

Housing New Zealand Corporation Board

3 May 2016

Deloitte Methamphetamine (P) Review

Chief Financial Officer

Executive summary

- 1 This paper provides an overview of the Deloitte report "*Review of P Contamination Management and Strategies*".

Recommendations

- 2 It is recommended that the Housing New Zealand Board:
 - a) **notes** summary commentary in this covering paper for the attached Deloitte report "*Review of P Contamination Management and Strategies*".

Background

- 3 The Deloitte report "*Review of P Contamination Management and Strategies*" was commissioned by Housing New Zealand (HNZ) in February 2016 to provide the HNZ Board and Executive with:
 - An external view of HNZ's methamphetamine (P) management approach
 - An assessment of future P related risks for HNZ.
- 4 The Deloitte report was completed in early April 2016.
- 5 An overarching HNZ *P Management Programme* encompassing HNZ's P response is under development and will be submitted to 14 June 2016 Board meeting. The Deloitte report findings will inform the objectives, scope and work plan of the new Programme.

Executive team opinions and decisions

- 6 The Executive team considered the Deloitte report at its 12 April 2016 meeting.
- 7 Discussion focused the issue of HNZ's current response to P, specifically HNZ's response to contamination. Deloitte reported that it could not establish a global scientific consensus regarding the level of contamination at which human health is adversely affected by tertiary exposure to P as a contaminant (that is, P use in a residence as opposed to *manufacture*).
- 8 The Executive acknowledged that HNZ's adherence to the current New Zealand Ministry of Health (MoH) guideline drives significant expenditure and effort, but agreed that as:
 - There are presently no standards for P testing and decontamination in New Zealand

- The MoH guidelines are used broadly as a de-facto standard
- HNZ's activity conforms to conventional practice and represents a prudent health and safety response to P contamination.
- 9 It was also agreed given the size and scale of HNZ's P contamination response it was appropriate to demonstrate leadership in this area. It was consequently proposed that HNZ should resource evidence gathering and research to shape the evolving cross-agency response to P.
- 10 At the time of writing the Senior Responsible Officer (SRO) for HNZ's P programme has:
- Initiated work in-house to collate the range of international contamination standards and to review P cleaning advice on the basis of new cleaning technologies
 - Contacted the Standards New Zealand technical lead for the development of the New Zealand standard for methamphetamine contamination remediation (due 2017) to discuss support HNZ could extend to the technical committee's (multi-agency and cross-sector) work programme.

Discussion

- 11 The Deloitte report is attached at **Appendix 1**. The report details HNZ's current response to P which includes the following:
- Testing on 'suspicion' and any properties purchased (not brand new) or sold
 - The refreshed P contamination policy and procedure rollout (updated policies and procedures were released on the HNZ intranet on 31 March 2016. There is an associated staff training package)
 - Contamination database for affected properties
 - The void baseline testing pilot (Central Auckland)
 - The procurement of testing and radiation companies.
- 12 The report assesses a number of dimensions of HNZ's current P approach and makes recommendations for HNZ to develop a "*holistic strategic approach to P*" inclusive of:
- a) An assessment of a greater range of issues and risks accounting for all areas of P related risk exposure
 - b) Consideration of HNZ's current response to P contamination (as outlined in the section above, this is on the basis Deloitte could establish no global scientific consensus regarding the level of contamination at which human health is adversely affected by tertiary exposure to P as a contaminant - specifically, P use in a residence as opposed to manufacture)
 - c) Enhanced responses to P contamination responses (prevention to remediation) through formal inter-agency interaction and collaboration.
- 13 The section below updates the Board on recent and planned HNZ activity across all three of these areas.

¹ Appendix 2 of the report provides a proposed Strategic Response framework for HNZ.

An assessment of a greater range of issues and risks accounting for all areas of P related risk exposure

- 14 The Deloitte review includes a draft P Contamination Risk Register and Risk Profile.² Nineteen risks have been identified through reviewing HNZ documents, interviews with HNZ staff and a facilitated risk workshop with key HNZ internal staff.
- 15 These risks are informing HNZ response and will be continually refined, validated and updated during the planning and implementation of HNZ's planned programme.

Consideration of HNZ's current response to P contamination

- 16 The Executive team discussion for this matter is set-out earlier in this paper.
- 17 Fundamentally the Deloitte report submits that HNZ could be either over-responding or under-responding to P contamination however there are currently *no standards for P testing and decontamination in New Zealand* but guidelines which were produced by MoH in 2010.
- 18 The MoH guidelines are used broadly (by HNZ, Local Authorities and the P testing and decontamination industry) as a de-facto standard.
- 19 The guidelines do not explicitly define what a "safe" level of P is but state an acceptable level of post-decontamination P residue at 0.5µg (micro grams) per 100cm² (10 x 10 cm²).
- 20 MoH is looking to review these guidelines as part of its role on the Standards New Zealand technical committee to develop the New Zealand standard (NZS 8510) for methamphetamine contamination remediation of dwellings. This new standard is expected to be released in 2017. HNZ has nominated a representative to sit on the Standards New Zealand technical committee but remains to have that nomination confirmed.
- 21 The Deloitte report concludes that the health and safety risk to HNZ staff and contractors from P contamination exposure is rated 'low', based on low levels of exposure, but that the risk to tenants is currently unknown.
- 22 This issue has been regularly canvassed in national and regional media with different experts offering a range of perspectives (reflecting the general lack of agreement on this issue).

Enhanced responses to P contamination responses (prevention to remediation) through formal inter-agency interaction and collaboration

- 23 There have been several activities initiated to enhance HNZ's inter-agency connections for P:
 - a) A meeting was held with Department of Prime Minister and Cabinet (DPMC) representatives in early April on HNZ's P management approach. DPMC publishes the a *Indicators and Progress Report* for the Government's "Methamphetamine Action Plan", and reports agency efforts to combat methamphetamine to the Prime Minister.
 - b) HNZ is working with New Zealand Police on its participation in the "Gang Intelligence Centre" (GIC). The GIC is an output of the 2014 Cabinet paper *Whole-of-Government Action Plan to Reduce the Harms caused by New*

² Appendix 1 of the report provides a Risk profile

Zealand Adult Gangs and Transnational Crime Groups. The GIC is a collaborative multi-agency initiative involving intelligence-gathering, enhanced law enforcement, along with drug prevention and intervention, and prisoner rehabilitation and reintegration.

- c) HNZ is hosting a multi-agency briefing session on its P approach on 5 May 2016. This briefing is primarily for agencies with some responsibility for residential properties (but where managing residences is not core business), including the Office of Treaty Settlements, Department of Corrections, New Zealand Transport Authority, New Zealand Defence Force, New Zealand Police and Land Information New Zealand. Ministry of Business, Innovation and Employment and Treasury representatives will also attend.
- 24 Further P related inter-agency initiatives are planned including better HNZ links into the health system.

Next steps

- 25 An overarching HNZ *P Management Programme* encompassing HNZ's P response is under development and will be submitted to 14 June 2016 Board meeting. The Deloitte report findings will inform the objectives, scope and work plan of that Programme.

Appendices

- 26 There is one Appendix to this paper:

Appendix 1: Deloitte Review of P Contamination Management and Strategies



Rose Anne MacLeod
Chief Financial Officer



Greg Groufsky
Acting Chief Executive