

-----Original Message-----

**From:** Michael Quinn [<mailto:mike.quinn@hnzc.co.nz>];

**Sent:** 3/05/2016 2:47:44 PM

**To:** EXT Megan McKay [<mailto:Megan.McKay@parliament.govt.nz>];

**Subject:** FW: Urgent advice needed please - 3pm today

And in Word.

-----Original Message-----

From: Michael Quinn

Sent: Tuesday, 3 May 2016 2:46 p.m.

To: EXT Megan McKay

Subject: RE: Urgent advice needed please - 3pm today

Aide-memoire attached.

-----Original Message-----

From: Megan McKay [<mailto:Megan.McKay@parliament.govt.nz>]

Sent: Tuesday, 3 May 2016 10:06 a.m.

To: GRU Jobs

Cc: Rachel Kelly; Dan Jackson; Julian Silver

Subject: Urgent advice needed please - 3pm today

Importance: High

Hello

Minister Smith has late lodged a paper for SOC tomorrow including a supplementary order paper to the Residential Tenancies Amendment Bill that is currently before the House. The SOP will introduce new standards around methamphetamine contaminated homes. Could we please get a brief aide-memoire for the Minister on HNZ's thoughts about the proposed changes.

I will need this by 3pm today - given this is a very short timeframe the Minister understands that this may not be as comprehensive as needed, but I know Dan was providing MBIE with background so hopefully there is information on hand that may be helpful.

Thanks

Megan

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AH 16 023

3 May 2016

Minister for Social Housing

## **Residential Tenancies Act Amendment Bill – Supplementary Order Paper**

This paper provides you with information on the Minister for Building and Housing's request for Social Policy Committee approval to introduce a Supplementary Order Paper to the Residential Tenancies Act Amendment Bill (the Bill).

### **Context**

Since the Bill was first introduced, it has become clear that methamphetamine use and manufacture is a growing problem in rental housing. The Residential Tenancies Act (the Act) does not directly address issues around methamphetamine use and manufacture in residential rental properties. The Act gives landlords a right of entry to carry out inspections, however, it does not specifically allow landlords to test for methamphetamine contamination or provide for a short termination period in cases where a property tests positive for methamphetamine contamination.

### **Proposed changes**

The Tenancy Tribunal considers that landlords may only test for the presence of methamphetamine during a routine inspection if testing has been agreed to by both parties in the tenancy agreement. If testing has not been agreed to in the tenancy agreement, the Tenancy Tribunal often considers testing to be inconsistent with a tenant's right to privacy and the quiet enjoyment of the property.

The Minister for Building and Housing is proposing that the Bill is amended to create an ability to test for methamphetamine contamination and create specific grounds for termination in cases of a positive test result for methamphetamine contamination.

### **Housing New Zealand comment**

Housing New Zealand has been involved in ongoing discussions with the Ministry of Business, Innovation and Employment and other agencies on this issue which is reflected in the recommended changes to the Act.

Currently, if a tenant does not agree for a methamphetamine test to be carried out, an application to the Tenancy Tribunal for an access order is required. To be successful in obtaining such an order, reasonable grounds for carrying out a test need to be demonstrated, however, this is not always successful as the Act does not include anything specific about methamphetamine testing. The proposed introduction of a right of access for landlords to carry out methamphetamine testing will assist with this.

A right of access to carry out testing would be consistent with a landlord's existing right of entry to carry out an inspection and would ensure testing can be carried out with minimal delay. Currently, if a landlord needs to apply to the Tribunal to establish reasonable grounds for testing, it could take up to a month before the application is heard, and the landlord would need to establish to the Tribunal's satisfaction that methamphetamine is being used at the property. This is time-consuming and challenging for Housing New Zealand, and would be even more difficult for smaller landlords.

The importance of providing landlords with access for testing is highlighted by a recent Tribunal decision, which awarded compensation to the tenant of a contaminated private sector rental property where the landlord had been unaware of the contamination.

The Cabinet paper proposes that a 'prescribed test' for methamphetamine is developed that would be included in the Act. Standards New Zealand is developing a new standard (NZS 8510) for properties contaminated as a result of the manufacture or use of methamphetamine. This standard will be released in 2017. Housing New Zealand is taking an active role in supporting the development of that standard.

Housing New Zealand also recommends accommodating the right of landlords to test for other drug contaminants on the basis that methamphetamine is the current issue, however, other substances may present a similar challenge in future.

Housing New Zealand supports the proposed introduction of a specific right to terminate the tenancy of a contaminated property with 7 days notice. This would give landlords certainty of when a tenancy of a contaminated property can be terminated.

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Sharon Girvan  
Acting General Manager Governance  
Housing New Zealand Corporation

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