

**IN THE EMPLOYMENT RELATIONS AUTHORITY
AUCKLAND**

AA 66A/08
5076461

BETWEEN CATHY JOHNSON
 Applicant

AND GILLIGAN BUSINESS
 SCHOOL LIMITED
 Respondent

Member of Authority: Alastair Dumbleton

Submissions Received 14 May 2008 from Respondent

Determination: 7 July 2008

COSTS DETERMINATION OF THE AUTHORITY

[1] In determining (under AA66/08 of 28 February 2008) that Ms Johnson had not been unjustifiably dismissed by Gilligan Business School Limited and that she therefore had no sustainable personal grievance against her former employer, the Authority reserved the question of costs.

[2] An application for costs received from Gilligan Business School Limited was served on Ms Johnson who was given 14 days to respond, but no submission from her has been received by the Authority.

[3] I accept as correct the submissions of Ms Larmer counsel for the respondent employer, as to the general principles to be applied by the Authority in fixing awards of costs. However I cannot agree that an application of those principles in this case should lead to an award as high as \$10,118, being two thirds of actual and reasonable costs, or alternatively \$9,000, being a daily "tariff" of \$3,000 applied to three days for the reasonable preparation and attendance at the investigation meeting.

[4] An award of either amount would be punitive rather than compensatory which is the proper purpose of costs.

[5] In fixing costs the Authority should try to maintain reasonable consistency with levels awarded in other similar cases determined by it.

[6] There was nothing out of the ordinary about this case that might lead to a much higher award of costs than normal.

[7] I consider that an award of \$3,750 is appropriate compensation for Gilligan Business School Limited to compensate for the expense it was put to in taking part in this investigation of one day duration.

[8] Ms Cathy Johnson is therefore ordered to pay \$3,750 to Gilligan Business School Limited as costs, pursuant to clause 15 of Schedule 2 of the Employment Relations Act 2000.

A Dumbleton
Member of the Employment Relations Authority