[2025] NZTT 5108648

TENANCY TRIBUNAL AT [Event location suppressed]

APPLICANT:	The Chief Executive, Ministry of Business, Innovation, and Employment Tenant
RESPONDENT:	Murray Lawrence Hill Landlord
TENANCY ADDRESS:	Multiple Tenancies

ORDER

1. The Tribunal orders suppression of the names and identifying details for all tenants at these premises.
2. Murray Lawrence Hill must pay The Chief Executive, Ministry of Business, Innovation, and Employment $33,027.00 immediately, calculated as shown in table below:

Description	
Pecuniary Penalty – s109B Residential Tenancies Act	$33,000.00
Filing fee reimbursement	$27.00
Total award	**$33,027.00**

3. Murray Lawrence Hill must carry out the following work to the premises:
   a. Remove all industrial rubbish from around the premises.
   b. Repair the hole in the hallway ceiling and roof above hallway ceiling to ensure rainwater does not leak inside premises.
   c. Install mechanical ventilation in all bathrooms or provide evidence that the ventilation which is installed has been properly ducted; and

d. Clean the mould, dirt and grime from the kitchen and bathrooms to a reasonably clean standard.

4. The work must be completed within 28 days of this Order (by 6 October 2025)
5. If the work is not completed by 6 October 2025, the applicant may apply to the Tribunal for further orders, including authorisation to arrange for the work to be done and to recover the costs from the landlord.
6. Murray Lawrence Hill is restrained from committing a further unlawful act under section 66I Residential Tenancies Act 1986 for a period of four years from 6 October 2025.

Reasons:

1. This is an application by The Chief Executive, Ministry of Business, Innovation, and Employment (MBIE) under section 124A of the Residential Tenancies Act 1986 (RTA) in its role as regulator of residential tenancies.
2. MBIE has applied for a pecuniary penalty for breaches of the landlord's responsibilities under the RTA and sought an order restraining Mr Hill from committing further unlawful acts of the same kind.
3. MBIE also seeks work orders to ensure that work is done to achieve compliance with the landlord's obligations. Though tenancies might have terminated, section 124A(4) RTA requires an application for a work order to be dealt with as if they were still in force.
4. I heard oral evidence from members of Tenancy Services Compliance and Investigations Team (TCIT) and received extensive documentary evidence from them. MBIE also provided submission through Counsel.
5. Mr Hill attended the hearing; he made some comment in response to the claims but did not offer substantive evidence or reply to the allegations.

Background

6. The application was filed in December 2024. The application is made in relation to 11 boarding house tenancies at 1 Cressy Tce in Lyttleton.
7. The background to the application is set out in statement of facts filed by MBIE on 16 April 2025. I have largely adopted that Statement of Facts which was supported by oral and extensive documentary evidence. I set out the background in summary below.
8. Mr Hill is a private landlord, who owns and tenants his own properties. The TCIT investigation indicates that he owns 17 properties, with three or more of them being boarding houses.

9. TCIT has had previous interaction with Mr Hill in 2020 and 2023 for the same property. TCIT provided warnings, education, and guidance both times.

10. TCIT received a further complaint in respect of these premises on 16 December 2023 from the online portal. The complainant was a member of the public who advised that the property had multiple tenants and is in a state of disrepair, with rubbish rotting on the property. The tenants were described as vulnerable and afraid to complain for fear of being evicted. It was alleged that the building does not meet building code standards or healthy homes standards.

11. On 18 December 2023 TCIT Investigator Mr Leighton was assigned to investigate. Background investigations show that TCIT has had previous involvement with Mr Hill, twice in 2020 and once each in 2021 and 2023, warnings were issued in every case. The warnings related to these premises, and three other properties owned by Mr Hill.

12. Mr Leighton also identified that these premises have previously been of concern to other government agencies including the Christchurch City Council (CCC) and Fire and Emergency New Zealand (FENZ):

    a. TCIT contacted FENZ to understand why the property did not meet their requirements. A report from 28 June 2023 was produced which identified several issues which increased the risk from fire and concluded that the building did not meet the requirements for fire safety. In July 2024, FENZ advised TCIT that the issues they identified had been rectified.

    b. CCC supplied site visit notes by Environmental Health Officer Tony Dawson who visited the property twice. The first was on 7 August 2014 and the second was 28 June 2023. Both found areas of concern.

