

Submission by



And



to the

Health Select Committee

on the

Gene Technology Bill

17th February 2024

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1. Our Recommendations

- 1.1 ExportNZ and the New Zealand International Business Forum (NZIBF) support the Government's overall intention to modernise New Zealand's gene technology regulations. We support the establishment of a risk-based regulatory regime governed by a newly established regulator and that is consistent with other international gene technology regulatory systems.
- 1.2 However, our organisations have several key concerns regarding the potential risks to exporters' market access, the lack of impact analysis provided, and the proposed level of industry engagement with the gene technology regulator.
- 1.3 **ExportNZ and NZIBF recommend the Bill be passed** with amendments:
 - The Bill establishes an Industry Advisory Committee alongside the Māori and Technical Advisory Committees in Part 4 of the Bill to ensure that there is a mechanism for exporters to communicate with the regulator.
 - The regulator's mandate includes "market access and trade" as an additional "relevant risk" in Clause 11.
 - The regulator is required to assess the likelihood of overseas market access risks as part of the "risk assessment" in Clause 11 to ensure that the introduction of gene technologies supports the growth of New Zealand's export sector without creating new trade barriers in overseas markets.
- 1.4 **ExportNZ and NZIBF also recommend that the Government undertake a comprehensive analysis that includes:**
 - A market access impact assessment to evaluate how other countries regulate gene technology and what this will mean for New Zealand exporters.
 - A sector-specific opportunities and risks assessment to identify which industries and sectors could be impacted or benefit from regulatory change.
 - A competitor benchmarking analysis to understand how other countries progressed with modernised gene technology regulations while navigating challenges and market access barriers.
 - A consumer perceptions analysis to understand how the introduction of modernised gene technology regulations could impact overseas consumers' perceptions of New Zealand food and fibre exports.
- 1.5 **Furthermore, we recommend** that both MFAT and MPI are engaged in the regulatory approvals process with a market access risks perspective.
- 1.6 Should this Bill pass and the Gene Technology Regulator be established, **ExportNZ and NZIBF recommend** the regulator proceed with more attention to the concerns of exporters – we support a slower, more rigorous process to ensure that the regulator is engaging adequately with the export sector.

2. Introduction

- 2.1 This submission is from Export New Zealand (ExportNZ), a division of Business New Zealand and part of the Business New Zealand Network (see Annex 1.) and the New Zealand International Business Forum (NZIBF).
- 2.2 The role of Export New Zealand is to:
 - Provide effective advocacy and lobbying on behalf of exporters,
 - Inspire New Zealand firms to engage in exporting to expand their business horizons and grow internationally,
 - Provide practical support programmes and networking events to help firms achieve these goals.
- 2.3 The NZIBF provides a voice to articulate the needs and priorities of New Zealand's international business community, particularly the importance of open markets, to the New Zealand Government and public stakeholders. The NZIBF Board brings together leaders from amongst New Zealand's largest internationally oriented companies and peak business organisations (Annex 2.).
- 2.4 In preparing for this submission, ExportNZ and NZIBF have consulted with a range of exporting businesses and association groups regarding the impact that the introduction of gene technologies may have on their businesses and ability to export goods.
- 2.5 The Select Committee will be aware that there is a broad range of opinions and positions in the export sector regarding the Bill and the introduction of gene technology in New Zealand. As a vibrant and diverse sector, there will be differing views on this Bill, and this submission will represent the feedback that we have received.

3. Our Understanding of the Bill's Objectives

- 3.1 We understand that the Bill, as currently proposed, will create a Gene Technology Regulator within the Environmental Protection Authority to oversee gene technology activities. A Technical Advisory Committee and a Māori Advisory Committee would support this Regulator.
- 3.2 The Bill would classify gene technology activities into one of four risk-based tiers:
 1. **Exempt Activities**, where there are minimal-risk gene editing technologies used.
 2. **Non-Notifiable Activities**, where there are very low-risk activities that do not require active monitoring. These would include gene therapies that are already regulated by Medsafe.
 3. **Notifiable Activities**, where there are low-risk activities that require the Regulator to be notified. These would include lab research involving animals.
 4. **Licensed Activities**, where there are medium to high-risk or uncertain-risk activities. These would include field trials and commercial releases.
- 3.3 To manage identified risks to human health and the environment, authorised activities may be subject to conditions specified by the Regulator, such as conducting activities in facilities that meet containment standards.

