Rural eSpeaking

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Welcome to the Winter 2026 edition of *Rural eSpeaking*.

We hope you find the articles both interesting and useful.

If you would like to talk further about any of the topics we have covered in *Rural eSpeaking*, or indeed on any other legal matter, please do not hesitate to contact us. Our details are on the top right.

In the meantime, keep warm and dry in these rather cold wintry days.

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New Zealand-India Free Trade Agreement

Opportunities and limitations for the rural sector

The proposed New Zealand-India Free Trade Agreement represents a significant development in the relationship between two very different agricultural economies.

India is now the world's most populous country, with a rapidly growing middle class and increasing demand for high-quality goods and services. For New Zealand's rural sector, the agreement creates many potential opportunities, although the benefits will not be evenly spread across all industries – notably dairy.

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Providing housing for a rural workforce is often essential to run a successful farming operation, but it also puts a farm owner into the role of a residential landlord for legal purposes.

Whether the occupier is a contract milker, sharemilker or general farm employee, the same baseline responsibilities apply as they would in any residential tenancy. In recent years, however, methamphetamine contamination has become an increasingly practical and legal risk area for all landlords to manage.

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High Court upholds personal liability on forestry directors for environmental costs

A recent New Zealand High Court decision has reinforced that company directors can be held personally liable for environmental damage caused by forestry operations.

Wilding pines: Budget 2026 injection

Wilding pines can cause significant issues to the rural sector. In the 2026 Budget the government committed an additional $79 million to be spent over the next three years on the National Wilding Conifer Control Programme.

Rural Roading Resilience investment

The 2026 Budget allocated $400 million to the Rural Roading Resilience project. Its purpose is to strengthen roads rather than continually repairing them once the damage is done.

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New Zealand-India Free Trade Agreement

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The proposed New Zealand-India Free Trade Agreement (FTA) represents a significant development in the relationship between two very different agricultural economies.

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No dairy products

One of the most important features of the FTA is what it does not include. Dairy, New Zealand's largest agricultural export sector, has largely been excluded from meaningful market access improvements. This reflects the political and economic importance of dairy farming within India, where millions of small-scale farmers rely on dairy production for income.

For New Zealand dairy farmers, this means the agreement is unlikely to deliver the type of transformational change experienced under previous trade agreements, such as improved access into China. Significant tariffs and restrictions on dairy products are expected to remain, limiting opportunities for products such as milk powder, butter and cheese.

Benefits to New Zealand however

While it may be disappointing for New Zealand's largest export industry that the FTA does not include dairy, the wider rural sector could still benefit substantially:

The red meat sector may be one area with future opportunity: Although India is not traditionally viewed as a major market for New Zealand beef and lamb, changing demographics, urbanisation, tourism growth and increasing household incomes may support demand for premium imported meat products. High-end restaurants, hotels and specialist food retailers provide opportunities for New Zealand producers who are able to market themselves around quality, safety and traceability.

Horticulture could see meaningful benefit: New Zealand products such as kiwifruit, apples, cherries and other premium produce are well-positioned to appeal to India's expanding middle class. Reduced tariffs, improved customs processes and stronger trading relationships could make these products more competitive. For growers, increased access to a market of more than 1.4 billion people provides an important opportunity to diversify beyond existing export destinations.

Forestry may also benefit from closer trade ties: India's growing population and continued urban development are creating increasing demand for construction materials and wood products. New Zealand's forestry industry, including exporters of logs and processed timber, may be well placed to satisfy this demand as India continues investment in housing and infrastructure.

Opportunities for the wool and fibre industries: While wool has faced significant challenges in recent years, India's large textile and manufacturing sectors could create opportunities for high-quality New Zealand wool products. A stronger trading relationship may assist producers seeking new markets beyond traditional buyers.

FTA will go beyond the farm gate

The benefits of increased trade are unlikely to stop at the farm gate. Rural contractors, transport companies, processors, ports, professional advisers and technology providers may all benefit from increased export activity. New Zealand's expertise in agricultural technology, animal genetics, environmental management and efficient farming systems may also create opportunities to export knowledge, not just physical products.

However, rural businesses should approach this new market carefully. India is a complex economy with different legal systems, regulations and commercial practices. Businesses considering expansion will need to carefully manage contracts, payment terms, intellectual property protection, biosecurity requirements and supply chain arrangements. Good professional advice will be vital to succeed in India.

There are also concerns that increased trade can create competitive pressures. While New Zealand's agricultural sector is highly efficient, cheaper imported goods, labour differences, and different production standards can create tension. Ensuring fair competition and maintaining New Zealand's reputation for quality will remain essential.

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Whether the occupier is a contract milker, sharemilker or general farm employee, the same baseline responsibilities apply as they would in any residential tenancy. In recent years, however, methamphetamine contamination has become an increasingly practical and legal risk area for all landlords to manage.