13. On 13 August 2024 TCIT conducted a site visit to the premises. During the site visit TCIT observed areas of non-compliance with the RTA in respect of smoke alarms, buildings health, and safety, maintaining the premises in a reasonable state of cleanliness and repair and healthy homes standards. One tenant was spoken to, other tenants were on site but were reluctant to engage with TCIT. The tenants living at 1 Cressy Terrace have limited housing options and were described by TCIT as living in housing poverty. Mr Hill also confirmed that many of his tenants are people “nobody else wants”.

14. Due to the level of alleged non-compliance identified at the property TCIT decided to make this application without engaging the tenants.

15. As noted, the application was made in December 2024 and set out alleged areas of non-compliance and remedies sought. Substantive evidence by way of Witnesses Statements and exhibits was provided in January 2025.

16. On 17 March 2025. the Tribunal held a case conference. At the conference Mr Hill advised that he had completed some of the work outlined in the proposed work order submitted with the application.

17. Following the case conference, I issued directions which included instructing Mr Hill to provide the Tribunal and MBIE with details of the work he had completed and photographic evidence to show this had been done, by 24 March 2025.

18. Mr Hill did not comply with the direction, so TCIT inspected the premises on 3 April 2025 to determine what work had been done. A copy of the Site Visit Report dated 3 April 2025, was provided with a memorandum from Counsel detailing the changes to the Statement of Facts and the work completed at the property. TCIT were satisfied that some of the work alleged to be required, had been completed, as follows:

    a. A compliant heater was installed in the living room. This heater was already installed at TCIT's first visit however they could not see it as it was obstructed by furniture.

    b. There are no gaps allowing unreasonable draughts to flow into the property.

    c. The bathroom ceiling and kitchen wall had been repaired.

    d. The broken downpipes had been replaced.

    e. Excess furniture in the lounge had been removed.

19. However, other work remained outstanding, noted by TCIT as follows:

    a. Industrial rubbish at the exterior of the property is still to be removed.

    b. The hallway ceiling just outside of the lounge is rotting and was leaking water at the time of the visit.

    c. Mr Hill advised TCIT that he had repaired all broken windows however TCIT was unable to sight these windows at the time of the visit, therefore it could not be said that it has been completed at this stage.

    d. The stairway wall is yet to be repaired. Parts of the guttering is broken and leaking in several areas.

    e. While the three shared bathrooms have extractor fans installed, there are approximately six ensuites which do not appear to have extractor fans installed. TCIT was not able to view these bathrooms but understands there are either no extractor fans.

    f. A smoke alarm was missing outside one bedroom.

Alleged Breaches

20. MBIE alleges that Mr Hill has breached the RTA as follows:

    a. Failure to ensure the facilities at the property is in a reasonable state of cleanliness (section 66I(1)(a) of the Act).

b. Failure to ensure the property is in a reasonable state of repair (section 66I(1)(b) of the Act).

c. Failure to comply with the Residential Tenancies (Healthy Homes Standards) Regulations 2019 (Standards)(section 66I(1)(bb) of the Act); and

d. Failed to comply with all requirements in respect of smoke alarms (section 66I(1)(ba) of the Act).

The Issues

21. The Tribunal must decide these issues:

    a. Has the landlord committed the breaches of the RTA alleged by MBIE?

    b. If so, should the Tribunal make an order that Mr Hill pay a pecuniary penalty?

    c. Should the Tribunal make work orders?

    d. Should the Tribunal issue a restraining order?

Statutory Provisions

22. Part 2A RTA (ss 66A to 66Y) sets out the provisions that apply to boarding house tenancies, including the rights and responsibilities of boarding house tenants and landlords.