- 3.4 Finally, we understand the Bill will remove the ability for local government authorities to restrict the use of gene technology in their regions to ensure that there is a nationally consistent approach to gene technology across the country.

4. Importance of Food and Fibre Sector on Exports

- 4.1 The Food and Fibre sector is vital to the New Zealand economy and plays a pivotal role in our export sector. Approximately one in seven New Zealanders are employed in the food and fibre sector, and in some regions, the figure rises to one in four New Zealanders.¹
- 4.2 In the year ending 30 June 2023, the sector earned New Zealand a revenue of \$57.4 billion, 60 per cent of New Zealand's annual export revenue. This figure underscores the importance of the sector to New Zealand's economic well-being and our presence in global markets.
- 4.3 ExportNZ and NZIBF believe it is important that the New Zealand government does all it can to protect and grow New Zealand's Food and Fibre export sector.

5. Opportunities to Grow Exports

- 5.1 ExportNZ and NZIBF support the creation of a more innovation-friendly regulatory environment. With the right regulations, investment, and expertise, New Zealand exporters can develop higher-yield crops, disease-resistant foods, and a new export sector based on biotechnologies with real commercial opportunities.
- 5.2 We are, however, disappointed in the lack of analysis and investigation into new opportunities. As stated in the Regulatory Impact Statement (RIS),

"We are unable to comprehensively quantify these expected benefits as technology development is uncertain, there are few "ready for market" gene technologies in New Zealand currently, and the make-up of New Zealand's food and fibre sector is distinct."Pg. 7.

- 5.3 While we note the limitations on information in the sector, the Government needs to undertake a comprehensive analysis of New Zealand's capabilities and growth opportunities should New Zealand's gene technology rules be lifted. A comprehensive analysis of the economic impact would aid the social licence conversation regarding gene technology, encourage foreign direct investment into New Zealand, and help the government understand how it needs to support growing sectors.
- 5.4 Without more analysis, organisations like ExportNZ and NZIBF cannot fully comment on the opportunities available to growing New Zealand exports via modernised gene technology laws.
- 5.5 **We recommend that the government** undertake a comprehensive analysis that includes the following:
- A market access impact assessment to evaluate how other countries regulate gene technology and what this will mean for New Zealand exporters.

¹ <https://www.mpi.govt.nz/dmsdocument/50932-Food-and-fibre-workforce-Snapshot>.

- A sector-specific opportunities and risks assessment to identify which industries and sectors could be impacted or benefit from regulatory change.

6. Alignment with Trade Partners

- 6.1 It has been 20 years since New Zealand had a conversation regarding liberalised gene technology laws. Since then, many of our competitors (Australia, Canada, United States) have developed regulatory systems that allow the use of gene technologies both in laboratories and in the field.
- 6.2 By not engaging in a conversation regarding gene technologies, New Zealand has effectively fallen behind several of our global counterparts in biotech research, agricultural innovation, and commercial opportunities.
- 6.3 The ban on gene technologies has already driven away businesses (some publicly announced) with significant potential, not only limiting New Zealand's ability to be world-leading but also limiting New Zealand businesses' ability to create highly skilled jobs, grow the New Zealand economy, attract foreign direct investment, and increase New Zealand's export value.
- 6.4 Reviewing and modernising New Zealand's gene technology laws to reflect international best practices will mean New Zealand becomes an option for businesses and exporters to establish, invest, and grow in this country.
- 6.5 **We recommend the Government** undertake competitor benchmarking analysis to understand how other countries progressed with modernised gene technology regulations while navigating challenges and market access barriers.