Landlord obligations

The core legal point is straightforward: if you provide residential premises, you must meet the statutory duties imposed on landlords. Under the Residential Tenancies Act 1986, a landlord must provide the premises in a reasonable state of cleanliness and repair, and must comply with buildings, and health and safety requirements that apply to the premises.

Landlords must follow contaminant regulations. If the landlord knows the property is contaminated and it hasn't been properly cleaned, it cannot be let to a new tenant. As well, an existing tenant may only remain there in limited, regulated circumstances during clean-up.

Meth testing is now a live issue (especially on farms)

Farm accommodation is uniquely exposed to harm because it often involves high turnover, seasonal employment, limited day-to-day oversight and shared use by staff, contractors and visitors. These factors can make contamination – whether historical, accidental or intentional – harder to trace and harder to prove.

Adding to the risk, recent rural workplace testing data reported by The Drug Detection Agency in the farming media indicates drug use detected in provincial and rural workplaces has risen sharply in some regions. While workplace testing data is not the same as housing contamination data, it is a useful indicator that substance use remains a live workforce issue in parts of the rural economy, and it helps explain why farmers are increasingly thinking about worker accommodation risk management.[1]

Getting it right from the start

Even where meth contamination is detected, disputes often turn on evidence. When contamination concerns arise, the landlord needs evidence that contamination arose during the relevant person's occupancy and, without a baseline test, landlords can face significant difficulty recovering costs or showing they acted reasonably.

This evidential theme is also reflected in the courts. In a 2021 case,[2] the judge observed that the 'significant problem' for the landlord's claim was the absence of methamphetamine testing at the start of the tenancy. If initial testing had shown no meth residue, the residue detected at the end could only have occurred during the tenancy.

The courts have also addressed whether testing can occur during an inspection. The High Court has indicated that non-invasive methamphetamine testing may fall within a general inspection power in a tenancy agreement. The court also noted landlords' obligations to provide and maintain a habitable property and to comply with relevant legislative requirements, in a context where testing was used to assess habitability.

When testing and decontamination are mandatory

Since April 2026, regulations made under the Residential Tenancies Act provide a process for identifying and managing methamphetamine contamination in residential tenancy premises.

The regulations require a landlord to arrange testing in accordance with the prescribed method where Police or a local authority notify the landlord that manufacture has, or is likely to have, taken place, or where a valid screening assessment indicates contamination and the landlord is notified. Where decontamination work is required, the person engaged to carry out decontamination must be independent of those who performed the testing.

Future practical considerations for farmers

A structured, documented testing regime is a practical way to manage legal risk and reduce disputes. Recommended best practice includes:

1. A pre-tenancy baseline meth test by a qualified tester
2. Post-tenancy (or between-tenancy) testing, and
3. Careful record-keeping of certificates, reports, photographs and accommodation agreements.

Finally, consider including clear testing clauses in accommodation agreements

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1 Report on TDDA data in Q1 2026.

2 *Eren Ltd v Martin* [2021] NZDC 15210.

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Over the fence

High Court upholds personal liability on forestry directors for environmental costs

A recent New Zealand High Court decision[3] has reinforced that company directors can be held personally liable for environmental damage caused by forestry operations.

The court determined that the directors of the companies involved should have taken action to clean up the forestry work. Failing to do so resulted in safety concerns: the land was prone to erosion and was steeply forested, resulting in a downstream of left-over woody debris, slash and sediment that was harmful to the environment and could be harmful in a flood.

The appeal affirmed the decision reached in the Environment Court in 2025.

The result of the High Court's decision means that company directors in the rural forestry sector must take notice of the work completed on site and actively take steps to avoid issues. Directors cannot avoid liability by relying on corporate structures alone.

The directors had a duty to ensure consents and the Resource Management Act 1991 were complied with, and their failure to do so had serious financial consequences for them. As directors may be found personally liable, the culpability and costs for environmental breaches may not be limited to the assets of the company and may have financial implications for the directors personally.

Wilding pines: Budget 2026 injection

Wilding pines are self-seeded conifers. These trees can have environmental benefits including providing timber and shelter, storing carbon, decreasing erosion, and improving water and soil when planted correctly.

However, wilding pines can cause issues including invading tussock grasslands or native landscapes, drying out water catchments and raising the risk for wildfires. The impact can differ depending on the area.

To help manage wilding pines, in the 2026 Budget the government committed an additional $79 million to be spent over the next three years on the National Wilding Conifer Control Programme lifting the total committed funding to $109 million. The funding will go towards protecting farmland, water supplies, reducing wildfire risk in affected areas and the protection of native biodiversity.

New Zealand's pine industry has become one of the country's most important land uses shaping the economy, environment and rural communities. Managed plantations earn billions in export revenue each year. Wilding pines can jeopardise this.

