

**IN THE EMPLOYMENT RELATIONS AUTHORITY
AUCKLAND**

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

[2026] NZERA 294
3414105

BETWEEN FAEZAAN HUSSAIN
Applicant

AND BOLD SIGNAGE LIMITED
Respondent

Member of Authority: Jeremy Lynch

Representatives: Applicant in person
Gregory Martin for the Respondent

Investigation Meeting: 12 May 2026, in Auckland

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

Oral Determination: 12 May 2026

Written Record Issued: 13 May 2026

ORAL DETERMINATION OF THE AUTHORITY

Employment Relationship Problem

[1] By way of a compliance order, Faezaan Hussain seeks to enforce a record of settlement (ROS) entered into with his former employer Bold Signage Limited (Bold Signage), and certified by a mediator.

[2] In addition, Mr Hussain seeks a penalty against Bold Signage for breaching the ROS, together with an order for interest.

The Authority's investigation

[3] Bold Signage did not lodge a statement in reply to Mr Hussain's statement of problem.

[4] The Authority held a case management conference by telephone (CMC) on 18 March 2026, at which a timetable was set for the parties' written evidence to be lodged.

[5] Gregory Martin, the sole director and shareholder of Bold Signage contacted the Authority by email on the morning of the CMC and said he would be unable to attend the CMC because he would be attending a planned medical appointment. Mr Martin did not give any other information about the appointment, or provide any evidence to support his unavailability. Mr Martin's email advised that despite his unavailability to attend, "If you [the Authority] wish to proceed [with the CMC] anyway then I accept that".

[6] Being satisfied that Mr Martin was aware of the CMC, the Authority proceeded with the call, in Bold Signage's absence. Following the CMC, written directions were issued to the parties, confirming the date for the investigation meeting, together with a timetable for the parties' evidence to be lodged. The directions also set out the issues for investigation and determination, and specifically record that if either party wished to provide comment as to the directions, they may do so by contacting the Authority on a specified email address and telephone number.

[7] No comment was received from either party as to the Authority's directions.

[8] Mr Hussain lodged his witness statement in accordance with the timetable. No witness statement was lodged by Bold Signage, and nor did Bold Signage seek any extension to the agreed timetable.

[9] Neither party had arrived at the Authority's premises at the scheduled start time for the investigation meeting. The Authority attempted to contact the parties. The commencement of the meeting was delayed in order that the parties could attend the investigation.

[10] Mr Hussain attended the meeting at the revised start time. Bold Signage advised by email that it was unaware the meeting was scheduled for today. I am satisfied that Bold Signage was served with a notice of investigation, containing the date, time, and address details of the meeting. Given this was sent to the parties on 18 March 2026, Bold Signage has had sufficient opportunity to attend the meeting.

[11] Being satisfied that there was no good reason to further delay the investigation, the meeting proceeded in Bold Signage's absence.

[12] 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.

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

The issues

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

- (a) whether Bold Signage has breached its obligations under the 10 September 2025 ROS it entered into with Mr Hussain?
- (b) If so, should a compliance order be made under s 137 of the Act?
- (c) Should a penalty be imposed on Bold Signage under s 149(4) of the Act, for breaching the ROS?
- (d) Should interest be awarded on any sums outstanding under the parties' ROS?
- (e) Is either party entitled to an award of costs?

Background

[15] Bold Signage carries on business as a signwriter in Auckland, trading as Bold Signage and Wraps. Mr Hussain was employed as Bold Signage's production manager on 12 May 2025. Mr Hussain says his employment was relatively brief, being approximately four weeks in duration.

[16] An employment relationship problem occurred between the parties. The parties attended mediation, at which the 10 September 2025 ROS was signed.

[17] Under the ROS, Bold Signage was to pay to Mr Hussain by no later than 30 September 2025, the following sums:

- (a) \$3000.00 by way of compensation under s 123(1)(c)(i) of the Act; and
- (b) Unpaid wages in the sum of \$8,583.75 (gross). From this sum Bold Signage was to make the necessary deductions for PAYE, KiwiSaver and student loan repayments.

[18] In addition, under the ROS, Bold Signage was required to remit to IRD the sum of \$614.00, by way of PAYE, KiwiSaver contributions and student loan repayments on behalf of Mr Hussain.

[19] Mr Hussain's evidence is that Bold Signage has not complied with any of these obligations. He says that he has not received any of the sums under the ROS, despite making reasonable efforts to obtain payment from Bold Signage.

[20] Mr Hussain says that despite checking his 'My IR' account via the IRD online portal, there was no evidence of Bold Signage remitting the required payment of \$614.00 to IRD on his behalf.

Compliance order

[21] 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.

[22] Despite having the opportunity to provide a statement in reply, as well as lodge evidence, Bold Signage has not engaged with the Authority's investigation.

[23] Bold Signage has not provided any evidence as to its financial position. Despite its email to the Authority on the morning of the investigation meeting that it needed "...the ability to pay [the agreed amounts] over time due to current climate", did not make any firm proposal for instalments, nor provide any information to support its position that it was unable to meet its obligations under the ROS, in the event the Authority ordered compliance.

