

## Memo

**To** Adrienne Young Cooper, Chair Housing New Zealand  
**From** Greg Groufsky, Acting Chief Executive  
**Date** 1 August 2016  
**Subject** Advice on Methamphetamine Threshold

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### Summary

As requested, Management has sought expert advice on the implementation of an interim methamphetamine threshold in advance of the release of the New Zealand Methamphetamine Standard (NZS 8510). Unfortunately Management been unable to secure a scientific opinion on an interim threshold that has consensus amongst appropriately qualified experts.

However, in the course of Housing New Zealand seeking this advice the Ministry of Health has been moved to change its approach to its own technical review. MoH has announced that it will publish an addendum to the current Methamphetamine Guidelines in October. This review was initially to be only an input into the NZ Standard development process and was not intended to be published. MoH have indicated that the addendum will include a revised guideline of 1.5 micrograms per 100cm<sup>2</sup> (compared to the current 0.5 micrograms per 100cm<sup>2</sup>).

Based on this new development a more prudent course of action for HNZ would be to apply the revised MoH guideline in October rather than act independently with an interim standard of the same level. This approach would provide a better sustainable long term outcome as HNZ would simply be applying MoH's guideline as it currently does thereby reducing a number of reputational risks and delivery risks with our staff, the PSA and contractors.

Wemay wish to consider seeking Ministerial support in the form of encouragement to the Ministry of Health that the updated guideline is delivered on time in October if not earlier.

### Advice from experts

Management has been unable to secure a scientific opinion on an interim threshold that has consensus amongst appropriately qualified experts.

Advice was sought from:

- Dr Nick Kim, Massey University
- Dr Leo Schep, Toxicologist

Advice was received via the Ministry of Health from:

- Dr Jeff Fowles, ESR Commissioned toxicologist - Tox-Logic Consulting, California
- Peter Cressey, ESR
- Dr Jackie Wright, Environmental Risk Sciences and Flinders University.

Although Dr Nick Kim has advanced an interim threshold of 1.5 micrograms per 100cm<sup>2</sup> and this has been supported by Dr Leo Schep in terms of rationale, Dr Kim's opinion has not been supported by the Ministry of Health (including a review by an independent California based toxicologist Dr Jeff Fowles), ESR (Peter Cressey) and Dr Jackie Wright.

Dr Kim has also in recent days clarified his position and recommended that any interim standard should be developed based on the opinions of a toxicological reference group and that it would be inappropriate for HNZ to solely rely on his opinion. Additionally Dr Kim has noted to our staff that his opinion is based on scientific evidence and does not take into account any public policy implications.

Because of this lack of consensus and statements from Dr Kim and other scientists that it would be unwise to pursue an interim standard based on the opinion of one scientist alone. If HNZ did continue on the basis of a single opinion there is a real risk of reputational damage as this would almost certainly be questioned publically.

### **Addendum to MoH Guideline**

I recommend that Housing New Zealand continues to support the current New Zealand Standards development process (which will deliver a scientific consensus). As part of this process we have been informed that MoH will be publically releasing an addendum to the current Guidelines for the Remediation of Clandestine Methamphetamine Laboratory Sites. This will supersede the current guideline of 0.5 micrograms per 100cm<sup>2</sup> and would provide HNZ with an appropriately tested scientific opinion and technical review that we would be able to leverage off and consider a way forward. MoH have indicated that they will release the update to the guidelines in October this year. HNZ may wish to seek Ministerial support to encourage MoH to ensure that the release date for the update does not slip and ideally that it is released as soon as practicable.

An October implementation date for a new guideline would enable HNZ to update all of its relevant processes and address a number of implementation risks in the two month window before the update was published. In effect HNZ would be ready to fully implement as soon as the release was made. Even if HNZ was to implement an interim threshold immediately this work would still need to be done before we could 'go live' with the new threshold.

### **Risk Management**

#### **Reputational Risk**

This approach would mitigate a number of reputational risks as HNZ would simply be applying the MoH Guidelines as is current practice, albeit updated guidelines. Any questioning of the revised guidelines would be directed to MoH rather than HNZ.

#### **Contractor Risk**

Application of a set of revised guidelines would also make managing our relationships with our contractors significantly easier. A significant amount of engagement with PBMC and our testing and decontamination suppliers would be required to ensure that are willing to operate to any interim threshold we may introduce.

Feedback from Contract Managers is that contractors would be unwilling to work on properties at a higher interim threshold level set by Housing New Zealand only. Even if HNZ is prepared to offer these properties for tenancing the whole of New Zealand works to the MoH guidelines as a de-facto standard, and PCBUs may be unwilling to expose employees to perceived health and safety risks on the basis of their own obligations to those employees.

### **People Risk**

Changing to an interim threshold is a change to a HNZ Policy, and HR have advised that as such this will require a formal staff consultation process. This will also require engagement and consultation with the PSA.

HR has raised risks as follows:

- The PSA have recently written directly to the COO raising concerns about health affects for staff of exposure to meth contaminated properties. An increase in the threshold is likely to increase concern in this area.
- HNZ is currently in bargaining with the PSA. Any proposal to increase the threshold is more than likely to be used as leverage to increase union membership and increase the risk of any potential strike action.
- Additionally in the lead up to an election next year, this issue also provides leverage for union and opposition party electioneering.

A significant amount of engagement is required in order to implement a revised threshold. As mentioned above, HNZ would need to undertake a formal consultation process with staff and the PSA, this takes typically two months at least. In addition, all current methamphetamine policy, procedures, guidelines and associated tools will require full revision and update to incorporate the new threshold as all phases of our processes are affected.

A significant component of the risk associated with staff, PSA and contractor engagement can be removed if HNZ implements an updated MoH guideline in October. HR has indicated that we would not need to undertake formal consultation with the PSA as we are updating our policy to align with the revised guideline. We would of course still need to engage with staff and PSA to brief them on any upcoming change. A similar approach would be enabled with our contractors.

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