7. Caution on International Market Access and Consumer Perception

- 7.1 The lack of analysis and research on identifying risks to New Zealand's market access around the world is concerning. Given the significance of the food and fibre sector to the New Zealand economy and the potential risk introducing gene technologies would have to the market access for New Zealand products, ExportNZ and NZIBF strongly recommend more analysis and research be presented to reassure food and fibre exporters that the introduction of gene technologies will not have a detrimental effect on their ability to trade in overseas markets.
- 7.2 The RIS rightly points out the mixed support from industry and exporters regarding the change, and this is consistent with feedback that ExportNZ has received from our export community.
- 7.3 Countries and regions like China, Japan, and the European Union are sensitive to GMOs and the use of gene technologies. All three are key markets for New Zealand's food and fibre products, and any limit to exporters' access to these markets would have a negative effect on New Zealand's export earnings.
- 7.4 Many of New Zealand's high-value food and fibre exports (Wine, Honey, Dairy, Meat, Organics) leverage New Zealand's "Clean & Green" reputation and our GE-Free status. The regulatory body and other government agencies will need to prepare standards

and measures to ensure that GMO and non-GMO products and produce can co-exist in New Zealand so our exporters can target different segments of international markets.

- 7.5 ExportNZ and NZIBF are disappointed that no research or analysis has been made available regarding the potential impact this Bill and the subsequent liberalising of gene technology rules would have on New Zealand's reputation for "Clean and Green" exports or the removal of New Zealand's GE-Free status.
- 7.6 Given the impact on the New Zealand economy, **ExportNZ and NZIBF strongly recommend** that the Government undertake overseas consumer perceptions analysis to understand how the introduction of modernised gene technology regulations could impact perceptions of New Zealand food and fibre exports.

8. Lack of Representation for Industry and Market Access Lens

- 8.1 ExportNZ and NZIBF are disappointed in the lack of a food, fibre, and biotech industry advisory body for the Gene Technology Regulator. The food and fibre sector will be affected by the regulatory decisions regarding gene technology, so it is disappointing that there are no mechanisms established that would allow exporters to communicate commercial barriers and opportunities for the regulator to consider.
- 8.2 Protecting human health and the environment is paramount, and this should be the main priority for the regulator. However, given the nature of the regulatory change and the impact it could have on New Zealand's market access to foreign markets, there also needs to be a robust framework that ensures the regulator considers any regulatory decision's impact on New Zealand's ability to export and trade in various markets.
- 8.3 Without a proactive engagement strategy regarding potential trade disruptions, there is a risk that exporters face unnecessary trade restrictions, higher compliance costs and requirements, and market access uncertainty.
- 8.4 We endorse the feedback from the New Zealand Ministry of Foreign Affairs that was included in the RIS;

"The regulator should be required to consider trade and market access risks in assessing organisms for environment release. This is due to the complex assurance processes for gene technology in key export markets and the unpredictable nature of the international trading environment where gene technology has been historically controversial." Pg. 8

- 8.5 The Ministry of Foreign Affairs & Trade (MFAT) is the leading agency with the New Zealand Government when it comes to trade and market access issues, and ExportNZ endorses their comments in the RIS.
- 8.6 ExportNZ does not support this statement in the Cabinet Paper, *Regulation of Gene Technology – Policy Decisions*, dated 10 December 2024;

"I consider that the regulator should not consider trade and market access risks when deciding an approval application as these can be adequately managed by implementing

assurance and supply chain separation programmes that are used successfully in Australia and North America.”

8.7 We also consider the 2019 report *Gene Editing: Legal and Regulatory Implications* from the Royal Society Te Apārangi, which stated:

“The potential trade and regulatory enforcement impacts from different treatment of gene editing technologies in different countries need to be investigated to ensure that New Zealand’s regulations continue to be fit-for-purpose, both domestically and internationally.”²

8.8 Along with MFAT, the Ministry for Primary Industries (MPI) also holds significant expertise in market access issues for the Food and Fibre export sector. As such, both MFAT and MPI should play active roles in communicating trade barriers and market access issues that relate to approvals of new gene technologies and the process of the regulator.

8.9 The food and fibre export sector in New Zealand is far too valuable (60 per cent of New Zealand’s export value) to the New Zealand economy to make the gross assumption that what will work in Australia and the United States will work in New Zealand.

8.10 The New Zealand government must prioritise protecting the export sector’s economic contribution while also providing the necessary tools for future innovation and growth, particularly in the early stages of introducing gene technology to the economy and environment.

