



**BLACKWOOD
MONTAGNA**

INSIDE THE LAW

Protecting what you've built.
Powering what comes next.

WINTER 2026



Trusted legal advice for individuals, families, and businesses across Franklin.

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WELCOME FROM THE DIRECTOR

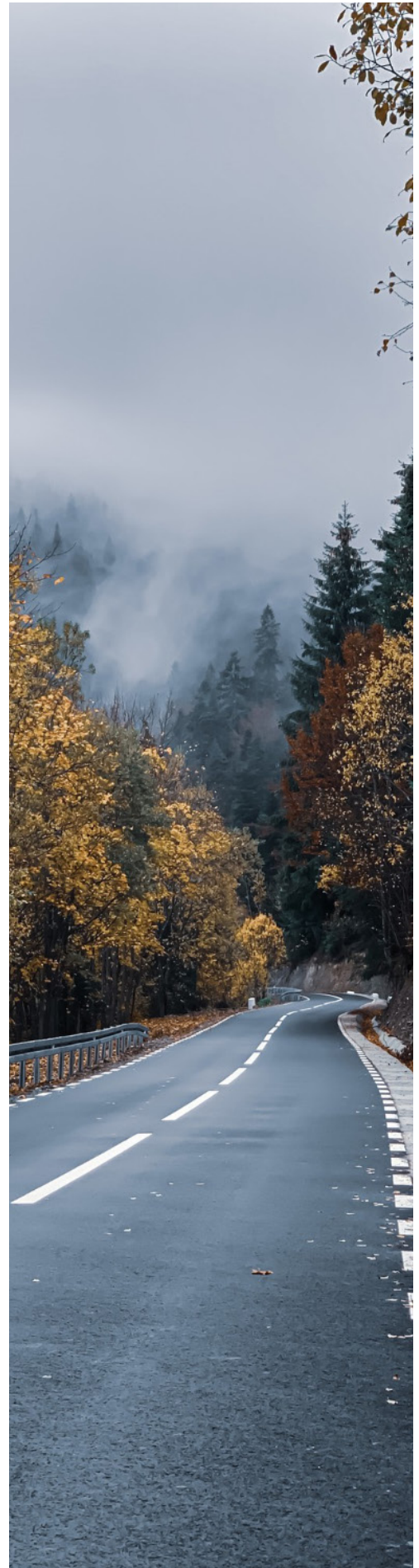
Welcome to the first edition of Inside the Law, our new-look newsletter and the first to be published since Blackwood Montagna Legal moved into our new premises in Pukekohe (7 Paerata Road).

The move marks an exciting new chapter for us. While our address has changed, our commitment to providing practical, trusted legal advice and personal service to our clients, throughout Franklin and beyond, remains exactly the same.

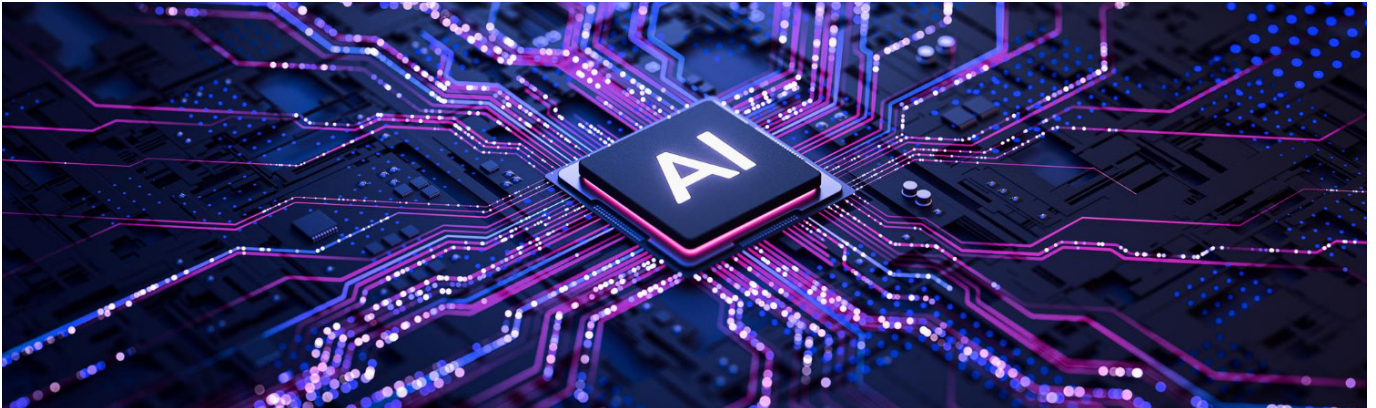
Over the past few months, our team has been settling into our new surroundings, creating a welcoming and modern environment where we can continue to support our clients through life's important decisions, opportunities and challenges. We have been delighted by the positive feedback from clients who have visited us in our new offices and we look forward to welcoming many more in the months ahead.

