

Fletcher Building lures KiwiRail chief Peter Reidy to run construction division



Figure 1 Fletcher Building chairman Ralph Norris.

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BEN WILMOT
Commercial Property Reporter
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Fletcher Building, one of Australasia's largest construction companies, today unveiled two key appointments as it seeks to turnaround its troubled construction business.

Fletcher ([FBU](#)), which is chaired by Sir Ralph Norris, has snared KiwiRail chief executive Peter Reidy to run its construction division, that has charge of the Buildings + Interiors unit, which caused heavy losses.

The company's NZ commercial construction business has been slugged by writedowns of close to \$NZ1 billion (\$911.36m) in the past two years but now sees the opportunity to improve margins at its Australian business.

The \$3bn Australian building products unit spans Tradelink plumbing and bathroom supplies, Iplex pipes, Rocla concrete, an insulation business and Stramit steel products.

As part of today's moves, Michele Kernahan, currently chief executive construction, will shift into the role of chief executive building products, as Mr Reidy takes over the construction division.

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Fletcher Building chief executive Ross Taylor, a former head of UGL, said the group had a new strategy that “clearly defines” the company's ambition to grow its core operations in building products.

He cited Ms Kernahan's experience in the sector through her prior general manager roles with Golden Bay Cement and Laminex Australia.

“At the same time we remain focused on stabilising our construction division, and in particular, increasing our focus on lower-risk, more profitable sectors such as infrastructure and roading,” he said.

Mr Reidy has a strong track record in infrastructure businesses, and was also previously chief operating officer of infrastructure services with Downer Group in Australia.

Sir Norris last month announced Fletcher director Bruce Hassall would succeed him as chair of the company and also unveiled four new independent directors — Barbara Chapman, Robert McDonald, Douglas McKay and Cathy Quinn — who are drawn from the top ranks of NZ business.

The company also plans to appoint a further Australian director in the coming months.

Sir Ralph will step down in September, a move he flagged earlier this year after Fletcher Building unveiled heavy losses and then a rescue equity raising.