

Regulatory Impact Statement: Managing methamphetamine contamination in rental housing

Decision sought	This analysis is produced for the purpose of informing final Cabinet decisions on proposed regulations for managing methamphetamine contamination in rental housing
Agency responsible	Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development
Proposing Ministers	Minister of Housing, Associate Minister of Housing
Date finalised	19 August 2025

Regulations for managing methamphetamine contamination in tenancies covered by the Residential Tenancies Act 1986 (the RTA) aim to:

- A. Minimise the health risk from exposure to methamphetamine contamination in rental housing.
- B. Provide certainty to tenants and landlords about their rights and responsibilities around methamphetamine contamination.
- C. Provide clear rules and processes for testing and decontamination for methamphetamine residue.
- D. Support professional conduct and standards in the methamphetamine testing industry.
- E. Prescribe an approach that will manage costs of testing and decontamination for landlords and tenants.

Regulations would be limited to the scope of an existing empowering provision in the RTA (section 138C) and would achieve the objectives outlined above by providing clear rules about the following issues:

- what level of methamphetamine residue would require decontamination
- · what level of contamination can lead to termination of a tenancy
- how methamphetamine testing and decontamination should be done
- how we can ensure that decontamination processes are successful, and
- · what to do with abandoned goods left in contaminated premises.

Summary: Problem definition and options

What is the policy problem?

Methamphetamine use and manufacture can leave residue in properties. There are currently no legislatively binding rules about acceptable levels of methamphetamine residue in rental accommodation in New Zealand. This has led to confusion and low public confidence about the health risks posed by methamphetamine residue and how to manage it. As a result, sector responses are inconsistent and can impose high costs which may not be justified from an evidence and risk-based perspective.

What is the policy objective?

Objectives for the regulations are to:

- A. Minimise the health risk from exposure to methamphetamine contamination in rental housing.
- B. Provide certainty to tenants and landlords about their rights and responsibilities around methamphetamine contamination.
- C. Provide clear rules and processes for testing and decontamination for methamphetamine residue.
- D. Support professional conduct and standards in the methamphetamine testing industry.
- E. Prescribe an approach that will manage costs of testing and decontamination for landlords and tenants.

What policy options have been considered, including any alternatives to regulation? The preferred package of options includes establishing regulations which provide that:

- rental premises will only become contaminated under the regulations and require decontamination if detailed tests show levels exceed 15µg/100cm².
- if tests show levels exceed 30µg/100cm², in addition to the decontamination requirements, a tenancy can be terminated as set out in section 59B of the Residential Tenancies Act 1986.
- testing and decontamination needs to follow scientifically robust processes, incorporating key parts of the New Zealand Standard 8510:2017 Testing and decontamination of methamphetamine-contaminated properties.
- the requirements for dealing with abandoned goods left in contaminated premises be similar to those which apply to goods in non-contaminated premises, with key adaptions to manage risks from those goods potentially being contaminated.

(Ministry and Minister's preferred option)

Other options considered include:

- maintaining the status quo (i.e. doing nothing)
- commissioning a review of the New Zealand Standard 8510:2017 Testing and decontamination of methamphetamine-contaminated properties and not making regulations
- a range of alternative options for issues which constitute the policy problem (regulated levels of methamphetamine contamination, requirements for landlords, testing, decontamination, abandoned goods).

What consultation has been undertaken?

Public consultation

A discussion document was released on 22 November 2022 online on a dedicated consultation page hosted by Tē Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (the Ministry). The consultation was due to close on 20 February 2023. The deadline was extended to Friday 10 March 2023 following the disruption caused by extreme weather events in early 2023. In addition to the release of the discussion document, the Ministry hosted or participated in 12 workshops and hui with general stakeholders, community housing peak bodies and providers, including Te Matapihi and providers primarily housing whanau Māori, methamphetamine testing and industry representatives, and other key stakeholders to gather feedback on regulatory proposals. Further details of these workshops are included at paragraph 30.

Ninety submissions were received in total. Of these, 58 percent were on behalf of an organisation, and 40 percent were by individuals who mostly described themselves as a landlord or property manager (83 percent of submissions were made by individuals).

Overall:

- Most submitters agreed with the problem definition, need for regulation, proposed objectives, regulatory scope, and implementation and monitoring proposals.
- Submitters strongly supported the need to establish a maximum acceptable level for methamphetamine residue but were divided on what the level should be, with many submitters suggesting it should be lower due to protect against perceived health risks.
- A majority of submitters disagreed with proposals for the maximum inhabitable level, believing it should either be the same as the maximum acceptable level, that both levels should be lower, that the level should be higher, or that no level should be set.
- A majority of submitters agreed with proposed requirements for landlords, including when they should be required to test for methamphetamine residue and proposed timeframes.
- Submitter broadly supported proposals for the decontamination process.
- Submitters were divided on proposals for managing abandoned goods in contaminated properties (noting that some disagreement was based on a misunderstanding of the proposals).

Agency consultation

Drafts of policy briefings, Cabinet paper, and this RIS were circulated to government agencies for consultation. During consultation on policy briefings and Cabinet paper, agencies were generally supportive of the proposals. Notable points of feedback included:

- concerns about the impact for tenants who have a tenancy terminated (against their wishes) due to methamphetamine contamination
- the practical implications of the maximum acceptable and maximum inhabitable levels being set at different thresholds, and
- whether appropriate consideration had been given to impacts on Māori and concerns raised by community housing providers housing whānau Māori.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS? Yes.

Summary: Minister's preferred option in the Cabinet paper

Costs (Core information)

Costs are expected to be low impact due to the relatively low frequency with which they are expected to occur. The most significant costs identified include:

Tenants

- Potential for disputes in some cases where a tenancy is ongoing, contamination is discovered, and the premises require decontamination.
- Tenants may also be uncertain about how quickly they should expect decontamination works to be completed (and when to enforce action) due to the flexible timeframes proposed for this.
- Where contamination levels are high, some tenants may have tenancies terminated against their wishes (noting that this cost would be reduced compared to the status quo).

Landlords/housing providers incl. Kāinga Ora and Community Housing Providers

 Potential for disputes and added complexity when attempting to complete decontamination works during a tenancy.

The regulator (MBIE)

- Costs mostly associated with updating guidance and operational policies, staff training, and communicating training with external stakeholders (including developing guidance).
- Potential for costs associated with queries about completion of decontamination works during a tenancy and timeframes for this.

The Tenancy Tribunal

• Potential for costs associated with disputes about completion of decontamination works during a tenancy and timeframes for this.

Testing and decontamination companies

Potential for reduced demand for services.

Benefits (Core information)

All groups benefit from clarity and certainty derived from clearly prescribed rules and processes for managing methamphetamine residue. Other benefits include:

Tenants

 Reduced disruption and costs associated with finding a new tenancy, as the threshold for tenancy termination due to damage from methamphetamine contamination would be higher. This is expected to be low impact due to the lower frequency of contamination being discovered during a tenancy.

Landlords/housing providers incl. Kāinga Ora and Community Housing Providers

- Savings associated with premises only requiring decontamination where levels exceed 15µg/100cm² and cleaning back to a level of 15µg/100cm² or lower. Based on conservative assumptions, this could deliver between \$0.7 and \$2m in savings per year for private sector and community housing landlords (noting this is low certainty due to limited information).
- Landlords and property managers will also experience increases certainty and clarity about which levels to clean back to and where and when to take action.

- For Kāinga Ora, an indicative estimate based on decontamination of properties from the 2025 financial year suggests around a 40 percent reduction in annual decontamination costs based on fewer rooms needing to be decontaminated per property (only those with levels over 15µg/100cm²). Based on FY2025 spend, this would be a \$0.6m annual saving (noting that outyear savings values may vary, subject to case volumes and corresponding spend).
- Further savings are likely to arise from reduced rounds of decontamination, reduced testing costs, lower reinstatement costs, and faster turnaround times meaning properties can be re-tenanted earlier. These savings are not able to be monetised due to limited information.

The regulator (MBIE) and the Tenancy Tribunal

 Some savings in overall reduction in queries and disputes arising from confusion about aspects of methamphetamine residue management. This benefit is unable to be monetised due to limited information on current cost attributable to methamphetamine contamination related queries and disputes.

Testing and decontamination companies

• No significant savings identified beyond clarity and certainty.

Insurers

In line with savings experienced by landlords, insurers will benefit from reduced claim volumes and values where policies shift from covering decontamination costs where residue levels exceed 1.5µg/100cm² to covering costs where residue levels exceed 15µg/100cm². These savings are not able to be monetised due limited information on current market coverage and the commercially sensitive nature of insurance claims data.

Balance of benefits and costs (Core information)

We consider that the benefits of the proposed regulations are highly likely to outweigh the costs, noting that we are not able to provide a specific cost/benefit ratio, as costs and benefits are mostly non-monetised (e.g. intangible benefits such as certainty and clarity).

Potential costs are most likely to arise from disputes. As noted above, we expect these to be low frequency, and absolute numbers should therefore be low to begin with. However, we anticipate dispute frequency will further reduce over time as the regulations bed in and the sector adjusts to the new rules and dispute resolution precedence develops in the Tenancy Tribunal.

Implementation

The proposals will be given effect through regulations (secondary legislation) under the Residential Tenancies Act 1986, in line with existing empowering provisions in the Act (section 138C). The Ministry will work with MBIE (the regulator) to develop a legislative implementation plan that ensures all agencies and stakeholders with an interest in the regulations are appropriately engaged and informed, with sufficient time to give the regulations effect.

s 9(2)(f)(iv)

Following final Cabinet decisions on the content of the proposed regulations, the Ministry is likely to instigate a review of the New Zealand Standard 8510:2017 *Testing and decontamination of methamphetamine-contaminated properties*.

Limitations and Constraints on Analysis

Evidence is limited regarding:

- the human health impacts of thirdhand exposure to methamphetamine residue.
 Specifically, the Institute of Environmental Science and Research (ESR) advise that there is insufficient evidence to define a maximum inhabitable level of residue.
- the effectiveness of cleaning methods for carpets and curtains, which we propose could be retained and cleaned in some cases (rather than universally replaced in line with the status quo).

I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s) signature: Claire Leadbetter Manager, Housing and Rental Markets 19/08/2025

C.D.	Leadbell

Quality Assurance Statement	
Reviewing Agency: Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban	QA rating: Meets
Development	

Panel Comment:

The RIA Panel at Te Tūāpapa Kura Kāinga the Ministry of Housing and Urban Development has reviewed the Methamphetamine contamination regulations RIA and confirmed that it meets RIS requirements. The Panel felt that the RIS covered all required information in a simple and clear way, despite the technical nature of the subject matter. The RIS explains the context behind the policy problem and why regulation around meth testing and decontamination procedures in homes is needed. It also explains why the lack of regulation in this area has led to inconsistent management of this issue for the sector.

The panel felt that the analysis and conclusions drawn are supported by a good analytical framework and there is strong logic and reasoning throughout the document. The RIS is clear about why costings are difficult, but explicit about this. The RIS describes the thorough consultation that occurred with stakeholders after the release of the discussion document and advice sought from experts.

Section 1: Diagnosing the policy problem

What is the context behind the policy problem?

Thirdhand¹ exposure to methamphetamine residue could pose health risks

- 1. Use and manufacture of methamphetamine can leave methamphetamine residue in premises. When residue is found, it is often caused by use, with studies showing that manufacture typically results in much higher levels of residue.
- 2. While methamphetamine manufacturing overseas sometimes uses precursors and materials which contain or produce highly toxic substances such as lead and mercury as a by-product, the Institute of Environmental Science and Research (ESR) advises that current manufacturing methods in Aotearoa New Zealand do not use or produce these contaminants. Such methods will produce other associated illicit drugs and by-products, but at much lower levels than methamphetamine residue.
- 3. While direct contact and use of methamphetamine is known to cause medical harm, there is no evidence conclusively demonstrating a causal link between third-hand exposure to methamphetamine residue and adverse health effects. Low levels of residue are likely to be associated with a very low probability of harm.
- 4. Advice from ESR does however note that while we may not currently have evidence of it, we should assume that as exposure increases, the probability and/or severity of adverse health effects will increase, and there is likely to be a level of residue that results in an unacceptable risk of adverse effects.²
- 5. Therefore, it is still appropriate and necessary to define a maximum acceptable level of methamphetamine residue a level above which residue is considered problematic and necessary to address via decontamination and ensure adequate protections are in place to safeguard people from any exposure risks.