23. Section 66I RTA states that a landlord must provide the premises in a reasonably clean condition, provide and maintain the premises in a reasonable state of repair, comply with all requirements in respect of smoke alarms and insulation set out in the Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016 and comply with the healthy homes standards.[1]

24. Breaching any of these obligations is an unlawful act. See section 66(4) and Schedule 1A Residential Tenancies Act 1986.

25. Section 78(1)(e) RTA enables the Tribunal to make a work order. Sections 78(2), (2AA), and (2AAB) set out the conditions that apply when the Tribunal makes a work order.

26. Section 109A(3) allows the Tribunal to make an order restraining the person who has committed the unlawful act from committing a further act of the same kind if it is satisfied that it is in the public interest for a period not exceeding 6 years.

27. Section 109B provides that the Tribunal may make pecuniary penalty orders.

[1] Boarding houses were required to comply with all Healthy Homes Standards from 1 July 2021. See Residential Tenancies (Healthy Homes Standards) Regulations 2019

Has Mr Hill committed the breaches of the RTA alleged by MBIE?

28. The evidence produced by MBIE establishes that Mr Hill has committed the unlawful acts alleged. I set out a summary of the breaches and evidence below.

29. Mr Hill failed to ensure the property is in a reasonable state of cleanliness – Section 66I(1)(a) RTA. The evidence included photographs showing the kitchen walls and ceiling are in poor condition due to a heavy build-up of dirt and grime, two oven stovetops are covered in grime and grease, bathrooms walls and ceiling are covered in mould. There are also piles of industrial rubbish stacked around the outside of the house. Mr Hill did not dispute the evidence, he said that there was no cleaner "as such", that the job had been too big for cleaners he had approached and that the tenants take turns at cleaning.

30. Mr Hill failed to maintain the property in a reasonable state of repair – Section 66I(1)(b) RTA. The evidence establishes that the property was not provided or maintained in a reasonable state of repair, there was photographic evidence that:

    a. the hallway ceiling just outside of the lounge rotting and leaking,

    b. the ceiling in the lounge was damaged with a large section hanging down and appeared unstable,

    c. the walls and ceilings in the kitchen, bathrooms, and stairwell were showing significant deterioration, with extensive areas of peeling paint and visible cracks in the plaster,

    d. windows throughout the property are held together with duct tape and have broken latches. Two of the windows did not have a glass pane and were boarded up,

    e. There was a sizeable gap under the laundry room door which is allowing draughts to flow in and out of the property,

    f. Some of the drains, guttering and downpipes are broken and leaking.

31. Mr Hill did not dispute that repairs were required but maintained that the bulk of the work has now been done. However, he did not provide any evidence to prove that. MBIE accepted that some of the work had been completed when it revisited the property in April 2025 (as set out above). Further, the evidence from MBIE suggests that some of the repairs are of questionable quality or durability such as attempts at applying silicone to stop a significant leak in the hallway.

32. Even if all necessary repairs had been completed, there was a significant period of non-compliance. I concur with MBIE's submission that Mr Hill was fully aware of the issues raised in this claim, and despite receiving multiple warnings since

2020, he failed to take meaningful steps to address these concerns until 2025, following the filing of this application by TCIT.

33. MBIE alleges that Mr Hill failed to comply with the Healthy Homes Standards – Section 66I(1)(bb) RTA in that there were no extractor fans in the bathroom, unreasonable gaps and holes allowing draughts to enter, inadequate drainage due to downpipes being in poor repair and there was no ground moisture barrier.

34. Mr Hill maintains that many of these issues have been rectified. MBIE acknowledges that a ground moisture barrier has now been installed and some draught stopping has occurred. However, there is (or was) still a sizeable hole in the upstairs bathroom window.

35. Mr Hill says that the guttering has been replaced and the downpipes which appear to be overflowing are old outlets which are no longer in use. The photographic evidence from 3 April does not tend to support that assertion. Those photographs show rainwater dripping through the guttering and downpipes. Standing water was also accumulating around the premises because of inadequate drainage to remove stormwater.

36. MBIE claims that not all bathrooms have mechanical ventilation. Three of the shared bathrooms viewed by TCIT did not have any type of ventilation. Although the other bathrooms were not viewed, the absence of external ventilation suggests they also do not meet the Standards.

