SUBMISSION ON

Hazardous Substances and New Organisms Amendment Bill

15 June 2026

To: Primary Production Committee
Name of Submitter: Horticulture New Zealand
Supported by: The product groups and district associations listed on page 3.

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OVERVIEW

Submission structure

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Our submission

Horticulture New Zealand (HortNZ) thanks the Primary Production Committee for the opportunity to submit on the Hazardous Substances and New Organisms Amendment Bill and welcomes any opportunity to continue to work with the Committee and to discuss our submission.

HortNZ and the growers wish to be heard in support of our submission.

The details of HortNZ's submission and decisions we are seeking are set out in our submission below.

THIS SUBMISSION IS FULLY SUPPORTED BY AND REFLECTS THE VIEWS OF THE FOLLOWING INDUSTRY PRODUCT GROUPS AND DISTRICT GROWER ASSOCIATIONS:

Avocado New Zealand

Blackcurrants New Zealand

Boysenberries New Zealand

New Zealand Apples and Pears Incorporated

New Zealand Tamarillo Growers Association

New Zealand Vegetable Council

Persimmon Industry Council

Potatoes New Zealand

Pukekohe Vegetable Growers Association

Strawberry Growers New Zealand

Summerfruit New Zealand

Tararua District Growers Association

Zespri International Limited

PART 1

HortNZ's Role

Background to HortNZ

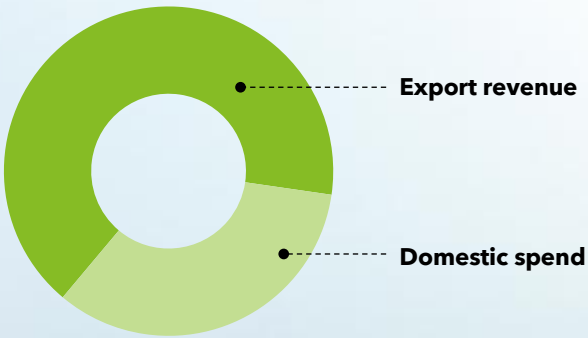
HortNZ represents the interests of approximately 4,300 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

There are approximately 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain, and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



Industry value $7.54bn
Farmgate value $4.89bn
Export revenue $4.99bn
Domestic spend $2.55bn

Source: HortNZ Annual Report 2025

PART 2

Executive Summary

Horticulture New Zealand (HortNZ) represents commercial fruit and vegetable growers contributing $7.54 billion to the New Zealand economy. Access to safe, effective, and internationally available crop protection tools is fundamental to grower productivity, export competitiveness, and the long-term resilience of the sector.

HortNZ supports the Government's objectives in initiating this reform and has engaged constructively throughout the review process and the targeted consultations. However, as set out in this submission, the Hazardous Substances and New Organisms Amendment Bill (the Bill), as drafted, does not fully deliver on those Government's objectives for the reform nor the Bill's policy objectives.

To close these gaps, HortNZ recommends that the Primary Production Committee:

- Make the use of the precautionary approach risk-proportionate;
- Make international regulatory reliance the default, with additional assessment limited to New Zealand-specific considerations;
- Create commercially viable temporary approvals;
- Improve approval timeliness and accountability;
- Enable dedicated, risk-proportionate approval pathways for biopesticides and other lower-risk biological products;
- Reduce duplicative reassessment activity;
- Improve coordination between HSNO and ACVM; and
- Prioritise efficiency improvements before cost recovery.

For growers to successfully meet the governments ambition of doubling exports, it is essential that they can control pests and diseases impacting their crops. To do this they need new tools in their hands in a timely manner, with less reliance on older chemistry. Therefore, the outcomes HortNZ seeks are:

- approval timeframes are materially reduced;
- growers gain access to a greater number of innovative pest management tools including biologicals;
- regulators make greater use of trusted international assessments;
- regulatory performance is transparent and accountable; and
- environmental protections remain robust and science-based.

PART 3

Submission

1. The Bill is Yet to Deliver Meaningful Reform for Growers

The HSNO Amendment Bill and its companion ACVM Amendment Bill were initiated by Minister of Regulation, David Seymour, following sustained feedback that product applications were languishing in bureaucratic queues for over five years. Minister Seymour initiated these reforms on the basis that overly complex, uncoordinated approval processes were costing farmers and growers time, money, and access to crop protection tools already available to their international competitors.

The importance of these reforms is reflected in grower feedback. In November 2025, HortNZ surveyed levy-paying growers on what actions by the next Government would make the biggest difference to their businesses. A recurring theme was the need for improved access to crop protection tools and more timely approval of new products. Growers described the challenges of relying on older chemistry while modern alternatives available overseas remain inaccessible in New Zealand.

GROWERS TOLD US:

> *"We deal with 1970s chemistry, leaving us often with the only option to deal with a pest problem being nasty, hard 30+ year old chemistry that kills everything."*
>
> *"Get sensible about widening the tools we have available to combat pest and disease."*

These comments reinforce the need for reforms that improve access to modern crop protection products while maintaining robust environmental protections.

