

**IN THE EMPLOYMENT RELATIONS AUTHORITY
AUCKLAND**

**I TE RATONGA AHUMANA TAIMAHI
TĀMAKI MAKARAU ROHE**

[2025] NZERA Recommendation 5

BETWEEN WORKERS FIRST UNION
INCORPORATED

AND CARDINAL LOGISTICS
LIMITED

Member of Authority: Nicola Craig, Facilitator

Recommendation: 19 September 2025

RECOMMENDATION OF THE FACILITATOR

[1] Workers First Union Incorporated (First Union or the union) and Cardinal Logistics Limited (Cardinal or the employer) undertook facilitated bargaining on 25 and 26 July 2025. The parties are seeking to replace a collective agreement between Cardinal and First Union, 1 April 2020 to 31 March 2023.

[2] The parties agree on the bulk of the terms to be included in the new collective agreement. This takes the form of a largely new document, based primarily on the terms in Cardinal’s standard individual employment agreement, adjusted for the collective agreement situation, with the previous collective agreement grandparented for union members employed on or before 31 March 2024.

[3] Agreements on some of the remaining points were reached at least for the purposes of the facilitation. These are captured below. After exploring various solutions the parties were unable to find a solution on pay and it was concluded that a written recommendation by the Facilitator was required.

[4] After the conclusion of the facilitated sessions there were offers exchanged via emails to the Authority but no resolution was able to be reached. Both parties then provided written submissions with clarification sought regarding the union’s proposal.

Next, the Authority provided a draft recommendation to the parties and received comment.

[5] The union sought to have the recommendation made public. Cardinal Logistics had no issue with that. I conclude that the recommendation should be made public.

[6] The areas covered below for the recommendation are:

- (a) grandparenting;
- (b) annual review and remuneration process; and
- (c) pay rates and term of the new agreement.

Grandparenting

[7] The concept of grandparenting and it being referred to in Schedule 3 of the new agreement were agreed. But the parties went into facilitation unable to agree the practicality of how that was to be captured in the new document.

[8] First Union wanted the entire earlier agreement attached as Schedule 3. Cardinal wanted only a link to the earlier agreement included in the schedule.

[9] There are obviously some advantages for employees, particularly those who do not have desk jobs, being able to access a hard copy of their employment terms. However, the earlier agreement ran to 30 pages and it was cumbersome to have two agreements in the same document. The union referred to having difficulties trying to access the link.

[10] Several options were explored in facilitation with First Union ultimately accepting, for facilitation purposes, a solution that involved steps to ensure those covered by grandparented terms having ready access to the earlier agreement but that the new agreement did not include the entire earlier agreement. Cardinal was agreeable to taking those steps. As a result Schedule 3 was no longer required.

[11] The wording recommended for clause 45 of the new agreement is:

45 GRANDPARENTED TERMS AND CONDITIONS

- 45.1 Employees who were union members on or prior to 31 March 2024 will be solely bound by the terms and conditions of the Cardinal Logistics Limited – First Union Collective Employment Agreement 1 April 2020 – 31 March 2023 in addition to any not less favourable terms and

conditions agreed between the Employer and the Employee either before or after becoming covered by this Agreement.

45.2 For the avoidance of doubt, these employees will receive the wage increase provided for in Schedule 1 of this Agreement.

45.3 Upon both parties signing this Agreement, the Employer will immediately supply Employees covered by this provision with digital and hardcopies of the Cardinal Logistics Limited – First Union Collective Employment Agreement 1 April 2020 – 31 March 2023 and at any other time upon request.

Annual process

[12] The parties agree that union members will be involved in Cardinal's annual process to review the performance of all staff. The union agreed that that happen in 2025. There have been slightly different wordings proposed, largely as a result of pay proposals following on from the wording accepting the involvement of union members in Cardinal's process.

[13] Based on where the parties have got to in recent proposals, the recommendation is that Schedule 1 of the new agreement begin with the following words:

All employees will participate in Cardinal's annual performance review process. ...

