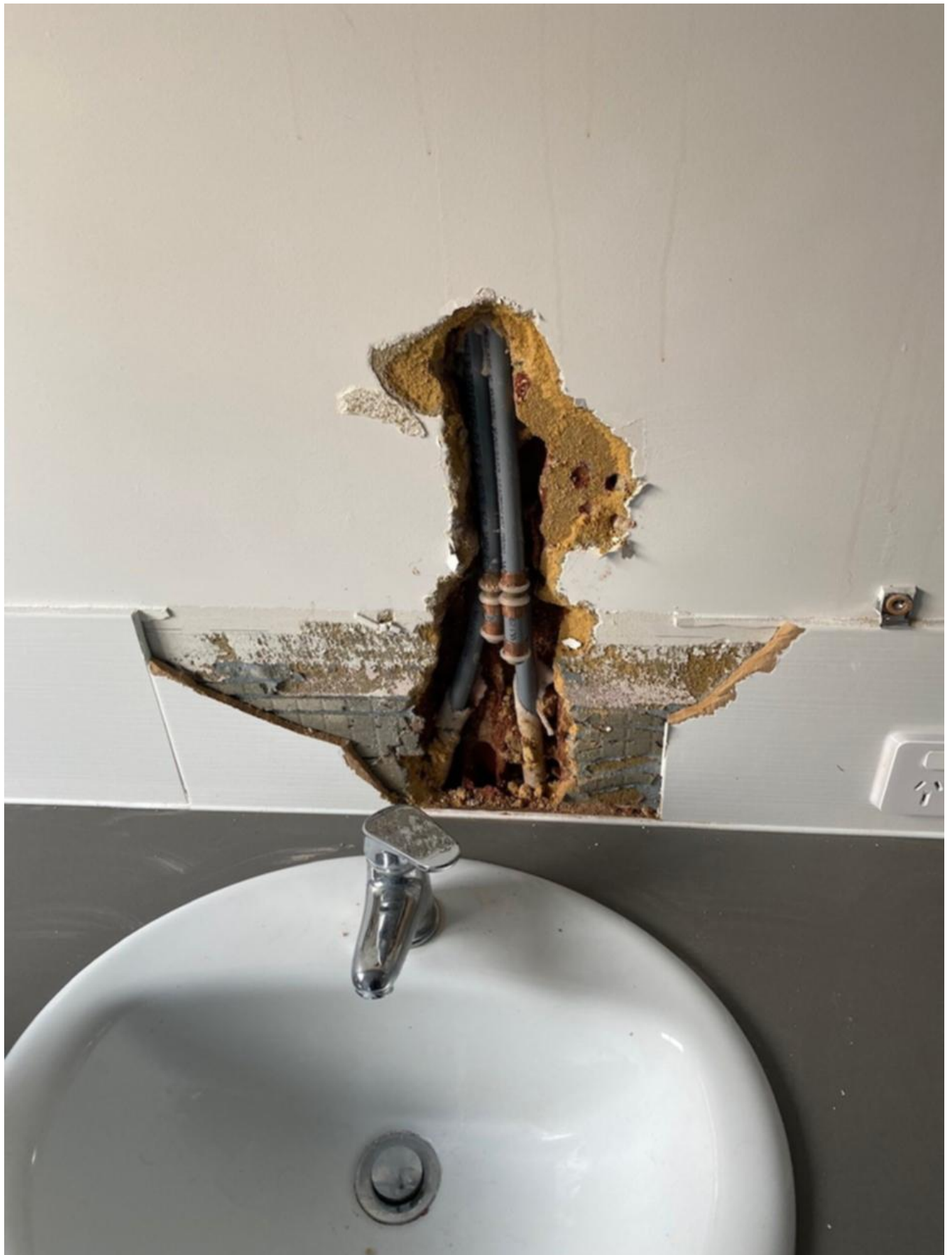
Consumer Protection, is looking into whether it can take the extraordinary step of ordering a mandatory product recall, a move that would almost certainly be fiercely resisted in the courts by Fletcher Building. The Government has to be sure it can withstand a legal challenge, which appears uncertain.

