Submission

by

THE NEW ZEALAND INITIATIVE

to the Health Committee

on the

Gene Technology Bill

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1. INTRODUCTION AND SUMMARY

1.1 This submission on the Gene Technology Bill is made by The New Zealand Initiative (the **Initiative**), a Wellington-based think tank supported primarily by major New Zealand businesses. In combination, our members employ more than 150,000 people.

1.2 The Initiative undertakes research that contributes to developing sound public policies in New Zealand. We advocate for the creation of a competitive, open and dynamic economy and a free, prosperous, fair and cohesive society.

1.3 The Initiative's members span the breadth of the New Zealand economy; an enabling and efficient regulatory regime for gene technology is important for economic growth and prosperity. The views expressed in this submission are those of the author rather than the New Zealand Initiative's members.

1.4 The current Hazardous Substances and New Organisms Act 1996 (HSNO Act) is outdated and a significant barrier to innovation and economic growth. The Gene Technology Bill represents a necessary modernisation of New Zealand's regulatory framework for genetic technologies.

1.5 The New Zealand Initiative submits that the Bill should proceed.

2. THE CASE FOR THE BILL

2.1 The Government has introduced the Gene Technology Bill to enable the safe use of gene technology and regulated organisms in New Zealand, replacing the relevant parts of the HSNO Act with a modern, fit-for-purpose regulatory system.

2.2 The Bill provides for:

- Risk-proportionate regulation for genetic modification (GM).
- Efficient application and decision-making processes.
- A flexible legislative framework able to accommodate future technological and policy developments without frequent amendment.
- International alignment, including with key trading partners, to facilitate trade and improve access to new technologies.
- Ways to recognise and give effect to the Crown's obligations under the Treaty of Waitangi.

2.3 There is a strong case for this Bill. New Zealand's productivity growth has stalled. New Zealand needs to remove barriers to growth and development and move from a culture of 'no' to one of 'yes'. The current HSNO Act has become an obstacle to progress, making research and development on GM unnecessarily difficult and costly. As well as being overly cautious, the Act requires a very broad set of factors to be considered, a focus on processes rather than outcomes, outdated definitions, and case-by-case approvals rather than broad institutional approvals.

2.4 Under the current system, field testing has virtually ceased and research is often conducted overseas rather than in New Zealand. Approval processes are more cumbersome than the experiments themselves. New Zealand is falling behind its international competitors.

2.5 The Productivity Commission's 2021 inquiry on Frontier Firms found New Zealand's approach to regulating GM did not reflect technological advances since the 2001 Royal Commission on GM. The Commission called for a full review to ensure regulation is fit for purpose and supports domestic innovation.

2.6 In his recent State of the Nation speech, the Prime Minister outlined a pro-growth agenda, emphasising science and technology. We agree with his statement that:

Too often when it comes to economic growth, New Zealand has slipped into a culture of saying no. We need to shift our mindset and embrace it.

Backing our science and innovation sector and backing economic growth will drive productivity and make us all wealthier. It will lift incomes, help families to get ahead and also allow us to invest more in the public services Kiwis deserve.

2.7 The Initiative strongly endorses the Prime Minister's comments on the need for economic growth and the potential for science and technology to boost it. GM regulation is a notable example of the 'no' culture and the Prime Minister made it clear he wants this to change, saying:

I also want New Zealand scientists working on high yield crop variants, and solutions to agricultural emissions that don't drive farmers off their land and risk the very foundation of the New Zealand economy.

Enabling gene technology is about backing farmers. It is about embracing growth. It is about saying yes, instead of no.

2.8 Agriculture remains the most significant contributor to New Zealand exports. Agriculture and associated industries are the most important economic contributors and employers in many regions and districts. Improving on-farm productivity will be crucial for ensuring agriculture can continue to drive economic growth. New Zealand agriculture has a long history of science-based productivity improvements and liberalising GM regulation will be important if this is to continue.

2.9 Farmers must also have tools, such as low-emission pasture and feed, necessary to reduce their greenhouse gas emissions without reducing production and income. New Zealand scientists have been working on such tools, but overly restrictive GM regulations have prevented them from being trialled in the field, let alone used, in this country. The unavailability of emissions reduction tools has been a major reason for agriculture being excluded from the New Zealand Emissions Trading Scheme (ETS).

2.10 There are other benefits of reform. These include solutions to combat weeds and pests (which should reduce the use of pesticides and poisons); improving biodiversity; more medical research improving healthcare outcomes; greater research and development activity increasing economic growth and improving living standards. Overall, these benefits could be substantial.

3. SPECIFIC COMMENT

Risk-Tiered Framework

3.1 The Bill's risk-tiered approach creates four main categories of activities:
- Exempt activities (minimal-risk products of gene editing).
- Non-notifiable activities (very low-risk activities).
- Notifiable activities (low-risk activities requiring notification).
- Licensed activities (medium and higher-risk activities).

3.2 We support this framework as it enables proportionate regulation based on scientific evidence. The approach should reduce unnecessary regulatory burden where risk is low while maintaining oversight of higher-risk activities.