[14] The remainder of the schedule is reflected below in the pay recommendation.

Pay and term

[15] The pay position agreed at mediated bargaining in December 2024 and taken out to union members was an increase effective 1 April 2025 at the higher of CPI (consumer price index) or 2%.

[16] Since then, during the 2025 annual performance review and remuneration process most union members were granted a pay increase, in a range from 0.5% to 2%. The cost of living in the March 2025 quarter was 2.5%.

[17] At facilitation, the union accepted the increases already paid by Cardinal should be taken into account. Cardinal spoke about the deteriorating economic conditions since December 2024 impacting on its financial position with decreased profit. The company also regarded itself as paying at the upper end of the range in the sector. Material raised during First Union's submissions disputes this. With the limited

information available I am not in a position to assess the strength of the parties' positions on this point.

[18] The union proposes a lump sum payment to union members, which will cost less than \$5,000 and it says will incentivise an upcoming ratification, particularly given the 2% minimum offer at the December ratification, but create no long term financial liabilities for Cardinal.

[19] During facilitation both parties were willing to explore longer terms of up to three years, with linked annual increases.

[20] First Union's proposal in submissions is:

Schedule 1 – Remuneration

All employees will participate in Cardinal's annual performance review process.

All employees will be eligible for and will receive the following increases to paid and printed rates:

1 April 2025 to 31 March 2026 year

1% on 1 April 2025

1 April 2026 to 31 March 2027 year

2% on 1 April 2026.

Employees who were union members as at 5 August 2025 will receive an additional lump sum payment of \$250.

[21] Cardinal's last offer was:

Schedule 1 – Remuneration

All employees will participate in Cardinal's annual performance review process.

All employees will be eligible for and will receive the following increases to paid and printed rates:

1 April 2025 to 31 March 2026 year

For employees who were Union members at April 1 2025 and received less than a 1% increase, an increase up to 1% from the date of ratification of this Agreement.

1 April 2026 to 31 March 2027 year

2% on 1 April 2026.

[22] Clarification was sought from First Union who advised that they were seeking, backdated to 1 April 2025, all members who got less than 1% in Cardinal's 1 April annual review will go up 1 % and the rest will remain where they are. This means the

parties are in agreement except regarding when the 1% increase will be implemented (for those it applies to) and the additional lump sum payment.

[23] I focus on these factors:

- the parties' positions on what was agreed at December 2024 mediated bargaining and their current positions
- what was taken to ratification in December 2024
- the pay increases made by Cardinal to most union members earlier in 2025
- the March quarter cost of living
- changes in economic circumstances.

[24] The recommended provision is:

Schedule 1 – Remuneration

All employees will participate in Cardinal's annual performance review process.

All employees will be eligible for and will receive the following increases to paid and printed rates:

1 April 2025 to 31 March 2026 year

1 % on 5 August 2025, meaning those who got less than a 1% pay increase in Cardinal's 2025 annual review will go up to 1% from that date and the rest will remain where they are.

1 April 2026 to 31 March 2027 year

2% on 1 April 2026.

Employees who were union members as at 5 August 2025 will receive an additional lump sum payment of \$250.

[25] I recommend that the new collective agreement expire on 31 March 2027.

Recommendation

[26] I recommend that the parties agree terms of a new collective agreement with changes to the previous agreement they have already agreed and the recommended changes and wording set out above.

[27] Some comment received suggests there may not be agreement to that, in which case I otherwise recommend:

- the parties adopt the parts of this recommendation which they both accept – which appears to be everything except the lump sum payment of \$250; and
- continue bargaining on the remaining point with a view to ensuring that what occurred during the bargaining process does not result in a disadvantageous outcome to any of the employees covered by the agreement.

[28] If the parties consider that further mediation may assist in the resolution of their bargaining, they may contact the Authority seeking a direction.

Nicola Craig
Facilitator/Member of the Employment Relations Authority