Thank you for your ongoing support. We hope you enjoy this first edition and find it both informative and useful.

Peter Montagna
Director



AI IN BUSINESS: OPPORTUNITY, RISK, AND WHAT NZ COMPANIES MUST GET RIGHT NOW



Artificial intelligence is no longer experimental—it's embedded in how New Zealand businesses market, hire, contract, and make decisions. But while adoption is accelerating, the legal guardrails are still catching up. That gap is where risk—and opportunity—sits.

For many organisations, the key issue isn't whether to use AI, but how to use it responsibly without exposing the business to regulatory scrutiny, reputational damage, or contractual disputes.

IN A MARKET WHERE TRUST IS A COMPETITIVE ADVANTAGE, RESPONSIBLE AI USE ISN'T JUST COMPLIANCE — IT'S STRATEGY.

At a minimum, three legal pressure points are emerging.

First, **consumer law risk is increasing**. Under the Fair Trading Act, businesses must not mislead or deceive. AI-generated content—whether in advertising, chatbots, or product descriptions—can unintentionally cross that line. If your AI tool exaggerates claims or presents inaccurate information, liability still sits with your business, not the software provider.

Second, **contracting and liability frameworks are being tested**. Many AI tools are governed by offshore terms of service that limit liability heavily in favour of the provider. Businesses relying on these tools without reviewing those

terms may find themselves exposed if something goes wrong—particularly where AI outputs are used in client-facing or regulated contexts.

Third, **privacy obligations remain firmly in play**. Feeding personal or commercially sensitive data into AI systems can trigger obligations under the Privacy Act 2020, especially where data is stored or processed offshore. The Office of the Privacy Commissioner has made it clear: “new technology” is not a defence for poor data handling.

So what should businesses be doing now?

1. Start with governance. Identify where AI is being used across your organisation—often it's more widespread than leadership realises. Then assess risk: what data is being used, what outputs are being relied on, and where decisions could impact customers or employees.
2. Next - review contracts and internal policies. Ensure staff understand when and how AI tools can be used and build in human oversight for high-stakes decisions.
3. Finally - sanity-check your external communications—if AI is helping create it, you still need to stand behind it.

The upside is significant. Businesses that get this right can move faster, reduce costs, and improve customer experience. But those benefits only hold if the legal foundations are sound.

In a market where trust is a competitive advantage, responsible AI use isn't just compliance—it's strategy.

Get in touch with the friendly team at Blackwood Montagna so we can assist you through the risk and compliance issues raised by AI.

PERSONAL GRIEVANCES IN NEW ZEALAND

In NZ thousands of personal grievances are lodged with the Employment Relations Authority (ERA) each. A personal grievance is a formal complaint that an employee can raise if they believe they have been treated unfairly or unlawfully in their workplace. The personal grievance process is an important mechanism for addressing workplace issues and ensuring fair treatment for employees.

Types of Personal Grievances

The Employment Relations Act 2000 outlines the grounds on which a personal grievance can be raised including:

- If an employee believes they have been unfairly dismissed from their role or feels they have been unfairly treated or disadvantaged in their employment.
- If an employee experiences duress related to union membership or is subject to sexual or other harassment or discrimination.
- If an employer fails to meet obligations during restructuring or if there are unsafe working conditions.
- If an employee is negatively impacted for exercising their rights or if an employee is treated unfairly due to circumstances related to family violence.