37. Mr Hill maintains that all bathrooms have ventilation ducted through a single outlet on one side of the building. He claims the fans were installed by an electrician but that he did not receive a certificate of compliance.

38. I am not persuaded by Mr Hill's explanations. They are contrary to the photographic evidence which clearly shows non-compliance. To the extent that work has been done, it was after this application was made and after an extended period of non-compliance. For these reasons, I find that the respondent breached section 66I(bb) RTA and has therefore committed an unlawful act.

39. Mr Hill also failed to comply with all requirements in respect of smoke alarm regulations– Section 66I(1)(ba) RTA.

40. The relevant regulations are the Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016 (Regulations). Regulation 5(6) requires a smoke alarm to be installed in a sleeping space or within three meters of the entrance to every sleeping space.

41. A smoke alarm is not installed within 3 meters of a bedroom near the entrance to the premises. Mr Hill maintains that he has followed advice from FENZ regarding smoke alarms. However, the evidence clearly establishes that the smoke alarm was missing at TCIT's first visit in August 2024, and was still missing when they revisited in April 2025.

42. In summary, MBIE has established all of the alleged breaches of s66I RTA.

Should the Tribunal Order Mr Hill to pay a Pecuniary Penalty?

43. The Tribunal has the power to order a landlord to pay the Crown a pecuniary penalty, on application by the Chief Executive, if at the time of committing the unlawful act:

    a. the landlord has more than six tenancies; or

    b. is the landlord of a boarding house; and

    c. has intentionally committed an unlawful act under specified provisions.

44. The maximum amount of a pecuniary penalty for an unlawful act referred to in s109B RTA is $50,000.

45. In determining an appropriate pecuniary penalty the Tribunal must have regard to all relevant matters, including—

    a. the nature and extent of the unlawful act; and

    b. the nature and extent of any loss or damage suffered by any person because of the unlawful act; and

    c. any gains made or losses avoided by the landlord in the unlawful act; and

    d. the circumstances in which the unlawful act took place.

46. If conduct by a landlord constitutes an unlawful act under 2 or more provisions, proceedings may be brought against that landlord for the unlawful act under any 1 or more of the provisions, but no landlord is liable to more than 1 pecuniary penalty.

47. Mr Hill is a landlord of a boarding house and all four of the established breaches are unlawful acts under s66I(4) RTA.

48. MBIE advised the Tribunal that the question of intention with respect to pecuniary penalties has not been considered by the Tribunal or the courts. The Tribunal has however considered intention when determining exemplary damages under the RTA.

49. Given that both pecuniary penalties and exemplary damages under the RTA serve a similar punitive purpose, MBIE submitted that it is appropriate to adopt the Tribunal's approach to intention in the exemplary damages context when determining intention in the context of pecuniary penalties. I accept that submission.

50. I also accept that MBIE has established that Mr Hill's conduct was intentional, for the following reasons (all supported and proved by the oral and documentary evidence):

a. Issues relating to the property's cleanliness and smoke alarm obligations were brought to the respondent's attention by TCIT in April 2020. He was provided with a booklet outlining his landlord obligations.

b. In June 2020, with respect to a separate tenancy where Mr Hill was also the landlord, TCIT advised him to repair rotting windows, remove the rubbish around the exterior of the premises, the requirement to have mechanical ventilation in the bathroom and a ground moisture barrier, and to ensure no draughts were entering through gaps.

c. On 3 December 2021, Mr Hill was advised in respect to another tenancy that he was to ensure the property was maintained in a reasonable condition, to remove the rubbish around the exterior of the premises and was given advice on his smoke alarm obligations.

d. On 21 November 2023, Mr Hill was advised of his obligations with respect to maintaining these premises in a reasonable state of repair.

e. Mr Hill was living at the property and therefore had knowledge of the repairs and maintenance required, and the need for cleaning.

51. Mr Hill was aware of the issues identified by TCIT. Despite receiving multiple warnings since 2020, he failed to take meaningful steps to address these concerns until 2024/2025. His prolonged inaction over a four-year period demonstrates a deliberate and intentional disregard for his obligations.

