

Media Statement

Tuesday 5 April, 2016 – 4.30pm

**FISHER & PAYKEL APPLIANCES BRIEFS STAFF ON PLANS
FOR PHASED CLOSURE OF EAST TAMAKI FACTORY**

Fisher & Paykel Appliances this afternoon briefed staff on plans for the closure of its East Tamaki factory which manufactures a range of small refrigeration products. The briefing follows a period of consultation with the Unions representing factory staff, and further feedback on the closure process will be sought over the coming weeks.

The factory currently operates four days a week and employs 186 staff. A two-stage approach is being considered, with phased closures likely in July and November, and factory decommissioning thereafter.

Announcing the decision to staff, Managing Director and CEO Stuart Broadhurst assured them the closure had nothing to do with their performance.

“The business has enormous respect for this team – past and present. Until now the factory’s staff have staved off the inevitable. However, the harsh reality is this factory is no longer sustainable due to the lack of scale and cost-competitiveness the facility and its products face in today’s global whiteware marketplace.

“This factory would have closed much earlier, rather than experience a series of downsizings over recent years, if not for the loyalty and commitment of this team.”

Mr Broadhurst said Fisher & Paykel’s approach to this announcement reflects the history of its strong relationship with staff, and the commitments the company has made.

“Staff and their Union representatives have been kept up-to-date through numerous consultations since as early as 2007, when this outcome was first indicated.

“As we have approached this day, affected staff have sought two things from the company: clarity about the future of the factory and no sudden closure. The company is honouring the promises we have given in both these respects.”

Mr Broadhurst said that while the planned closure was sad for Fisher & Paykel because of its long history of manufacturing in East Tamaki, it was sadder for the staff themselves and their families.

“Although it has been on everyone’s radar for a considerable period, we recognise this does not diminish the shock of this announcement at a personal level.

“Because of this factory’s proud history and the efforts of all the staff involved, this has been a very tough decision, although we expect it will come as no surprise to those familiar with manufacturing in the whiteware business.”

Fisher & Paykel will continue to produce specialist componentry and production equipment in New Zealand, but will no longer operate this type of consumer whiteware manufacturing. In future, upgraded models of some of these refrigeration products will be manufactured utilising existing capacity at Fisher & Paykel's plant in Thailand and through the wider Group in China.

Following today's meeting, production was suspended for the day so that staff could be with their families.

Mr Broadhurst said that over the coming weeks staff and their Unions would have the opportunity to give feedback on the closure plans, and staff would also receive any follow up support needed.

"We will look to redeploy as many people as possible within the organisation. We are committed to finding suitable alternative employment wherever possible, rather than have people leave through redundancy. As needed we will also be working with third parties, including government agencies, to provide support for staff and their families.

"We will also be liaising with our external suppliers and retailers about how best to navigate this period of transition."

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