8.11 **ExportNZ and NZIBF strongly recommend** that the Bill establishes an Industry Advisory Committee alongside the Māori and Technical Advisory Committees in Part 4 of the Bill to ensure that there is a mechanism for exporters to communicate with the regulator.

8.12 **We also recommend** the regulator’s mandate includes “market access and trade” as an additional “relevant risk” in Clause 11, and it adopts a market access perspective to ensure that the introduction of gene technologies supports the growth of New Zealand’s export sector without creating new trade barriers in overseas markets.

8.13 **Furthermore, we recommend** that the regulator is required to assess the likelihood of overseas market access risks as part of the “risk assessment” in Clause 11 to ensure that the introduction of gene technologies supports the growth of New Zealand’s export sector without creating new trade barriers in overseas markets.

8.14 **We also recommend** that both MFAT and MPI are engaged in the regulatory approvals process with a market access risks perspective.

9. Lack of Consultation and Process

9.1 ExportNZ and NZIBF are concerned about the lack of meaningful consultation with the wider export sector (beyond the industry focus group) despite the significant

² <https://www.royalsociety.org.nz/assets/Uploads/Gene-Editing-Legal-and-regulatory-implications-DIGITAL.pdf>

implications that gene technology could have on exporters' market access, consumer perception, and international competitiveness.

- 9.2 Additionally, the timing of the release of the Bill has made it difficult to engage with our wide network of exporters, and the time-limited process for this Bill has not allowed for a thorough assessment of the risks and opportunities for New Zealand exporters, as evident in the RIS.
- 9.3 ExportNZ and NZIBF are disappointed in the process and engagement on this critical topic thus far, and we do not believe a policy shift as significant as this should be rushed through. Exporters deserve to have a better engagement process and access to information about how the change may impact their business and access to markets.
- 9.4 Should this Bill pass and the Gene Technology Regulator be established, **ExportNZ and NZIBF recommend** the regulator proceed with more caution – we support a slower, more rigorous process to ensure that the regulator is engaging adequately with exporters. This includes ongoing consultation with the export sector, a comprehensive market access review, and clear strategies to mitigate potential trade risks and protect exporters who wish to maintain their GE-Free status.
- 9.5 ExportNZ and NZIBF urge the government to prioritise industry engagement and adopt a measured and trade-focused approach to implementing gene technology regulations to both leverage opportunities in the global market and safeguard our current reputation.

For Further Information

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ANNEX 1.

ABOUT BUSINESS NEW ZEALAND

[BusinessNZ](#) is New Zealand's largest business advocacy body, representing:

- Regional business groups [EMA](#), [Business Central](#), [Business Canterbury](#), and [Business South](#),
- [Major Companies Group](#) of New Zealand's largest businesses,
- [Gold Group](#) of medium-sized businesses,
- [Affiliated Industries Group](#) of national industry associations,
- [ExportNZ](#) representing New Zealand exporting enterprises,
- [ManufacturingNZ](#) representing New Zealand manufacturing enterprises,
- [Sustainable Business Council](#) of enterprises leading sustainable business practice,
- [BusinessNZ Energy Council](#) of enterprises leading sustainable energy production and use,
- [Buy NZ Made](#) representing producers, retailers and consumers of New Zealand-made goods.

BusinessNZ is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

In addition to advocacy and services for enterprise, BusinessNZ contributes to Government, tripartite working parties and international bodies including the International Labour Organisation ([ILO](#)), the International Organisation of Employers ([IOE](#)) and the Business and Industry Advisory Council ([BIAC](#)) to the Organisation for Economic Cooperation and Development ([OECD](#)).

