

Tasman Insulation proposes consolidation of NZ manufacturing operations

Auckland – 16 October 2014

Tasman Insulation, a subsidiary of Fletcher Building, has announced a proposal to consolidate its Christchurch and Auckland manufacturing operations in response to changing market conditions.

Under the proposed consolidation, outlined to employees today, the insulation manufacturing plant in Christchurch would be decommissioned and the Auckland plant would become a 24/7 operation.

Tim Richards, Fletcher Building Chief Executive Building Products, said at this time of change the company's first priority is its people. "We have a period of consultation in place and we respect that process. At the same time we want to be clear that we believe the consolidation is in the best interests of our people and our customers. We are operating in a highly competitive market impacted by an increase in volume of imported product and a general reduction in demand for insulation following changes to EECA's home insulation programme in 2013. We believe our proposal is the best way to retain a New Zealand manufacturing plant for Pink® Batts® insulation. I also wish to acknowledge the dedicated efforts of our people in maintaining our market presence."

The proposal is currently being discussed with staff and union representatives with a final decision on the outcome expected late October. The proposed consolidation would see the disestablishment of 29 roles in Christchurch. Current Christchurch-based customer service, sales and warehousing roles would not be affected. Two new roles would be created in Christchurch warehousing and nine new roles in the Auckland plant.

Mr Richards said the proposal includes retraining and redeployment opportunities for employees. Redundancy options are also available in line with employment contracts. However, at present there more than 200 vacancies within Fletcher Building in New Zealand and it is hoped all affected employees would be offered roles elsewhere in the group.

"We are focused on offering opportunities to all our employees within the wider group of Fletcher Building companies. There are extensive vacancies nationwide and of those more than 50 are in Christchurch. We need to retain good people."

Ends

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