There are no binding rules on acceptable levels of methamphetamine residue...

- 6. There are no legally binding rules on maximum acceptable levels of methamphetamine residue in rental accommodation. Currently, the sector uses two different maximum acceptable levels:
 - 1.5µg/100cm² from the 2017 New Zealand Standard 8510:2017 Testing and decontamination of methamphetamine contaminated properties (the NZS),³ and
 - 15µg/100cm² from the 2018 report of the Prime Minister's Chief Science Advisor, Professor Gluckman (the PMCSA report).⁴

¹ Third-hand exposure means contact with methamphetamine residue left from use or manufacture. For example, skin contact by touching surfaces, or oral ingestion by hand to mouth activities after touching surfaces.

² ESR. Methamphetamine contamination in residential environments: Analysis of evidence related to human health effects. December 2020. https://www.hud.govt.nz/assets/Uploads/Documents/esr-report-2020.pdf

³ New Zealand Standard (NZS) 8510:2017, *Testing and decontamination of methamphetamine contaminated properties https://www.standards.govt.nz/shop/NZS-85102017*

⁴ Office of the Prime Minister's Chief Science Advisor. Methamphetamine contamination in residential properties: Exposure, risk levels, and interpretation of standards.

- 7. In 2020, Te Tūāpapa Kura Kāinga Ministry of Housing and Urban Development (the Ministry) sought advice from the Institute of Environmental Science and Research (ESR) on what an appropriate maximum acceptable level of methamphetamine residue should be. ESR was contracted to review recent scientific evidence including the science underlying the levels set out in the NZS. Consistent with the PMCSA report's conclusion, ESR advised that a maximum mean surface contamination concentration below 15µg/100cm² will be associated with a very low probability of harm.²
- 8. This view was reinforced in 2022 after the Ministry sought further advice from ESR on what level a contaminated property should be cleaned back to. ESR advised that, by extension from their advice on the maximum acceptable level, 15µg/100cm² was also an appropriate level to clean contaminated properties back to.⁵

...which results in inconsistent approaches to managing methamphetamine residue at significant cost to landlords and tenants

- 9. While the conclusions of the PMCSA report and its proposed maximum acceptable level have been widely accepted, ⁶ it has not been universally adopted and as neither the PMCSA nor NZS levels are legislatively binding, both are used in practice. For example:
 - the Tenancy Tribunal and District Court refer to the PMSCA report to determine whether the threshold for contamination has been met, whether decontamination is required, and whether tenancy termination is justified due to damage.
 - Some insurance providers such as NZI, AMP and AMI (underwritten by IAG) refer to a level set in regulations or, as no such regulations exist, the level set by the NZS. Other providers like Vero (underwritten by Suncorp) use 15µg/100cm² as a trigger point for decontamination, while covering remediation costs down to 1.5µg/100cm².
 - Kāinga Ora decontaminates homes over 15μg/100cm² to 1.5μg/100cm² or less.
 - Real Estate Authority (REA) guidance anticipates disclosure of test results to potential buyers (who may be property investors/landlords) where levels are at 15µg/100cm² or above. REA guidance also provides that where manufacturing has occurred remediation should be to 1.5µg per 100cm².
- 10. The decontamination process which is generally done in accordance with the NZS to achieve levels below 1.5µg/100cm² can be disruptive, requiring properties to remain vacant for weeks. Where tenancies are ongoing, tenants are often required to leave, including by having their tenancy terminated. This can be particularly hard for those who have limited housing options or complex needs and can impose costs associated with moving and finding a new tenancy.

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https://www.dpmc.govt.nz/sites/default/files/2021-10/pmcsa-Methamphetamine-contamination-in-residential-properties.pdf

⁵ ESR. Methamphetamine contamination in residential environments: Limits for contamination. July 2022. https://www.hud.govt.nz/assets/Uploads/Documents/esr-report-2022.pdf

⁶ For example, see RNZ, *Meth house contamination debunked by PM's science advisor*, 29 May 2018 https://www.rnz.co.nz/news/political/358454/meth-house-contamination-debunked-by-pm-s-science-advisor and NZ Herald, *P was for panic! What next, now the 'met house myth' has been debunked?*, 8 June 2018 https://www.nzherald.co.nz/business/personal-finance/investment/p-was-for-panic-what-next-now-the-meth-house-myth-has-been-

debunked/YPPJIHHLWG3NOGJKI7QCKMP4MQ/#google_vignette

11. For landlords, the costs associated with decontamination can include insurance costs (where landlords have cover), decontamination services, repair, reinstatement and replacement of goods and fixtures, bond management and loss of rent. These costs can easily reach tens of thousands of dollars. Insurance excesses alone typically extend up to \$2,500 and although cover limits can range from \$25,000 to \$50,000, we understand from insurers that a reasonable proportion of claims go above cover limits.

Regulations can be made under the RTA for managing methamphetamine contamination

- 12. In addition to there being no statutory maximum acceptable level, there are no specific legislative rules in place regarding how methamphetamine residue should be managed in rental properties.
- 13. The Residential Tenancies Act 1986 (RTA) is the principal act governing the rental market. It regulates residential tenancies, the contractual relationship between a landlord and tenant, establishes the Tenancy Tribunal, and defines the Ministry of Business, Innovation and Employment's roles and powers as the regulator for the market.
- 14. Section 138C (s138C) of the RTA enables regulations to be made for managing contaminants in rental premises, including methamphetamine. However, no regulations currently exist. Instead, other RTA provisions are referred to. These include requirements for landlords to provide premises in a reasonable state of cleanliness (section 45(a)), and the ability to terminate a tenancy where the premises are so seriously damaged as to be uninhabitable (sections 59 and 59A).
- 15. While these provisions offer some guidance and recourse to landlords and tenants, they are not tailored and do not provide clear answers to many questions which arise when considering how to manage methamphetamine residue in a rental property.

Methamphetamine contamination is relatively uncommon, and residue is often found at low levels

- 16. The proportion of rental properties that are affected by methamphetamine residue across Aotearoa is not comprehensively monitored. However, it is understood to be relatively uncommon. For example, landlords report that around 1 in 5 properties have been tested since 2019 and in the last 12 months (at the time of writing) there have been 213 Tenancy Tribunal orders involving methamphetamine contamination issues or claims, equivalent to 1.9 percent of all Tenancy Tribunal orders over the period (11,031 total between 1 June 2024 and 31 May 2025). While the issue affects a small portion of the 565,974 rental households in New Zealand, increased certainty around levels and guidance will likely flow through to increased willingness from landlords at the margin to use properties as private rentals rather than holiday rentals or leaving the home vacant.
- 17. Where methamphetamine residue is discovered, levels are usually low. Between January 2018 and July 2022, data from two laboratories which analyse tests from residential properties in Aotearoa show that over 70 percent of positive results had levels below 1.5µg/100cm². More recent data from Kāinga Ora properties, which are tested where there

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⁷ Statistics New Zealand, "Totals by topic for houses, (NZ total), 2013, 2018, and 2023 Censuses", in 2023 Census, (Wellington: Statistics New Zealand, 2023), <u>Aotearoa Data Explorer • Totals by topic for households, (NZ total), 2013, 2018, and 2023 Censuses</u>

is evidence of methamphetamine use or manufacture, shows that of the 1,096 properties tested between financial years 2022 – 2025 (equivalent to around 1.5 percent of total stock):

- 21 percent were clear (levels of 0.02µg/100cm² or less)
- 50 percent had levels between 0.03 15µg/100cm²
- 11 percent had levels between 15.01 30µg/100cm²
- 19 percent had levels over 30µg/100cm².

How is the status quo expected to develop?

Current approaches are likely to remain the same and the proportion of affected properties will likely remain low

- 18. There are no indications to suggest that approaches to the management of methamphetamine residue in rental properties will significantly change without further intervention. Current approaches have developed over a number of years and, while inconsistent, are relatively settled.
- 19. There are some indications that an increasing number of properties are being affected by methamphetamine residue. For example:
 - The number of properties decontaminated by Kāinga Ora has steadily increased in recent years (93 properties in FY2022, 123 properties in FY2023, 142 properties in FY2024, and 150 properties in FY2025).
 - Some community housing providers report increases in methamphetamine use and in spending on decontamination of properties.
- 20. These trends could be driven by increases in the use of methamphetamine. Recent wastewater testing reports produced by the National Drug Intelligence Bureau indicate that methamphetamine use in 2024 increased significantly following a decline in 2023, with testing in over July September 2024 recording the highest quantity of methamphetamine in samples since testing began (on top of an overall upward trend in 2024).
- 21. While the volume of methamphetamine used appears to have increased, there has not been statistically significant change in the number of people reporting use of amphetamine-type stimulants through the New Zealand Health Survey over the past several years. This includes the most recent survey in 2023/24 (data collection up to the end of July 2024), which reported national use at 1.3 percent (around 56,000 people).
- 22. This suggests that the increased volume of methamphetamine consumed is from people who currently use methamphetamine using greater quantities, rather than more people using methamphetamine. This may therefore translate into higher average levels of residue observed or discovered, rather than a significant increase in the number of properties affected.
- 23. As any increase in the number of properties affected will be from a relatively low base, we do not expect a significant proportion of properties would become affected by methamphetamine residue. Overall, we expect contamination from methamphetamine residue would continue to affect only a minority of rental properties.

What is the policy problem or opportunity?

The status quo has led to confusion, costs and disruption for the sector

- 24. A lack of clear rules for managing methamphetamine residue and the existence of two different maximum acceptable levels is confusing for landlords, tenants, property managers and the Tenancy Tribunal. A lack of clarity has resulted in low public confidence and confusion about health risks associated with methamphetamine residue.
- 25. As outlined in paragraphs 10 and 11 above, the management of methamphetamine contamination can have significant implications and costs for landlords and tenants. Confusion and low public confidence about the health risks of methamphetamine contamination and how to manage it has resulted in inconsistent responses to the issue. This includes disproportionate and costly responses to low levels of methamphetamine residue, where the costs imposed by decontamination and/or other responses (e.g. tenancy termination) are not clearly justified by the risks.
- 26. For example, in the last 12 months 44 percent of Tenancy Tribunal orders (94 orders) involving methamphetamine contamination claims related to situations where testing or decontamination costs were sought for levels of residue below 15µg/100cm².
- 27. In many of these cases, landlords had already undertaken testing or decontamination at significant cost in line with their insurance policies or advice they had received based on the NZS level and sought compensation. While some awards were made by the Tenancy Tribunal for methamphetamine use and other matters, claims relating to testing and decontamination were mostly dismissed, as levels did not meet the 15µg/100cm² threshold used by the Tenancy Tribunal (based on the PMSCA report) and were therefore considered unnecessary.

To address the overarching problem, we need to provide clarity on a range of issues related to the management of methamphetamine residue

28. There are a range of questions/issues that arise when landlords, tenants and property managers consider how to manage methamphetamine residue in rental properties. The key questions are those which are broadly anticipated by s138C of the RTA. The table below sets these questions/issues out and the corresponding provision in s138C capable of addressing it.

Table 1: Policy problem sub-issues and relevant RTA provision

Question/issue	Relevant section 138C provision
When does methamphetamine residue become concerning from a health perspective and what level of residue should contaminated properties be cleaned back to?	Regulations may prescribe maximum acceptable levels of methamphetamine residue or means of calculating them, above which decontamination is required s138C(3)(a)
2. When is methamphetamine residue so severe that a property should be considered uninhabitable?	Regulations may prescribe a maximum inhabitable level of methamphetamine residue, above which a property is considered uninhabitable s138C(3)(b)

3. What responsibilities should landlords have in relation to methamphetamine residue, if any?	Regulations may prescribe requirements for landlords in respect of methamphetamine residue s138C(3)(c)
4. Who should be able to test for methamphetamine and what types of tests are appropriate?	Regulations may prescribe methods for carrying out tests for methamphetamine, including who is authorised to carry out the tests or parts of the tests s138C(3)(d)
5. How should properties be decontaminated and who should be able to do this?	Regulations may prescribe a decontamination process and additional rules for decontamination processes where a tenant continues to live at the premises s138C(3)(e) and s138C(3)(f)
6. What should be done with abandoned goods left in contaminated properties?	Regulations may prescribe processes and duties for managing abandoned goods on contaminated premises s138C(3)(g)

What objectives are sought in relation to the policy problem?