Meanwhile customers are in limbo and building remedy orders are not being utilised.

The Government this week refused to explain why no building remedy orders had been made and why homeowners weren't being informed of their rights. It answered only one of eight questions put by The Sunday Times to the regulator, Building and Energy.

WA's Building Commissioner Kristin Berger has been conspicuously silent on the issue.

There is another issue which threatens to blow up.



📷 Water leaks and repair work in the Success home of Marc Lukaitis. Credit: Supplied

The focus of the probe has been the 17,500 WA homes that the Iplex Pro-fit pipes went into during a five-year window from mid-2017 to mid-2022. Building and Energy claims most of the pipe bursts have impacted these homes.

But there are thousands more homeowners ,who had the pipes go into their homes before 2017, screaming theirs are failing as well.

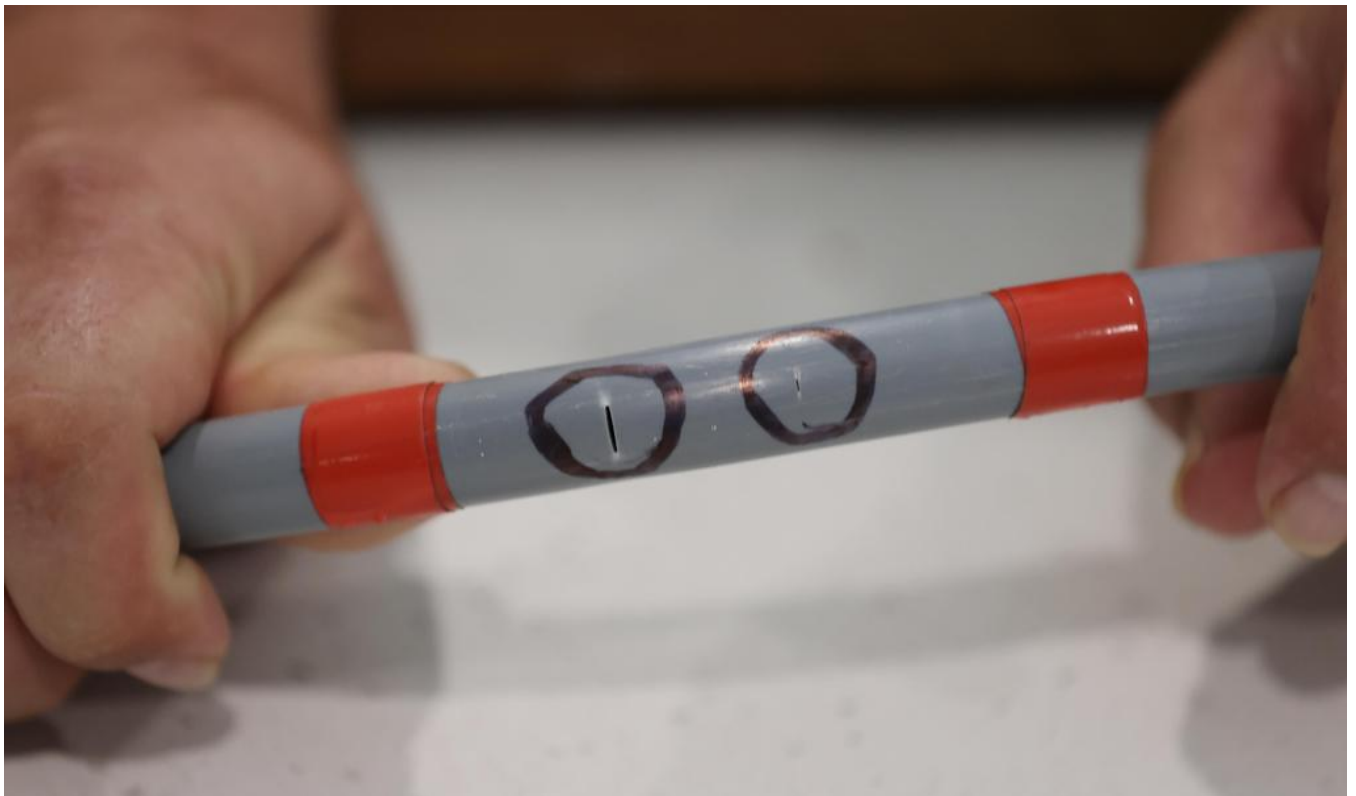
Polybutylene piping was banned in America in the mid-1990s because it was rupturing and causing property damage.