The Government's stated objectives were clear: eliminate delays by potentially halving approval timeframes (projected to generate $272 million in economic benefits over 20 years); enable New Zealand regulators to formally recognise and utilise assessments from established international regulators to avoid duplicative testing; boost primary sector competitiveness by accelerating access to modern crop protection tools; and reduce the bureaucratic complexity of operating across multiple overlapping legislative frameworks by requiring MPI and EPA to better coordinate[1,2,3]. HortNZ supports these objectives and engaged constructively throughout the review process and targeted consultations. However, as set out below, the Bill as introduced does not, in HortNZ's assessment, deliver on the outcomes the reform was designed to achieve.

In our view, improving growers' access to crop protection tools requires more than procedural changes. It requires a meaningful increase in the number of new products reaching the New Zealand market, shorter and more predictable approval timeframes, and approval conditions that are practical and workable within real-world production systems. The proposed amendments do not appear to deliver these outcomes. HortNZ's overarching concern is that the Bill, as currently drafted, does not create the conditions necessary for New Zealand growers to access the same tools available to their trading partners,

[1] Regulatory review into agricultural and horticultural products now underway | Beehive.govt.nz
[2] Farmers and growers to reap rewards | Beehive.govt.nz
[3] Going for Growth: Multi-million dollar benefits possible for farmers and growers | Beehive.govt.nz

unnecessarily creating a competitive trade disadvantage for our growers, thus impacting the ability to double exports.

Overall, the proposed amendments in the HSNO Bill:

1. **Do not address the application of the precautionary principle.** No amendments, clarifications, or supporting guidance/policy framework are proposed regarding interpretation and application of the precautionary principle. Without further clarity, there is a risk that it will continue to be applied in ways that result in delays in approvals and overly restrictive or impractical approval conditions.
2. **Do not meaningfully increase the use of international assessments.** With the new changes to the rapid international assessment pathway, responsibility is shifted from the EPA to applicants to seek assessment under this pathway, limiting its likely effectiveness and uptake.
3. **Do not create sufficient incentives for crop protection companies to register new products.** While the proposed temporary approval pathway appears positive in principle, the four-year expiry period does not provide sufficient certainty or commercial incentive for companies to invest in registration. In addition, the introduction of a new levy may further increase costs for applicants, potentially creating an additional disincentive to bringing new products to the New Zealand market.
4. **Do not improve coordination between the ACVM and HSNO systems.** There are still two separate regulatory systems governing crop protection products as the changes to improve processes between the two agencies are largely administrative. This is dissimilar to other jurisdictions where the overall regulatory pipeline is held by one agency (e.g. APVMA in Australia). There is an opportunity with the recently announced future reform of the public sector - including potential consolidation of agencies – to consider a single regulatory structure in the longer-term.
5. **Do not provide a clear mechanism to improve timeliness of approvals.** Moving statutory timeframes into secondary legislation may enable easier amendment, but does not itself improve accountability or address delays when statutory timeframes are not being met.
6. **Do not provide a clear and fit-for-purpose pathway for biopesticides.** This remains a significant gap given the increasing importance of biological tools within modern crop protection systems.
7. **Do not materially expand the use of Group Standards.** The proposed amendments appear largely administrative in nature and do not significantly broaden the practical use or application of Group Standards.
8. **Do not refocus EPA resources from reassessment toward assessment of new products.** The Bills do not appear to shift effort from reassessment of existing chemicals toward registration of new tools, despite opportunities to leverage international reviews when reassessing old products.

The following sections address each of these concerns in turn, setting out the specific issues identified in the Bill's current drafting and HortNZ's recommended amendments.

HortNZ's primary ask is that the Primary Production Committee use this opportunity to strengthen the Bill so that it delivers meaningful change — not merely in process, but in outcomes for growers.

2. Precautionary Approach (s7) – Risk-proportionate

2.1. The Issue

HortNZ supports the continued application of the precautionary approach where scientific uncertainty exists. Our concern is not with the existence of precaution, but with ensuring that precaution is applied proportionately and consistently with the full purpose of the Act.

HortNZ is concerned that the current application of section 7 can result in highly conservative assumptions carrying significant weight in decision-making, without sufficient consideration of the likelihood of exposure or harm under practical use conditions.

There has been concern that, in practice, the precautionary approach risks operating as a de facto presumption against approval or use wherever scientific uncertainty remains. However, uncertainty is inherent in all scientific assessment, and regulatory decisions are rarely made with complete certainty.

The issue is not whether risks should be managed – many crop protection products present genuine ecotoxicity risks that warrant appropriate controls. Rather, the concern is whether the current approach appropriately distinguishes between:

- hazard and actual risk;
- theoretical exposure pathways and likely exposure pathways; and,
- highly conservative modelling assumptions and realistic use conditions.