- 29. The regulations aim to:
 - A. Minimise the health risk from exposure to methamphetamine contamination in rental housing.
 - B. Provide certainty to tenants and landlords about their rights and responsibilities around methamphetamine contamination.
 - C. Provide clear rules and processes for testing and decontamination for methamphetamine residue.
 - D. Support professional conduct and standards in the methamphetamine testing industry.
 - E. Prescribe an approach that will manage costs of testing and decontamination for landlords and tenants.

What consultation has been undertaken?

Public consultation

- 30. A discussion document was released on 22 November 2022. The consultation was due to close on 20 February 2023. The deadline was extended to Friday 10 March 2023 following the disruption caused by extreme weather events in early 2023. In addition to the release of the discussion document, the Ministry hosted or participated in 12 workshops and hui to gather feedback on regulatory proposals. These were:
 - Insurance Council of New Zealand virtual hui (December 2022)
 - Stakeholder virtual workshop 1 (December 2022)
 - Real Estate Institute of New Zealand virtual hui (December 2022)
 - Community Housing Aotearoa virtual webinar (December 2022)
 - Stakeholder virtual workshop 2 (December 2022)
 - New Zealand Drug Foundation virtual hui (January 2023)
 - New Zealand Association for Contaminant Free Properties virtual hui 1 (January 2023)
 - New Zealand Association for Contaminant Free Properties virtual hui 2 (January 2023)
 - Māori community housing sector stakeholder in person hui 1 (February 2023)
 - Māori community housing sector stakeholder virtual hui 2 (February 2023)
 - Māori community housing sector stakeholder virtual science Q&A ESR (February 2023)
 - Community Housing Actearoa submission feedback webinar (February 2023)
- 31. Ninety submissions were received in total. Of these, 58 percent were on behalf of an organisation, and 40 percent were by individuals who mostly described themselves as a landlord or property manager (83 percent of submissions made by individuals).

- 32. A summary of submissions report was published in January 2025 and is publicly available on the Ministry's website. Overall:
 - Stakeholders were strongly supportive of regulation, with a majority (75.7 percent) agreeing with how the policy problem was described and that regulations were needed to address it.
 - Most submitters agreed with the problem definition, need for regulation, proposed objectives, regulatory scope, and implementation and monitoring proposals.
 - Submitters strongly supported the need to establish a maximum acceptable level for methamphetamine residue but were divided on what the level should be, with many submitters suggesting it should be lower due to health risks.
 - A majority of submitters disagreed with proposals for the maximum inhabitable level, believing it should either be the same as the maximum acceptable level, that both levels should be lower, that the maximum inhabitable level should be higher, or that no level should be set.
 - A majority of submitters agreed with proposed requirements for landlords, including when they should be required to test for methamphetamine residue and proposed timeframes.
 - Submitter broadly supported proposals for the decontamination process.
 - Submitters were divided on proposals for managing abandoned goods in contaminated properties (noting that some disagreement was based on a misunderstanding of the proposals).

Agency consultation

- 33. Drafts of policy briefings, Cabinet paper, and this RIS were circulated to government agencies for consultation.
- 34. During consultation on policy briefings and the Cabinet paper, agencies were generally supportive of the proposals. Notable points of feedback included:
 - whether appropriate consideration had been given to impacts on Māori and concerns raised by community housing providers housing whānau Māori (see section 2.1),
 - concerns about the impact for tenants who have a tenancy terminated (against their wishes) due to methamphetamine contamination (see section 2.2), and
 - the practical implications of the maximum acceptable and maximum inhabitable levels being set at different thresholds (see section 2.2).

⁸ Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development. Regulation of methamphetamine contamination in rental housing: Regulatory options summary of submissions. February 2025. https://www.hud.govt.nz/documents/regulation-of-methamphetamine-contamination-in-rental-housing-regulatory-options-summary-of-submissions

Note on approach to section 2 options assessment: Section 2 of this RIS is broken down into six subparts (2.1 – 2.6). These six parts correspond to the six questions/issues identified at paragraph 28 which together constitute the overarching policy problem.

Section 2.1: Assessing options to address the policy problem – Maximum acceptable levels of methamphetamine residue

What scope will options be considered within?

- 35. Options in this section respond to question 1, in table 1, from section 1: When does methamphetamine residue become concerning from a health perspective and what level of residue should contaminated properties be cleaned back to? Options have been considered within the scope of s138C of the RTA, specifically s 138C(3)(a) which enables regulations to prescribe maximum acceptable levels, or a means of calculating maximum acceptable levels of contaminants (in this case, methamphetamine residue).
- 36. Options are based on currently available scientific evidence on human health effects caused by thirdhand exposure to methamphetamine. This includes the NZS, PMSCA report, advice commissioned from ESR in 2020 and 2022,^{2,5} and overseas approaches).⁹ We have also considered feedback received through public consultation on regulatory proposals undertaken between November 2022 and March 2023.
- 37. Public discourse on methamphetamine contamination in rental premises is often influenced by wider societal attitudes towards illicit drug use and addiction, which can be complex and polarised. These issues are beyond the scope of the regulations. The options below do not comment on what level of methamphetamine residue is acceptable in a rental property from a moral or social acceptability perspective.
- 38. Using, possessing, selling, or manufacturing methamphetamine are offences under the Misuse of Drugs Act 1975 and tenants who undertake or permit these activities in a rental would be using it for an unlawful purpose, regardless of the residue level present. This would be a breach of the RTA which a landlord could act on, including by applying to the Tenancy Tribunal for termination in line with section 56 of the RTA.

What criteria will be used to compare options to the status quo?

- 39. Criteria were selected to determine how well options delivered against the regulatory objectives, outlined at paragraph 29, as well as general expectations of regulatory systems (noting there is overlap between these). General expectations of regulatory systems include whether the options:
 - achieve objectives in a least cost way
 - are flexible, for example enabling parties to adopt innovative approaches to meeting regulatory objectives
 - produce predictable and consistent outcomes for regulated parties
 - are proportionate, fair and equitable for regulated parties, and

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⁹ Noting that other jurisdictions have typically focused regulation of methamphetamine contamination caused by manufacture, due to the potentially harmful nature of substances that can be used in manufacturing processes, while approaches to contamination caused by use have typically focused on guidance and information provision on appropriate decontamination methods.

- whether they conform to established legal principles, including supporting compliance with Te Tiriti o Waitangi / Treaty of Waitangi obligations.
- 40. With these considerations in mind, the following criteria will be used to compare options to the status quo:
 - Safety: Whether the option effectively minimises possible health risks from exposure to methamphetamine contamination in rental housing.
 - Certainty and consistency: Whether the option will ensure clear rules and processes, certainty for tenants and landlords and, overall, result in consistent and predictable approaches to managing methamphetamine residue, including from industry professionals.
 - Proportionality: Whether the option's outcomes are proportionate to known (evidence-based) risks and benefits for landlords and tenants (regulated parties), including whether treatment of parties is equitable and complies with existing legal frameworks.
 - Cost-efficiency: Whether the option appropriately manages costs for regulated parties, achieving desired outcomes in a 'least cost' way, particularly regarding the costs of testing and decontamination.
 - 41. Options for section 2.3 to 2.6 also use an additional criterion flexibility (defined in section 2.3). The flexibility criterion is not included in sections 2.1 and 2.2 as it is less relevant to the assessment of options for regulated levels of methamphetamine residue (which by nature are prescriptive and not necessarily intended to be flexible).

What options are being considered?

Option One - Status Quo

- 42. There would continue to be no legislatively set maximum acceptable level for methamphetamine residue nor a level which properties need to be cleaned down to (the remediation level). It would remain unclear when a property is considered contaminated, and when it is no longer contaminated, with different parties holding different positions on these issues and acting accordingly.
- 43. In practice, we would likely see a mixture of Options Two, Three and Four below.

Option Two – Single maximum acceptable and remediation level of 1.5µg/100cm²

44. A property would be considered contaminated when methamphetamine residue levels exceed 1.5μg/100cm², in line with the level recommended by the current NZS. Above this level, decontamination of the property would be required. In such cases, a property would be considered cleaned and free of contamination once levels no longer exceed 1.5μg/100cm².

Option Three – Maximum acceptable level of 15µg/100cm² with a remediation level of 1.5µg/100cm²

45. A property would be considered contaminated when methamphetamine residue levels exceed 15μg/100cm². Above this level, decontamination of the property would be required. In such cases, a property would be considered cleaned and free of contamination once levels no longer exceed 1.5μg/100cm².

Option Four – Single maximum acceptable and remediation level of 15µg/100cm²

46. A property would be considered contaminated when methamphetamine residue levels exceed 15μg/100cm². Above this level, decontamination of the property would be required. In such cases, a property would be considered cleaned and free of contamination once levels no longer exceed 15μg/100cm².

Option Five – Levels set at 15µg/100cm² with flexible approach for community housing providers

- 47. By default, a property would be considered contaminated when methamphetamine residue levels exceed 15μg/100cm². Above this level, decontamination of the property would be required. In such cases, a property would be considered cleaned and free of contamination once levels no longer exceed 15μg/100cm².
- 48. Community housing providers would be able to set their own maximum acceptable level and level which premises will be cleaned back to, with such levels enforceable in their tenancy agreements.
- 49. This option was proposed by Māori providers in the community housing sector during feedback on the public consultation, as an alternative to Option Four above (which was proposed in the public consultation discussion document). 10
- 50. The community housing providers (CHPs) calling for this option considered it would:
 - be safer for the health of their residents, as they would be able to set a lower maximum acceptable level and remediation level (suggesting this could be 5μg/100cm²), which they believed was particularly important for vulnerable residents such as kaumātua, tamariki and pēpi.
 - be consistent with their zero-tolerance approach to methamphetamine use, which they
 considered would be undermined by a maximum acceptable level of 15μg/100cm² as,
 in their view, such a level suggests methamphetamine use is acceptable up to this
 point.
 - support them to take a whanau-centric and tikanga aligned approach to managing their tenancies, for example by facilitating them to use methamphetamine contamination notices or actions as an engagement tool for a range of complex issues which can occur alongside methamphetamine contamination (and use).

¹⁰ Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development. Regulation of methamphetamine contamination in rental housing: Regulatory options, a discussion paper. November 2022. https://www.hud.govt.nz/assets/Uploads/Documents/updated-10-march-deadline-discussion-document-regulation-of-methamphetamine-contamination-in-rental-housing.pdf

How do the options compare to the status quo/counterfactual?

