

**IN THE EMPLOYMENT RELATIONS AUTHORITY
AUCKLAND**

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

[2026] NZERA 110
3308160

BETWEEN CHANTELLE JULL
Applicant

AND LAPUTA LIMITED
Respondent

Member of Authority: Jeremy Lynch

Representatives: Applicant in person
Tomas Te Amo for the Respondent

Investigation Meeting: 26 February 2026, in Auckland

Submissions Received: At the investigation meeting from the Applicant
No submissions received from the Respondent

Oral Determination: 26 February 2026

Written Record Issued: 27 February 2026

ORAL DETERMINATION OF THE AUTHORITY

Employment Relationship Problem

[1] By way of a compliance order, Chantelle Jull seeks to enforce a record of settlement (ROS) entered into with her former employer Laputa Limited (Laputa), and certified by a mediator.

[2] In addition, Ms Jull seeks a penalty against Laputa for breaching the ROS, together with an order for interest.

The Authority's investigation

[3] Laputa did not lodge a statement in reply to Ms Jull's statement of problem.

[4] The Authority held a case management conference by telephone with the parties on 18 December 2025, at which both parties agreed to a timetable for written evidence to be lodged.

[5] Ms Jull lodged her witness statement in accordance with the timetable. No witness statement was lodged by Laputa, and nor did Laputa seek any extension to the agreed timetable.

[6] Laputa had not arrived at the Authority's premises at the scheduled start time for the investigation meeting. The commencement of the meeting was delayed while the Authority attempted to contact Laputa regarding its non-attendance.

[7] Tomas Te Amo, the director and shareholder of Laputa contacted the Authority by telephone shortly after the scheduled start time, advising that he was in Whakatāne, and did not realise that there was an investigation meeting scheduled, rather he said he thought that today's scheduled event was a further case management conference.

[8] The Authority arranged a weblink for Mr Te Amo to attend the investigation meeting by audiovisual Link.

[9] As permitted by s 174E of the Employment Relations Act 2000 (the Act), this determination has not recorded everything received from the parties, but has stated findings of fact and law, expressed conclusions and specified orders made as a result.

[10] The Authority has carefully considered all the material provided.

The issues

[11] The issues identified for investigation and determination are:

- (a) whether Laputa has breached its obligations under the 20 September 2023 ROS it entered into with Ms Jull, with specific regard to the sum of \$172.50 it was required to pay to Ms Jull under cl 3 of the ROS, and the sum of \$1000.00 it was required to pay to Ms Jull under cl 5 of the ROS?
- (b) If so, should a compliance order be made under s 137 of the Act?
- (c) Should interest on the sums listed above be awarded?

- (d) Should a penalty be imposed on Laputa under s 149(4) of the Act, for breaching the ROS?
- (e) Is either party entitled to an award of costs?

Background

[12] Laputa operated a nightclub in Auckland called *Illusion*. Ms Jull was employed as a bartender and trainee duty manager.

[13] An employment relationship problem arose. The parties attended mediation, at which the 20 September 2023 ROS was signed.

[14] Under the ROS, Laputa was to pay to Ms Jull (inter alia) within 60 days of the date of the ROS, the sum of \$172.50 by way of reimbursement for a liquor licence fee.

[15] In addition, within 70 days of the date of the ROS, Laputa was to pay to Ms Jull the sum of \$1000.00 by way of compensation under s 123(1)(c)(i) of the Act.

[16] Although Laputa did pay other sums agreed under the ROS, there is no dispute that neither of the above sums have been paid, and both remain outstanding.

[17] Mr Te Amo's evidence was that he took over Laputa in May 2024, becoming its sole director and shareholder. He says that Laputa no longer operates *Illusion*, but instead now operates *Club 146* from the same premises. His evidence was that although he had no reason to dispute that Ms Jull had not been paid the sums owing to her under the ROS, the ROS was entered into prior to his involvement with the business, and he had no access to Laputa's accounts or other information, as at the time of the ROS.

Compliance order

[18] Section 137(1)(iii) of the Act empowers the Authority to order a party to comply with any terms of settlement that s 151 provides may be enforced by a compliance order. Section 151 of the Act applies to any agreed terms of settlement enforceable by the parties under s 149(3) of the Act. The effect of s 151 is that any agreed terms of settlement that are enforceable by the parties under s 149(3) (such as the ROS), may be enforced by way of a compliance order.

[19] Notwithstanding Mr Te Amo's evidence that the ROS was entered into prior to his involvement with the business, the employing entity, and party to the ROS remains

the same. Laputa entered into the ROS, and it is Laputa's obligations which remain outstanding, regardless of the change in director/shareholder.

[20] Laputa has not provided any evidence as to its financial position, and did not seek payments of the outstanding amounts by way of instalment, in the event the Authority ordered compliance.

[21] There is no dispute that Laputa has failed to comply with the terms of the ROS. It is appropriate for the Authority to exercise its discretion under s 137(2) of the Act to order compliance with the sums outstanding.

[22] Within 28 days of the date of this determination, Laputa is ordered to comply with the provisions of cl 3 and cl 5 of the parties' 20 September 2023 ROS, and make payment to Ms Jull of the outstanding sums of \$172.50, and \$1000.00, without deduction.

[23] The imposition of a compliance order is a serious matter. Should Laputa fail to comply with the compliance order as set out above, Ms Jull is entitled to pursue any such breach in the Employment Court, or the District Court.

