

**IN THE EMPLOYMENT RELATIONS AUTHORITY
AUCKLAND**

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

[2025] NZERA 521
3363963

BETWEEN

DANIEL LAVIN
Applicant

AND

THE LOCAL MECHANIC
LIMITED
Respondent

Member of Authority: Matthew Piper

Representatives: Applicant in person
Logan Adler for the Respondent

Investigation Meeting: On the papers

Information received: 19 June 2025 and 16 July 2025 from the Applicant
No further information received from the Respondent

Determination: 26 August 2025

DETERMINATION OF THE AUTHORITY

Employment relationship problem

[1] On 26 February 2025 Mr Daniel Lavin entered into a settlement agreement with The Local Mechanic Limited (Settlement Agreement), which was signed by a mediator pursuant to s 149 of the Employment Relations Act 2000 (the Act) on 3 March 2025.

[2] Mr Lavin claimed The Local Mechanic failed to make the payments required by the Settlement Agreement and sought a compliance order pursuant to s 137 of the Act to enforce the Settlement Agreement.

The Authority's investigation

[3] The Authority held a Case Management Conference (CMC) regarding this matter on 5 June 2025. Mr Logan Adler, the company's sole director and shareholder and the person who signed the Settlement Agreement on behalf of the company, attended the CMC on behalf of The Local Mechanic.

[4] During the CMC Mr Adler accepted The Local Mechanic had entered into the Settlement Agreement and that it had failed to make the payments he had agreed to.

[5] The parties agreed that the Authority's investigation and determination of the matter would proceed on the papers, and directions were made for affidavit evidence to be lodged by each.

[6] Mr Lavin lodged affidavit evidence, but Mr Adler did not provide any further information or defence, despite being given the opportunity to do.

[7] As permitted by s 174E of the Employment Relations Act 2000 (the Act) this determination has stated findings of fact and law, expressed conclusions on issues necessary to dispose of the matter and specified orders made. It has not recorded all evidence and submissions received.

The issues

[8] The issues requiring investigation and determination were:

- (a) Did The Local Mechanic breach the Settlement Agreement?
- (b) If so, should the Authority make a compliance order pursuant to s 137 of the Act?
- (c) Should either party contribute to the costs of representation of the other party?

Did The Local Mechanic breach the Settlement Agreement?

[9] Clause 2 of the Settlement Agreement said:

2. Both parties agree that THE LOCAL MECHANIC LIMITED T/A WAIKARAKA PARK SERVICE CENTRE 2013 LIMITED will pay Daniel LAVIN

3. \$1318.00 outstanding wages (net) on or before the 28/02/2025

4. \$2678.00 final pay (net) on or before the 31/03/2025

[10] The evidence shows that Mr Lavin did not receive the outstanding wages or final pay referred to in the Settlement Agreement.

[11] During the CMC, the Local Mechanic accepted liability for the for the amounts owing to Mr Lavin under the Settlement Agreement.

[12] The Authority finds The Local Mechanic has breached the Settlement Agreement by failing to make the payments required by it to Mr Lavin.

Should the Authority make a compliance order pursuant to s 137 of the Act?

[13] Under s 137(1)(iii) of the Act the Authority may 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.

[14] 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 Settlement Agreement), may be enforced by way of a compliance order.

[15] As noted above, The Local Mechanic has failed to comply with the terms of the Settlement Agreement. It is appropriate for the Authority to exercise its discretion under s 137(2) of the Act to order compliance with the Settlement Agreement to prevent further non-compliance.

[16] Within 20 days of the date of this determination, The Local Mechanic is ordered to comply with the provisions of clause 2 of the Settlement Agreement by making the payments referred to in paragraph [9] above.

[17] The imposition of a compliance order is a serious matter. Should The Local Mechanic fail to comply with this compliance order, Mr Lavin is entitled to pursue such a breach in the Employment Court or the District Court. 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.

[18] Alternatively, a certificate of determination may be obtained from the Authority and enforcement obtained in the District Court.

Costs

[19] Costs are usually to reimburse the cost of professional representation. As both parties were self-represented, the Authority's preliminary view is that costs should lie where they fall. The parties are encouraged to resolve any issue of costs between themselves on this basis.

[20] If they are not able to do so and an Authority determination on costs is needed Mr Lavin may lodge, and then should serve, a memorandum on costs within 28 days of the date of issue of the written determination in this matter. From the date of service of that memorandum The Local Mechanic would then have 14 days to lodge any reply memorandum. Costs will not be considered outside this timetable unless prior leave to do so is sought and granted.

Matthew Piper
Member of the Employment Relations Authority