	Option One – Status Quo	Option Two – single maximum acceptable and remediation level of 1.5µg/100cm²	Option Three - Maximum acceptable level of 15µg/100cm² with a remediation level of 1.5µg/100cm²	Option Four - Single maximum acceptable and remediation level of 15µg/100cm² (preferred)	Option Five – Levels set at 15µg/100cm² with flexible approach for CHPs
Safety	0	+ A stringent level would minimise any risk of adverse health effects.	+ This approach aligns with the current evidence suggesting levels below 15µg/100cm² will be associated with a very low probability of harm.	+ This approach aligns with the current evidence suggesting levels below 15µg/100cm² will be associated with a very low probability of harm and advice from ESR that 15µg/100cm² is an appropriate remediation target.	By default, this approach aligns with the current evidence while enabling CHPs to set more stringent lower levels, which will minimise any risk of adverse health effects.
Certainty and consistency	0	++ A single level is easy to understand (and implement) and provides certainty.	Provides a clear approach compared to the status quo, but in employing multiple levels without clear justification, could provide less certainty than other options.	++ A single level is easy to understand (and implement) and provides certainty.	Provides a clear approach for most while enabling a proliferation of different levels between CHPs, resulting in inconsistent responses to similar levels of residue and creating confusion about what 'safe' levels of residue are.
Proportionality	0	Evidence suggests this is an unnecessarily stringent level, meaning premises would	0 / - Some benefit as maximum acceptable level is aligned with available evidence.	++ Fully aligns with current evidence and advice regarding appropriate maximum	In addition to enabling approaches which evidence suggests are unnecessarily

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		require decontamination, and tenancies would be disrupted, without clear justification.	However, evidence suggests lower remediation level does not produce additional benefits which could justify the higher cost landlords may face as a result.	acceptable level and remediation level.	stringent, this option would create inequalities between tenants in private and public rental housing, with public housing tenants potentially facing more disruption and cost, without risk-based justification.
Cost- efficiency	0	By producing disproportionate outcomes, costs associated with them (decontamination, tenancy disruption) are also considered disproportionate and are incurred unnecessarily.	May produce some benefits in ensuring decontamination is only undertaken when required, however the remediation level imposes additional decontamination and testing costs which counterbalance this.	Achieves desired outcomes without imposing any further costs than is required and, compared to the status quo, would deliver significant savings in some cases.	Similar to Option One, this option produces higher costs without clear risk- and evidence- based justification, with the potential for public housing tenants to experience higher costs than tenants in other rental tenures.
Overall assessment	0	-	0/+	++	-/

Key for assessment:

- ++ much better than the status quo
- better than doing the status quo
- 0 about the same as doing the status quo
- worse than doing the status quo
- -- much worse than the status quo

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

- 51. Option Four is preferred. This option minimises health risks in line with scientific advice and provides certainty to tenants and landlords about their rights and responsibilities around what levels of methamphetamine residue requires remediation. Providing clear levels also supports professional conduct and standards in the methamphetamine testing industry.
- 52. Compared to other options, Option Four is particularly beneficial in its proportionality and cost-efficiency. By fully aligning with current evidence and scientific advice, Option Four ensures that decontamination works are only undertaken where necessary and to the extent necessary. As advised by ESR in 2022: "further remediation of a property remediated to a methamphetamine surface concentration of less than 15µg/100 cm² is highly unlikely to result in additional health benefits for residents, while resulting in additional costs for the property owner and additional inconvenience for the residents."
- 53. As outlined in paragraphs 49 50 above, Option Five was considered in response to feedback from CHPs primarily housing whānau Māori. Broadly, this option does not perform well against the assessment criteria. In particular, Option Five risks creating further confusion around the management of methamphetamine residue and creating inequalities between public and private housing tenants.
- 54. In response to the concerns raised by these CHPs, it is worth noting that:
 - The evidence which underpins the preferred 15µg/100 cm² level includes studies based on pregnant women and young children, who are conventionally considered to be potentially vulnerable populations for exposure to chemicals. The 15µg/100 cm² level also incorporates an appropriate 30-fold uncertainty factor to account for people who may be more susceptible to the effects of methamphetamine than these study populations.
 - CHPs would not be prevented from taking a zero-tolerance approach to methamphetamine under Option Four. As outlined in paragraph 38, evidence of methamphetamine use of any level would constitute a breach of the RTA, which a landlord could act on.
 - While landlord and testing requirements are considered later in this RIS (sections 2.3 and 2.4), landlords would be free to test for methamphetamine more regularly than the regulations require (so long as they comply with the wider requirements of the RTA, for example around notice of entry and the tenant's right to quiet enjoyment). Detection of methamphetamine residue (particularly where tests evidence increasing levels) could reasonably be used by a landlord to engage with the tenant about the results in line with their tenancy management approach.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

55. Yes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	Comment	Impact	Evidence Certainty	
Addit	cional costs of the preferred option compared to	taking no action		
Regulated groups Tenants, landlords, Kāinga Ora, Community Housing Providers	No significant costs identified. Tenants may be exposed to levels of methamphetamine residue up to 15µg/100cm². However, this also occurs under the status quo (where landlords use this as the decontamination threshold) and is consistent with current evidence suggesting levels below 15µg/100cm² will be associated with a very low probability of harm.	Low	Medium	
Regulators Ministry of Business, Innovation and Employment (MBIE)	Costs associated with updating guidance and operational policies, staff training, and communicating training with external stakeholders (including developing guidance).	Low	Medium	
Others (eg, wider govt, consumers, etc.) Tenancy Tribunal, Testing and decontamination companies	Testing and decontamination companies – Reduced demand for services. Size of this impact is difficult to determine due to a lack of information on current demand, revenue for sector services, and average contamination levels being addressed. Further, some landlords may choose to decontaminate properties at lower levels of residue (below 15µg/100cm²).	Low	Low	
Total monetised costs		N/A	Low	
Non-monetised costs		Low	Medium	
Additional benefits of the preferred option compared to taking no action				
Regulated groups Tenants, landlords, Kāinga Ora,	All groups benefit from improved certainty and clarity in their understanding of when a property is considered contaminated due to methamphetamine residue, and what level	Low	Medium	

Community Housing Providers	contaminated premises should be cleaned back to. Landlords and housing providers experience savings compared to status quo, as the threshold for decontaminating properties would be higher. Estimated range based on conservative assumptions, 11 noting our assessment is constrained by limited information on the proportion of landlords that would avoid costs under the preferred option.	\$0.7m – \$2m	Low
	Kāinga Ora – indicative estimates based on decontamination of properties from the 2025 financial year suggests around a 40 percent reduction in annual decontamination costs based on fewer rooms needing to be decontaminated per property (only those with levels over 15). Further savings are likely to arise from reduced rounds of decontamination, reduced testing costs, lower reinstatement costs, and faster turnaround times meaning properties can be retenanted earlier.	\$0.6m (40 percent savings value based on FY2025 spend, note that outyear savings values may vary, subject to case volumes and corresponding spend)	Medium
Regulators MBIE	Some savings in reduced queries and disputes arising from confusion about whether a property is contaminated due to residue levels.	Low	Medium
Others (eg, wider govt, consumers, etc.) Tenancy Tribunal, Testing and decontaminatio n companies, insurers	Tenancy Tribunal – Some savings in reduced disputes arising from confusion about what the threshold for contamination is. Testing and decontamination companies – certainty and clarity in their understanding of when a property is considered contaminated. Insurers – where insurance policies align with regulatory levels, insurers will experience reduced costs through lower claim volumes and potentially lower average claim values if wider costs borne by landlords are reduced, as above.	Low	Medium
Total monetised benefits		\$1.3m - \$2.6m	Low

¹¹ At the lower end, assumes that there are only 94 landlords/housing providers per year who decontaminate properties at levels below 15μg/100cm², in line with Tenancy Tribunal data from previous 12 months outlined at paragraph 26 and 27 above. At the upper end, assumes there are three times as many cases as those seen in the Tribunal (282 total). Costs are based on average cost of decontamination and testing from all Tenancy Tribunal orders providing details of decontamination and testing costs claimed by landlords from previous 12 months.

Non-monetised	Low	Medium
benefits		

Section 2.2: Assessing options to address the policy problem – Maximum inhabitable levels of methamphetamine residue

What scope will options be considered within?

- 56. Options in this section respond to question 2 in table 1 from section 1: when is methamphetamine residue so severe that a property should be considered uninhabitable? Options have been considered within the scope of s138C of the RTA, specifically s138C(3)(b) which enables regulations to prescribe a maximum inhabitable level for determining whether landlords and tenants should have rights to rent abatement and the ability to terminate a tenancy (in line with the existing rights and responsibilities provided for by s59B of the RTA).
- 57. Options are based on currently available scientific evidence on human health effects caused by thirdhand exposure to methamphetamine. This includes the NZS, PMSCA report, advice commissioned from ESR in 2020 and 2022,^{2,5} and overseas approaches (noting that no other jurisdiction has regulated for methamphetamine contamination caused by methamphetamine use). We have also considered feedback received through public consultation on regulatory proposals undertaken between November 2022 and March 2023.
- 58. Relevant context to note when considering options for this issue include:
 - There is no evidence clearly demonstrating a causal link between third-hand exposure to methamphetamine residue and adverse health effects.
 - Adverse health effects which one study suggest may be associated with methamphetamine residue appear to be relatively mild and reversible.²
 - ESR advised that, while we may not currently have evidence of it, we should assume there is likely to be a level of residue that results in an unacceptable risk of adverse effects.²
 - ESR further advised that "it does not consider that there is sufficient evidence to define a maximum inhabitable level for methamphetamine."²

What criteria will be used to compare options to the status quo?

- 59. The following criteria will be used to compare options to the status quo (these have the same definitions as outlined in section 2.1 at 42):
 - Safety
 - Certainty and consistency
 - Proportionality
 - Cost-efficiency.

What options are being considered?

Option One - Status Quo

- 60. A maximum inhabitable level would not be set for the purposes of s138C(3)(b). Section 59B of the RTA, which enables tenancy termination where the maximum inhabitable level is exceeded, would continue to be inoperable. Instead, in cases of serious methamphetamine contamination, landlords and tenants would continue to use their discretion in determining whether they had legitimate grounds to end the tenancy in line with section 59A of the RTA, which enables landlords to terminate a tenancy with 7 days' notice and tenants with 2 days' notice where the premises "are destroyed or are so seriously damaged as to be uninhabitable". Section 59A notices do not require an application to the Tenancy Tribunal.
- 61. Where a section 59A termination notice is challenged and an application is made to the Tenancy Tribunal, the Tribunal would likely consider 15µg/100cm² to be an appropriate threshold for termination (and would enforce termination orders where residue levels exceed this), in line with their current practice (as outlined at paragraph 9).

Option Two – Maximum inhabitable level set at same level as maximum acceptable level

- 62. The maximum inhabitable level and maximum acceptable level would be the same, meaning that anytime a property is considered "contaminated" it would also be considered "uninhabitable" under the RTA.
- 63. This would mean that once the maximum acceptable level was exceeded, in addition to requiring decontamination, rent would abate (assuming the tenant did not cause the contamination) and landlords and tenants would have the option of terminating an existing tenancy with 7 days' or 2 days' notice, respectively.
- 64. For example, if the maximum acceptable level was set at 15µg/100cm² (in line with the preferred option from section 2.1), the maximum inhabitable level would also be 15µg/100cm². In this case, anytime levels exceeded 15µg/100cm², the property would require decontamination and be considered uninhabitable, rent would abate, and landlords and tenants would have the option of quickly ending the tenancy.

Option Three – Maximum inhabitable level set at 30µg/100cm²

65. The maximum inhabitable level would be set higher than the maximum acceptable level at 30µg/100cm², meaning a property would not be considered uninhabitable, and rent abatement and tenancy termination on these grounds would not be possible, until methamphetamine residue levels exceed this threshold. Under this option, a property could be considered contaminated (and require decontamination) but not be considered uninhabitable.

How do the options compare to the status quo/counterfactual?

	Option One – Status Quo	Option Two – Maximum inhabitable level set at same level as maximum acceptable level	Option Three – Maximum inhabitable level set at 30µg/100cm² (preferred)
Safety	0	+ This option minimises health risks by taking a very risk- averse position; declaring premises uninhabitable (and enabling tenancy termination) as soon as a property is considered contaminated, which may be at a level that evidence suggests is unlikely to pose risks.	0 / + This option minimises health risks by setting a precautionary level to enable tenancy termination where residue is present at unusually high levels.
Certainty and consistency	0	0 / + Setting a clear threshold provides clarity on landlords and tenants rights. However, it would also create some inconsistency and introduce a degree of unpredictability for ongoing tenancies, as whenever they are found to be contaminated, parties would have a choice about whether to terminate first or decontaminate without termination.	Setting a clear threshold provides clarity on landlords' and tenants' rights and ensures consistent and predictable approaches across the sector and industry. There is a small risk of confusion, as it could call into question why a property requires decontamination if it is habitable.
Proportionality	0	O / - Similar to the status quo, this option may be disproportionate by declaring premises uninhabitable and enabling tenancy termination where there may be little or no risk of adverse outcomes. This could be particularly disproportionate for tenants, who may face unwanted tenancy termination.	Setting the threshold for tenancy termination at a level where there may be a higher risk of adverse health effects (noting there is insufficient evidence to define this risk) and manufacturing activity more appropriately justifies the risks posed by tenancy termination (which are comparatively well-evidenced).
Cost-efficiency	0	-/+ Costs are likely to be higher under this option as rent would abate wherever a property was considered contaminated (assuming the tenant did not cause contamination). Landlords would be incentivised to end the tenancy which	- / + Costs described under Option Two would be avoided in many cases, as they would only be relevant where levels exceed 30µg/100cm² (which is relatively uncommon).

