IN THE EMPLOYMENT RELATIONS AUTHORITY
CHRISTCHURCH

I TE RATONGA AHUMANA TAIMAHI
ŌTAUTAHI ROHE

[2026] NZERA 375
3392065

BETWEEN	ROBERT PAUL DIGNUM Applicant	
AND	VEOLIA WATER SERVICES (ANZ) PTY LTD Respondent	

Member of Authority:	David G Beck
Representatives:	Mary Jane Thomas, counsel for the Applicant Sarah Ongley, counsel for the Respondent
Investigation Meeting:	On the papers
Submissions Received:	13 March 2026 and 14 April 2026 from the Applicant 27 March 2026 from the Respondent
Date of Determination:	12 June 2026

DETERMINATION OF THE AUTHORITY

The employment relationship problem

[1] Robert Dignum works for Veolia Water Services (ANZ) Pty Limited (Veolia) as a Systems Engineer in Queenstown. The parties agree Mr Dignum's employment includes provision of motor vehicle including private use. What is disputed by Mr Dignum is the type of vehicle he currently operates and his concern that it is different to the one he previously was allocated and insufficient to meet his family's needs when used privately.

What caused the dispute?

[2] Mr Dignum has been employed continually by Veolia since 2012 and its predecessor water company since 1997. When Veolia acquired the business in 2012, Mr Dignum was

employed on his previous terms and conditions. For the focus of this dispute, this included an acknowledgment that when Mr Dignum’s salary was increased in August 2007, the new salary package included “the full private use of a company vehicle as a buyout of [his] annual bonus, superannuation, health cover, life cover, and overtime payments.” On 27 August 2007, Mr Dignum accepted a salary option described as “Option 2 - $73,500 + a car - $20 per week contribution as per United Water Vehicle Use Policy”. [1]

[3] A further letter of 25 March 2011, from the previous company’s HR Manager, noted:

> This letter is to confirm that your remuneration package includes a company vehicle. The vehicle is provided in accordance with the United Water Motor Vehicle policy in clause 12 of your individual employment agreement. This policy requires you contribute $20 per week (net) contribution towards the cost of the vehicle. This amount is to be deducted from your fortnightly pay. [2]

[4] The latter provision of a $20 contribution to the cost of the vehicle was revoked by Veolia on 14 August 2025, with effect from 1 September 2025.

[5] In June 2011, Mr Dignum’s position was relocated from Wellington to Queenstown initially on a six-month trial basis and then the transfer was made permanent from 16 April 2012. Mr Dignum was provided with three leased double cab utility vehicles during his time in Queenstown; with the last one being a five-seater, Mazda BT50 GTX (the Mazda Ute) in August 2021. The Mazda Ute was not required to display company signage.

[6] Unfortunately, the Mazda Ute was ‘written off’ after an accident in September 2024, that Mr Dignum was not at fault for. Veolia then replaced the Mazda Ute with a two and a half-door Mitsubishi Ute that had company signage on it and a GPS monitoring system installed. Mr Dignum immediately raised concerns with his Team Leader (TL) that the new vehicle did not meet his family needs and significantly differed in specifications from the Mazda Ute. Mr Dignum expressed a view that the Mitsubishi Ute was not a suitable replacement and, in his view, not consistent with his employment terms and conditions.

[7] In an emailed response of 27 November, Mr Dignum’s TL affirmed he was entitled to private use of the vehicle; proposed to remove the GPS monitoring system and cover the signage but expressed a view that the Mitsubishi Ute had been correctly provided in accordance

[1] Agreed Statement of Facts, 14 November 2025 [p1-2].
[2] N 1 at [p 2].

with Veolia's vehicle selection policy. By return email, Mr Dignum reiterated his concerns about Mitsubishi Ute and suggested he was entitled to a vehicle suitable for his personal and family needs. Mr Dignum emphasised the provision of a vehicle was part of his remuneration package, and the change of vehicle had been effected as a variation without consultation that he did not accept. Mr Dignum noted his previous three work vehicles all had double cabs and he felt the new vehicle was a "downgrade".

[8] Despite further exchanges up to mid-December 2024, the matter remained unresolved, with Veolia continuing to maintain the Mitsubishi Ute was provided for work and private use in accord with their vehicle policy guidelines that correlated with employee seniority and the matter was "not open to negotiation". [3] Veolia acknowledged the new vehicle differed from Mr Dignum's previous vehicle but asserted they were applying their existing policy consistently in the belief that the new vehicle suited the needs of Mr Dignum's role and had been objectively allocated in accord with a vehicle selection table; later deeming Mr Dignum's role to fall within the "Technical Professional category". [4]

