

Media Release

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Employment Court Strikes Out Council Case against a Former Chief Executive

The Employment Court has ruled that Kaipara District Council's case against its former Chief Executive Jack McKerchar is struck out because of a 2011 agreement reached between Mr McKerchar and the previous Council that the parties would not sue each other in the future.

In late 2014 the Government appointed Commissioners initiated action in the Employment Relations Authority against Mr McKerchar seeking damages for alleged breaches of his responsibilities as Council's Chief Executive related to the management of the Mangawhai Community Wastewater Scheme and related matters.

Mr McKerchar responded by counter claiming for damages as a result of the Council allegedly breaching the terms of a settlement agreement by disclosing its terms to third parties. The settlement agreement contained the terms of his termination agreed with the previous Council in August 2011.

Council lawyers had asked the Court to determine as a preliminary matter whether the settlement agreement was a bar to its claims, and both parties had applied to the Employment Court to strike the other parties action out prior to the substantive cases being heard by the Employment Relations Authority.

Chief Judge Colgan has ruled that:

- KDC's claim against Mr McKerchar is struck out because it breached the term in the 2011 settlement agreement that concluded it was a full and final settlement.
- Mr McKerchar's claim against KDC was also struck out because the Employment Relations Authority or the Employment Court did not have jurisdiction to hear the claim.
- He reserved his decision on costs.

KDC's legal team and Council are currently reviewing the decision before considering its next course of action.

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