The funding increase reflects New Zealand's value for biosecurity protection and forward future-based thinking. Managing the spread of wilding pines will be mitigated through collaborative governance as volunteers, landowners, iwi and community trusts are also committed towards wilding pine control.

Rural Roading Resilience investment

Rural roads are relied on by communities, tourists and freight operators; damage to these roads can lead to communities being cut off in severe weather events and a risk to health and safety of those on the road. These roads provide, amongst other things, access for freight, school transport, tourism and emergency access.

The 2026 Budget committed funds to the Rural Roading Resilience project. Its purpose is to strengthen roads rather than continually repairing them once the damage is done. The Budget allocated $400 million towards a package of state highway resilience upgrades.

When severe weather events damage rural roads, access to the wider rural community can be limited until the issues are rectified. Strengthening roads before an issue arises aims to limit the impact of severe weather events on rural communities and to allow freight routes to continue with minimal disruption.

The funding will be used towards improving drainage, slope stabilisation and rockfall protection. It will also fund the development of flood mapping systems and emergency management tools, including hazard maps and evacuation or emergency information. This will help local councils and communities to plan for flood risks. The focus will be on predicted areas of consistent vulnerability. It is hoped better preparation will minimise the long-term costs incurred by taxpayers. +

3 *Samnic Forest Management Ltd v Gisborne District Council* [2026] NZHC 1880.

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New Zealand-India Free Trade Agreement (continued)

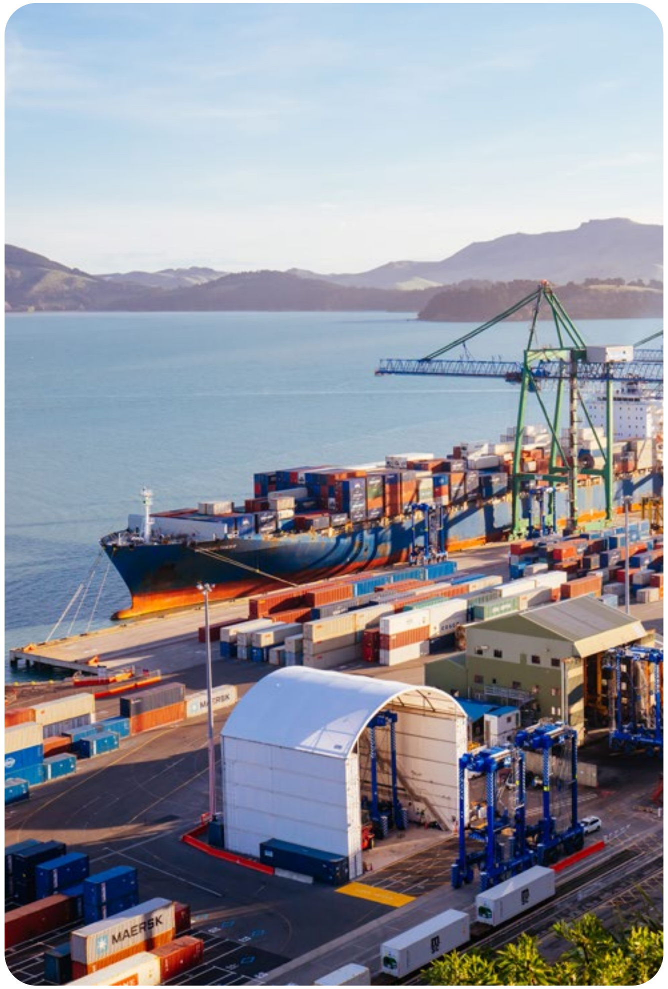
The exclusion of dairy means the FTA is unlikely to be a complete solution for New Zealand agriculture. The sector that has historically delivered the greatest export value may receive the least immediate benefit. For other rural industries, however, particularly horticulture, forestry, sheep and beef, and specialised agricultural services, the FTA could provide valuable long-term opportunities.

Ultimately, the success of the FTA for rural New Zealand will depend less on the signing of the document itself, and more on the ability of producers and exporters to identify opportunities, manage risk and build lasting relationships in one of the world's fastest-growing economies.

FTA still to be ratified

While the FTA has been signed, it is still currently undergoing domestic ratification. It has now passed its first reading in Parliament and is currently being reviewed by the Foreign Affairs, Defence and Trade Committee.

After the committee process is completed, the legislation must still pass its remaining readings before the FTA formally comes into force. +



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Methamphetamine in farm worker accommodation (continued)

(including where housing is part of an employment or sharemilking arrangement) to set expectations and reduce misunderstandings.

Meth testing is not about assuming the worst of workers; it is about ensuring accommodation is safe, healthy and legally defensible. This is particularly important in a sector where workforce mobility, remote locations and emerging substance use trends can combine to create real operational health and safety exposure for farmers. +

The next edition of *Rural eSpeaking* will be published in **mid-December.**