The Sunday Times interviewed scores of people at their wits end. Some are receiving mental health treatment over the constant leaks. One attempted to take her life.

They have rights to remedy orders under the Building Services (Complaint Resolution and Administration) Act 2011. But they can only access them within six years of the completion of their homes.

Under section 37 of the Act, the Building Commissioner can make the orders if she's satisfied work "has not been carried out in a proper and proficient manner or is faulty or unsatisfactory." Affected homeowners must first lodge a 'building service complaint'.

Builders hit with remedy orders to replace the defective piping would likely sue the manufacturer to recover their costs.



 'The Iplex pipe has a 25 year warranty, but it doesn't appear to worth the paper it is written on.' Credit: Daniel Wilkins/ Daniel Wilkins

Fletcher Building has already provided a \$15 million fund to assist local builders. The newspaper understands 39 builders and plumbers have registered to access the funds, but BGC is not among them.

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 \$750 million to fully fix homes built between 2017 and 2022. The newspaper understands other expert estimates are much higher, with one exceeding \$2 billion.

Last August, Building and Energy found "work practices and workmanship were not the cause of the pipe failures" after an inspection of 50 homes.

A Government spokesman this week said: "Building and Energy and Consumer Protection acknowledge the significance of this issue for homeowners and have prioritised resources towards resolving this situation."

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

BGC said its customers have reported serious safety issues.



📷 Dehumidifiers in action in the waterlogged Jane Brook home of Damon Connaughton. Credit: Supplied

“We’ve had emails where customers have been around an electric shock from interacting with light switches,” general manager of strategy and commercial Sam Gray said.

“We’ve got water pouring out through [power outlets] and interacting with household electronics on the floor.”

“We’ve had one of our customers reach out to say that his 18-month-old baby slipped on tiles in the ensuite when the burst had just happened and was taken to hospital.”

