

**IN THE EMPLOYMENT RELATIONS AUTHORITY  
CHRISTCHURCH**

CA 44/08  
5106806

BETWEEN HELEN PATRICIA TAIT  
Applicant  
AND DYNASTY GROUP LIMITED  
Respondent

Member of Authority: Paul Montgomery  
Representatives: Paulette Petelo, Counsel for Applicant  
Dean Organ, Advocate for Respondent  
Investigation Meeting: On the papers  
Submissions Received: 4 April 2008 and 11 April 2008  
Determination: 22 April 2008

---

**DETERMINATION OF THE AUTHORITY**

---

**Employment relationship problem**

[1] In the course of her employment at the respondent's Methven property, Ms Tait purchased, on behalf of her employer, firewood for use in the respondent's premises. The respondent operates a hospitality premises in the mid-Canterbury township.

[2] In short, the respondent says that in order for the applicant to claim reimbursement of the \$400 she paid for the firewood, the applicant needed to provide a *simplified tax invoice which was required to clearly show:*

- *the words "tax invoice" in a prominent place*
- *the name and GST number of the supplier*
- *the date the tax invoice was issued*

- *a description of the goods and/or services supplied*
- *the total amount payable for the supply; and*
- *a statement that GST is included.*

[3] Further, the respondent says the applicant was aware of the principle that if she *did not have a tax invoice, she can't claim a credit on supplies over \$50.*

[4] The applicant says she attempted to obtain a GST invoice from R K Firewood but as this business was not registered for GST purposes, was able to obtain only a basic invoice from the supplier. The invoice appears valid, but lacks the detail required by the respondent. That lack of detail, the respondent says, prevents it from reimbursing the applicant.

### **Analysis and discussion**

[5] This must be one of the more inane and disproportionately expensive cases ever put before the Authority. What is at issue is a tax invoice for \$400 allowing the respondent to claim \$44.45 in GST output tax. From the applicant's viewpoint, she is deprived of reimbursement of the full \$400 she expended on firewood for the resort. The transaction was made by way of an eftpos payment – that is, cash.

[6] The respondent is dissatisfied with the applicant's inability to secure a GST tax invoice to enable it to claim the output tax refund on the purchase and therefore is refusing to refund any of the funds the applicant expended.

[7] The applicant has had the wood supplier provide an invoice for the purchase which does not meet the respondent's requirements and the applicant says the supplier, being unregistered for GST purposes, is unable at law to provide such an invoice.

[8] It appears the respondent's directors are Auckland based and perhaps unfamiliar with the severity of mid-Canterbury winters under the shadow of Mt Hutt. Firewood for guests' comfort is a necessity not a luxury.

[9] There is an issue of good faith in this matter. The applicant was required to fund the purchase. She did so for the benefit of the respondent's business. She attempted to secure a tax invoice as required. The supplier was unable to provide this

as it was not registered for GST purposes. To withhold reimbursement of the full \$400 because the respondent would suffer a loss of \$44.45 when the respondent is satisfied the wood was purchased and delivered, is a breach of the Act's requirement that parties to an employment relationship must deal with each other in good faith. See s.4(1).

### **The determination**

[10] The respondent is ordered to pay the applicant the sum of \$400 without deduction as reimbursement for the purchase made. This payment is to be made within seven days of the issue date of this determination.

### **Costs**

[11] The applicant has sought costs upon this application. Having considered this issue and to avoid further costs to the parties, I direct the respondent pay the applicant the sum of \$250 plus GST as a contribution to Ms Tait's legal expenses and is also ordered to refund the \$70 (GST inclusive) filing fee she incurred in bringing this matter to the Authority.

Paul Montgomery  
Member of the Employment Relations Authority