Limited Consideration of the Likelihood of Harm

Recent EPA decisions suggest a pattern of relying heavily on highly conservative worst-case modelling outputs without sufficient consideration of the likelihood that those outcomes would occur in practice. The reassessment of synthetic pyrethroid insecticides illustrates this concern. EPA modelling generated proposed buffer zones of up to 254 metres between crops and waterways. An independent review commissioned by HortNZ identified a number of issues with the modelling assumptions, including estimated peak surface water concentrations that exceeded the products' water solubility limits[4]. When alternative internationally recognised approaches were applied, the resulting controls were materially less restrictive.

The issue is not whether synthetic pyrethroids present aquatic ecotoxicity risks – they clearly do, and appropriate controls are necessary. The issue is whether highly conservative modelling assumptions are being treated as equivalent to realistic exposure outcomes without sufficient consideration of the probability of those outcomes occurring under actual use conditions.

Insufficient Weight Given to the Full Purpose of the Act

Section 5 of the HSNO Act establishes two principles of equal standing:

- safeguarding the life-supporting capacity of air, water, soil and ecosystems; and
- maintaining and enhancing the capacity of people and communities to provide for their economic, social and cultural wellbeing.

[4] 240908_FINAL_SUBMISSION_HortNZ_Min_Reg_Review_ag_hort_product_approvals.pdf – case study 2

The current application of the precautionary approach places disproportionate emphasis on ecological risk while giving insufficient weight to the wider economic and community impacts recognised in the Act.

As noted in HortNZ's submission on the Agricultural and Horticultural Products Regulatory Review (September 2024)[5], increasing restrictions and delays in access to crop protection tools are having significant impacts on grower viability, production resilience, and New Zealand's international competitiveness.

Conditions That Are Difficult to Implement in Practice

Recent approval processes also raise concerns regarding whether precautionary conditions are being assessed for operational practicality.

The Sivanto Prime application process included proposed conditions[6] that:

- applications occur in the early morning or evening when bees were not actively foraging; while also
- restricting application during evenings, nights and early mornings due to temperature inversion concerns.

The combined effect was to significantly constrain or eliminate viable spray windows. That these conditions progressed to consultation stage before being challenged through submissions and hearings suggests insufficient consideration of how conditions interact in practice. Such examples illustrate the importance of ensuring that precautionary measures are proportionate, practical, and capable of being implemented in the real world.

2.2. Recommended Amendment

Amend section 7 to require a risk-proportionate precautionary approach

Amending section 7 to clarify that the precautionary approach must be applied proportionately and with regard to the likelihood that adverse effects will occur in practice under proposed conditions of use.

The amendment should require that:

- the EPA consider both the severity and the probability of potential adverse effects;
- precautionary measures be proportionate to the level of identified risk;
- the least restrictive effective option be preferred where multiple approaches are available; and
- conditions imposed be practicable and not render a substance effectively unusable for its intended purpose.

Require explicit consideration of all section 5 values

Amending section 7 to require the EPA, when applying the precautionary approach, to explicitly consider the full range of principles in section 5 of the Act, including economic, social and cultural wellbeing.

[5] 240908_HortNZ Submission on Ministry for Regulation_Review_Access to Agriculture and Horticulture Product
[6] Draft Science Memo – APP204168 – Sivanto Prime

Require publication of a transparent precautionary approach policy

The HSNO Act should require the authority to develop, consult on and publish a policy outlining how it applies the precautionary approach in practice.

The policy should address:

- criteria for invoking the precautionary approach[7];
- a best course of action under uncertainty of scientific evidence or possible harm[8];
- how probability and severity of harm are assessed;
- how proportionality and practicality are evaluated; and
- how economic, social and cultural impacts are considered.

This would improve consistency, transparency and predictability for applicants, growers and the wider public.

HortNZ's proposed amendments are intended to improve the quality, consistency and practicality of precautionary decision-making, while maintaining strong environmental protections. A precautionary approach that appropriately considers likelihood, proportionality, practicality and the full purpose of the Act will better support both environmental outcomes and the long-term resilience of New Zealand's food-producing sectors.

OUTCOME SOUGHT:

Amend section 7 to require a risk-proportionate precautionary approach, consideration of all section 5 values, and a policy.

Suggested additional wording for section 7 to this effect:

"In exercising caution under this section, the Authority must have regard to the probability that potential adverse effects will occur in practice, having regard to the proposed conditions of use and the best available scientific information regarding likely exposure and effect."

"In exercising the precautionary approach under this section, the Authority must have regard to and provide equally weighting to the full range of principles set out in section 5."

"The Authority is required to publish a policy framework outlining how it applies the precautionary approach in practice."

[7] Purpose and Principles - Environment Guide
[8] Environmental Risk Management in New Zealand – Is There Scope to Apply A More Generic Framework? - Policy Perspective Paper

3. International Assessment (s28A) – Make It Default

3.1. The Issue

New Zealand's approval process for agricultural and horticultural products under the HSNO Act has long imposed substantial delays – reportedly up to nine years in some cases – largely because local regulators duplicate assessment work already completed by much larger overseas regulators. The EU covers 450 million people, the US 340 million, Japan 120 million. A country of five million cannot match that depth of expertise, and requiring local reassessment of the same dossier imposes costs on both sides: slower access to safe products, and regulatory resources diverted from genuinely NZ-specific questions[9].