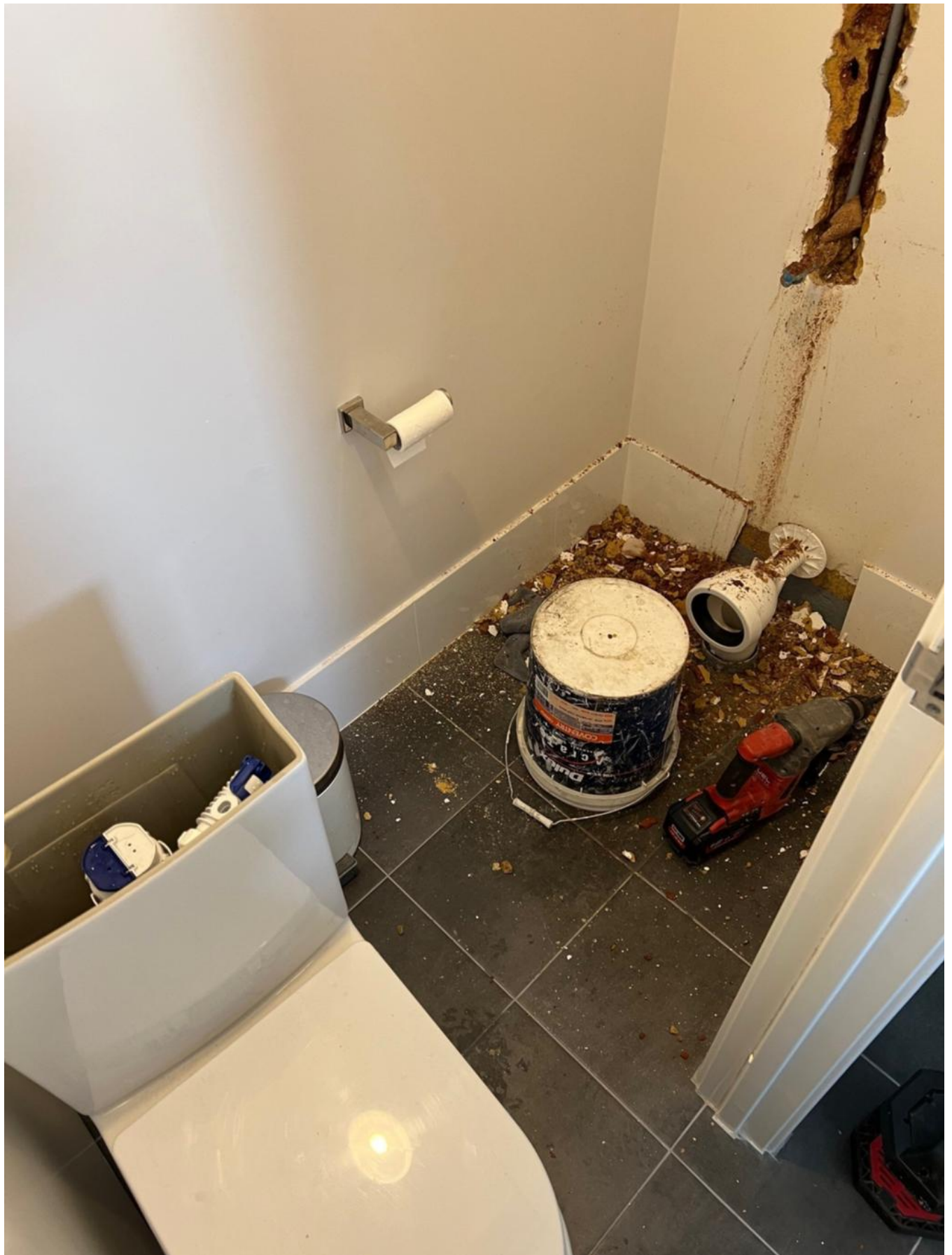
Chris and Sarah Lyne are scared for their family’s safety after the latest leak at their new Baldivis home. Ms Lyne woke up on Friday to discover the light flickering in her seven-year-old son Nate’s bathroom.

“The whole ceiling is wet, the cornices and everything. It has leaked all over the floor,” Mr Lyne said.

“I’ve got safety concerns for my family at the moment. I work FIFO. So I’m not always here.

His daughter Monique, is staying with another family member, because her bedroom and bathroom were still being repaired from a previous flooding incident.

“This is our first house,” said Mr Lyne. We dreamt of this 10 years ago. Now we’ve gotten into it, we’ve had nothing but dramas and it’s just so disappointing. The plumber this morning has done a pressure test on the piping. He’s still saying there’s a leak there, but they can’t find it.



📷 Water leaks and repair work in the Success home of Marc Lukaitis. Credit: Supplied

“They’re just patching up (the leaks). I’ve been pushing (BGC) get them to do a repipe.”

He felt for other families who were also suffering anguish.

“How bad is it going to get before this stuff gets sorted?” He said. “ It could be roof collapse, it could be electrocution. It’s the unknowns that are the scary part. My work is around safety. I’m a trainer assessor up north. I’ve been in the mines for over 20 years.”

David Nicolaou of Mullaloo has endured five pipe bursts in two years.

“Two have involved water pouring out of points where electricity is live,” he said.

“The first was through a light fitting adjacent to our two year old’s cot, narrowly missing her whilst she was asleep.

“The second and most recent involved water coming out of a hard wired smoke alarm, making crackling noises like it was sparking, eventually triggering the circuit breaker safety switch.”

“At one point we had three of the bursts all being repaired at the same time, so we lost maybe half the house,” he added.

“I’ve asked for pipe replacement. (BGC) won’t do it, as far as I know, because it’s a two storey, even though the majority of the pipes are under under the single story section of the house.”



