



Impacts of new tenancy law for farmers and their workers

The Residential Tenancies Act 1986 (the Act) has regulated New Zealand tenancy law for over 30 years.



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This year brings significant change to the obligations of landlords with the enactment of the Residential Tenancies Amendment Act 2020. Farmers may need to reconsider their approach to workers residing on their farm.

Often a farm owner will provide their workers with accommodation in a cottage on the farm – these are referred to as 'service ten-

ancies' in the Act. Although the Act aims to balance the rights and obligations of landlords, some farmers may consider that these new rules appear to be inappropriate for the farming sector. Consequently, farm owners need to be aware of their obligations not only as an employer, but also as a landlord.

Among some of the most onerous changes for landlords are those relating to notice periods and reasons for ending a tenancy. These changes may be of concern to farmers as they navigate the challenges of terminating a tenancy of a farmer worker with the new statutory notice requirement. 63 days' written termination notice must be given for a service tenancy or 90 days in the case of periodic tenancies.

There are very limited circumstances where a tenancy service can be terminated outside of the required notice period. A service tenancy can be terminated with less than 14 days' notice if the landlord has reason to believe that the tenant will cause sig-

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nificant damage to the premises if they are permitted to remain, or if the landlord's business requires a worker to be accommodated. However, if the former tenant has no other suitable accommodation, they may be entitled to stay.

Farmers may find it difficult to hire new staff when former employees are still living on the farm, despite their employment coming to an end. This may create challenges for

the farm owner and their new employee if the previous worker remains in occupation of the accommodation. Potential employees may be less likely to accept employment because it could be unrealistic for them to travel such a distance for work every day if they cannot reside on the farm.

This could obviously cause disruptions to the everyday running of the farm.

This new law reform presents an opportunity for farm owners to consider their obligations as landlords and understand the non-compliance risks that have increased as a result of this new legislation. For example, dairy farmers may want to consider the timing of the new season and ensure that they have sufficient time to give their worker the required termination notice.

Farm owners may wish to seek information from the tenancy website and advice from legal experts before dealing with the termination of a worker if they are residing on the farm, to ensure they meet all of their obligations as landlords and to avoid any unnecessary interruptions to their farming operations.