[9] Veolia conceded that there was discretion for senior management to allocate an 'above policy' vehicle but in choosing not to do so, Veolia's management argued they acted reasonably. Mr Dignum noted in an email of 2 December 2024 that all his previously allocated vehicles had been listed as being available for people in leadership positions but this stricture had been ignored (he did not occupy a leadership role) and he restated a view this was because it was an implied term he would be provided "a motor vehicle that was adequate for his personal and family needs". [5]

Personal grievance letter

[10] Utilising counsel, by way of a letter of 4 February 2025, Mr Dignum signalled a personal grievance, asserting his employment had been unjustifiably disadvantaged by Veolia's actions described as "ongoing refusal to provide a suitable motor vehicle" in breach of his terms of employment that he believed had to be "adequate for his personal and family needs". Veolia's counsel responded promptly, seeking clarity on why Mr Dignum was unhappy with the newly

[3] N1 at [p 6].
[4] N1 at [p 8].
[5] N 1 at [p 5].

allocated vehicle. There were further exchanges including a letter of 17 March, where Mr Dignum clarified his concern as: “The Mitsubishi Ute is a two-door vehicle and the small seats are very cramped. It is not a family vehicle and is not suitable for personal use”.

[11] The parties then attended mediation, but the matter remained unresolved.

[12] Mr Dignum also met with a senior Veolia manager on 5 September 2025, who emailed him the same day noting no agreement had been made to remove the vehicle signage and GPS and reiterated the company vehicle allocation policy solely governed the matter including that the category allocated to Mr Dignum was fitted with GPS and standard fitout livery (impliedly signage). The email concludes: “I appreciate and respect that you have shared a different position on this topic, however as per the Motor Vehicle Framework, these are the specifications for Company Vehicles”. [6]

The Authority investigation

[13] Robert Dignum made an application to the Authority dated 17 July 2025, which after an Authority convened directions conference on 25 September, was amended on 23 December 2025. Mr Dignum seeks an order directing Veolia to provide a replacement vehicle; compensation for distress; reimbursement of foregone income and that a penalty be imposed on Veolia for breaching Mr Dignum’s employment agreement.

[14] Veolia filed statements in reply to both applications and the parties after filing an agreed statement of facts, agreed the matter be dealt with by submissions.

[15] Pursuant to s 174E of the Employment Relations Act 2000 (“the Act”), I make findings of fact and law and outline conclusions to resolve the disputed issues and make orders, but I do not record all evidence and submissions.

Issues to be determined

[6] Attachment to Agreed Statement of Facts, at [p 86].

[16] The broad issues the parties suggested the Authority must determine are:

(a) In all the circumstances, do the explicit or implied terms of Mr Dignum's employment entitle him to an employer provided motor vehicle that meets his specified personal and family needs?

(b) Was Mr Dignum unjustifiably disadvantaged in his employment by the provision of a replacement vehicle that differed in specifications from his previously provided vehicles?

(c) If the answer to the above questions is affirmative, what orders and/or compensatory remedies are available to Mr Dignum; including whether it is appropriate to order a penalty and on what terms.

(d) How costs are to be dealt with.

The relevant employment agreement and employment history provisions

[17] The parties provided what they accept as the only binding applicable individual employment agreement (IEA), being an unsigned one, dated 5 January 2005 between Mr Dignum and his previous employer (United Water). [7]

[18] At cl 3 under the heading "Terms and Conditions", the IEA refers to it being together with a letter of offer (a document not provided) and "ancillary documents referred to therein", a complete recording of terms and conditions and that:

> No representations, understandings or other arrangements will be recognised unless they:
>
> - Are set out in this agreement or the Letter of Offer; or
> - Have been recorded in writing to take effect as an agreed variation to this agreement.

[19] The only reference in the IEA to a motor vehicle, was cl 14, this noted Mr Dignum may be required to drive a company vehicle in the course of his employment. Clause 34, of the IEA, expressly incorporates company policies and rules into the terms of employment and notes they

[7] N 6 at [pp 9 – 16].

may be reviewed or amended from time to time and "are contained in the HR manual which is located in your worksite". It is also noted the company would inform Mr Dignum of "all such policies and rules" and he would be given appropriate notice of any alterations.

[20] At cl 36 of the IEA under a heading "Existing Conditions" it notes the following "arrangements" would continue from 1 July 2004:

- Medical Insurance
- Death and Disability Insurance
- Bonus Opportunity
- Superannuation.

A subsequent variation

[21] The parties provided a letter dated 9 August 2008, which evidenced that Mr Dignum after raising a personal grievance relating to the "finalisation" of his 2007 remuneration package, had agreed to terms for his 2008/2009 salary package that incorporated "the full private use of the vehicle" in accord with the company motor vehicle policy (attached to the agreed signed variation). This document conclusively shows the provision of the vehicle being valued as a component of the remuneration package (valuing it as $18,000 per annum) and that the company's motor vehicle policy prevails. For assessing this dispute, the wording used is explicit in stating the vehicle is "provided in accordance with the United Water Motor Vehicle policy" (my emphasis). [8] A letter to Mr Dignum of 25 March 2011, repeats the same stricture. [9] Further, a more contemporary email from Veolia's Operations Manager of 17 August 2021, shows that Mr Dignum's Ute was still viewed as part of his salary package and there were no concerns about the model allocated (being the Mazda Ute). [10]

Summary

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[8] N 6 at [p 32-34].
[9] N 6 at [p 35].
[10] N 6 at [39].