52. The residents of this boarding house were among the most vulnerable tenants. Mr Hill's failure to maintain the property to the required standard had a direct and harmful impact on the tenants, who continued to pay rent despite living in substandard conditions. This omission deprived them of their right to a safe and habitable home, in breach of the Act.

53. Simply put, if landlords want to run a business providing boarding house tenancies, they must comply with all the requirements of the RTA. Recent events in New Zealand have shown how tragic outcomes follow from landlords of boarding house premises who do as little as they can for as long as they can; who fail to engage with authorities whose role it is to ensure compliance with health and safety; and who disregard reasonable requests to attend meetings and to produce documents (required by law).

54. I have no hesitation in finding that Mr Hill acted with intent when committing the breaches of his statutory responsibilities. The history of non-compliance that required the intervention of more than one compliance authority shows an attitude of doing as little as possible.

55. The landlord's actions were against the interests of the vulnerable tenants who lived in this boarding house and had effects on them. The premises were dirty, unrepaired, not compliant with the HHS and unsafe. By neglecting to ensure the property was regularly cleaned and repaired, the respondent avoided necessary

maintenance costs while continuing to receive rental income. This resulted in a financial benefit gained at the expense of tenant wellbeing and in clear disregard of statutory obligations.

56. I accept MBIE's submission that the seriousness of the respondent's non-compliance is heightened by the vulnerability of the tenants, many of whom rely on government support or have recently been released from prison. These individuals face significant barriers to securing alternative accommodation and were not able to raise concerns about the state of the property. While he may have assisted with accommodation, this does not absolve him of his responsibilities under the RTA. His failure to provide compliant housing disproportionately affected tenants with limited options, exacerbating their risk of marginalisation and housing insecurity.

57. MBIE sought an order for the maximum pecuniary penalty of $50,000.

58. I find that an award of approximately two thirds of the maximum, or $33,000 is appropriate. In reaching that decision I have considered the nature and extent of the breaches, the impact on vulnerable tenants and the fact that Mr Hill received rent for substandard premises, I have also factored in that he has responded (albeit late) to repair some issues. I conclude that the penalty needs to be near the maximum, but that there should be scope to award higher amounts for more egregious breaches.

Should the Tribunal make a Work Order?

59. Where the Tribunal finds the landlord has failed to comply with any of its obligations under s66I, it may make an order for the landlord to carry out the work. See s78(1)(e) RTA.

60. If the work order is not being made by consent of both parties, the Tribunal must also make a monetary order as an alternative to compliance with the work order. This provision does not apply to any work order, or part of a work order, in relation to smoke alarms, insulation, a failure to comply with a standard of fitness under section 120C Health Act 1956, or a failure to comply with any health or safety legislative requirement. See ss 78(2) and 78(2AA) RTA.

61. MBIE asked the Tribunal to issue a work order to complete the following outstanding maintenance issues at the property:

    a. Remove all industrial rubbish from around the premises.

    b. Repair the hole in the ceiling hallway and the roof above the ceiling hallway to ensure rainwater does not leak inside the premises.

    c. Repair all rotting window frames, install glass panes in windows that are boarded up, and ensure all window latches are in good working order.

    d. Repair or replace the damaged parts of the ceiling and walls.

e. Install mechanical ventilation in all bathrooms; and

f. Clean the mould, dirt and grime in the kitchen and bathrooms.

62. MBIE submitted that the Site Visit Report April 2025 shows that Mr Hill is yet to complete the work on these parts of the property. A work order was sought on the basis that Mr Hill has demonstrated a pattern of non-compliance with prior warnings. A formal order is therefore necessary to ensure a properly maintained living environment.

63. I have made a work order in respect of items, a, b, e & f as set out in Order 3 above. Those items relate to health and safety of the premises, so I do not make an alternative award of compensation. I also note that MBIE did not address me on compensation as an alternative to the work order.

64. However, if the work is not completed by 6 October 2025, the applicant may apply to the Tribunal for further orders, including authorisation to arrange for the work to be done and to recover the costs from the landlord.