New Zealand's small market means growers are heavily reliant on products developed and assessed for larger overseas markets. International reliance is therefore not simply an efficiency measure, but a practical necessity. A country of five million cannot realistically expect manufacturers to undertake extensive additional regulatory processes for a market of limited scale, particularly where products have already undergone rigorous scientific assessment by trusted regulators overseas.

HortNZ recognises that New Zealand's unique environmental characteristics, indigenous biodiversity, Treaty obligations, and agricultural systems may justify departures from overseas assessments in some circumstances. However, such departures should be limited to clearly identified New Zealand-specific risks.

HortNZ notes that the Regulatory Impact Statement[10] identified a preferred option of limiting the "significant effects" test to effects that are unique to New Zealand and not already adequately addressed by equivalent international information. However, this intent is not clearly reflected in the Bill. The broad wording in section 28A(3) risks preserving much of the current uncertainty and limiting the practical use of international assessments.

Four features of the amended section limit the effectiveness of the international assessment pathway:

First, the pathway is applicant-triggered and optional. Under amended s28A(1), a rapid assessment only occurs if the applicant specifically requests it. There is no default presumption that, where a recognised international regulator has already assessed a product, the rapid pathway should apply.

Second, international reliance is not established as a distinct approval pathway. Section 28A(2)(ab) treats approval by a recognised international regulator as merely one of several grounds for undertaking a rapid assessment, risking international reliance being treated as an exception rather than the default approach envisaged by the Government's reform objectives.

Third, the blocking grounds in s28A(3) are broad and undefined. In particular, the "lacks sufficient knowledge or expertise" ground is circular and could be used to decline reliance precisely where overseas expertise would be most valuable. There is no

[9] Send my regards to NZ's regulators as they struggle to keep up - Newsroom
[10] RIS-Omnibus-changes-to-the-Hazardous-Substances-and-New-Organisms-Act-1996.pdf

requirement to identify what is genuinely different about New Zealand circumstances or why approval conditions could not adequately manage any risks.

Fourth, if the rapid pathway is declined, the applicant is locked out of the standard pathway under s29 unless they withdraw and re-apply (s28A(5)–(6)). This creates a procedural trap and a disincentive for applicants to use the rapid pathway at all.

Taken together, the result is a pathway that exists on paper but that neither the regulator nor applicants have strong incentives to use it. As a result, the Bill is unlikely to materially increase the use of international assessments or deliver the level of efficiency gains envisaged by the Government.

3.2. Recommended Amendment

The section should be amended to make reliance on international assessments the **default** starting position rather than an opt-in exception:

Establish international reliance as a distinct regulatory pathway

The Bill should be amended to recognise international reliance as a distinct approval pathway rather than embedding it within the broader rapid assessment provisions. Approval by a recognised international regulator should create a presumption that the EPA will rely on that assessment, with any additional assessment limited to clearly identified New Zealand-specific considerations. This would better reflect the Government's objective of improving access to agricultural and horticultural products while ensuring regulatory effort is focused on matters unique to New Zealand.

Make the rapid pathway the default where an international assessment exists

At a minimum, where a product has been approved by a recognised international regulator and an application is made under s28, the EPA should be required to assess it via the rapid pathway unless it affirmatively identifies a NZ-specific ground for not doing so. The burden should rest on the regulator to justify departing from international reliance, rather than on the applicant to request it.

Narrow and define the blocking grounds in s28A(3)

Section 28A(3) should be amended to give effect to the policy intent set out in the Regulatory Impact Statement. "Significant effects" should be defined to require that the effect is material, specific to New Zealand conditions, and not already adequately addressed by equivalent international information. The "lacks sufficient knowledge or expertise" ground in s28A(3)(c) should be removed, as it should not be available as a standing reason to decline reliance on an assessment produced by a regulator with greater expertise than the EPA.

Require public reporting of departures

Every decision to decline the rapid pathway should require the EPA to publish its reasons, identify the specific NZ risk, and explain why conditions on the approval could not manage it. This creates accountability without removing the regulator's discretion where genuinely warranted. This also provides an opportunity for future applicants to address the concerns and plan accordingly.

Remove the procedural trap in s28A(5)

Where the EPA declines to use the rapid pathway, the application should automatically proceed under s29 without requiring the applicant to withdraw and re-apply. The current

drafting penalises applicants for attempting to use the international reliance pathway and creates a structural disincentive against its use.

OUTCOME SOUGHT:

Establish international reliance as the default approval pathway for products approved by recognised international regulators and limit departures to clearly identified New Zealand-specific considerations.

- Create a standalone International Assessment Pathway.
- Require use of that pathway by default where recognised international approvals exist.
- Clarify that departures are limited to material New Zealand-specific effects not already addressed by equivalent international information.
- Delete section 28A(3)(c).
- Require applications declined from the pathway to proceed automatically under section 29.
- Require publication of reasons for departing from international assessments.