📷 Manufacturing defects in Pro-fit polybutylene pipes made by Iplex Australia and installed by BCG and Delstrat Groups. Credit: Supplied

Manny Minissale is on first name terms with his plumbers – he sees them so often.

His new Wellard home has been hit with eight pipe bursts in the past two years.

“We have also had our ceiling re-piped but still have wall pipes bursting,” he said.

“One occurred last week. We had just returned from a five day holiday to find our ensuite, laundry and bedroom flooded.

“You can just imagine our anguish and frustrations when we seen this. We both nearly burst into tears. I am 60, my wife is 61. We should be enjoying our lives. We now cant have our grandkids stay overnight until the carpet is is replaced and the house is dried out. At this stage we have no idea when that will be.

“There is mould in ceilings and I would guess (also) in areas that we can’t see. We both have had constant coughing and ongoing respiratory issues.

“My wife said ‘I’ve had enough, I want to sell the house’.”

Feidhlim and Shayna Bennetts have had 12 leaks in their new two-storey townhouse at Cockburn Central.

“Our house was supposed to be repiped twice, before (BGC) cancelled it both times,” Mr Bennetts said. The builder told them it wasn’t yet possible in two-storey homes.

“I’ve got responses from (Commerce Minister) Sue Ellery and (her department) saying there’s nothing they can do to help us.”

Ms Bennetts replied to the Minister, pleading: “In the midst of mopping up and attempting to salvage what we can, I am writing to you AGAIN in the hopes that you will reconsider the State Governments stance to sit back and let the big companies battle it out, while homeowners watch their dream homes crumble to pieces around them.

“We are all feeling totally powerless against the huge companies holding our fate in their hands ... You have the power to help, but are choosing not to. Please (act) before my house is destroyed beyond repair.”

Mr Bennetts said dealing with the aftermath of all the leaks was like a second job.

“I work FIFO and my wife works full time and can’t really take too much time off work. I’m having to be home for all the repairs ... I’ve had to go to work late and change flights, stuff like that.”

Carine and Carl Wilkin are tired of living in a “constant construction zone” from eight pipe bursts between September 2021 and September last year at their Yanchep home.



📷 "I've got responses from (Commerce Minister) Sue Ellery and (her department) saying there's nothing they can do to help us." Credit: Matt Jelonek/The West Australian

"A lot of it happened around the time I was pregnant with my son Kai and having to deal with the emotional aspects of that. And then everything else that was going on with the house," she said.

One leak occurred in her ensuite, with water coming out of the ceiling light.

"It was humiliating for me, recovering from a C-section, laying in bed with male trades walking in out of my bedroom," she recalled.

"My husband and I refuse to paint the house as it's our only way to pick up the leaks quickly and it has changed the way we see our house as everyday we are checking the walls for any sign of the next leak, that is inevitable," she said.

She said it was causing them "mental overload".

"It's just overwhelming each time," she said. "You kind of get numb to it, but at the same time, it's just disheartening because it's again and again and again."

