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UPDATED

BGC to launch Federal Court action against Iplex over burst pipe saga



Matt McKenzie The West Australian

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 BGC says it is best resourced and prepared to establish Iplex's liability. Credit: Daniel Wilkins/The West Australian

Construction giant BGC says it will launch a fresh Federal Court action against manufacturer Iplex amid a bitter dispute about burst pipes in nearly 1700 homes.

That comes just weeks after a [class action was lodged against the pipe maker](#) – owned by New Zealand's Fletcher Building – by law firm Baker McKenzie.

BGC says it notified Iplex of the new legal battle on Thursday.

It's understood a State Government-led mediation will run in parallel with the court dramas but Commerce Minister Sue Ellery has warned the legal fight “doesn't achieve a fix for customers who are experiencing ongoing leaks”.

In a statement, BGC argued it was “best resourced and prepared to establish Iplex’s liability to consumers” and claimed the class action was “high risk for the broader liability and viability of all WA industry stakeholders”.

About 1660 BGC homes have suffered leaks from the Pro-fit pipes, while other builders have also been hit.

Chief executive Danny Cooper said BGC was concerned Fletcher had not made adequate financial provisions for a resolution.

He said the law suit would protect the State’s biggest builder from inequitable liabilities and ensure customers were not left unsupported by the manufacturer.

“We have been proactively engaged with the Government of Western Australia on our action and will continue to co-operate with the State in parallel with our litigation.”

Iplex-owner Fletcher has said the pipes were installed poorly – pointing to data that WA is dramatically over-represented by the leaks – while BGC and State regulators say there were manufacturing defects.

BGC said on Thursday “this is not just a BGC problem”.

“It impacts more than 30 WA builders, hundreds of plumbers, and tens of thousands of homeowners across the country,” the company said.

Ms Ellery told The West Australian the court battle would not disrupt the mediation process. She said the State Government had pledged \$30 million as part of an industry response to get a resolution for customers.

“That process is ongoing and we hope to have an outcome shortly,” Ms Ellery said.

“This legal action also will not absolve BGC of their responsibility to rectify and repair homes that have experienced leaks and are within the six-year defect period.”

She said the legal matter will play out in the courts but encouraged effected customers to lodge complaints with regulators at Building and Energy as a first step.

A spokesman for Fletcher said Iplex Australia would defend any proceedings.

“(T)he court process will provide a forum to scrutinise BGC’s plumbing practices through due legal process,” he said.

The company’s priority was the ongoing mediated discussions to find an industry response to the plumbing failures.

“BGC’s actions today are not helpful for their homeowners who are looking for a more timely and pragmatic response.”

Once the State’s biggest builder, BGC stopped selling new homes last year amid the ongoing fallout from the devastating building bubble. Now, the company says 50 houses are being finished each week.

The builder and the pipe maker also have differing views about the trajectory of the crisis.

BGC says there were 60 new homes hit by pipe bursts in August, while Iplex says leaks in the first six months of the year were 30 per cent lower than the same period in 2023.