4. Temporary Approvals (new s29A to 29AC) – Increase Commercial Incentives

4.1. The Issue

The temporary approval pathway is a welcome development in principle. Where a full section 28 application is pending and the substance has already been authorised by at least two international regulators, temporary access provides growers with interim access to tools that are demonstrably safe in comparable jurisdictions.

However, as drafted, the pathway is unlikely to achieve meaningful commercial uptake for the following two reasons.

The four-year expiry does not support a viable business case

Bringing a new product to market requires significant upfront investment – supply chain establishment, ACVM registration, label development, and distributor agreements – that is only recoverable through sustained sales over time. A maximum four-year window, which can be further curtailed if the section 28 application is resolved or lapses early, does not provide sufficient certainty to justify that investment. This is particularly acute for products targeting smaller or speciality crops where market volumes are limited.

The pathway is unavailable where a rapid assessment is pending

Section 29A(2) prevents applicants from seeking a temporary approval if they have requested a rapid assessment under section 28A. This creates a direct disincentive to use the rapid pathway – the very pathway the Bill is designed to promote.

4.2. Recommended Amendment

Extend the maximum duration to until final determination, subject to a 10-year cap

Where a section 28 application remains undetermined at expiry, the temporary approval should automatically extend until resolution. Environmental protections are unchanged – controls under section 29AB continue to apply throughout.

Remove or qualify the restriction in section 29A(2)

Where a rapid assessment has not been determined within a specified period – for example, twelve months from the completeness notification – the applicant should be permitted to apply for a temporary approval without forfeiting the rapid assessment request.

OUTCOME SOUGHT:

1. Extend the duration of temporary approval until decision is made, but put a cap to 10 years.
   - the expiry date specified in the approval (which must be no later than ~~4~~ **10** years after the date on which the approval is granted)

2. Delete 29A (2)

~~(2) A person may not apply for a temporary hazardous substance approval if–~~

~~(a) the person has requested, in their application under~~ **section 28**~~, that the Authority make a rapid assessment under section 28A; and~~

~~(b) the Authority's determination as to whether to make the rapid assessment or approve the hazardous substance is pending.~~

5. Approval Timeframes (S55-59A) – Accountability Needed

5.1. The Issue

Delays in processing times are one of the primary drivers of this reform. The Government's own review found products languishing in approval queues for over five years, and halving approval timeframes was a central justification for the $272 million benefit case underpinning the Bills.

The HSNO Amendment Bill proposes removing statutory timeframes from the primary legislation and relocating them to regulations (sections 55 and 58). The Bill replaces specific timeframes with a requirement that the Authority assess, determine, and notify decisions "within any period determined in accordance with the regulations."

HortNZ has two concerns with this approach.

First, moving timeframes to regulations reduces Parliamentary oversight and accountability. Statutory timeframes in primary legislation require Parliamentary process to change. Timeframes in regulations can be amended by Cabinet on the advice of regulators – including, potentially, the same regulators who are failing to meet existing timeframes. The Departmental Disclosure Statement acknowledges this directly, noting that timeframes are being moved to regulations because they "may need to be updated to reflect changes in application volumes, processing systems or administrative practice." HortNZ is concerned

this creates a mechanism for regulators to reset deadlines to match their output rather than being held to account for delays.

Second, the current Bills do not address the root causes of delays. Moving timeframes to secondary legislation may make them easier to adjust, but it does not improve the underlying processing capacity, prioritisation, or coordination between EPA and ACVM that is causing delays in the first place. Flexibility without accountability is not reform.

5.2. Recommended Amendment

HortNZ presents two options for the Select Committee's consideration:

Option 1 – Retain timeframes in primary legislation, with revised timeframes

Statutory timeframes should remain in the HSNO Act and ACVM Act, as they currently are. If regulators are unable to meet existing timeframes, the appropriate response is to identify and address the root causes – resourcing, process design, prioritisation – not to create a regulatory pathway to extend them. To strengthen accountability, the Bill should additionally require EPA and ACVM to publicly report quarterly on their compliance with statutory timeframes, including the number and age of applications exceeding each timeframe and the reasons for delay.

Option 2 – Move timeframes to a single joint regulation covering both ACVM and HSNO

If the Select Committee considers that timeframes should move to secondary legislation to allow greater flexibility, HortNZ recommends that a single set of regulations govern timeframes across both the HSNO and ACVM systems, rather than separate regulations under each Act. Most crop protection products require approval under both frameworks, and misaligned timeframes between the two systems are a significant contributor to overall delays.

A single joint regulation would enable better coordination between EPA and MPI, create consistent expectations for applicants, and provide a clearer basis for accountability across the full approval pipeline. Any such regulation should require Ministerial approval to amend – not agency discretion alone – and should be accompanied by a mandatory public reporting requirement on compliance.