		brings additional costs such as lost rent and re-tenanting the property. Tenants would experience lower security of tenure, as landlords are incentivised to end tenancies rather than decontaminating while continuing to provide accommodation. Tenants would also therefore face costs associated with finding a new tenancy. These costs may be partially counterbalanced by perceived or actual savings/benefits for parties in being able to easily end a tenancy whenever contamination is discovered.	Savings may be counterbalanced by costs in cases where levels exceed the maximum acceptable level but not $30\mu g/100cm^2$, either due to decontamination work being more complex where tenants continue to live in the premises, or because of disputes about the completion of decontamination works (described in more detail below, paras 70 to 76).
Overall assessment	0	0/+	++

Key for assessment:

- ++ much better than the status quo
- better than doing the status quo
- 0 about the same as doing the status quo
- worse than doing the status quo
- -- much worse than the status quo

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

- 66. Option Three is preferred. Overall, this option is considered to strikes a balance between:
 - a. minimising health risks, by enabling tenancy termination where residue levels are unusually high and there may be a higher risk of adverse health effects, and
 - b. preventing tenancies from being terminated at low levels, where the risks posed by tenancy termination may outweigh those posed by methamphetamine residue.
- 67. While both Options Two and Three have mixed outcomes in cost-efficiency terms, the potential costs associated with a tenant losing their tenancy are likely to be more severe than costs associated with complex decontamination works and/or disputes about decontamination works (discussed below, paras 66 72), particularly where a tenant has complex needs or limited housing options.
- 68. While tenants may still face tenancy termination and the associated costs under Option Three, this would be an improvement on the status quo (where termination is often enforced at 15µg/100cm²) and, likely, Option Two (given the preferred option for the maximum acceptable level is also 15µg/100cm², as per section 2.1). Therefore, overall, fewer tenants would face an unwanted tenancy termination under Option Three.
- 69. By setting the threshold for the maximum inhabitable level higher, Option Three may also ensure greater consistency and coherency with the wider framework of the RTA. While "uninhabitable" is not defined in the RTA, reference to it can also be found in sections 59 and 59A (which deal with damage and breaches rendering the premises uninhabitable). These sections refer to the premises being "so seriously damaged as to be uninhabitable." It may not be accurate to suggest methamphetamine residue being present at or just above 15µg/100cm² is consistent with this meaning, given the considerations outlined at para 55, particularly that:
 - there is no established causal relationship between third-hand exposure to methamphetamine contamination and adverse health effects, and
 - adverse health effects which one study suggest may be associated with methamphetamine residue appear to be relatively mild and reversible.

Option Three: Risk of disputes over decontamination works in some cases

Decontaminating a property could be challenging when a tenancy is ongoing

- 70. Depending on the level of decontamination required, it may either be practically required or more convenient for tenants to move out of the premises during decontamination. This can be due to the strength of chemicals used for decontamination or health and safety factors for contractors and tenants. However, the RTA does not currently enable this. Rather, the RTA expects that tenants will be able to remain in the premises while it is decontaminated.¹²
- 71. However, in-line with Option Three, when methamphetamine residue is discovered during a tenancy at levels exceeding than the maximum acceptable level but not exceeding

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¹² See section 45(1AAB)(b) of the RTA, which requires that where contamination is discovered and a tenancy is ongoing "the landlord may continue to provide the premises to the tenant [...] only if the premises are being decontaminated [...]"

- 30µg/100cm² and the tenant has not caused contamination, landlords would be required to decontaminate while the tenancy continues and would no longer be able to use section 59 or 59A termination notices to quickly end the tenancy due to damage. In these cases, tenants could only receive rent abatement if this was agreed to by the landlord.
- 72. While some landlords and tenants would come to informal arrangements and agreements to enable decontamination works, others may not be able to, and disputes may arise which require mediation or Tenancy Tribunal resolution, which could increase demand for Dispute Resolution services.

Evidence suggests this issue will be uncommon

- 73. While it is difficult to fully assess whether such cases will result in any sizeable burden on Dispute Resolution services, if cases follow the current pattern, it appears that the impact would be relatively minor.
- 74. Over the last 12 months, there were 40 Tenancy Tribunal cases involving an ongoing tenancy where residue levels were greater than 15µg/100cm². This is equivalent to 20 percent of all methamphetamine contamination related cases from the last 12 months (213 total). However, in 33 of these cases either unlawful use of the property was established (and the tenancy terminated), or levels were over 30µg/100cm² (in which case the tenancy could be terminated under Option Three), leaving just 7 relevant cases where a dispute could theoretically arise (3.2 percent of all relevant cases from the last 12 months).
- 75. However, this can only provide a rough indication of the potential impact. For example, this assessment does not capture all cases where a tenancy was terminated using a section 59 or 59A notice, as they do not require a Tenancy Tribunal order.
- 76. Overall, we expect the impact of regulations on Dispute Resolution services and demand for them to be positive, as a result of greater clarity for the sector in dealing with methamphetamine contamination. This is outlined in the cost and benefit analysis below.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

77. Yes.

¹³ The majority of methamphetamine contamination related Tenancy Tribunal orders relate to tenancies which had already ended, as landlords usually test for methamphetamine between tenancies either routinely or because end of tenancy matters raise suspicions which lead to testing. In the last 12 months, 3 in 4 methamphetamine contamination related Tenancy Tribunal orders involved a tenancy which had already ended. Note that this will not apply to Kāinga Ora, where methamphetamine contamination is

usually discovered during a tenancy.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	Comment	Impact	Evidence Certainty	
Addit	Additional costs of the preferred option compared to taking no action			
Regulated groups Tenants, landlords, Kāinga Ora, Community Housing Providers	Where levels exceed the maximum acceptable level but not the maximum inhabitable level and a tenancy is ongoing, there may be costs arising from more complex decontamination works or disputes where decontamination works cannot be agreed to. As outlined above, incidence and impact is expected to be low.	Low	Medium	
Regulators MBIE	Costs associated with updating guidance and operational policies, staff training, and communicating training with external stakeholders (including developing guidance). If disputes arise, as described above, potential for additional costs associated with Dispute Resolution role, through mediation and Tenancy Tribunal services. These are expected to be low frequency.	Low	Medium	
Others (eg, wider govt, consumers, etc.)	Tenancy Tribunal - as described above: costs associated with disputes requiring formal resolution through the Tenancy Tribunal, expected to be low frequency.	Low	Medium	
Tenancy Tribunal, Testing and decontaminatio n companies	Testing and decontamination companies – in some cases, additional work or added complexity in decontaminating properties which are still tenanted. Evidence is limited on whether and how decontaminators would adjust processes, or whether decontamination is likely to be undertaken by landlords and tenants themselves if professional services cannot be contracted. As outlined above, frequency of such situations is expected to be low.	Low	Low	
Total monetised costs		Unclear	Low	
Non-monetised costs		Low	Medium	
Additional benefits of the preferred option compared to taking no action				
Regulated groups	All groups benefit from improved certainty and clarity in their understanding of when a property is considered uninhabitable due to methamphetamine	Low	Medium	

Tenants, landlords, Kāinga Ora, Community Housing Providers	residue, and when rent abatement and tenancy termination on these grounds is valid. Landlords, Kāinga Ora and Community Housing Providers may experience additional savings as the threshold for rent abatement will increase. Tenants will benefit from a higher threshold for tenancy termination, meaning fewer will encounter a short and, in some cases unwanted, termination notice and the costs associated with finding a new tenancy. Benefits are expected to be low impact overall, given the relatively low incidence and small proportion of the sector which will be affected.	Low	Low
Regulators MBIE	Some savings in reduced queries and disputes arising from confusion about whether a property is uninhabitable due to residue levels.	Low	Medium
Others (eg, wider govt, consumers, etc.) Tenancy Tribunal, Testing and decontamination companies	Tenancy Tribunal – some savings in reduced disputes arising from confusion about whether a property is uninhabitable due to residue levels. Testing and decontamination companies – certainty and clarity in their understanding of when a property is considered uninhabitable due to methamphetamine residue.	Low	Medium
Total monetised benefits		Unclear	Low
Non-monetised benefits		Low	Medium

Section 2.3: Assessing options to address the policy problem – Landlord requirements

What scope will options be considered within?

- 78. Options in this section respond to question 3 in table 1 from section 1: what responsibilities should landlords have in relation to methamphetamine residue, if any? Options have been considered within the scope of s138C of the RTA, specifically s 138C(3)(c) which enables regulations to impose requirements on landlords in respect of contaminants (such as methamphetamine) and s 138C(3)(f) which enables regulations to prescribe additional rules about how decontamination should be carried out while tenants continue to live in the premises, for example timeframes for the completion of works.
- 79. In addition to a general requirement for landlords to provide the premises in a reasonable state of cleanliness, the RTA contains some additional requirements specifically related to methamphetamine residue. These are in section 45 and 66I of the RTA. Where premises are contaminated, these provisions require a landlord to decontaminate the premises before renting them (where the premises are vacant) or to only continue to rent the premises if they are being decontaminated. Options under this section therefore consider additional requirements which may be needed for landlords to effectively manage methamphetamine residue.
- 80. There are no timeframes specified in legislation for landlords to complete obligations relating to managing methamphetamine residue. Currently, if a tenant believed works were unnecessarily delayed or prolonged, they could issue a notice to their landlord to remedy the situation within a specified timeframe (with a minimum of 14 days).
- 81. During the public consultation, submitters were asked to provide evidence of how long it takes to arrange for methamphetamine testing and decontamination. Submissions made clear that there was no single source of information for this. Some submitters suggested testing could usually be completed within one week, subject to geographic availability. Timeframes for decontamination were more varied, with many submitters noting this depended on many factors including residue levels, property type, and geographic availability. Some submitters suggested decontamination could be done in one to three weeks, others suggested it could take two weeks to one month to book, with the works being completed one to three weeks after.

What criteria will be used to compare options to the status quo?

- 82. The following criteria will be used to compare options to the status quo (these have the same definitions as outlined in section 2.1 at paragraph 42). Flexibility is a new assessment criteria introduced for sections 2.3 2.6:
 - a. Safety
 - b. Certainty and consistency
 - c. Proportionality
 - d. Cost-efficiency

e. Flexibility: Whether the approach is flexible, enabling parties to adopt approaches that work for their circumstances or local contexts and which enable innovative approaches to meeting regulatory objectives.

What options are being considered?

Part 1. Landlord requirements

Option One – Status Quo

83. Landlords are required to provide the premises in a reasonable state of cleanliness. Where contamination is discovered, landlords must decontaminate a property before re-tenanting the premises or while they are continuing to provide the premises where a tenancy is ongoing. Landlords are not required to test for methamphetamine, but are able to at any time following appropriate notice to the tenant.

Option Two - 'Baseline' testing

84. In addition to existing requirements around providing the property in a reasonable state of cleanliness and decontaminating where contamination is discovered, landlords would be required to do an approved screening test for methamphetamine at the start and end of every tenancy. Landlords would remain able to test at any other time following appropriate notice to the tenant.

Option Three – Mandatory testing in specific cases

- 85. In addition to existing requirements around providing the property in a reasonable state of cleanliness and decontaminating where contamination is discovered, landlords would be required to arrange for detailed testing in two cases:
 - a. when the landlord is informed about methamphetamine manufacture by Police or a Council, or
 - b. when a tenant or any other person (including the landlord) has carried out a permitted screening test for methamphetamine residue, which has shown results higher than 15µg/100cm².
- 86. Landlords would remain able to test at any other time following appropriate notice to the tenant.

Part 2. Timeframes for landlord obligations when the premises are tenanted / a tenancy is ongoing

Option One - Status Quo

87. There are no timeframes attached to any obligations landlords have in relation to managing methamphetamine contamination.

Option Two – Specific timeframes

88. Landlords would be required to complete testing and decontamination works within a fixed number of days or working days.

Option Three – As soon as practicable

89. Landlords would be required to complete testing and decontamination works 'as soon as practicable'.

How do the options compare to the status quo/counterfactual?

