

**IN THE EMPLOYMENT RELATIONS AUTHORITY  
AUCKLAND**

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

[2026] NZERA 370  
3447724

BETWEEN	KUMARAN SUBRAMANIYAM SEENIYAR Applicant
AND	MSVVJ PAINTING LIMITED First Respondent
AND	MATHIYALAGAN MURUGESU Second Respondent

Member of Authority:	Nicola Craig
Representatives:	Maxine Keremete, advocate for the applicant Mathiyalagan Murugesu for the respondents
Investigation Meeting:	On the papers
Submissions (and other information) received:	Up to 9 June 2026 for the applicant Up to 15 May 2026 for the respondents
Determination:	11 June 2026

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**DETERMINATION OF THE AUTHORITY**

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**Employment relationship problem**

[1] A settlement agreement was reached between Kumaran Subramaniyam Seeniyar, MSVVJ Painting Ltd (MSVVJ or the company) and Mathiyalagan Murugesu (also known as Murugesu). Mr Seeniyar worked for MSVVJ and Mr Murugesu is the sole director and shareholder of that company.

[2] The settlement agreement was signed in April 2025 on behalf of the three parties to this proceeding and also by a mediator from the Ministry of Business, Innovation and Employment under s 149 of the Employment Relations Act 2000 (the Act).

[3] Mr Seeniyar comes to the Authority seeking payment of all the money outstanding under the settlement agreement, saying none has been paid. Mr Murugesu suggests payments have been made.

### **Authority's investigation**

[4] A case management conference was held with the representatives to discuss this matter. Mr Seeniyar's representative confirmed that he wished to pursue both the company and its director for payment under the settlement agreement. There was some indication from Mr Murugesu that some or all payments have been made.

[5] It was agreed that this matter could be heard on the papers with a timetable set for the provision of any further information, documents or comment. The parties were given an extended time of 20 May 2026 to provide such material, including any documents from MSVVJ and Mr Murugesu showing payments made.

[6] The settlement agreement refers to the company and Mathiyalagan Murugesu as parties to that agreement. By way of 6 May 2026 Notice of Directions of the Authority it was proposed that under s 221 of the Act the second respondent would be referred to by his recorded name as director in the Companies Register for the first respondent – Mathiyalagan Murugesu. The parties were given the opportunity to raise any concerns about that by 20 May 2026. None were received.

[7] On 15 May 2026 Mr Murugesu wrote requesting a one month extension as he would be “away outstation for the next month and would have limited access to documents and communications”. There was also mention of him seeking legal representation. This application was strongly opposed by Mr Seeniyar – payments under the settlement agreement were to be paid into his bank account, there had been plenty of time to provide evidence of payments and Mr Seeniyar was in hardship, as a single elderly man with no family in this country.

[8] The Authority rejected the application for a one-month extension but gave the parties until 9 June 2026 to provide any further material.

[9] Documents and other evidence were provided on behalf of Mr Seeniyar. Nothing further was received on behalf of MSVVJ and Mr Murugesu.

[10] As permitted by s 174E of the Act this determination has not recorded everything received from the parties but has stated findings of fact and law and expressed conclusions.

### **Issues**

[11] The issues to be determined are:

- (a) How much, if any, money is outstanding in breach of the settlement agreement and if so, should a compliance order be issued?
- (b) Should payment be made for interest or a collection fee?
- (c) Should either party have to contribute to the costs of the other?

### **The settlement agreement**

[12] The settlement agreement lists both MSVVJ and Mr Murugesu at the top as employer and the agreement is signed by Mr Murugesu on behalf of himself and the company. The mediator signed on 23 April 2025.

[13] Under clause 2 of the settlement agreement:

The Employer shall, without admission of liability, pay the Employee a total sum of \$24,000 on the basis outlined below:

- a) \$6,000 terms of the provisions of s 123(1)(c)(i) of the Employment Relations Act 2000, within 14 working days of the date of this agreement being certified by a MBIE mediator.
- b) 36 x payments of \$500 (totalling \$18,000) in terms of the provisions of s 123(1)(c)(i) of the Employment Relations Act 2000, at the end of each month thereafter, with the first payment being due on or before 30 May 2025 (provided a mediator has certified this agreement).

[14] Clause 3 then provides:

The amounts in paragraph 2 will be paid by way of Direct Credit to the Employee's bank account on the Employer's file.

[15] Interest is allowed for in clause 4:

The parties agree that if any payment as outlined in paragraph 2 is late, it will be subject to default interest at the rate specified in the Judicature Act 1908, being 7.5% per annum.

[16] As is common the agreed terms are in full and final settlement of all matters between the parties – clause 6.

### **Outstanding payments and compliance order**

[17] There is considerable evidence of Mr Seeniyar’s representative texting, emailing and calling Mr Murugesu and MSVVJ, over the period from June 2025 to June 2026, seeking payment and identifying breaches of the settlement agreement. A lack of response by Mr Murugesu is reported.