[24] Bold Signage does not dispute any of Mr Hussain's claims or evidence.

[25] Mr Hussain's evidence is therefore unchallenged.

[26] There is no dispute that Bold Signage 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.

[27] Within 28 days of the date of this determination, Bold Signage is ordered to comply with its obligations under the parties 10 September 2025 ROS, and make payment to Mr Hussain of the outstanding sums of:

- (a) \$3000.00 without deduction, under s 123(1)(c)(i) of the Act, as required under cl 2 of the ROS; and
- (b) unpaid wages in the sum of \$8,583.75 (gross) for unpaid wages under cl 3 of the ROS. From this sum Bold Signage is to make the necessary deductions for PAYE, KiwiSaver and student loan repayments.

[28] In addition, Bold Signage is required to remit to IRD the sum of \$614.00, by way of PAYE, KiwiSaver contributions and student loan repayments on behalf of Mr Hussain, as required under cl 4 of the ROS. This also must occur within 28 days of the date of this determination.

[29] The imposition of a compliance order is a serious matter. Should Bold Signage fail to comply with the compliance order as set out above, Mr Hussain is entitled to pursue any such breach in the Employment Court, or the District Court.

[30] The Employment Court has powers to impose a fine not exceeding \$40,000.00, 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

[31] 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.

[32] Where a person has been deprived of the use of monies, it is appropriate that the Authority makes an award for interest. Bold Signage is ordered to calculate and pay interest as follows:

- (a) Interest on the outstanding sum of \$3,000.00 is to be calculated from 1 October 2025 (being the day after Bold Signage was required to make payment of this sum, under cl 2 of the ROS); and

- (b) Interest on the outstanding sum of \$8,583.75 is to be calculated from 1 October 2025 (being the day after Bold Signage was required to make payment of this sum, under cl 4 of the ROS).

[33] 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

[34] Any interest or penalties arising should Bold Signage not remit to IRD the sum of \$614.00 as required per cl 4 of the ROS is a matter between Bold Signage and IRD.

Penalty

[35] 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. Mr Hussain seeks a penalty in respect of Bold Signage's breaches of the parties' ROS.

[36] Under s 135(2)(b) of the Act, Bold Signage is liable to a penalty of up to \$20,000.00 per breach.

[37] The relevant principles for the Authority to follow when assessing the level of penalties are set out in *ITE v ALA* as being:²

- (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.

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

² *ITE v ALA* [2016] NZEmpC 42 at [61].

[38] Deterrence is an important part of assessing a penalty. Bold Signage's breaches were clearly intentional and not inadvertent. The sums under the ROS have remained outstanding since 2025, despite Mr Hussain taking reasonable steps to obtain payment.

[39] Other than in respect of the employment relationship problem with Mr Hussain, Bold Signage has not been before the Authority previously. It therefore cannot be said to have engaged in similar prior conduct.

[40] Nevertheless, the amounts agreed to under the ROS have not been paid to Mr Hussain in accordance with the parties' agreement, and there is no evidence of Bold Signage taking any steps to address the sums outstanding under the ROS. Mr Hussain 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 Bold Signage.

[41] 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.

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

[43] 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.

[44] Within 28 days of the date of this determination, Bold Signage Limited is ordered to pay a penalty of \$1,500.00 in respect of its breaches of the ROS.

[45] 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 \$500.00 of the penalty should be paid to Mr Hussain in order to compensate him for some of the inconvenience and cost he has suffered or incurred through Bold Signage not meeting its obligations, with the balance to be paid to the Authority for transfer to a Crown bank account.

Summary

[46] The Authority orders Bold Signage Limited, within 28 days of the date of this determination:

- (a) to pay to Faezaan Hussain the outstanding settlement sums of:
 - (i) \$3,000.00 without deduction under cl 2 of the ROS; and
 - (ii) \$8,583.75 (gross) for unpaid wages under cl 3 of the ROS. From this sum Bold Signage is to make the necessary deductions for PAYE, KiwiSaver and student loan repayments; and
- (b) to calculate and pay interest on these outstanding settlement sums in accordance with [32] – [33] above; and
- (c) to pay a penalty in the sum of \$1,500.00. Of this penalty, the sum of \$500.00 is to be paid directly to Mr Hussain, with the remaining \$1,000.00 to be paid to the Authority for transfer to a Crown account.
- (d) In addition, Bold Signage is to remit the sum of \$614.00 to IRD on behalf of Mr Hussain, by way of PAYE, KiwiSaver contributions, and student loan repayments, under cl 4 of the ROS. Bold Signage must do this within 28 days of the date of this determination.

Costs

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

[48] If the parties are unable to resolve costs, and an Authority determination on costs is needed, Mr Hussain may lodge, and then should serve, a memorandum on costs within 14 days of the date of this determination. From the date of service of that memorandum, Bold Signage 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.

[49] 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.³

Jeremy Lynch
Member of the Employment Relations Authority

³ For further information about the factors considered in assessing costs see:
www.era.govt.nz/determinations/awarding-costs-remedies/#awarding-and-paying-costs-1