Part 1. Landlord requirements

	Option One – Status Quo	Option Two – Baseline testing	Option Three - Mandatory testing in specific cases (preferred)
Safety	0	++ Testing between every tenancy would ensure methamphetamine residue was always discovered (and addressed, if required) before premises were re-let to new tenants.	0 / + Some improvement on the status quo as landlords would be required to test where evidence suggests this is appropriate. However, remains possible that methamphetamine residue could be present at high levels without anyone knowing.
Certainty and consistency	0	++ Provides clear rules and certainty to parties on when testing is required. Ensures consistent approach to the management of methamphetamine residue.	++ Provides clear rules and certainty to parties on when testing is required. Ensures consistent approach to the management of methamphetamine residue.
Proportionality	0	Given the relatively low incidence of methamphetamine contamination, requiring all landlords to test between every tenancy would be extremely disproportionate. This would also risk creating a misperception that methamphetamine residue is more common than it is.	++ Given the relatively low incidence of methamphetamine contamination, only requiring testing where there is clear evidential grounds is a proportionate response to the issue.
Cost-efficiency	0	Two approved screening tests would be required for every tenancy. While the cost of testing varies, this could add around \$600 to every tenancy depending on the type of testing required, which would either need to be borne by landlords or passed onto tenants through higher rents.	++ This option only imposes costs on parties where there is evidential grounds for doing so. Given the incidence of methamphetamine contamination, most landlords and tenants would never have this cost imposed on them.
Flexibility	0		+

		Requiring testing between every tenancy would place a significant limit on landlords' flexibility and choice.	Only requiring landlords to test where there is an evidential basis to do so, and leaving testing beyond these minimum requirements to their discretion, supports choice and flexibility.
Overall assessment	0	-/+	++

Part 2. Timeframes for landlord obligations when the premises are tenanted $\,$

	Option One – Status Quo	Option Two – Specific timeframes	Option Three – As soon as practicable (preferred)
Safety	0	+ Provides greater assurance of timely resolution and removal of methamphetamine residue, minimising length of exposure.	0 / + Provides sense of urgency that actions need to be competed quickly. However open to interpretation which may result in resolutions taking longer.
Certainty and consistency	0	++ A fixed timeframe provides a clear expectation and (as far as possible) ensures consistent approaches.	0 / + Provides an expectation, however, remains open to interpretation and is likely to be read differently by landlords and tenants.
Proportionality	0	0 / - Ensures timely resolution for tenants while trading-off (in some cases) what is practically possible for landlords/housing providers.	+ Acknowledges the need for timely resolution for tenants while recognising that ability to compete testing and decontamination works is contingent on a number of factors beyond a landlord's control.
Cost-efficiency	0	0 / - Reduces risk of disputes over interpretation of timeframe. However, may put landlords at risk of breaching timeframes and obligations for factors beyond their control (which could	0 / + Avoids risks of landlords breaching timeframes for factors beyond their control and creation of unintended incentives. Provides more guidance than status quo, however, still

		lead to disputes). This option could also create unintended incentives to 'shortcut' or inadequately complete works to meet compliance deadlines.	leaves room for disputes regarding timeframe interpretations and disputes over whether works are being completed quickly enough.
Flexibility	0	Fixed timeframes are inflexible given testing and decontamination timeframes are highly contingent on case-specific factors (extent and nature of contamination, availability of services etc).	++ Flexible approach which conveys sense of urgency to complete works as soon as is possible, in light of specific case features.
Overall assessment	0	-/+	+

Key for assessment:

- ++ much better than the status quo
- better than doing the status quo
- 0 about the same as doing the status quo
- worse than doing the status quo
- -- much worse than the status quo

Part 1. Landlord requirements

- 90. Option Three is preferred. While Option Two performs better on the safety criterion, this is achieved through a direct trade off with proportionately and cost-efficiency. Under Option Two, health risks are minimised by taking an overly burdensome approach which imposes costs on all landlords and, if costs are passed on, tenants.
- 91. Option Three takes a proportionate and evidence-based approach, which imposes costs where there are reasonable grounds for doing so. While methamphetamine residue could be present at high levels without anyone knowing under Option Three, tenants and landlords would be free to test at any point, for example if they wanted to check on a precautionary basis or if they were experiencing symptoms which they believed could be caused by methamphetamine contamination.

Part 2. Timeframes for landlord obligations when the premises are tenanted

- 92. Option Three is preferred. This approach is consistent with the framework of the RTA which uses "as soon as practicable" to imply a sense of urgency and a duty to act as promptly as possible, allowing flexibility and reasonable judgement for landlords in light of the realities and the constraints they operate under.
- 93. While specific timeframes, as proposed by Option Two, better deliver on the safety and certainty and consistency criteria, there is significant variation in how long testing and decontamination take. Setting a specific timeframe, such as 14 or 21 days could risk some landlords breaching regulations for factors beyond their control. A specific timeframe may also risk works being undertaken inappropriately or completed to an insufficient standard in efforts to meet compliance deadlines.
- 94. Similarly, setting a generous but specific timeframe, e.g. 40 days, to support landlords where completing works will take longer (due to supply of services or complexity of works required, for example) could risk suggesting to landlords that are able to act more quickly that the issue is not as urgent. This may lead to works being completed more slowly than necessary and tenants' living in contaminated premises for longer periods of time.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

95. Yes

What are the marginal costs and benefits of the preferred option in the Cabinet paper? (Part 1 and Part 2 combined)

Affected groups	Comment	Impact	Evidence Certainty
Additio	onal costs of the preferred option compared to takin	ng no action	
Regulated groups Tenants, landlords, Kāinga Ora,	For landlords and housing providers, some additional testing costs in mandated situations.	Low	Medium

Community Housing Providers	Given low incidence of contamination, costs are not expected to be significant. 'As soon as practicable' (although more specific than the status quo) is subjective and may result in disputes between landlords and tenants in some cases. 'As soon as practicable' may also result in tenants living in contaminated properties for longer than necessary, for example if they are unsure of their right to enforce timely works. Impact is considered low given the relatively low incidence of methamphetamine contamination, and lack of established causal relationship between thirdhand exposure to methamphetamine residue and adverse health effects.		
Regulators MBIE	Costs associated with updating guidance and operational policies, staff training, and communicating training with external stakeholders (including developing guidance). 'As soon as practicable' timeframe is subjective and may leave room for disputes or queries to Service Centre. This is expected to be low impact overall however as this option still provides greater certainty than status quo and incidence of contamination is low, meaning actual volumes of disputes are expected to be low.	Low	Medium
Others (eg, wider govt, consumers, etc.) Tenancy Tribunal Testing and decontamination companies	Tenancy Tribunal – 'as soon as practicable' timeframe is subjective and may leave room for disputes, the Tribunal will be required to determine what timeframes are reasonable based on case specific facts. This is expected to be low impact overall for reasons outlined in row above.	Low	Medium
Total monetised costs		N/A	Low
Non-monetised costs		Low	Medium
Addition	nal benefits of the preferred option compared to tak	ing no action	
Regulated groups Tenants, landlords, Kāinga Ora, Community Housing Providers	All groups benefit from improved certainty and clarity in their understanding of when a property legally requires testing and how quickly testing and decontamination need to be completed during an ongoing tenancy.	Low	Medium
Regulators MBIE	Some savings in reduced queries and disputes arising from confusion about whether testing is	Low	Low

	required and how quickly testing and decontamination needs to be completed.		
Others (eg, wider govt, consumers, etc.) Tenancy Tribunal Testing and decontamination companies	As above, certainty and clarity in their understanding of when a property legally requires testing and how quickly testing and decontamination needs to be completed.	Low	Low
Total monetised benefits		N/A	Low
Non-monetised benefits		Low	Low

Section 2.4: Assessing options to address the policy problem – Testing requirements

What scope will options be considered within?

- 96. Options in this section respond to question 4 in table 1 from section 1: Who should be able to test for methamphetamine and what types of tests are appropriate? Options have been considered within the scope of s138C of the RTA, specifically s 138C(3)(d) which enables regulations to prescribe methods for carrying out tests for the presence of methamphetamine including who is authorised to carry out the tests or parts of the tests.
- 97. Options considered in relation to these aspects are underpinned (and limited in scope) by current accepted scientific practice, which is largely that set out in the NZS.
- 98. There are two stages of assessment for possible methamphetamine contamination of a property:
 - a. Screening assessment: The purpose of screening assessment is to identify the presence or absence of methamphetamine using validated screening tests. The results of screening assessment determine if detailed assessment is required.
 - b. Detailed assessment: The purpose of detailed assessment is to determine the extent and magnitude of any methamphetamine contamination on the premises.
- 99. Tests available for assessing the presence of methamphetamine residue are set out in the table below.

Table 2. Test types and descriptions

Test type	Description
Laboratory composite testing	Involves taking swabs from appropriate surfaces in a house, which are sent to a laboratory for analysis. The laboratory extracts the swabs and some extract from each swab is combined for analysis. If the result is negative (no methamphetamine detected) or does not exceed the maximum acceptable level, no further action would be required. If the result exceeds the maximum acceptable level, the individual samples can be tested to determine the actual level of methamphetamine present in each swab.
Individual sampling	Sometimes referred to as discrete wipe sampling. Involves taking swabs from appropriate surfaces in a house, which are sent to a laboratory for analysis. The laboratory extracts the swabs and analyses the extract from each swab separately, providing an individual result for each swab. Generally, the only suitable testing method for detailed assessment and post-decontamination assessment.
Testing kits (which have either been validated by an NZS	Can be used to screen for methamphetamine on-site (as opposed to having to send samples away to a laboratory). These kits may also be called infield test kits. There are currently no <u>validated</u> devices of this type in New Zealand.

ISO/IEC 17025 laboratory or <u>have not</u>)	
Field composite tests	Including 'multi-wipe field composite' and 'single-wipe field composite' are tests where swabs are taken from surfaces and combined before being sent to the laboratory for analysis. Individual swabs are not retained, so it is not possible to get individual sample results if the laboratory testing shows contamination. With single-wipe field composite tests, contamination levels from different sites are added together which means the total can breach the contamination threshold even when no individual reading would have done so. If methamphetamine is detected from field composite tests, resampling of all surfaces is generally needed to understand true levels and extent of methamphetamine contamination.

What criteria will be used to compare options to the status quo?

- 100. The following criteria will be used to compare options to the status quo (these have the same definitions as outlined in section 2.1 at paragraph 42 and section 2.3 at paragraph 79:
 - a. Safety
 - b. Certainty and consistency
 - c. Proportionality
 - d. Cost-efficiency
 - e. Flexibility.

What options are being considered?

Option One – Status Quo

101. There are no requirements about who can conduct these assessments, however laboratories are likely to require qualified people to do detailed assessments. ¹⁴ Any tests are acceptable, including unvalidated testing kits and field composite tests.

Option Two - Testing by accredited persons only

- 102. All testing for methamphetamine contamination (screening assessment and detailed assessment) would only be undertaken by accredited testers using any verified tests in Table 2 and in line with requirements of the NZS to trigger actions under the regulations.
- 103. For example, if a landlord or tenant conducted their own screening test and results showing levels over the maximum acceptable level, nothing would be required under the regulations. Instead, they would need to engage a professional to undertake another round of tests, before actions (such as decontamination) would be required.

¹⁴ A person who meets either the competency requirements set out in section 7.1 of NZS 8150:2017 if the relevant NZQA standard is available for completion and/or is considered competent and is authorised to take samples for detailed assessments and post-decontamination reports on behalf of an AS/NZS ISO/IEC 17020 inspection body or NZS ISO/IEC 17025:2018 accredited laboratory.

