

*Under the Employment Relations Act 2000*

**BEFORE THE EMPLOYMENT RELATIONS AUTHORITY  
AUCKLAND OFFICE**

**BETWEEN** Bryce Evan Liggett (Applicant)

**AND** William Sharplin (Respondent)

**REPRESENTATIVES** Bryce Evan Liggett In person  
William Sharplin, In person

**MEMBER OF AUTHORITY** Leon Robinson

**INVESTIGATION MEETING** 21 June 2005

**DATE OF DETERMINATION** 21 June 2005

**DETERMINATION OF THE AUTHORITY**

**Employment Relationship Problem**

[1] The applicant Mr Bryce Liggett (“Mr Liggett”) claims he is owed the balance of a “livecow” bonus in the sum of \$1,600.00 by his former employer Mr William Sharplin (“Mr Sharplin”). Mr Sharplin says Mr Liggett has been paid the \$400.00 he is entitled to and he denies any further liability to Mr Liggett.

**The facts**

[2] Mr Liggett commenced employment on 3 March 2003 as a dairy herd manager for the 2003 farm season on Mr Sharplin’s farm.

[3] The terms of the employment were recorded in a written individual employment agreement signed by the parties on 13 March 2003 (“the Agreement”).

[4] Clause 6 of a Schedule to the Agreement provided as follows:-

*Achievable Bonuses of \$3500.00 at the completion of the season ending 31 May 2004, calculated as follows-*

- i \$2000.00 Livecow bonus, less \$400 for each dead cow.*
- ii \$1000.00 less any financial losses to the Employer caused by the employees carelessness or negligence*
- iii \$500.00 for gradefree milk less financial penalties.*

[5] It is not disputed that seven cows died during Mr Liggett’s service as dairy herd manager.

## Discussion

[6] I have today met with Mr Liggett and Mr Sharplin and we have had a full discussion about the circumstances in which each of the seven cows passed on.

[7] Mr Liggett says that he was not responsible for any of the seven cows' passing and therefore he is entitled to be paid the full \$2000.00 Livecow bonus. Unfortunately Mr Liggett's position is not supported by the clear wording of the Agreement he voluntarily entered into.

[8] Clause 6(i) of the Schedule is clear on its face and there is no ambiguity which would entitle the Authority to look behind the wording of the clause to the background circumstances or the parties' intentions in negotiating it.

[9] The clause makes no distinction whatsoever about the circumstances of each cow's death. There is no scope to take into account any degree of negligence or carelessness on Mr Liggett's part. Regardless of how the cow dies, for each cow that does, Mr Liggett's entitlement to the Livecow bonus of \$2,000.00 is reduced by \$400.00. The parties had obviously made provision for that type of situation in sub-clause (ii) relating to financial losses, and having turned their mind to that situation, they did not see fit to repeat it in relation to the Livecow bonus. That was the bargain between them and the bargain they shall be held to.

[10] Mr Sharplin discounted the deaths of three cows<sup>1</sup>. He was not obliged to do so in terms of the Agreement. That left four cows to take into account<sup>2</sup>. At \$400.00 per cow, Mr Liggett's entitlement to the Livecow bonus of \$2,000.00 was reduced by \$1,600.00 leaving a balance of \$400.00 which Mr Liggett was paid.

[11] The Livecow bonus operates as an incentive to the Dairy Herd Manager to see that the farmer's livestock is preserved. It is a gratuity payable upon the satisfaction of specified criteria. It is variable in this instance to the extent of the number of cows that perish. No distinction is drawn as to the circumstances of the cows passing.

[12] I conclude by finding that Mr Liggett has been paid what he is contractually entitled to under the Agreement. **Accordingly, I determine that Mr Liggett has no entitlement to any further payment from Mr Sharplin and the Authority cannot assist him any further.**

## Costs

[13] In the event that Mr Sharplin seeks costs, the parties are encouraged to resolve that question between them, but failing such agreement, Mr Sharplin is to file and serve a memorandum as to costs within 14 days of the date of this Determination. Mr Liggett is to file a memorandum in reply thereafter but within 28 days of the date of this Determination. I will not consider any application outside that timeframe.

Leon Robinson  
Member of Employment Relations Authority

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<sup>1</sup> Cows No 208, No 50 & No 27.

<sup>2</sup> Cows No 173, No 164, No 158 & No 121