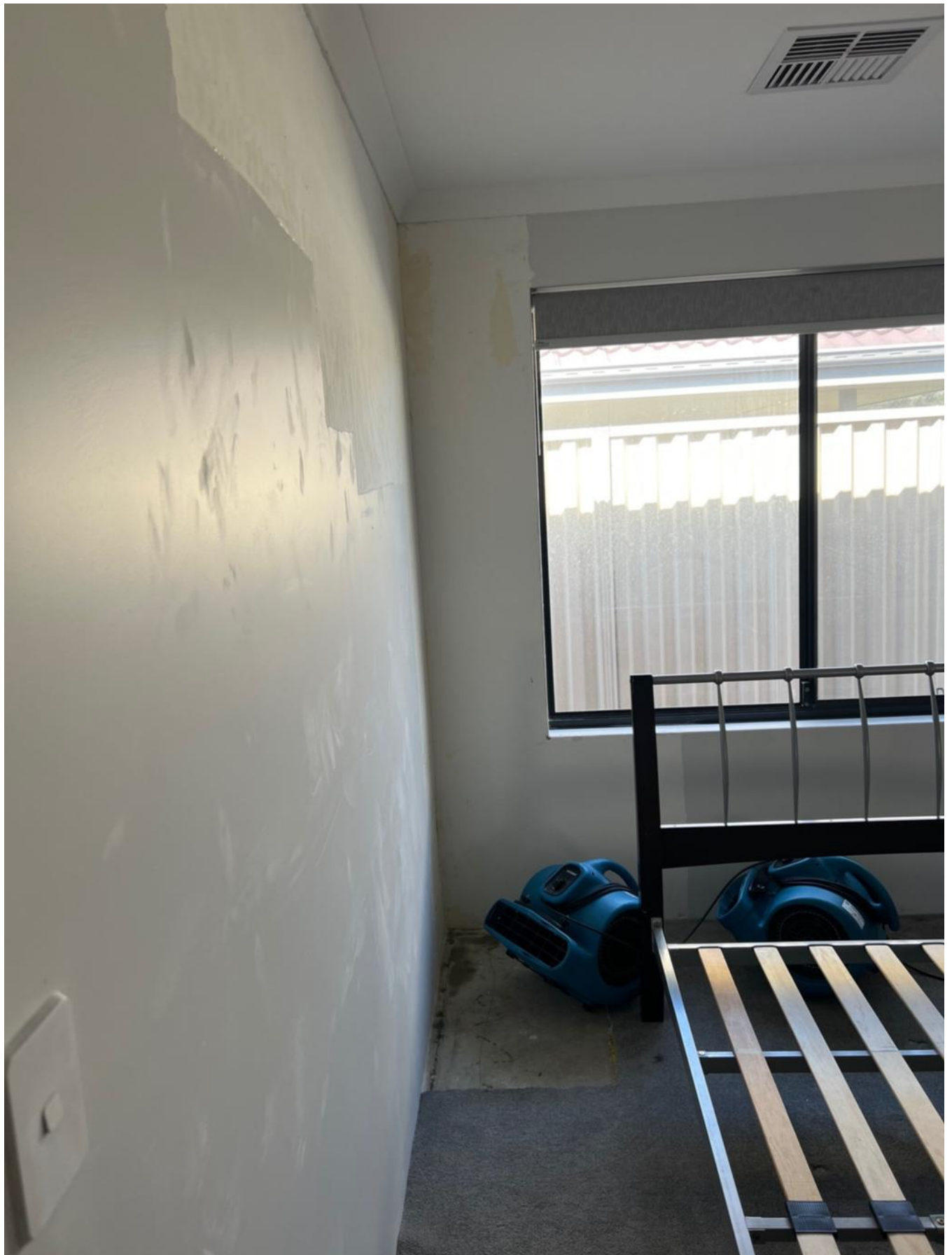
The couple have asked BGC for a complete repipe of their home.

"They just said that they'll just keep repairing it as it goes," Ms Wilkin said.

Marc Lukaitis and his family are getting through carpets at an astonishing rate, following 11 water bursts at his new home in Success.

“The carpet in our theatre room has been replaced three times, the carpet in our spare bedroom has been replaced two times. It was almost three but we had another burst before the trades came in,” the father-of-two said.

It was a similar story with replastering of walls.



📷 Water leaks and repair work in the Success home of Marc Lukaitis. Credit: Supplied

“A pipe was fixed in one section and then after replastering the same pipe burst 400mm up,” he said

“We’ve had water running from power sockets and each time there has been a burst, only that section is being fixed instead of the whole length, so it’s like a ticking time bomb.”

“We requested a repipe (from BGC) but were advised they were meeting their obligations patching (the leaks),” Mr Lukaitis added.

“This product needs to be recalled as soon as possible. The stress of not knowing when the next leak will happen, how much damage it’s going to cause, whether there is going to be mould build up or have lasting health effects is too much.”

Micheal Scriven said the uncertainty was paralysing after five leaks in his new Port Coogee two-storey home. There were also worries about longer-term implications.

“I wonder what this means for the value my property if I wanted to move? I’m also aware of people having problems getting household insurance about declaring this.