Option Three - Different requirements for stages of assessment

- 104. Anyone can perform screening assessments as long as they use approved kits or accredited lab processes in accordance with the instructions but detailed assessments must be done by qualified professionals. Acceptable tests will be laboratory composite tests, individual sample tests, and testing kits which have been validated by an NZS ISO/IEC 17025 laboratory. Field composite tests and unvalidated testing kits could still be used (e.g. if a landlord wanted to take baseline readings between tenancies), but would not trigger or satisfy any requirements under the regulations.
- 105. Screening assessment must be done in accordance with Section 3 of NZS 8510:2017, with the exception that anyone can undertake a screening test so long as they comply with the following requirements:
 - use screening technology/ test kits that are approved and validated under the regulations, or use accredited laboratory sampling equipment and analysis,
 - follow all the instructions for the screening test chosen, including selecting appropriate representative sample sites and recording the process correctly, and
 - take appropriate health and safety precautions.
- 106. If professionals are engaged to undertake a screening assessment, they would also be required to meet either the competency requirements set out in section 7.1 of the NZS if the relevant NZQA standard is available for completion, or in the absence of this, be an accredited sampler.
- 107. Detailed assessments would be carried out in line with relevant sections of NZS 8510:2017, including sections 3.3, 5.4 and 5.5. People doing the detailed sampling work must meet the competency requirements set out in section 7.2 of the NZS. They must be independent of all other parties involved in the potential contamination and decontamination to guarantee there is no conflict of interest. The samples obtained from detailed assessment must be analysed at accredited laboratories, specifically:
 - New Zealand: those laboratories accredited under the scope of NZS ISO/IEC 17025 (General Requirements for the Competence of Testing and Calibration Laboratories), for NIOSH methods 9106, 9109 or 9111.¹⁵
 - Overseas: laboratories which have been accredited by any regional body within the International Laboratory Accreditation Cooperation (ILAC).¹⁶

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¹⁵ The National Institute for Occupational Health and Safety (NIOSH), is a US Federal agency, under the Centre for Disease Control and Prevention (CDC). The NIOSH methods listed here are widely accepted scientific methods of sampling for methamphetamine contamination.

¹⁶ ILAC is the international organisation for accreditation bodies operating in accordance with ISO/IEC 17011 (Requirements for Accreditation Bodies) and involved in the accreditation of conformity assessment bodies including calibration laboratories and testing laboratories (using ISO/IEC 17025), among others.

How do the options compare to the status quo/counterfactual?

	Option One –Status Quo	Option Two – Testing by accredited persons only	Option Three - Different requirements for stages of assessment <i>(preferred)</i>
Safety	0	++ Mandates evidence-based rules for testing. Requiring accredited testing professionals in all cases increases likelihood of accurate results and detection of methamphetamine contamination.	+ Mandates evidence-based rules for testing. Enabling anyone to undertake screening assessments may result in inaccurate results in some cases.
Certainty and consistency	0	++ Provides clear rules for testing to ensure consistent approaches, minimising room for errors by employing professional testers.	Provides clear rules for testing and generally ensures consistent approaches. However, eenabling anyone to undertake screening assessments may result in inaccurate results in some cases, for example where parties do not follow testing instructions.
Proportionality	0	Always having to engage (and pay) for professional testers would be more burdensome for landlords and tenants and isn't clearly justified. This could also disincentivise testing, meaning contamination is not discovered.	Enabling anyone to undertake screening assessments is appropriate given the intended purpose (screening for the presence of absence of methamphetamine to determine whether further professional analysis is required). Maintaining professional requirement for detailed assessments is proportionate due to higher complexity and need for comprehensive reporting.
Cost-efficiency	0	Increases the costs of screening assessment for landlords and tenants without clear justified. Use of field composites may return inaccurate results and result in further tests being undertaken (at cost) despite levels not exceed contamination threshold.	+ Minimises costs and barriers to screening assessments for landlords and tenants, encouraging them to undertake these where they think this may be required. Requirement to use more reliable testing methodologies reduces likelihood of false positive tests.

Flexibility	0	While flexibility in type of testing is maintained, this option would be less flexible than the status quo by increasing barriers to completing screening assessments (e.g. costs and availability of testers).	Increases flexibility by giving parties choice and ability to make an informed decision regarding whether to undertake screening assessments themselves or contract professional services.
Overall assessment	0	0 / -	+

Key for assessment:

- ++ much better than the status quo
- better than doing the status quo
- 0 about the same as doing the status quo
- worse than doing the status quo
- -- much worse than the status quo

- 108. Option Three is preferred, which delivers benefits compared to the status quo against all criteria. While Option Two is likely to produce more reliable results through the use of accredited professionals, screening assessments do not require significant expertise, and anyone should be able to conduct them, so long as they follow the instructions correctly and take adequate safety measures. This is a low-cost option that will allow landlords and tenants to cost-effectively check for the presence of methamphetamine residue.
- 109. While prohibiting field composite tests for the purposes of the regulations may increase costs for landlords and tenants (as currently available screening test kits can be more expensive), we expect that validated testing kits could provide a lower cost method for screening assessments, when they become available. While such kits are not currently on the market, feedback from public consultation indicated that test kit providers were likely to begin the validation process once regulations were settled, so that kits could be calibrated to regulation levels.
- 110. Overall, prohibiting field composite tests for the purposes of the regulations should produce cost-efficiencies (by reducing the likelihood of false positives and need for retesting). However, we note that some landlords and housing providers may still wish to use them outside of the regulations' requirements, for example for baseline testing between tenancies, which the preferred option would not prevent.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

111. Yes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	Comment	Impact	Evidence Certainty
Addit	tional costs of the preferred option compared to ta	king no actio	n
Regulated groups Tenants, landlords, Kāinga Ora, Community Housing Providers	All groups may face some additional costs in not being able to use field composite tests for the purposes of regulations, which can be lower cost than other forms of screening assessments. However, unclear to what extent field composite tests are currently used and, as noted above, when validated testing kits become available which could provide a cheaper screening assessment method.	Low	Medium
Regulators MBIE	Costs associated with updating guidance and operational policies, staff training, and communicating training with external stakeholders (including developing guidance).	Low	Medium

Others (eg, wider govt, consumers, etc.) Tenancy Tribunal, Testing and decontaminatio n companies	No significant costs identified. Unclear to what extent professional testing services are currently contracted for screening assessments to determine whether the preferred option will result in any significant changes in uptake of professional screening assessments.	None	Low
Total monetised costs		N/A	Low
Non-monetised costs		Low	Medium
Additio	onal benefits of the preferred option compared to	taking no acti	on
Regulated groups Tenants, landlords, Kāinga Ora, Community Housing Providers	All groups benefit from improved certainty and clarity in their understanding of how premises should be tested and by who. Landlords and tenants may experience some savings through more accurate testing methods reducing likelihood of false positive and need for re-testing.	Low	Medium
Regulators MBIE	Some savings in reduced queries and disputes arising from confusion about how testing should be completed. Limited information on volume of queries on this matter to determine size of impact, but anecdotal understanding is that it would be low.	Low	Medium
Others (eg, wider govt, consumers, etc.) Tenancy Tribunal, Testing and decontaminatio n companies	As above, certainty and clarity in their understanding of testing requirements.	Low	Low
Total monetised benefits		N/A	Low
Non-monetised benefits		Low	Medium

Section 2.5: Assessing options to address the policy problem – Decontamination process

What scope will options be considered within?

- 112. Options in this section respond to question 5 in table 1 from section 1: where decontamination is needed, how should this be done (and by who)? Options have been considered within the scope of s138C of the RTA, specifically s 138C(3)(e), which enables regulations to prescribe a decontamination method and s138C(3)(f) which enables regulations to prescribe additional rules for decontamination processes where a tenant continues to live at the premises.
- 113. There is no single guaranteed method of decontaminating all parts of a residence which may be contaminated with methamphetamine residue. Successful techniques will differ, depending on a range of factors including the type of room and surfaces/materials present which are contaminated, how high contamination levels are, and ventilation/plumbing differences in different rooms/areas. Multiple rounds of decontamination can be needed to achieve desired results. Therefore, providing certainty on a detailed process which is successful in every situation is not possible.
- 114. Unlike with methamphetamine screening and testing, there is no independent regulator, industry body, or required qualification which enables someone to perform decontamination work. While section 7.4 of NZS 8510:2017 lists ways to demonstrate competence to perform methamphetamine decontamination, these are not independently assessed or verified.

What criteria will be used to compare options to the status quo?

- 115. The following criteria will be used to compare options to the status quo (these have the same definitions as outlined in section 2.1 at paragraph 42 and section 2.3 at paragraph 79:
 - a. Safety
 - b. Certainty and consistency
 - c. Proportionality
 - d. Cost-efficiency
 - e. Flexibility.

What options are being considered?

Option One – Status Quo

116. A decontamination process is recommended but not required in NZS 8510:2017. Anyone is able to undertake decontamination works.

Option Two – Prescribed process with qualified professionals only

- 117. A decontamination process prescribed in regulations by incorporating significant parts of section 4 of NZS 8510:2017, with minor adjustments, including to reflect the preferred option for maximum acceptable level.
- 118. Specifically, we recommend regulations incorporate:

- a. 4.1: Objective of decontamination, noting that the relevant limit is the one prescribed by regulations, not the NZS
- b. 4.2: Hazards and Contaminants, which covers required safety precautions
- c. 4.3: Decontamination process, which covers all key steps in a robust decontamination process. For the purposes of the regulations, we recommend that this section all be incorporated with the deletion of:
 - The rules about carpets under 'm' in 4.3.2 (carpets could then be retained and decontaminated where appropriate, rather than being universally disposed of and replaced under the status quo).
 - 4.3.4: Decontamination of contents.
- 119. This process aims to provide sufficient clarity, while also allowing some flexibility. This means it can apply in the different situations in which decontamination will be needed, and, within some parameters, can enable novel approaches to decontamination processes if these are shown to be effective. A post-decontamination detailed assessment (undertaken by an accredited tester) would be required to demonstrate levels are below the remediation level.
- 120. Only qualified professionals who satisfy section 7.4 of NZS 8510: 2017 must undertake all decontamination work under the regulations. An independent regulator would be established to verify whether individuals or businesses met section 7.4.

Option Three – Prescribed process with anyone undertaking work

121. The same as Option Two except anyone is able to undertake decontamination works.

How do the options compare to the status quo/counterfactual?

	Option One – Status Quo	Option Two – Prescribed process with qualified professionals only	Option Three - Prescribed process with anyone undertaking work (preferred)
Safety	0	++ Requiring qualified professionals to undertake decontamination would ensure effective works, minimising health risks.	+ A prescribed process with a quality assurance test (post-decontamination testing) should ensure effective results. Enabling anyone to undertake decontamination works may result in less effective works in some cases.
Certainty and consistency	0	++ A prescribed process provides clarity while requiring qualified professionals to undertake decontamination should ensure consistent approaches.	A prescribed process provides clarity. Approaches to cleaning may be more inconsistent where these are undertaken by landlords and tenants, however the post-decontamination testing provides quality assurance regarding the outcome.
Proportionately	0	Establishing a regulator and requiring professional services to be used in all cases is disproportionate to the issue posed.	++ Proportionate to the scale and severity of the issue, as professional decontamination works are not necessary in all cases.
Cost-efficiency	0	Establishing a regulator will be high cost, which is not justified by the scale or severity of the issue. Professional decontamination is not always required and adds additional costs for landlords and tenants.	++ Enables low cost or cost-efficient approaches to be pursued while wider objectives are achieved/criteria met.
Flexibility	0	Provides for a flexible approach but requiring professionals in all cases is inflexible.	++ Along with a flexible process, landlords and tenants would be able to choose whether professional services are required in context of specific case.

assessment	Overall assessment	0		++
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Key for assessment:

- ++ much better than the status quo
- better than doing the status quo
- 0 about the same as doing the status quo
- worse than doing the status quo
- -- much worse than the status quo

- 122. Option Three is preferred. This option delivers across the assessment criteria and provides sufficient flexibility to ensure that decontamination can be completed quickly and economically.
- 123. While Option Two may minimise risks further and provide greater consistency, requiring decontamination to be undertaken by professionals and establishing a validation process or accreditation body for this, would be disproportionately burdensome and expensive in light of the overall scale of the issue.
- 124. We expect that landlords would select decontamination workers with some care. A professional post-decontamination test showing levels no longer exceed the maximum acceptable level will be required before decontamination can be considered completed, and so a poor quality job would lead to extra costs and time arising from work needing to be repeated.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

125. Yes

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	Comment	Impact	Evidence Certainty
Addit	ional costs of the preferred option compared to takin	g no action	
Regulated groups Tenants, landlords, Kāinga Ora, Community Housing Providers	Potential for some additional costs if parties undertaking decontamination works themselves results in ineffective cleaning and additional rounds of cleaning and multiple post-decontamination tests being required. Size of impact is difficult to determine as we lack information on the proportion of landlords and tenants that will undertake their own decontamination work and the proportion of those that will be unsuccessful in removing contamination. However, given the relatively low incidence of methamphetamine contamination and evidence that low intensity cleaners (e.g. all-purpose cleaner) can be effective in removing methamphetamine residue, 17 we expect the impact will be low.	Low	Low