**MOST PERSONAL
GRIEVANCES MUST BE
RAISED WITHIN 90 DAYS
OF THE INCIDENT**

Steps to Raise a Personal Grievance

If you believe you have grounds for a personal grievance, it is important to act promptly. The process typically involves the following steps:

1. Identify the issue: Clearly understand the nature of the grievance and the specific grounds under which it falls.
2. Raise the grievance with your employer: This should ideally be done in writing, outlining the issue and providing sufficient details for your employer to respond. Include relevant dates, events, and any supporting evidence.
3. Engage in mediation: If the issue cannot be resolved directly with your employer, mediation through the Ministry of Business, Innovation and Employment (MBIE) can be sought. Mediation provides a neutral environment to discuss the grievance and work towards a resolution.
4. Escalate to the ERA: If mediation does not resolve the issue, you may escalate the grievance to the ERA, which will investigate and make a determination.

Timeframes

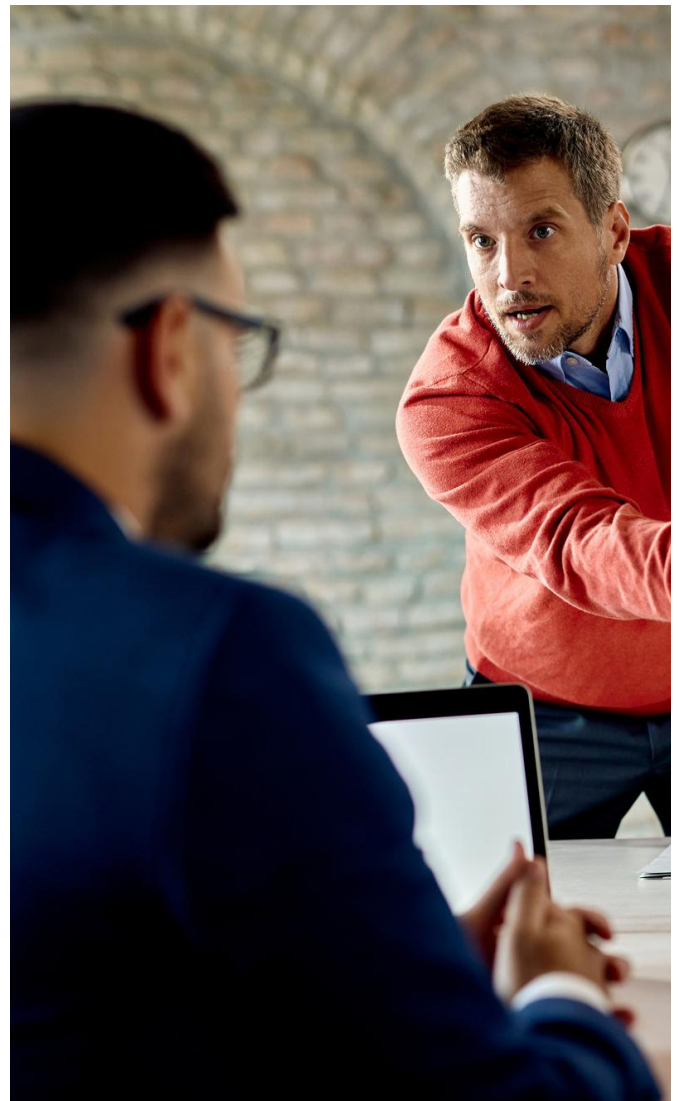
Most personal grievances must be raised within 90 days of the incident. However, for cases of sexual harassment (occurring after 13 June 2023), employees have up to 12 months to raise a grievance.

Other Situations

In situations involving triangular employment (where an employee works for one employer but is placed with another business or organisation) personal grievances can still be raised. Independent contractors cannot directly bring a personal grievance because they are not considered employees under employment law.

Get in Touch

For any employment law inquiries contact Blackwood Montagna for expert guidance and support.



FIRST HOME BUYERS: WHY THE SALE AND PURCHASE AGREEMENT MATTERS

Buying your first home is exciting, but it is also one of the biggest financial commitments you will ever make. While most buyers focus on finding the right property and arranging finance, the Sale and Purchase Agreement is the document that provides the legal protection if things do not go according to plan.

KiwiSaver and Residency Requirements

Many first home buyers rely on KiwiSaver funds for their deposit. If you intend to use KiwiSaver, tell your solicitor before signing the Agreement. A properly drafted KiwiSaver clause can protect your deposit if settlement does not proceed, avoiding unnecessary complications.

It is also important to remember that KiwiSaver funds for a first home purchase can only be used for a property you genuinely intend to live in as your principal place of residence. They cannot be used to buy an investment property or a home that will remain vacant.