[24] The Employment Court has powers to impose a fine not exceeding \$40,000, order property to be sequestered, or impose a sentence of imprisonment not exceeding three months. Alternatively, a certificate of determination may be obtained from the Authority, and enforcement obtained in the District Court.

Interest

[25] The Authority has the power to award interest under clause 11 of the second schedule of the Act. Interest is to reimburse someone for the loss of the use of monies to which there is an established entitlement.

[26] Where a person has been deprived of the use of money, it is appropriate that the Authority makes an award for interest. Laputa is ordered to calculate and pay interest on the outstanding sum.

[27] Interest on the outstanding sum of \$172.50 is to be calculated from 19 November 2023 (being 60 days from the date of the ROS, as per cl 4 of the ROS).

[28] Interest on the outstanding sum of \$1000.00 is to be calculated from 29 November 2023 (being 70 days from the date of the ROS, as per cl 4 of the ROS).

[29] Interest on both sums is to be calculated from the above relevant dates, until the outstanding sums are paid in full. Interest is payable in accordance with schedule 2 to the Interest on Money Claims Act 2016, and is to be calculated using the civil debt interest calculator available on the Ministry of Justice website.¹

Penalty

[30] section 149(4) of the Act provides that a person who breaches an agreed term of a ROS is liable to a penalty imposed by the Authority. Ms Jull seeks a penalty in respect of Laputa's breaches of the parties' ROS.

[31] Under s 135(2)(b) of the Act, Laputa is liable to a penalty of up to \$20,000.00.²

[32] The relevant principles for the Authority to follow when assessing the level of penalties are set out in *ITE v ALA* as being:³

- (a) to protect the finality and integrity of s 149 settlement agreements by deterring the individual transgressor and others from similar breaches;
- (b) to punish the transgressors;
- (c) consistency with penalties imposed on others in similar circumstances;
- (d) an assessment of the nature and extent of the breach, including whether it was deliberate, one-off or sustained, with the maximum penalty being reserved for the worst cases;
- (e) any steps taken by the transgressor to remedy the breach;
- (f) proportionality in the circumstances.

[33] Deterrence is an important part of assessing a penalty. Laputa's breaches were clearly intentional and not inadvertent. The sums under the ROS have remained outstanding since 2023, despite Ms Jull taking reasonable steps to obtain payment.

[34] Laputa has not been before the Authority previously, so cannot be said to have engaged in similar prior conduct.

¹ <https://www.justice.govt.nz/fines/civil-debt-interest-calculator/>

² Comprehensive legal principles apply when the Authority is required to determine an application for penalties. Those principles are set out at s 133A of the Employment Relations Act 2000. In addition, the Employment Court has provided further guidance in recent decisions including *Labour Inspector v Preet Pvt Limited* [2016] NZEmpC 143, *Labour Inspector v Prabh Limited* [2018] NZEmpC 110, and *Labour Inspector v Daleson Investment Limited* [2019] NZEmpC 12.

³ *ITE v ALA* [2016] NZEmpC 42 at [61].

[35] Nevertheless, the amounts agreed to under the ROS have not been paid to Ms Jull in accordance with the parties' agreement, and there is no evidence of Laputa taking any steps to address the sums outstanding under the ROS. Ms Jull has been put to the additional cost and inconvenience of having to apply to the Authority to obtain compliance with an agreement freely entered into by Laputa.

[36] The Act includes provisions encouraging parties to resolve their employment relationship problems between themselves. The ROS represents such a resolution and therefore the failure by one party to honour the terms of any resulting agreement is a serious matter.

[37] An applicant such as Ms Jull, who has (through mediation) settled her employment relationship problem with her former employer, should be able to have confidence that all terms of the ROS will be met. Ms Jull's application for a compliance order in the Authority should not have been necessary.

[38] Public confidence in s 149 agreements will be undermined if it is perceived that parties are permitted to breach these settlements with impunity. It is important that parties can have confidence in the enforceability of the terms of agreed settlements.

[39] Within 28 days of the date of this determination, Laputa Limited is ordered to pay a penalty of \$500.00 in respect of its breaches of the ROS.

[40] By default, penalties are payable to the Crown. However, under s 136(2) of the Act, the Authority may order that the whole or part of any penalty recovered be paid to any person. In the circumstances of this matter it is appropriate that the entire penalty of \$500.00 should be paid to Ms Jull in order to compensate her for some of the inconvenience and cost she has suffered or incurred through Laputa not meeting its obligations.

Summary

[41] The Authority orders Laputa Limited, within 28 days of the date of this determination:

- (a) to pay to Chantelle Jull the outstanding settlement sums of \$172.50, and \$1000.00 without deduction; and

- (b) to calculate and pay interest on these outstanding settlement sums in accordance with [27] – [29] above; and
- (c) to pay a penalty in the sum of \$500.00. This penalty sum is to be paid directly to Ms Jull.

Costs

[42] Costs are reserved. The parties are encouraged to resolve any issue of costs between themselves.

[43] If the parties are unable to resolve costs, and an Authority determination on costs is needed, Ms Jull may lodge, and then should serve, a memorandum on costs within 28 days of the date of this determination. From the date of service of that memorandum, Laputa 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.

[44] The parties can anticipate the Authority will determine costs, if asked to do so, on its usual notional “daily tariff” basis unless circumstances or factors, require an adjustment upwards or downwards.⁴

Jeremy Lynch
Member of the Employment Relations Authority

⁴ For further information about the factors considered in assessing costs see:
www.era.govt.nz/determinations/awarding-costs-remedies/#awarding-and-paying-costs-1