[22] I find from the above that a vehicle for private use is part of Mr Dignum's employment package; he forewent other valuable items to establish this benefit and prior to this dispute he was provided with a vehicle that would normally be provided to a person occupying a managerial position.

[23] The IEA has no guidance on the type of vehicle that must be provided but it does make clear that the company vehicle policy prevails. I find that the company vehicle policy is expressly incorporated into Mr Dignum's IEA as governing the terms and conditions of the company vehicles allocation (the core issue in dispute). This makes the policy a written term of Mr Dignum's employment and I disagree with Mr Dignum's counsel's suggestion in submissions that this was an unwritten term and custom and practice must 'come into play'.

The vehicle policy

[24] The parties provided unchallenged, a copy of Veolia's applicable and comprehensive, "Motor Vehicle Framework" dated 26 January 2024 (aka: the Motor Vehicle Policy). A starting point in the policy's "Definitions" section is a vehicle defined as a "Tool of Trade" (one that is required to carry out duties prescribed by the position occupied) has the key waiver that "The value of such a Company Vehicle is not part of a cost to the employee's total remuneration package".

[25] A definition of private use vehicle is not included in the definitions section, but the policy then suggests there are "four categories of company vehicle" defined by hierarchical positions. These are (in summary):

- Leadership Team/Management Group – who have full private use as per their IEAs' falling under the company vehicle usage policy (1).
- Engineers – ditto but falling under vehicle usage policy (2)
- Coordinators/Supervisors – where their IEAs' either provide full or limited private use falling under vehicle usage policies (2) and (3). Team leaders are specifically excluded from access to private use.
- Operators – access to "Tool of Trade company vehicles" with usage falling under policies (4), (5) and (6).

[26] The policy then signals Veolia's intention to limit private use for new employees or existing ones changing roles, while honouring existing employees private use based on their IEA provision.

The relevant law: interpretation principles

[27] The law on principles applying in interpreting employment agreements is well settled, with 'objectivity' prevailing and an emphasis on the centrality of the text of the agreement. The Supreme Court among three leading authorities has indicated that:

> … the proper approach is an objective one, the aim being to ascertain 'the meaning which the document would convey to a reasonable person having all the background knowledge which would reasonably have been available to the parties in the situation in which they were at the time of the contract'. This objective meaning is taken to be that which the parties intended. While there is no conceptual limit on what can be regarded as 'background,' it has to be background that a reasonable person would regard as relevant. Accordingly, the context provided by the contract as a whole and any relevant background informs meaning. …
>
> While context is a necessary element of the interpretive process and the focus is on interpreting the document rather than particular words, the text remains centrally important. If the language at issue, construed in the context of the contract as a whole, has an ordinary and natural meaning, that will be a powerful, albeit not conclusive, indicator of what the parties meant. But the wider context may point to some interpretation other than the most obvious one and may also assist in determining the meaning intended in cases of ambiguity or uncertainty.

[28] If a plain or unambiguous meaning is not derived from an initial objective analysis, I am further guided by observations the Employment Court made in *Godfrey Hirst New Zealand Ltd v National Distribution Union*:

> If, however, there is a true ambiguity, then broader extrinsic assistance for interpretation can be relied on. In addition to having recourse to other relevant provisions in the agreement, such extrinsic aids to interpretation may include evidence of the context in which the agreement was settled, the relevant legislation, and sometimes of the negotiations that led to the settlement. What the Court cannot consider are the accounts of the parties or their negotiators as to what they now say they intended to mean by the clause.

[29] Put another way, as expounded by the Employment Court in Le *Gros v Fonterra Co-Operative Group Ltd* the Authority should seek to ascertain the meaning the parties would have reasonably intended at the time the agreement was negotiated. [11]

Assessment

[30] In assessing a plain language meaning of the "Vehicle Selection Table", Veolia allocated Mr Dignum a vehicle model from those described as "Tool of Trade vehicles". In explaining the reasoning for the selection, Veolia has emphasised it met the requirements of Mr Dignum's role – a premise consistent with it being regarded as falling into the 'Tool of Trade' category rather than a higher specification vehicle allocated to a person in a leadership role. Although I do acknowledge Veolia initially tried to accommodate Mr Dignum by agreeing to mask the signage on the allocated vehicle and not insisting on GPS monitoring., the latter two concessions were not subsequently confirmed. [12]

[31] The vehicle selection is evidently not consistent with how Mr Dignum's remuneration package was structured and agreed, logically if Veolia wish to persist with this vehicle allocation they should not by their own policy definition, set off the value against Mr Dignum's remuneration package. Viewed this way, the issue the parties have posited of whether it is an implied term of Mr Dignum's employment that entitles him to an employer provided motor vehicle that meets his specified personal and family needs, falls away, to the premise that it was an express (incorporated) term of his individual employment agreement that the motor vehicle policy applied. Further, in applying the policy Veolia has not been consistent with their past vehicle allocation practice of acceptance that Mr Dignum's vehicle was not to be selected from the ones deemed 'Tool of Trade'.