Under either option, HortNZ's position is that timeframes must function as genuine accountability mechanisms, not administrative targets that can be quietly reset when they become inconvenient.

OUTCOME SOUGHT:

Option 1: Remove entire section 55, with similar removal from the ACVM Amendment Bill.

Option 2: Have regulations that mirror and complement each other under the ACVM and HSNO Acts, to allow for one pipeline for regulatory timelines.

Under each option, the following is required:

- Revised timelines
- Joint public reporting by each agency
- Amendment to allow for discount on fees payable if statutory timeframes are not met.

6. Biopesticides - Enable Dedicated Approval Pathway

6.1. The Issue

The Bills do not establish a dedicated approval pathway for biopesticides under either the HSNO or ACVM Acts. This represents a significant gap given the increasing importance of biological crop protection tools and the global shift toward integrated pest management systems.

Biopesticides generally present a different risk profile from conventional synthetic pesticides. They are often less toxic, more target-specific, and can support reduced reliance on broad-spectrum chemical controls. Despite these characteristics, New Zealand currently regulates biopesticides through the same approval pathways and broadly the same data requirements as conventional agrichemicals.

The current combined EPA and ACVM approval process for a new biopesticide active ingredient can take significantly longer than in comparable overseas jurisdictions that operate dedicated biopesticide frameworks. We proposed consideration of a separate pathway in Regulations for biopesticide approval.

6.2. Recommended Amendment

Provide an enabling framework for dedicated biopesticide regulations

The Bill should include an enabling provision allowing regulations to establish a dedicated regulatory pathway for biopesticides and other lower-risk crop protection products.

The regulations should be able to prescribe:

- the criteria and definitions used to identify eligible biopesticides and other lower-risk products;
- tailored data requirements proportionate to product risk;
- alternative assessment pathways and decision-making criteria;
- differentiated fees and information requirements; and
- shorter statutory assessment timeframes where appropriate.

Locating these matters in regulations would provide flexibility to respond to scientific developments, emerging technologies, and evolving international regulatory approaches without requiring further amendments to primary legislation.

Enable greater reliance on recognised international assessments

The regulatory framework should support greater reliance on assessments undertaken by recognised overseas regulators, including authorities such as the US Environmental Protection Agency (US EPA) and the Australian Pesticides and Veterinary Medicines Authority (APVMA) for biopesticides.

Where a product has been assessed and approved by a recognised international regulator, that assessment should form the primary basis for New Zealand's decision-making, with any additional assessment limited to clearly identified New Zealand-specific considerations.

HortNZ considers that international regulatory reliance should operate as a core principle across both the HSNO and ACVM frameworks. This is particularly important for lower-risk products such as biopesticides, where duplication of assessments adds cost and delay without necessarily improving regulatory outcomes.

Provide for risk-proportionate approval timeframes

A statutory timeframe for biopesticide should be included when timeframes are set in regulations.

Assessment timeframes should reflect the reduced risk profile and assessment burden associated with these products, ensuring that innovative crop protection tools can be made available to growers in a timely manner while maintaining appropriate environmental and human health protections.

OUTCOME SOUGHT:

Insert an enabling provision in section 140(1) in HSNO Act

New section 140(1)(u) prescribing biological products eligibility criteria, assessment requirements, approval timeframes, and the use of recognised international regulatory assessments.

7. Reassessments Work Plan (S 20C) – Reduce Duplicative Effort

7.1. The Issue

Section 20C requires the Authority to develop and maintain a work plan prioritising reassessments of hazardous substances. HortNZ is concerned that EPA's reassessment programme, as currently structured, is consuming significant regulatory resources that could be better directed toward processing the growing backlog of new product applications.

As of 30 June 2024, EPA had 12 large-scale reassessment projects either active or scheduled to commence within 18 months. Many of the substances under reassessment are also under active review by international conventions – notably the Rotterdam Convention (Prior Informed Consent) and the Stockholm Convention (Persistent Organic Pollutants). These are rigorous, internationally agreed processes with substantial scientific input. Where such reviews are already underway, New Zealand conducting a parallel, independent reassessment duplicates effort without meaningfully improving outcomes.

Furthermore, where a substance is ultimately listed or restricted under an international convention, its future availability in New Zealand will be affected regardless of EPA's own reassessment. The regulatory resources spent on that reassessment could instead have been used to approve newer, safer replacement products – exactly the tools growers need to transition away from the older chemistry that conventions are seeking to phase out.

The burden of these reassessments does not fall on EPA alone. Industry is routinely required to provide information on current use patterns, economic impacts, and available alternatives. Compiling this information is time-consuming and costly. Where reassessments largely duplicate international reviews already underway, these costs can be difficult to justify for both regulators and industry.

Chlorpyrifos illustrates this issue. By the time EPA completed its reassessment in 2025, the substance had already been restricted or banned by multiple major jurisdictions and was being considered under the Stockholm Convention. While New Zealand-specific considerations may sometimes justify independent reassessment, this case demonstrates the opportunity to make greater use of international reviews rather than replicating them in full.