Finance Conditions Matter

A common misconception is that bank pre-approval guarantees a loan. In reality, pre-approval is usually subject to conditions such as a satisfactory valuation, confirmation of your financial position, insurance, and the bank's current lending policies.

If your Agreement is unconditional and your loan is later declined, you may still be legally obliged to complete the purchase. A finance condition provides valuable protection by allowing you to withdraw if finance cannot be obtained.

**THESE INVESTIGATIONS
ARE ONLY USEFUL IF YOUR
AGREEMENT CONTAINS THE
APPROPRIATE CONDITIONS**

Investigations After You Sign

Most important investigations take place during the conditional period after the Agreement has been signed.

Your solicitor will review the Record of Title, which may reveal easements, covenants, caveats or cross-lease issues. A LIM report may disclose matters such as flood risks, outstanding building consents or work completed without a Code Compliance Certificate. A building inspection can identify structural or moisture problems that may not be obvious during an inspection.

These investigations are only useful if your Agreement contains the appropriate conditions allowing you to act on the results.

Don't Forget the Hidden Costs

The purchase price is only part of the cost of buying a home. You should also budget for legal fees, bank charges, LIM and building reports, valuations, insurance, rates adjustments on settlement, and any appliances or fittings that are not included in the sale.

One expense that often surprises buyers is the rates adjustment. On settlement, you usually reimburse the vendor for the portion of council rates already paid that relates to your period of ownership.

The Bottom Line

A well-prepared Sale and Purchase Agreement is one of the most important safeguards available to a first home buyer.

Getting legal advice before you sign helps ensure the right conditions are included, your KiwiSaver arrangements are protected, and you fully understand your obligations before committing.

The lawyers and staff at Blackwood Montagna are here to guide you through every stage of your first home purchase, helping make the process as straightforward and stress-free as possible.



UNFAIR CONTRACT TERMS: WHY 'STANDARD TERMS' ARE NO LONGER LOW RISK IN NZ

For years, many New Zealand businesses have relied on standard form contracts as a practical necessity - efficient, scalable, and rarely challenged. That's changing.

The Commerce Commission has signalled increased willingness to scrutinise unfair contract terms (UCTs), and recent enforcement activity shows that "set and forget" contract templates are now a real legal risk - particularly in B2B relationships involving smaller counterparties.

Under the Fair Trading Act, a term can be declared unfair if it creates a significant imbalance, is not reasonably necessary to protect legitimate interests, and would cause detriment if relied on. Once declared unfair, the term is unenforceable - and the reputational impact can be just as significant as the legal outcome.



**START BY REVIEWING YOUR
STANDARD CONTRACTS
THROUGH A RISK LENS, NOT
JUST A COMMERCIAL ONE.**

What's shifting is how broadly this is being applied in practice.

Historically, many businesses assumed UCT rules were mainly a consumer issue. In reality, they extend to standard form contracts between businesses where one party has significantly less bargaining power - something increasingly common in sectors like construction, supply, franchising, and tech services.

Common risk areas include:

- **Wide liability exclusions** that leave one party with little or no recourse.
- **Unilateral variation clauses** allowing one party to change terms without agreement.
- **Automatic renewal provisions** that are difficult to exit.
- **Disproportionate termination rights**, particularly where only one party can walk away easily.

The key mistake businesses make is assuming that if a clause is "industry standard," it's legally safe. That's not the test. The focus is on fairness in context.

So what should you be doing?

Start by reviewing your standard contracts through a risk lens, not just a commercial one. Ask: would this clause look onesided to a regulator or a court? If challenged, can you justify why it's necessary?

Next, consider how your contracts are actually used. A well-drafted clause can still be vulnerable if presented on a take-it-or-leave-it basis to a smaller party with no real opportunity to negotiate.

Finally, treat this as more than a compliance exercise. Fairer contracts can strengthen relationships, reduce disputes, and position your business as one that's commercially tough - but reasonable.

In the current environment, that balance matters. Because the real risk isn't just having a clause struck out - it's being seen as a business that relies on them.

Get in touch if you need guidance in reviewing your standard contracts. We are here to help.

DISCLAIMER

This publication is intended as a general overview and discussion of the subjects dealt with and does not create a lawyer-client relationship. It is not intended to be, and should not be used as, a substitute for taking legal advice in any specific situation.

We will accept no responsibility for any actions taken or not taken on the basis of this publication.



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