¹⁷ For example, see Serrano, K. A., Martyny, J. W., Kofford, S., Contreras, J. R., & Van Dyke, M. V. (2012). Decontamination of Clothing and Building Materials Associated with the Clandestine Production of Methamphetamine. *Journal of Occupational and Environmental Hygiene*, 9(3), 185–197. https://doi.org/10.1080/15459624.2012.660096

Regulators MBIE	Costs associated with updating guidance and operational policies, staff training, and communicating training with external stakeholders (including developing guidance).	Low	Medium
Others (eg, wider govt, consumers, etc.) Tenancy Tribunal, Testing and decontamination companies	Decontamination companies – potential for reduced revenue if significant proportions of landlords choose to undertake decontamination works themselves. Size of impact is difficult to determine as we lack information on the proportion of landlords that will undertake their own decontamination work. However, we expect many will still choose to engage professional decontamination services (particularly where they are insured for contamination) and given low incidence of methamphetamine contamination, impact size expected to be low.	Low	Low
Total monetised costs		N/A	Low
Non-monetised costs		Low	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups Tenants, landlords, Kāinga Ora, Community Housing Providers	All groups benefit from improved certainty and clarity in their understanding of how premises should be decontaminated. Difficult to determine size of any savings where works are able to be completed without the use of professional services. Decontamination costs vary significant subject to specific circumstances and it is unclear how often professional services are used. However, given low incidence of methamphetamine contamination, expected overall impact is low. Similarly, enabling carpets to be retained and decontaminated enables a flexible approach which could deliver savings to landlords and housing providers. However, evidence is limited regarding the effectiveness of decontamination methods for carpets. In practice, carpets may continue to be disposed of and replaced and the potential benefit is too uncertain to quantify.	Low	Low
Regulators MBIE	Some savings in reduced queries and disputes arising from confusion about how testing should be completed. Limited information on volume of queries on this matter to determine size of impact, but understanding is that it would be low.	Low	Medium
Others (eg, wider govt, consumers, etc.)	As above, certainty and clarity in their understanding of testing requirements. For decontamination companies, unclear to what extent professional	Low	Low

Tenancy Tribunal, Testing and decontaminatio n companies, insurers	decontamination services are being contracted currently to determine whether the preferred option will result in any significant changes in behaviours, which could affect uptake and revenues. Insurers may experience some savings in reduced claims and claim values where landlords are able to successfully decontaminate properties without the use of professional contractors.		
Total monetised benefits		N/A	Low
Non-monetised benefits		Low	Low

Section 2.6: Assessing options to address the policy problem – Abandoned goods on contaminated premises

What scope will options be considered within?

- 126. Options in this section respond to question 6 in table 1 from section 1: what should be done with abandoned goods left in contaminated properties? Options have been considered within the scope of s138C of the RTA, specifically s 138C(3)(g), which enables regulations to prescribe processes and duties for managing abandoned goods on contaminated premises.
- 127. The RTA states that if a tenant leaves goods behind at a contaminated property, the landlord must follow the processes set out in regulations for abandoned goods on contaminated premises, instead of following the existing legislative process for abandoned goods (section 62(3A)).

What criteria will be used to compare options to the status quo?

- 128. The following criteria will be used to compare options to the status quo (these have the same definitions as outlined in section 2.1 at paragraph 42 and section 2.3 at paragraph 79:
 - a. Safety
 - b. Certainty and consistency
 - c. Proportionality
 - d. Cost-efficiency
 - e. Flexibility.

What options are being considered?

Option One - Status Quo

- 129. Goods are managed in accordance with the existing framework for abandoned goods, which is covered in sections 62A-62D of the RTA.
- 130. Landlords may dispose of perishable goods and then must make all reasonable efforts to contact the tenant to arrange a period to collect the goods.
- 131. If the tenant is uncontactable the landlord may then choose whether to secure the goods in a safe storage and apply to the Tenancy Tribunal for an order setting out what to do with the goods, or:
 - 1. Securely store the tenants' personal documents (either themselves or with the local Police). For all other goods, the landlord must make all reasonable efforts to assess the market value of goods.
 - 2. If the assessed value indicates any of the goods are higher in value than the cost of storing, transporting and selling them, then the landlord must securely store them for at least 35 days from the date the landlord first took possession of the goods. If the value is less than these costs, the landlord may dispose of the goods.
 - 3. If the tenant claims the goods, the landlord may require the tenant to pay their actual and reasonable storage costs and must release the goods and documents to the tenant subject to the payment of these costs.

- 4. If, after 35 days, the goods are unclaimed, the landlord can either continue to store the goods or sell them at a reasonable market price. If the landlord sells the goods, they can deduct the cost of storing and selling them from the total amount they make. They can also apply to the Tenancy Tribunal to reclaim from this money anything else the tenant owes them (for example, overdue rent, damage repair, or cleaning costs).
- 5. If the total amount made by selling the goods does not cover the costs of storing, transporting and selling them, the landlord can seek the rest of the money from the bond.

Option Two – Abandoned goods managed in line with existing process, with some modifications

132. The same as the Status Quo, except:

Table 3. Abandoned goods process with modifications

Step 1	The goods should be treated as if they are contaminated.
Step 2	The value of goods should be assessed the costs of storing, testing, decontaminating, transport and storage. Further, if the assess value for an item exceeds these costs, but storage, testing or decontamination is not possible (and the landlord has made all reasonable efforts to find storage, testing or decontamination solutions) then the landlord may securely dispose of the goods.
Step 3	No change.
Step 4	Before selling goods, they must be decontaminated and re-tested to show that they are no longer contaminated.
Step 5	No change.

Option Three – Abandoned goods can be disposed after 7 days

133. Landlords must store any goods abandoned on contaminated premises for 7 days. If they are not claimed within that time, landlords may dispose of the goods as if they were contaminated.

How do the options compare to the status quo/counterfactual?

	Option One - Status Quo	Option Two – Abandoned goods managed in line with existing process, with some modifications (preferred)	Option Three - Abandoned goods can be disposed after 7 days
Safety	0	+ Requiring testing, decontaminating and re-testing of abandoned goods helps to minimise risks from methamphetamine residue.	++ Disposing of goods, unless they are claimed by the tenant, minimises all risks
Certainty and consistency	0	+ An established process for contaminated goods improves clarity. The ability to store, test and decontaminate contaminated goods may vary case-to-case, leading to some inconsistencies.	An established process for contaminated goods improves clarity. Given the simplicity of the process, consistency and predictability are also ensured.
Proportionality	0	This approach recognises the potentially high-value and importance of tenant goods while setting an appropriately high bar for imposing the costs of managing them on landlords.	Disproportionate to the risk posed by contaminated goods and does not account for the value of tenant goods.
Cost- efficiency	0	While this approach could impose costs on landlords, the bar for this is high, with only highly valuable goods likely to exceed the costs of testing, decontamination, storage transport and sale. This approach also reduces costs to tenants in such cases (from lost goods).	0 / - While this approach minimises costs to landlords, costs to tenants are potentially high.
Flexibility	0	++ Ensures case-specific details are considered (value of goods, ability to store, test, decontaminate them).	Inflexible to specific circumstances, including where these suggest disposal is unnecessary or storage is

			warranted (e.g. where goods are free of methamphetamine residue and of high-value).	
Overall assessment	0	+	0/-	

Key for assessment:

- ++ much better than the status quo
- better than doing the status quo
- 0 about the same as doing the status quo
- worse than doing the status quo
- -- much worse than the status quo

134. Option Two is preferred. This is a proportionate response, balancing the costs landlords may face in managing contaminated goods against the value of goods to tenants, who may have been forced to leave their possessions behind due to difficult or complex circumstances. The proposals are intentionally aligned with existing provisions for abandoned goods in the RTA, with appropriate amendments to account for the presence of methamphetamine contamination, providing for clear and familiar process, with matches with the existing framework of the RTA.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

135. Yes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	Comment	Impact	Evidence Certainty
Addition	nal costs of the preferred option compared to takir	ng no action	
Regulated groups Tenants, landlords, Kāinga Ora, Community Housing Providers	Very low cost implications for landlords and tenants. Over the last 18 months (December 2023 – June 2025) there has only been one Tenancy Tribunal case involving abandoned goods and methamphetamine contamination, suggesting a small minority of tenants/landlords will ever encounter this issue.	Low	Medium
Regulators MBIE	Costs associated with updating guidance and operational policies, staff training, and communicating training with external stakeholders (including developing guidance).	Low	Medium
Others (eg, wider govt, consumers, etc.) Tenancy Tribunal, Testing and decontamination companies	Tenancy Tribunal - Potential for disputes where landlords dispose of goods and tenants subsequently claim them. However, as above, frequency of this issue is expected to be very low.	Low	Medium
Total monetised costs		N/A	Low
Non-monetised costs		Low	Medium
Additional benefits of the preferred option compared to taking no action			

Regulated groups Tenants, landlords, Kāinga Ora, Community Housing Providers	All groups benefit from improved certainty and clarity in their understanding of how contaminated goods on abandoned premises should be managed. Including the costs of testing and decontamination in value assessment is likely to deliver savings to some landlords/housing providers. However, as above, frequency of this issue is expected to be very low, so impact is considered low.	Low	Medium
Regulators MBIE	Some savings in reduced queries and disputes arising from confusion about how testing should be completed. As above, frequency of this issue is expected to be very low, so impact is considered low.	Low	Medium
Others (eg, wider govt, consumers, etc.) Tenancy Tribunal, Testing and decontamination companies	As above, certainty and clarity in their understanding of abandoned goods requirements. As above, frequency of this issue is expected to be very low, so impact is considered low.	Low	Medium
Total monetised benefits		N/A	Low
Non-monetised benefits		Low	Medium

Section 3: Delivering an option

How will the proposal be implemented?

- 136. The proposals will be given effect through regulations (secondary legislation) under the RTA, in line with existing empowering provisions in the Act (s 138C).
- 137. The Ministry will work with MBIE (the regulator) to develop a legislative implementation plan that ensures:
 - the Regulator has the operational policies, processes and systems in place to meet their responsibilities and give effect to the new requirements.
 - the Regulator can deliver an effective communications programme that ensures regulated parties and other key stakeholders understand their rights and responsibilities under the regulations and have sufficient time to give effect to them (including having necessary guidance and information).
 - the Tenancy Tribunal and the wider Justice sector together with other government agencies with an interest in the regulations are engaged appropriately.
 - HUD can meet its regulatory stewardship responsibilities, including monitoring and evaluating the impact of the proposed changes (discussed below).



139. Following final Cabinet decisions on the content of the proposed regulations, the Ministry will look to instigate a review of the NZS. Timing for the NZS review is subject to the review scope, however we will seek to limit the period during which the regulations are in effect without an updated standard.

How will the proposal be monitored, evaluated, and reviewed?

- 140. The Ministry and MBIE are the regulatory stewards for the residential tenancy system and will monitor the implementation of the proposed regulations. As part of this work, Ministry policy officials are in regular contact with MBIE's Tenancy Services team, which holds compliance, enforcement, information and education, and mediation functions for the RTA, and with Justice Services within the Ministry of Justice, which administers the Tenancy Tribunal. The Ministry also monitors Tenancy Tribunal decisions which may deal with matters related to the proposed regulations.
- 141. The Ministry will regularly and proactively horizon scan and seek advice from scientific experts (for example, ESR) for any new evidence on human health effects caused by thirdhand exposure to methamphetamine residue. If new evidence becomes available which suggests the contamination limits in the regulations should be revised, the Ministry will support the responsible Minister to amend the regulations in line with the evidence base as quickly as possible.

- 142. The Ministry will also actively monitor methamphetamine contamination related disputes, with a focus on whether landlords and tenants frequently encounter the issue outlined at paragraphs 70 76; where residue levels exceed 15µg/100cm² but not 30µg/100cm² during an ongoing tenancy and parties cannot agree on how decontamination works are completed. The Ministry will monitor this by seeking feedback from relevant stakeholders and agencies and by monitoring Tenancy Tribunal decisions.
- 143. If evidence suggests this issue is having a significant impact, we will explore solutions (in line with the Ministry's role providing regulatory stewardship of the housing and tenancy regulatory system). This could include enabling tenancy termination for the purposes of undertaking decontamination works, for example.