“We feel like we’re caught in a trap at the moment. In this sort of limbo, where you don’t know if, when and how it going to get resolved? Will I ultimately end up financially impacted by having to take it on myself to go and replace the pipes?

“The Iplex pipe has a 25 year warranty, but it doesn’t appear to worth the paper it is written on.”

Tracey Watters had to move into temporary accommodation when dehumidifiers and industrial fans were brought into her Coolbellup home to dry the walls out.

“With the noise, I couldn’t live in it for two weeks,” she said.



📷 Defective polybutylene plumbing pipes have been stripped out of hundreds of new homes in WA due to water leaks and bursts that have caused huge damage. Credit: Unknown/Supplied

“I had a two and a half year old. So the (Delstrat Group) put us up in a hotel for two weeks. “I have had eight leaks in four years with the most recent being January 7

this year. We have been under significant stress when trying to arrange repairs, then repairs again due to shoddy repairs and having to take time off work.”

“(My builder) won’t replace even the one singular pipe that’s been busted twice in my shower,” Ms Watters added.

“I’ve got approval to re-tile my entire bathroom because they can’t get matching tiles. But it might need ripping out if there’s another leak. It’s a band aid solution.

“It’s so disruptive to us. I’m living in a half built home all the time. My partner and I are stressed and fighting about what to do ... It’s just really emotionally taxing.”

Lisa and Paul Stickels and their three children are preparing to move into an Airbnb for two weeks from Thursday while their new home in Carramar gets the flooring replaced throughout their downstairs. They’ve also had their kitchen replaced following multiple pipe leaks.

Even the granny annexe hasn’t been impacted, with Mr Stickels’ mum having to move in with them while her own flooring was relaid.

Some of the most despairing cases involve people whose homes were built prior to 2017 and are getting no help.

Richard and Michelle Stokes are in a dire predicament. They haven’t been able to live in their house for the past 18 months, because it was deemed uninhabitable.

“Our house is just sitting there being overrun by mice and mould for all we know, while we’re in a rental, two kilometres away,” Mr Stokes said.



📷 Thomas and Tahlia Stokes holding towels below a leak in their family home. Credit: Supplied

Their Quinns Rocks home, built by BGC in 2004, had nine leaks between 2016 and 2022.

“Because of the numerous leaks and their poor remediation by our insurance company, our home was then contaminated with toxic mould. Upon professional testing, it was declared uninhabitable and we were forced to move out,” he said.

“This mould went undiscovered for months, and as a result of this constant contact, I was diagnosed with Chronic Inflammatory Response Syndrome. I’m still dealing with the effects of this disease, the recovery for which has taken longer than my prior thyroid cancer recovery.

“For the first six weeks after we moved out, our insurance company covered a series of Airbnb properties. Following this, we assumed the financial burden of renting.

“This ordeal has left us with uncertainty regarding our future and deprived us of a stable residence, taking a toll on our mental health.

“In particular, Michelle was driven by this to attempt to take her own life, and subsequently was admitted to a mental health facility for 15 days. This was three days after the insurance company told us we were on our own. She’s (now) better than she was, but she cries on a daily basis. The reason you’re talking to me is because she basically can’t handle dealing with it.”

The couple, who have two teenage children, reached out to Building and Energy for help. “They told us ‘sorry, we’re not looking at anything prior to 2017’.” Mr Stokes said.

Their house remains as they left it, albeit with the water turned off.

“All the furniture, clothes and everything is in there,” he said. “We couldn’t take anything because of the mould. The weekend we moved into this rental property, we had to spend \$12,000 on furniture.”

Russell Hann’s family-of-five have evacuated their home in Beeliar.

“I have had three burst Iplex pipes and the latest one led to our entire house needing to be re-floored,” he said. “We have been out of our house for six months and looks like it will be another two-to-three months before we get back in. We have had to move houses over ten times during this time.

“It has caused immeasurable stress to my wife and kids. We have had to separate our family three times and twice were left with nowhere to go.

