

**IN THE EMPLOYMENT RELATIONS AUTHORITY
CHRISTCHURCH**

**I TE RATONGA AHUMANA TAIMAHI
ŌTAUTAHI ROHE**

[2025] NZERA 585
3354763

BETWEEN	STL TRADING COMPANY LIMITED Applicant
AND	JARRED COTTLE Respondent

Member of Authority: Philip Cheyne

Representatives: Robert Thompson, advocate for the applicant
No appearance by the respondent

Investigation Meeting: On the papers

Information received: 29 August 2025 from the applicant

Date of Determination: 22 September 2025

DETERMINATION OF THE AUTHORITY

Employment relationship problem

[1] There are terms of settlement between STL Trading Company Limited (STL) and Jarred Cottle. STL seeks a compliance order and a penalty as it says Mr Cottle only partly complied with the settlement.

The Authority's investigation

[2] STL's application was served on Mr Cottle but he did not lodge a statement in reply.

[3] A case management conference was convened. Mr Cottle was advised of the arrangement and given an opportunity to participate. He did not do so.

[4] The problem was suitable to be investigated and determined on the papers. I set a timetable for STL to provide affidavit evidence and supporting submissions and for Mr Cottle to reply. STL lodged and served its affidavit and submissions. Mr Cottle did not respond.

[5] This determination resolves STL's claims against Mr Cottle.

A compliance order is appropriate

[6] The terms of settlement between STL and Mr Cottle were signed by them each and by a mediator on 31 October 2024, in accordance with s 149 of the Employment Relations Act 2000 (the ERA). The terms are binding and enforceable on Mr Cottle.

[7] STL is entitled to bring those terms before the Authority to enforce them.

[8] Mr Cottle agreed to pay a total of \$1,000.00 by weekly instalments of \$25.00 starting on 8 November 2024. Mr Cottle made six payments, the last one on 18 December 2024. He still owes \$850.00.

[9] There is no evidence to suggest that Mr Cottle is not able to pay the remaining amount. Evidence provided indicates that he works, receives an income and would likely have means to pay the balance.

[10] Mr Cottle will be ordered to comply with the terms of settlement.

A penalty is appropriate

[11] A person who breaches an agreed term of settlement under s 149 of the ERA is liable to a penalty imposed by the Authority.

[12] Mr Cottle has breached the agreed terms of settlement and is liable to a penalty of up to \$10,000.00.

[13] Non-compliance undermines the integrity of mediation, the primary problem-solving mechanism under the Act. A penalty is appropriate to punish Mr Cottle and to make it plain more widely that parties should comply with terms of settlement.

[14] I treat the breach as intentional. There is some evidence about the damage suffered by STL. It considers that Mr Cottle has snubbed it and caused it inconvenience and cost. I put aside the point about costs, for the moment.

[15] There is no evidence of earlier breaches by Mr Cottle.

[16] Balancing these factors together with the amount in default, I would fix \$1,000.00 as the appropriate level of a penalty.

[17] STL seeks a penalty of \$8,000.00. However, I was not referred to any similar cases and a penalty at that level would be disproportionate. For example, Mr Cottle's default is less serious than in *Tech 5 Recruitment Limited v Winder*,¹ where a penalty of \$1,500.00 was set.

[18] STL seeks payment of 60% of the penalty on account of the loss and suffering it has endured. The effect on STL is better described as frustration, inconvenience and annoyance. It should have had the use of its money, without more. I was not referred to any cases to support the claim for 60% of the penalty. It is appropriate to recognise the effects on STL by ordering Mr Cottle to pay it half of the penalty, as happened in the *Tech 5 Recruitment* case.

[19] STL seeks interest. The settlement did not provide for interest. But STL has lost the use of the \$25.00 due on 25 December 2024 to now, the \$25.00 due on 1 January 2025 to now and so on. Calculating interest to cover the loss in accordance with the law would not be uncomplicated and I was not provided with any details. I decline to order interest.

Summary, costs and orders

[20] Under s 137 of the Employment Relations Act 2000, I order Jarred Cottle to comply with the agreed terms of settlement and pay STL Trading Company Limited \$850.00 by Monday 20 October 2025.

[21] Jarred Cottle must pay a penalty of \$1,000.00 by Monday 20 October 2025 as follows:

- (a) \$500.00 to STL Trading Company Limited; and
- (b) \$500.00 to the Crown.

[22] STL seeks costs of a half-day in accordance with the standard daily tariff, but did not provide any invoice to establish the costs it has incurred for this application. I

¹ *Tech 5 Recruitment v Winder*[2024] NZERA 39.

assume that STL would have incurred legal fees for its representative but I have no information about how much. The matter involved a statement of problem, attendance at a case management conference, preparation and lodging a short affidavit and brief submissions. This is a straight-forward undefended problem, dealt with on the papers. I fix costs at \$1,000.00 as a contribution to legal costs. There will be an additional amount of \$71.55 to cover the fee paid by STL to lodge this application.

[23] Jarred Cottle must pay STL Trading Company Limited costs and expenses of \$1,071.55 by Monday 20 October 2025.

[24] I draw to Mr Cottle's attention s 140 of the Employment Relations Act 2000 (copy attached) which sets out the powers available to the Employment Court on application, should he file to comply with the Authority's compliance order.

Philip Cheyne
Member of the Employment Relations Authority