

BN/04/58

16 June 2004

Acting Minister of Housing

Housing New Zealand Corporation Work on the Risks of Methamphetamine (P)

Purpose

1. The purpose of this briefing note is to update you on Housing New Zealand Corporation (HNZC) efforts to ensure that the safety of staff and tenants is protected where methamphetamine (P) has been manufactured in HNZC tenancies.

Background

2. As New Zealand's largest residential landlord (63,500 properties), HNZC has been aware of the risks associated with the manufacture of P in its tenancies and has been working with the Ministry of Housing and other agencies to develop appropriate guidelines for dealing with this.
3. Tenancy Tribunal decision (1708/3), released on Tuesday 15 June, related to an allegation that a premises had been used as a methamphetamine laboratory immediately before a tenancy and as a consequence the premises were contaminated. The Tribunal found that *"when a property has allegedly been used for the manufacture of methamphetamine there is an obligation on the landlord to ensure the property is appropriately cleansed and is free from harmful contaminants prior to re-renting the property."*
4. HNZC is reviewing the Tenancy Tribunal decision. However initial reading suggests that the decision supports the approach HNZC has taken to date.
5. Anecdotal information from HNZC frontline staff indicates that, while the numbers of cases of P manufacture in Corporation tenancies appears to be relatively small at this stage, this could increase. HNZC is not able to state with any certainty the number of proven instances of the manufacture of P in its tenancies.

HNZC's Approach to Date

6. Late last year a working party of HNZC officials (legal, housing services and communications) met to discuss concerns regarding the manufacture of P and to consider what steps the Corporation should take to ensure the health and safety of its staff and tenants.

7. The Ministry of Housing was invited to take part. A series of meetings were held involving the Police, the Ministry of Health and Environmental Scientific Research (ESR). The purpose of the meetings was to gain a better understanding of potential concerns regarding P as well as identify current procedures for dealing with it. As part of the initial research HNZC reviewed international material/data both about P and on how organisations deal with it.
8. The meetings highlighted a strong need for: clear processes regarding communication with Police and other authorities; staff and tenants to be aware of the hazards of P; and clear processes and procedures regarding the clean-up of P. HNZC recognises that any eventual recommendations will need to consider procedures for:
- dealing with tenant/tenancy where there is suspicion of manufacture of P;
 - dealing with tenant/tenancy when suspicion of manufacture of P is confirmed by Police;
 - dealing with leased properties where there police have confirmed suspicion of the manufacture of P;
 - letting a vacant property where P was known to be manufactured
 - dealing with tenant concern regarding manufacture of P;
 - dealing with tenant who has known history for the manufacture of P;
 - cleaning the property after manufacture of P has been confirmed.
9. The working party is preparing guideline procedures to be approved by the Corporation. These could also be of use to the private sector and made available through the Ministry of Housing. In the meantime, HNZC has put interim procedures in place and advised its staff of these (via email) in December.
10. In addition, HNZC has prepared a reactive media response that incorporates this information. It states:

“Housing New Zealand Corporation is a responsible landlord and works to protect the safety of staff, tenants and contractors. The Corporation has been advised about the potential concerns regarding the manufacture of "P" in term of health risks. The Corporation is taking a proactive approach to develop guidelines to protect staff, tenants and contractors. As part of this process the Corporation is seeking advice from experts including health, legal, and police.

Once the guidelines are developed, the Corporation would be willing to share the information (through the Ministry of Housing) with private landlords.

While the detailed guidelines are under development, the Corporation has interim guidelines in place.

These include that:

- Under no circumstances should HNZC staff enter a property that is suspected as being used for the manufacture of "P"
- If we receive information or there are suspicions that "P" is being manufactured in an HNZC tenancy, the Police are advised

- Where the Police find any evidence of "P" being manufactured in an HNZC tenancy the Corporation will apply for an urgent Tribunal hearing and seek to end the tenancy immediately. (*Note that that HNZC would apply for termination under Ssection 56 on the basis that the tenant used the premises for an illegal purpose and therefore breached his/her obligations under Section 40 (2) (b) of the Residential Tenancies Act 1986, which states that a tenant shall not "use the premises, or permit the premises to be used, for any unlawful purpose". HNZC is required to provide a sufficient level of proof, for instance supporting information from the Police.*)
- Under no circumstances is the tenancy to be re-let until expert advice on any potential contamination is obtained and the Corporation is satisfied that to the best of its knowledge the property is safe to let."

11. A series of reactive question and answers have also been prepared. These are:

“Q: How long have the guidelines been in place?

A: Since mid December 2003.

Q: Why are you introducing these guidelines now?

A: HNZC constantly reviews its practices. We are aware of the concerns regarding P and as a major landlord, we need to take a proactive and responsible approach to ensure staff is aware of the dangers of the substance and the implications for tenancies.”

Issues

12. The work to date has highlighted a number of issues that are still to be resolved.

- The chemicals involved in the manufacture of P are understood to be dangerous and/or toxic. There is no legislated New Zealand standard of what constitutes an acceptable level of contamination by these chemicals. Standards currently fall within the broad provisions of the Health Act. To date HNZC and others are working to United States standards in relation to acceptable levels of contamination.
- Decontamination can be expensive. It requires the services of specialist cleaning companies. Currently it is these companies rather than the authorities that advise landlords whether there is a continuing health or safety risk.
- There is a need to act quickly if the manufacture of P is suspected and a tenancy termination needs to be sought. The Tenancy Tribunal requires a sufficient level of proof, which may include a supporting statement from the Police. Currently there is no standard national procedure for obtaining appropriate supporting information from the Police.

Next Steps

13. HNZC’s working party is to draw up final guidelines for dealing with P in Corporation tenancies.
14. These are likely to recommend that HNZC meet with Police to explore the establishment of national protocols for the sharing of information. These would allow HNZC, as a large

portfolio landlord, to act quickly in bringing an application to the Tribunal where it is suspected or known that P is being manufactured in a Corporation tenancy.

Recommendations:

15. I recommend that you:

- a) **note** that HNZC has been working with other agencies, including the Ministry of Housing, to draw up guidelines to deal with the manufacture of P in Corporation tenancies;
- b) **note** that interim guidelines and procedures are in place designed to protect the safety of Corporation staff and tenants;
- c) **note** that HNZC will seek to immediately terminate tenancies where there is evidence of P being manufactured.

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Chief Executive

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