65. I did not make work orders for the other maters claimed by MBIE as the evidence did not clearly establish that that was required. For example, Mr Hill said he has replaced windows, but the TCIT team said they could not view that at their last visit. Other orders were too broad and uncertain, such as the request to repair ceiling and wall damage.

Should the Tribunal Restrain Mr Hill from Committing Further Unlawful Acts?

66. MBIE seeks a restraint on further commissions of unlawful acts for the full 6 years available under s109A RTA.

67. Mr Hill has a history of non-compliance and limited cooperation with compliance authorities such that the Tribunal is not confident that he will comply with its statutory responsibilities without some sanction.

68. Mr Hill is restrained from breaching s66I RTA for a period of 4 years from 6 October 2025. I set that date to allow Mr Hill the time specified above to comply with the work orders. In setting the 4-year time frame I have regard to the history of non-compliance and Mr Hill's evidence that he intends to dispose of some properties in the near future.

69. The effect of this order is that Mr Hill will commit an offence if he breaches s66I RTA within the 4 years from 6 October 2025.

Name Suppression

70. Section 95A(2) RTA provides that the tenants' names and identifying details must be suppressed.

Costs

71. MBIE has been successful with its claim, so Mr Hill must pay the Tribunal application fee.

72. MBIE indicated that it intended to apply for costs on the application, if successful.

73. Costs are reserved and will be determined on the papers. If MBIE wishes to apply for costs it must provide written submission and any supporting evidence by 5pm on Monday, 22 September 2025. Mr Hill will then have 2 weeks to provide any submission and evidence in response.

R Morgan
07 September 2025

Please read carefully:

Visit justice.govt.nz/tribunals/tenancy/rehearings-appeals for more information on rehearings and appeals.

Rehearings

You can apply for a rehearing if you believe that a substantial wrong or miscarriage of justice has happened. For example:

- you did not get the letter telling you the date of the hearing, **or**
- the adjudicator improperly admitted or rejected evidence, **or**
- new evidence, relating to the original application, has become available.

You must give reasons and evidence to support your application for a rehearing.
A rehearing will not be granted just because you disagree with the decision.
You must apply within five working days of the decision using the Application for Rehearing form: justice.govt.nz/assets/Documents/Forms/TT-Application-for-rehearing.pdf

Right of Appeal

Both the landlord and the tenant can file an appeal. You should file your appeal at the District Court where the original hearing took place. The cost for an appeal is $260. You must apply within 10 working days after the decision is issued using this Appeal to the District Court form: justice.govt.nz/tribunals/tenancy/rehearings-appeals

Grounds for an appeal

You can appeal if you think the decision was wrong, but not because you don't like the decision. For some cases, there'll be no right to appeal. For example, you can't appeal:

- against an interim order
- a final order, or the failure to make an order, where the amount in dispute on appeal is less than $1000
- a final order to undertake work, or the failure to make an order, where the value of the work in dispute on appeal is less than $1000.

Enforcement

Where the Tribunal made an order about money or property this is called a **civil debt**. The Ministry of Justice Collections Team can assist with enforcing civil debt. You can contact the collections team on **0800 233 222** or go to justice.govt.nz/fines/civil-debt for forms and information.

Notice to a party ordered to pay money or vacate premises, etc.

Failure to comply with any order may result in substantial additional costs for enforcement. It may also involve being ordered to appear in the District Court for an examination of your means or seizure of your property.

If you require further help or information regarding this matter, visit tenancy.govt.nz/disputes/enforcing-decisions or phone Tenancy Services on 0800 836 262.

Mēna ka hiahia koe ki ētahi atu awhina, kōrero ranei mo tēnei take, haere ki tenei ipurangi tenancy.govt.nz/disputes/enforcing-decisions, waea atu ki Ratonga Takirua ma runga 0800 836 262 ranei.

A manaomia nisi faamatalaga poo se fesoasoani, e uiga i lau mataupu, asiasi ifo le matou aupega tafailagi: tenancy.govt.nz/disputes/enforcing-decisions, pe fesootai mai le Tenancy Services i le numera 0800 836 262.