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Minister for Social Housing

## Methamphetamine contaminated vacant properties

This paper provides you with information on Housing New Zealand's properties that are currently vacant due to methamphetamine contamination.

### Context

In the weekly status report dated 31 August 2015, we advised you that the number of properties being identified as contaminated with methamphetamine had steadily been increasing since 2014. There are several factors that have contributed to this increased level of detection; notably an increase in the number of tests carried out on suspicion of usage as opposed to manufacture.

### Policy settings

Housing New Zealand undertook a methamphetamine testing project in Wanganui during April 2014 which also reviewed the current management practices and policy for methamphetamine management, assessing any alternative testing options and identifying any recommendations for improvement.

The current policy was drafted in 2011 and has an emphasis on the management of suspicion of methamphetamine manufacture. Housing New Zealand staff are increasingly reporting suspicions of methamphetamine use rather than manufacture. In September 2014 following the report back from the Wanganui test project, a review of the methamphetamine policy was instituted. The review is on-going, with an updated policy anticipated to be in place in the first quarter of 2016.

### Location and typology of currently vacant properties

There are currently 229 properties that are vacant due to suspected or confirmed levels of contamination of methamphetamine. The contamination can either be through the use or manufacture of methamphetamine. The table below shows the location of properties on a regional basis and their typology.

Suspected and confirmed methamphetamine contaminated properties – 30 August 2015									
Region	Duplex	Flat double	Flat multi	Flat single	House multi	House single	Twin unit single	Twin unit double	Total
Auckland – Complexes		6	12		1		1		20
Auckland – Central		1			1	6	2	6	16
Auckland – East/South		1			2	3	1	2	9
Auckland – North						5		1	6
Auckland – West/South					1	33		1	35
Auckland – West					1	15		1	17
Bay of Plenty						6			6
Gisborne/Hawkes Bay			1	5		19		4	29
Leases – Northern			1						1
Leases – Sth Auckland						3			3
Northland						6		1	7
South Island				1	2	16	1	6	26
Taranaki/King Country				3	2	13		5	23
Waikato				1	1	5		1	8
Wellington	1	2		1		8	3	7	22
Wellington - Complexes			1						1
<b>Total</b>	<b>1</b>	<b>10</b>	<b>15</b>	<b>11</b>	<b>11</b>	<b>138</b>	<b>8</b>	<b>35</b>	<b>229</b>

<b>Average length of tenancy prior to being vacant and tested for methamphetamine (in years)</b>									
<i>Region</i>	Duplex	Flat double	Flat multi	Flat single	House multi	House single	Twin unit single	Twin unit double	Total
Auckland – Complexes		7.50	3.01		1.69			2.09	<b>3.57</b>
Auckland – Central		17.77			11.00	3.69	4.18	4.78	<b>8.28</b>
Auckland – East/South		1.72			4.96	16.29	2.57	2.40	<b>5.58</b>
Auckland – North						7.70	0.61		<b>4.15</b>
Auckland – South						8.41			<b>8.41</b>
Auckland – West/South					14.30	5.80	4.36		<b>8.15</b>
Auckland – West					8.80	8.09	2.90		<b>6.59</b>
Bay of Plenty						2.62			<b>2.62</b>
Gisborne/Hawkes Bay			0.30	3.97		2.44	7.14		<b>3.46</b>
Leases – Northern			4.96						<b>4.96</b>
Leases – Sth Auckland									
Northland						1.14	1.21		<b>1.17</b>
South Island				5.01	6.64	2.44	3.49	4.77	<b>4.47</b>
Taranaki/King Country				0.72	9.00	4.09	3.87		<b>4.42</b>
Waikato				1.34	8.59	5.89	12.92		<b>7.18</b>
Wellington		0.87		1.39		4.41	4.74	5.81	<b>3.44</b>
Wellington - Complexes	1.14		1.16						<b>1.15</b>
<b>Total</b>	<b>1.14</b>	<b>6.95</b>	<b>2.35</b>	<b>2.48</b>	<b>8.12</b>	<b>5.61</b>	<b>4.36</b>	<b>3.97</b>	

Of the 229 vacant properties, 166 have been confirmed as above Ministry of Health guidelines for methamphetamine contamination. Two of the properties were below the guidelines but had traces of methamphetamine. All 168 properties are moving through the remediation process.