Single National Regulator

3.3 We support the establishment of a Gene Technology Regulator within the EPA for several reasons:
- Creates clear accountability and reduces process time.
- Increases efficiency through specialised expertise.
- Reduces risk of politicising decisions.
- Aligns with the successful Australian model.
- Removes inconsistencies created by local authority regulation.

3.4 The removal of local authorities' ability to restrict gene technology use is necessary for creating a nationally consistent framework. Local authorities often lack the scientific capability to make such assessments and variation in local restrictions creates unnecessary complexity and uncertainty for researchers and businesses. Councils' greenhouse gases count against national inventories, so a council banning GM imposes cost on the rest of the country.

3.5 It is also important to recognise that a lack of funding tools encouraging councils to be more welcoming of growth and development exacerbates their risk aversion. The Initiative has long supported funding tools (such as a GST revenue share) that would change this mindsight.

International Alignment

3.6 The Bill's provisions for international cooperation are important for increasing efficiency, reducing duplication, and helping New Zealand stay competitive internationally. We support:
- Recognition of comparable overseas regulators.
- Ability to draw on international expertise.
- Streamlined approval processes for products approved by recognised regulators.

3.7 A potential improvement to the Bill would be for it to also make provision for joint assessments with other international regulators.

Advisory Committees

3.8 The establishment of Technical and Māori Advisory Committees should provide useful forums for accessing expertise on scientific and cultural considerations. We support:

- Advisory rather than decision-making powers for both committees.
- A requirement for expert input on technical matters.
- A process for considering impacts on Māori kaitiaki relationships.
- Flexibility for Regulator to seek additional expert advice.

3.9 The advisory committees should be able to feed into decision-making processes but not make decisions. Multiple decision-makers would slow approval processes and create uncertainty.

System Reviews

3.10 The Initiative also submits that the Bill should include a provision for regular reviews of the legislation to ensure the gene technology regulatory system remains fit-for-purpose. Gene technology is fast-moving and the regulation of it needs to keep pace with developments. Having a system assessment after five years (and every three years thereafter) was suggested by officials in the Regulatory Impact Statement. However, this does not appear to be in the Bill.

4. ADDRESSING CONCERNS ABOUT THE BILL

Economic Impacts

4.1 Some critics of the Bill have cited potential negative impacts on exports, particularly regarding New Zealand's "clean, green" image. We submit that:

(a) Claims of large export losses are speculative and not supported by international evidence. To the best of our knowledge, Australia has not experienced market access issues.

(b) There is already GM in the supply chain. It is permitted to feed animals imported GM feed. To the best of our knowledge, no country prohibits, restricts, or regulates trade in products from animals that have been fed GM grasses or feed.

(c) The Australian experience demonstrates that gene technology and premium agricultural exports can coexist successfully. Australia maintains both a thriving organic sector and significant GM crop production.

(d) Market mechanisms already manage segregation and identity preservation effectively. The genetic purity of seed in New Zealand is managed through the Seed Crop Isolation Distance Mapping Scheme administered by Assure Quality.

(e) New Zealand’s major primary sector exporters will be sensitive to market access issues and consumer preferences. Some could use conditions of supply to manage risk.

Cross-Pollination

4.2 Some people, including organic producers, have legitimate concerns about the cross-pollination of GM plants with non-GM plants. There are strategies to deal with this risk and some or all of them would be expected to be the subject to conditions for approval. These include buffer zones or isolation distances; adjusting planting dates to avoid overlapping flowering periods between GM and non-GM plants; developing male sterility or seedless varieties ('biological containment'); and other coexistence measures like crop rotation, dedicated machinery for GM and non-GM plants, and clear labelling.

Consultation Process

4.3 Concerns have been raised about insufficient public consultation. The select committee process provides an opportunity for public input on the Bill. The Bill itself establishes ongoing mechanisms for public participation in decision-making through:

- Public notification of license applications.
- Consultation requirements for risk assessments.
- Transparent decision-making processes.
- Rights of appeal.

Environmental and Safety Concerns

4.4 Regarding environmental and safety concerns, the Bill is closely aligned with Australia's regime. Safeguards include a risk-based assessment framework, an independent regulator, technical advisory input, and various monitoring and enforcement provisions.

Māori Interests

4.5 In response to concerns about the protection of Māori interests, the Bill goes beyond Australia's regime by providing specific mechanisms for indigenous interests through the establishment of a Māori Advisory Committee, protection of kaitiaki relationships, consultation requirements for relevant applications, and recognition of Treaty settlement obligations.

International Trade Considerations

4.6 In response to concerns about a lack of specific provisions for international trade, trade impacts, if they exist, should be managed by the market or under the Biosecurity Act. The Australian Gene Technology Act does not require trade to be considered in its assessments.

Ethical Considerations

4.7 Ethical issues should be considered by extant ethics committees, such as the National Ethics Advisory Committee (human health) and the National Animal Ethics Advisory Committee (animal health).

5. CONCLUSION

5.1 The Gene Technology Bill represents a necessary modernisation of New Zealand's regulatory framework for genetic technologies. The Bill appropriately balances enabling innovation and boosting productivity and economic growth with maintaining safeguards for human health and environmental protection.

5.2 We appreciate the opportunity to submit on this Bill and hope the Committee finds our submission constructive.

ENDS