[18] Evidence of Mr Seeniyar struggling to pay his rent, linked to MSVVJ and Mr Murugesu’s non-payment, is provided.

[19] I am satisfied that MSVVJ and Mr Murugesu have breached clauses 2(a) and (b) of the settlement agreement by failing to pay:

- \$6,000 within 14 working days of 23 April 2025, the date the agreement was certified by a MBIE mediator
- 13 subsequent payments of \$500 each at the end of subsequent months thereafter.

[20] Compliance orders are a discretionary remedy but there is nothing to suggest one is inappropriate here.<sup>1</sup>

[21] Submissions for Mr Seeniyar refer to Mr Murugesu’s lack of payment making the payment schedule (in the settlement agreement) unacceptable. Payment of the full amount under the agreement is sought, namely \$24,000. In light of the on-going non-payment over more than a year, that view is understandable. The difficulty is there is no provision in the settlement agreement that one non-payment makes the entire amount to be paid owing.

[22] Settlement agreements are final and binding on the parties and, except for enforcement, cannot be brought before the Authority “whether by way of action, appeal

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<sup>1</sup> Employment Relations Act 2000 (the Act), s 137.

application for review, or otherwise”.<sup>2</sup> I therefore do not see how I can require compliance with payment of all of the instalments, when under that agreement they are not all yet due.

[23] Mr Seeniyar is given leave to return to the Authority this matter next year if enforcement on later payments proves problematic.

### **Interest**

[24] Clause 4 of the agreement specifies late payments will be subject to default interest at the “rate specified in the Judicature Act 1908, being 7.5% per annum.”

[25] Some time ago the prescribed rate of interest under the Judicature Act 1908 was 7.5%. That was later changed through orders under the Judicature Act to 8.4% in 2008 then lowered to 5% in 2011.<sup>3</sup> The Judicature Act was repealed on 1 January 2018.<sup>4</sup> Mr Seeniyar’s period of employment is not evident but by the time the settlement agreement was signed the Interest on Money Claims Act 2016 was in force.

[26] Given the inapplicability of the 7.5% interest rate under the former Judicature Act at the time of signature of the settlement agreement, I consider the better approach is to exercise the Authority’s general power to award interest under clause 11 of Schedule 2 of the Act.

[27] Interest is to be calculated on the entire amount outstanding from 1 June 2026, being the day after the last payment was due, under the Interest on Money Claims Act using the Ministry of Justice civil debt calculator.<sup>5</sup>

### **Collection fee**

[28] Mr Seeniyar’s summary of payments sought refers to a collection fee of \$420. On the information before the Authority, collection fees relate to the calls, texts, emails and letters, meeting with the client, travel costs and consultations. These are matters which can be considered as regards costs below.

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<sup>2</sup> The Act, s 149 (3).

<sup>3</sup> Judicature (Prescribed Rate of Interest) Orders 2008 and 2011.

<sup>4</sup> By the Senior Courts Act 2016, s 182(4).

<sup>5</sup> [Civil debt interest calculator | New Zealand Ministry of Justice](#)

## Costs and enforcement

[29] Mr Seeniyar's representative undertook work in this matter, lodging a statement of problem, attending the case management conference and providing documents and comment to the Authority. There is also evidence of her communicating to Mr Murugesu after the application was lodged, trying to obtain payment.

[30] The Authority has the power to award costs.<sup>6</sup> This power is discretionary but must be used in a principled manner.<sup>7</sup>

[31] The matter is decided on the papers but an order of costs is warranted. The collection fee of \$420 is a modest amount. MSVVJ and Mr Murugesu should pay \$420 as a contribution towards Mr Seeniyar's costs.

[32] MSVVJ and Mr Murugesu should also pay the Authority's filing fee.

[33] The orders below may be enforced through the District Court or the Employment Court.

## Orders

[34] The Authority orders that MSVVJ Painting Ltd and Mathiyalagan Murugesu (also known as Murugesu) are jointly and severally liable by **30 June 2026**:

- (a) to comply with the settlement agreement by paying Kumaran Subramaniyam Seeniyar the sum of \$12,500.00;
- (b) to pay Mr Seeniyar interest on that sum from 31 June 2026 to the date of payment, under the civil debt interest calculator; and
- (c) to pay Mr Seeniyar costs of \$420.00 and the Authority's filing fee of \$71.55.

Nicola Craig  
Member of the Employment Relations Authority

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<sup>6</sup> The Act, Schedule 2, cl 15.

<sup>7</sup> *PBO Ltd (formerly Rush Security Ltd) v Da Cruz* [2005] 1 ERNZ 808, confirmed in *Fagotti v Acme & Co Ltd* [2015] NZEmpC 135.