7.2. Recommended Amendment

HortNZ recommends that section 20C be amended, or that a new provision be inserted under section 20C or section 62, to require or enable the Authority to leverage international convention reviews rather than conduct duplicative parallel reassessments. Specifically:

- The Authority should not be required to give highest priority to reassessment of hazardous substances that are already subject to active review under the Rotterdam or Stockholm Conventions, or equivalent recognised international processes; and
- The Authority may satisfy its reassessment obligations in respect of such substances by adopting or having regard to the outcomes of the relevant international review, rather than conducting a full independent reassessment, where it is satisfied that the international review adequately addresses the risks relevant to New Zealand.

This does not prevent the Authority from conducting a reassessment where there are New Zealand-specific risks not captured by the international process. It also does not affect growers' ability to continue using a substance during the international review period, including where an exemption has been granted under the relevant convention – existing approvals and exemptions would remain in effect until the Authority makes a determination.

OUTCOME SOUGHT:

Suggested wording for insertion after section 20C(4):

"The Authority should not conduct the reassessment of a hazardous substance that is the subject of an active review under an international convention to which New Zealand is a party, including the Rotterdam Convention on the Prior Informed Consent Procedure and the Stockholm Convention on Persistent Organic Pollutants."

8. Group Standard (S96C) – Expand Use for Low-Risk Products

8.1. The Issue

Group standards are an efficient regulatory tool – rather than assessing each hazardous substance individually, the EPA can manage a category of similar substances through one set of conditions. Expanding their use, particularly for lower-risk products reduces the assessment burden on both regulators and applicants.

The Bill makes several amendments to the group standards provisions, including inserting a new section 96AB clarifying the effect of group standards, streamlining application requirements, and removing some procedural steps from section 96C. These are largely administrative in nature.

We propose clarification of the circumstances in which group standards can be used. This could be addressed by updating the threshold test in section 96C – requiring the EPA to be satisfied that a group standard is a "more efficient and effective" way of managing risks. We propose that the EPA is directed or encouraged to consider group standards proactively for products with well-established international safety profiles or inherently lower risk characteristics.

8.2. Recommended Amendment

We propose amendments to proactively consider whether a group standard is appropriate whenever a category of similar lower-risk products is being assessed, rather than treating group standards as an exceptional alternative to individual approvals.

Specifically, section 96C should be amended to include a direction that, where a hazardous substance or category of substances has been assessed as lower-risk by a recognised international regulator, the EPA must consider whether a group standard is the appropriate approval mechanism before proceeding with individual assessments. This would shift group standards from a reactive tool into a default consideration for lower-risk product categories, reducing duplication and freeing regulatory resources for more complex assessments.

OUTCOME SOUGHT:

Insert subsection 96B (1)(c) The Authority must, as a starting point, consider a group standard for products already assessed as low risk by a recognised international regulator.

9. Levy on Importers and Manufacturers – Improve Efficiency Before Introducing Levy

9.1. The Issue

The proposed levy framework under new sections 20D–20J establishes a cost-recovery mechanism for the regulation of hazardous substances, imposed on importers and manufacturers. While the levy is not directly imposed on growers, it is likely to be passed through supply chains and reflected in the cost of crop protection products.

HortNZ is concerned that the levy may increase costs for growers while reducing incentives for suppliers to register and maintain products in New Zealand's small market. HortNZ is also concerned that the policy case for introducing a levy has not been sufficiently established. The Regulatory Impact Statement identifies a funding shortfall within the EPA's hazardous substances functions and notes that application fees recover only a small proportion of regulatory costs[11]. However, the analysis gives limited consideration to whether regulatory costs themselves could be reduced through structural efficiency improvements.

As outlined throughout this submission, significant opportunities exist to reduce duplication and improve regulatory efficiency, including greater reliance on trusted international assessments, reducing unnecessary reassessment activity, streamlining approval pathways, and improving coordination between regulatory systems. These reforms are consistent with the Government's objective of improving access to agricultural and horticultural products and have the potential to reduce regulatory workload while improving system performance. HortNZ asks that these efficiency measures are implemented and evaluated before additional cost-recovery mechanisms are introduced.

9.2. Recommended Amendments

We consider the priority should be to implement the efficiency and system improvements outlined elsewhere in this submission and reassess regulatory funding requirements once those reforms have been given effect. If a residual funding shortfall remains, targeted adjustments to existing fees could be considered. HortNZ considers that introducing a new

[11] RIS-Omnibus-changes-to-the-Hazardous-Substances-and-New-Organisms-Act-1996.pdf

levy should only be considered after other opportunities to improve efficiency and recover costs through existing mechanisms have been exhausted.

OUTCOME SOUGHT:

Option 1. (Preferred) Remove sections 20D–20J from the Bill.

Option 2.

Insert subsection 20G(2)(aa) the Authority is required to demonstrate that efficiency opportunities have been explored.

Insert subsection 20G(2)(c) the Authority is required to link any levy revenue collected to measurable improvements in performance and timeliness.

