

23 March 2020

Committee Secretariat
Social Services and Community Committee
Parliament Buildings
Wellington

By email: ssc@parliament.govt.nz

Residential Tenancies Amendment Bill

Dear Sir/Madam

The New Zealand Medical Association (NZMA) wishes to provide feedback on the above Bill. The NZMA is New Zealand's largest medical organisation, with more than 5,000 members from all areas of medicine. The NZMA aims to provide leadership of the medical profession, and to promote professional unity and values, and the health of all New Zealanders. We recognise the principles of te Tiriti o Waitangi and the special obligations to Māori, particularly to ensure equity and active protection. Current disparities in health outcomes between Māori and non-Māori are unacceptable. The NZMA is committed to advocating for policies in health and the social and wider determinants of health that urgently address these disparities and contribute to equity of health outcomes. Our submission has been informed by feedback from our Board and Advisory Councils.

The NZMA welcomes the Residential Tenancies Amendment Bill. Housing is a key social determinant of health and an important mediating factor in health inequalities and poverty. Over 600,000 households live in rented homes in New Zealand, and the NZMA has previously strongly supported measures to make rental homes warmer and drier for tenants.¹ We note that this Bill aims to modernise the Residential Tenancies Act 1986 while appropriately balancing the rights and obligations of tenants and landlords. We believe that it is important to get this balance right. While tenants are often more vulnerable, proposed changes that are too onerous for landlords could have unintended consequences on the supply of rental housing. There is also the need to strike the appropriate balance between the rights of tenants and their obligations. We agree that people who are renting should have stable housing and be able to assert their legal rights. Landlords also need to be able to assert their legal rights.

¹ Submission on Healthy Homes Guarantee Bill (No 2). 21 June 2016. Available from [https://global-uploads.webflow.com/5e332a62c703f653182faf47/5e332a62c703f637e52fd27a_NZMA%20Submission%20on%20Healthy%20Homes%20Guarantee%20Bill%20\(No%202\).pdf](https://global-uploads.webflow.com/5e332a62c703f653182faf47/5e332a62c703f637e52fd27a_NZMA%20Submission%20on%20Healthy%20Homes%20Guarantee%20Bill%20(No%202).pdf); Submission on Healthy Homes Standards. 18 October 2018. Available from https://global-uploads.webflow.com/5e332a62c703f653182faf47/5e332a62c703f6774d2fd23b_NZMA%20Submission%20on%20Healthy%20Homes%20Standards.pdf

We support the Bill increasing security of tenure for tenants who are meeting their obligations. Insecure tenure can have negative impacts on health, education and employment. However, there is a need to ensure the Bill does not make it too difficult to remove tenants who are disruptive, or who damage or otherwise despoil properties. In this regard, it is important for the force of the law to allow landlords to take action when tenants are not meeting their obligations.

We welcome the Bill clarifying the rules about minor changes to premises, ensuring that tenants can make minor changes such as fitting brackets to secure furniture and appliances against earthquake risk, baby-proofing the property, installing visual fire alarms and doorbells, and hanging pictures. While Section 42B of the Bill defines what constitutes minor changes in broad terms, this will be open to interpretation and argument. For example, we note that clause 2(b) under Section 42B defines a minor change as one that “would allow the premises to be returned easily to substantially the same condition”. And clause 4 under the same Section requires tenants that have made minor changes to “return the premises to a condition that is substantially the same as the condition that the premises were in before the minor change was made”. We suggest that the word substantially needs a better definition in the Bill.

We are comfortable with the proposed requirement for landlords to permit the installation of ultra-fast broadband, subject to specific triggers and exemptions. However, we have some concerns with clause 3 under Section 45B stating that landlords “must take all reasonable steps to facilitate the installation”. Our view is that landlords should not in any way be responsible for, or required to assist with, installation of broadband—but they should also not be able to prevent the installation of ultra-fast broadband.

We note the Bill removes landlords’ ability to end a periodic tenancy on 90 days’ notice without giving a reason and replaces that ability by a range of justifications for ending the tenancy by notice or by Tenancy Tribunal order. We are generally supportive of this change and recognise that it is designed to improve tenant’s security. We are also broadly satisfied with the range of justifications for termination of tenancy that are specified in the Bill as well as provisions to respond to frequent anti-social behaviour and frequent late rent payments. However, we seek clarification on what is meant by a tenant that is required to leave “for operational reasons”. We are also concerned that there is now a significant imbalance between landlords and tenants in terms of the required notice period and justification for termination of tenancy. While landlords have to give 90 days’ notice with a reason, tenants are only required to give 28 days’ notice without a reason. A more balanced approach should see tenants being required to give a similar notice period to landlords.

Currently, landlords can also end a periodic tenancy with less than 90 days’ notice in certain cases—for example landlords can give 42 days’ notice to end a tenancy if:

- the property has been sold with a requirement for vacant possession, or
- the owner or a member of their family is going to live in the property, or
- the property is normally used as employee accommodation and its needed for this purpose.

We note that the Bill extends the notice period to 90 days if the property has been sold with a requirement for vacant possession, and to 63 days for the other two reasons above. While we support, in principle, measures to improve tenant’s security, these need to be carefully balanced with the impacts on landlords. Our view is that the extension from 42 to 90 days’ notice of termination if a property has been sold with a requirement for vacant possession is an unreasonable requirement for landlords.

We support limiting rent increases to once every 12 months and prohibiting the solicitation of rental bids by landlords.

We support amendments that improve a tenant's ability to assign their tenancy when that is reasonable. We believe that assignment of tenancy should only be allowed if the landlord agrees. Under the Bill, a tenant may, at any time during the tenancy, assign the tenancy with the prior written consent of the landlord and in accordance with any reasonable conditions attached to that consent by the landlord. The landlord must not withhold consent unreasonable or attach any unreasonable conditions to the consent. We are comfortable with these proposed changes.

We are not seeking an oral hearing.

Yours sincerely

A handwritten signature in blue ink that reads "K. Baddock". The signature is written in a cursive style with a large, sweeping flourish at the end.

Dr Kate Baddock
NZMA Chair