“Whilst we haven’t been physically harmed the mental turmoil has been hard to navigate for my family.”

Damon Connaughton is angry the 25 year warranty on his Iplex piping isn't sufficient to get any help from Building and Energy or Consumer Protection.

"Whilst sympathetic, they say they can't assist as my home is more than six years old," he said.

"Yet we are experiencing the exact same failures, disruption, health and safety risks, and costs (as everyone else)."

He's had six pipe bursts at his Jane Brook residence since 2019.

"Every time a burst has happened, I've replaced the entire length in the wall with copper. I expect my total cost will be \$80,000-to-\$100,000. I have spent that because the home needs to remain habitable.

"I have remedied 70 per cent of my home, but I'm out of pocket and I still have a risk that I can still get leaks in what's left.

"(As a family) we forego. We haven't been on holiday for years, because we've spent so much money on keeping the house habitable. I'm certainly not going to give up and I'm chasing my money back.

"If a product has a 25 year warranty, I feel Consumer Protection should be making sure that is honoured. I still have mould in my home. Whether it's six years or 20 years (since construction), the health risk is still the same."

Tanya Patterson has endured ten leaks in her Kinross home since 2018, all attributable to polybutylene piping. But she can't get anyone to listen to her because her house was built in 2000.

"I can't cope with it anymore. I'm at the end of my tether," she said.



📷 Dehumidifiers in action in the waterlogged Jane Brook home of Damon Connaughton. The house was flooded several times due to defective Iplex piping. Credit: Supplied

“I’ve just recently had a bedroom fully gutted, a bathroom fully gutted, a laundry fully gutted. So I’ve had those rooms out of action since August and September last year.

“I’ve had most of my property re-piped at huge expense to myself, but I just had to bite the bullet.

“We’ve had enormous amount of mould in our house, which causes health problems with us all.”

Lenko Jakovcevic decided he’d had enough after experiencing five water bursts in just four months, from last July to October.

“We paid to get our house in Beeliar re-plumbed. We didn’t want to live with the unknown,” he said. “There are three houses in our street with the same issues.”

His family-of-four moved into the Beeliar home in 2014. It was built 16 years ago, but the piping remains under warranty and he’d like to get his repair costs reimbursed.

He’s one of 2400 people who’ve joined a Facebook page for Iplex customers seeking to mount a class action.

Kristy Bright of the Iplex Polybutylene Support Group said their lawyers, Morgan Alteruthmeyer Legal Group, were hopeful of securing litigation funding.

The law firm was having Iplex pipe samples examined by “international plastics experts”, it reported at the end of last year.

Fletcher Building said its own investigations determined installation failures were the cause of pipe ruptures, claiming the pipes were installed with excessive bending and “a lack of appropriate flexibility”.

It also blamed poor industry regulation in WA.



📷 Dehumidifiers in action in the waterlogged Jane Brook home of Damon Connaughton. The house was flooded several times due to defective Iplex piping. Credit: Supplied

Fletcher chief executive Ross Taylor said there had been “a progressive deterioration in installation practices” in Perth.

“This is a Perth issue and not a national issue,” he said last year.

He said the pipes had a leakage rate of 0.19 per cent on the east coast, compared with 10.9 per cent in Perth.

BGC has scoffed at the suggestion.

“We refuse to accept that one day in 2017, all plumbers in Western Australia woke up and forgot how to plumb,” BGC chief executive Daniel Cooper said.

“At the very same time Iplex changed to using (a new resin) in the manufacturing process for its pipes.”

Last October, Mr Gray said BGC was responding to 46 leaks each week,

“We’re experiencing a very high rate of bursts of the Iplex pipes, we’re seeing upwards of 6.7 a day and 200 in the month in September,” he said.

Most insurers have an exclusion in their home insurance policies that will not cover for damage as a result of faulty design, faulty workmanship or faulty materials.

Water damage caused by the burst pipes may be covered, but the cost of rectifying the faulty work is not covered.

“The insurance industry can’t afford for people to be using bad materials or doing bad labour and then just getting the insurer to pay for it,” one insurer told Insurance News.