One property has been confirmed as not having any traces of methamphetamine contamination and will be returned to the letting pool once refurbishment work post-tenancy has been completed. The remaining 60 properties are either still undergoing testing or awaiting test results.

### **Staff and contractors training**

Housing New Zealand's human resource group provide access to training on the risks of exposure to a methamphetamine lab, the manufacturing process, identification and actions to be taken on discovery. This training has been provided by Methcon since 2011; with hundreds of Housing New Zealand staff having completed the training. Ensuring that our staff have the most accurate and useful training available is a key part of the on-going policy review.

Housing New Zealand's contractor obligations require all practicable steps are taken to ensure contractors are not harmed when undertaking work for Housing New Zealand. This means that all contractors tendering for Housing New Zealand work are required to demonstrate that their staff have an appropriate level of training in the identification and management of hazards, including methamphetamine.

### **Current testing practice**

Where there is suspicion that a tenancy might be contaminated, the Tenancy Services Area Manager and Asset Manager are informed. Potential contamination is then disseminated to regional tenancy services staff, health and safety manager, communications and government relations teams as well as relevant contractors.

Tenancy Services works with the communications team if the property is in a complex and a communications plan is required. Asset Manager liaises with the Programme Delivery team to arrange initial testing. If the initial swab testing returns positive, a more comprehensive assessment of the property is requested by the Programme Delivery team. Both initial and comprehensive testing results are provided to the relevant Asset

Manager to enable decisions to be made about the economic viability of remediating and/or demolishing the property.

If decontamination is chosen, it is undertaken by qualified contractors. All decontaminated properties are re-tested to confirm hazard has been eliminated prior to handing the property back to the Asset Manager. Housing New Zealand will continue to investigate testing practices and techniques to ensure that our results are accurate and form another key tranche of the policy review.

### **Tenancy management**

Housing New Zealand does not tolerate illegal behaviour in its properties. When contamination is confirmed through the use of methamphetamine, and it is known that the current tenants caused the contamination, Housing New Zealand will seek earliest possible repossession through the Tenancy Tribunal.

Under the Residential Tenancies Act 1986 Housing New Zealand may proceed with legal action to seek reimbursement of damage costs in the instance of property damage relating to P manufacture and/or use.

### **Historical numbers**

Prior to August 2013 methamphetamine contamination and/or use in Housing New Zealand properties was not centrally recorded. The number of confirmed contaminated properties is 0.15 percent of Housing New Zealand's portfolio. This percentage is also broadly in line with research that shows the level of methamphetamine use nationally, and supports that this is a societal, rather than uniquely social housing, issue.

<b>Year</b>	<b>Confirmed properties</b>	<b>Remediation Cost</b>
2013	8	\$373,782.13
2014	101	\$1,286,521.68
2015 YTD	168	TBC

Remedial measures can range from specialised cleaning to re-fitting a property. In some cases, in the interests of public safety, houses may need to be removed from their section and taken away for demolition elsewhere. The value of a property is carefully assessed when deciding whether it is prudent to clean or re-fit a property as opposed to demolishing it. Four properties were demolished between 2012 and 2014 as a result of methamphetamine contamination.

The cost for decontaminating each property found to be contaminated with methamphetamine varies depending on the level of contamination. In 2013, the cost range for decontamination was between \$6,000 and \$15,000. In 2014, the cost range was \$6,500 to \$19,500 and as at August 2015 the cost range was between \$8,000 and \$16,000. Please note that the cost range does not include retesting costs or the reinstatement of the property after decontamination.



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