Disadvantage?

[32] The question then has Mr Dignum been disadvantaged by Veolia's actions or omissions and if so, how can this be remedied.

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[11] *Le Gros v Fonterra Co-Operative Group ltd* [2023] NZEmpC 193 at [16].
[12] N 6.

[33] Veolia's submission is in summary, that the vehicle they allocated was not sufficiently different from the previously allocated vehicles to cause anything other than minor inconvenience and the terms of private use have remained the same.

[34] Mr Dignum in contrast, asserts in applying a strict interpretation of the company policy, Veolia has not acted reasonably in addressing Mr Dignum's legitimate concerns and has not honoured contractual obligations by providing a vehicle the company conceded was different in specification to previously allocated vehicles. The disadvantage identified is that Mr Dignum was not allocated a vehicle suitable for his personal and family needs – a premise, that for comparative purposes implies the three other vehicles provided met those needs.

Finding

[35] As discussed above I have found that Veolia did not allocate Mr Dignum with a vehicle consistent with their past practice of allowing access to a higher specification vehicle. I have however, found that Veolia has applied its own vehicle policy in a consistent manner but in all the circumstances, I do not find they have acted as a fair and reasonable employer could have done. Exercising the discretion they had to allocate a vehicle of higher specification would have been consistent with past practice but also crucially, in accord with the 'bargain' struck that Mr Dignum forewent other benefits to obtain a vehicle suitable for his needs.

[36] I find Mr Dignum has been unjustifiably disadvantaged by being allocated a vehicle on a 'Tool of Trade" basis when he had a separate agreement that he had bought the right to being allocated a higher specification vehicle.

Remedies

[37] Given my above finding and the circumstances of the dispute including the fact that Mr Dignum has continued to be allocated a vehicle for private use, I do not consider that he has made out a case to be awarded compensation for humiliation, loss of dignity and injury to feelings under s 123(1)(c)(i) of the Act.

[38] I have also given my findings, considered whether it is appropriate to order a penalty for a breach of Mr Dignum's employment agreement but consider this inappropriate as no

explicit breach has occurred given Veolia has legitimately applied its own vehicle selection policy.

[39] However, I do find, Veolia in applying their policy in context and without exercising discretion to provide a higher specification vehicle, that Mr Dignum should be compensated for being allocated a vehicle based on his role as a tool of trade. Mr Dignum has lost remuneration pursuant to s 123(c)(ii) of the Act being the benefit of remuneration and other benefits he has foregone from the time the new vehicle was allocated. Mr Dignum has conservatively claimed this amount as $13,500 per year. As this is an ongoing loss and presumably can be objectively calculated, I will direct the parties to come to an agreement on the quantum.

Orders

[40] I have found that:

(a) Robert Dignum was unjustifiably disadvantaged by being allocated a vehicle based on it being categorised as a tool of trade without the corresponding application of Veolia's own policy that the value of the vehicle is not part of a cost to the employee's total remuneration package.

(b) Veolia Water Services (ANZ) Pty Limited must compensate Robert Dignum pursuant to s 123(1)(c)(ii) of the Employment Relations Act 2000, lost remuneration, being the value of the disputed company vehicle provision (since allocation and ongoing) in an amount to be agreed between the parties. If the parties are unable to agree on this amount, then leave is reserved for an application to the Authority to decide the quantum of the benefit owed.

Costs

[41] Costs are reserved.

[42] If the parties are unable to resolve costs, and an Authority determination on costs is needed, Robert Dignum may lodge, and then should serve, a memorandum on costs within 28 days of the date of issue of this determination. From the date of service of that memorandum Veolia Water Services (ANZ) PTY Limited will then have 14 days to lodge any reply

memorandum. On request by either party, an extension of time for the parties to continue to negotiate costs between themselves may be granted.

[43] The parties can expect the Authority to determine costs, if asked to do so, on its usual "daily tariff" basis unless circumstances or factors, require an adjustment upwards or downwards.[13]

David G Beck
Member of the Employment Relations Authority

[13] For further information about the factors considered in assessing costs see: www.era.govt.nz/determinations/awarding-costs-remedies/#awarding-and-paying-costs-1