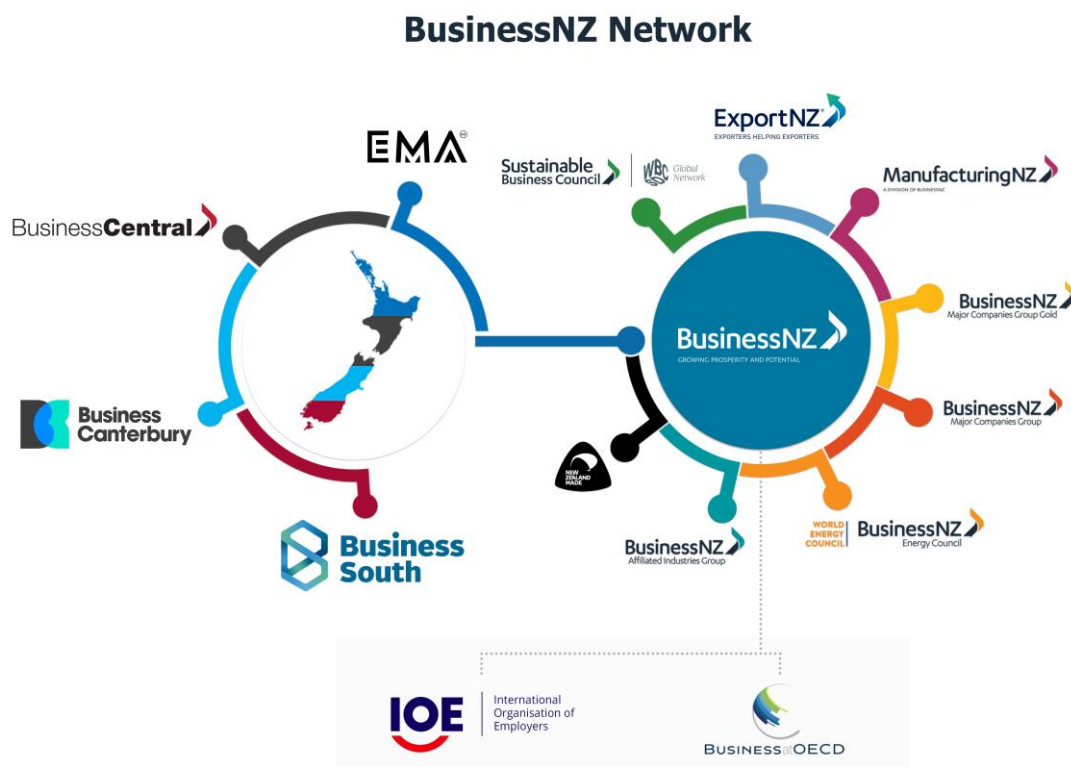
ABOUT EXPORT NEW ZEALAND

ExportNZ is a national industry association representing a diverse range of exporters throughout New Zealand. ExportNZ is a division of BusinessNZ, New Zealand's peak business advocacy body.

We are a membership organisation and have approximately 2,000 export members around the country.

ExportNZ advocates for, inspires, connects, and celebrates New Zealand exporters. We aim to build a thriving ecosystem that supports each other.

We are exporters helping exporters.



ANNEX 2.

BOARD MEMBERS OF THE NZ INTERNATIONAL BUSINESS FORUM

1. Philip Gregan, (Chair) Chief Executive, NZ Winegrowers
2. Catherine Beard, Director, Advocacy, BusinessNZ
3. Raewyn Bleakley, Chief Executive, NZ Food and Grocery Council
4. Kimberly Crewther, Executive Director, Dairy Companies' Association of New Zealand
5. Michael Fox, Head of Global Public Affairs, Zespri International
6. Sirma Karapeeva, Chief Executive, Meat Industry Association
7. Karen Morrish, Chief Executive, NZ Apples and Pears
8. Mike Pretty, Non-Executive Chairman, Kraft Heinz
9. Katherine Rich, Chief Executive, Business NZ
10. Sarah Salmond, Partner, Minter Ellison
11. Tim Silverstone, General Counsel and General Manager, Corporate Affairs, Sealord Group Ltd
12. Alan Thomson, Chief Executive, Beef + Lamb NZ
13. Amy Tocker, General Manager, Māori Kiwifruit Growers
14. Reuben Tucker, General Manager, Institutional and Business Banking, Westpac
15. Simon Tucker, Director, Global Stakeholder Affairs, Fonterra

A number of alternate members are listed on the NZIBF website at www.tradeworks.org.nz

Executive team

1. Stephen Jacobi, Jacobi Consulting Ltd (Executive Director)
2. Glen Candy, Project Manager