Add wording like 20G(4)(aa) the Authority should assess impacts on product availability and the whole supply chain when specific amount of levies.

10. Achieving Meaningful Reform for Growers

HortNZ's overarching message to the Select Committee is: the Government set out to deliver meaningful reform for growers, and the case for doing so remains compelling. The amendments proposed in this submission are intended to maintain robust environmental protections while ensuring the Bill goes far enough to ensure it delivers the outcomes it was designed to achieve.

HortNZ notes that reviewing both the HSNO Amendment Bill and the companion ACVM Amendment Bill has highlighted the extent to which New Zealand's dual-agency approval framework continues to create duplication, complexity, and delay. While the Bills introduce some administrative measures to improve coordination, our proposed amendments seek to address the underlying structural issue that crop protection products remain subject to two separate regulatory approval systems. In the longer term, HortNZ considers that a single integrated approval framework should be explored to improve efficiency, accountability, and consistency across the regulatory pipeline.

A precautionary approach that appropriately considers probability alongside hazard and balances with benefits, approval pathways that default to international reliance rather than duplicating overseas assessments, timeframes that function as genuine accountability mechanisms, and a fit-for-purpose pathway for biopesticides are not radical proposals. They are key conditions for improving growers' access to crop protection products and to support the productivity, resilience, and international competitiveness of New Zealand horticulture.

HortNZ urges the Committee to use this opportunity to close the gap between the Government's stated intent and what the Bill will achieve in practice, so that the reforms deliver meaningful benefits for growers, consumers, and the wider New Zealand economy.

Some of HortNZ's proposed amendments in this submission strongly align or are mirrored with our submission on the ACVM Amendment Bill. This highlights the regulatory system across both Acts is strongly intertwined and there is a degree of duplication and reform required across these bills.

PART 4

Summary of Decisions Sought

Without limiting the generality of the above, HortNZ seeks the following decisions on the Bill, as set out below, or alternative amendments to address the substance of the concerns raised in this submission and any consequential amendments required to address the concerns raised in this submission.

Additions are indicated by underline, and deletions by strikethrough text.

Provision	Support/ oppose	Reason	Decision sought
Precautionary approach	Oppose current approach	EPA treats scientific uncertainty as grounds for refusal without adequately considering probability of harm or economic and social impacts under s5	Add additional wording for section 7 in HSNO Act: "In exercising caution under this section, the Authority must have regard to the probability that potential adverse effects will occur in practice, having regard to the proposed conditions of use and the best available scientific information regarding likely exposure and effect." "In exercising the precautionary approach under this section, the Authority must have regard to the full range of principles set out in section 5." "The Authority is required to publish a policy framework outlining how it applies the precautionary approach in practice."
Clause 31 Section 28A amended - Rapid international assessment	Support in principle; oppose as drafted	Pathway is applicant-triggered, blocking grounds are broad and undefined, and a procedural trap discourages use.	Option 1 (preferred). Create a standalone International Assessment Pathway. Move section 28A(2)(ab) into a new section (e.g. section 28B International Assessment Pathway), making it a mandatory pathway with limited exclusions. Option 2: Amend section 28A to clearly require use of the pathway and specify when the Authority may decline it. • 28A(1): The Authority ~~may~~ is required to make a rapid assessment of the adverse effects of importing or manufacturing a hazardous substance ~~if an~~

			~~application under section 28 to import or manufacture the substance requests that the Authority make a rapid assessment of those effects~~. Delete ~~s28A(3) (c): significant effects in an area in which the Authority lacks sufficient knowledge or expertise~~
Clause 33 New sections 29A to 29AC inserted - Temporary approval	Support in principle; oppose as drafted	Four-year expiry insufficient to justify commercial investment. Pathway unavailable where rapid assessment is pending, creating a disincentive to use the preferred pathway.	Amend *new clause 29AC*, a temporary hazardous substance approval expires on the earliest of the following: • the expiry date specified in the approval (which must be no later than ~~4~~ <u>10</u> years after the date on which the approval is granted) Delete 29A (2) ~~(2) A person may not apply for a temporary hazardous substance approval if—~~ ~~(a) the person has requested, in their application under **section 28**, that the Authority make a rapid assessment under section 28A; and~~ ~~(b) the Authority's determination as to whether to make the rapid assessment or approve the hazardous substance is pending.~~
Clause 87 Sections 55 to 59A replaced – Timing, etc, and notification of decisions	Oppose as drafted	Moving timeframes to regulations risks allowing regulators to reset deadlines to match output rather than improving performance.	Option 1: Remove entire section 55, with similar removal from the ACVM Amendment Bill. Option 2: Have regulations that mirror and complement each other under the ACVM and HSNO Acts, to allow for one pipeline for regulatory timelines. <u>Under each option, the following is required:</u> • <u>Revised timelines</u> • <u>Joint public reporting by each agency</u> • <u>Amendment to allow for discount on fees payable is statutory timeframes are not met.</u>
Biopesticide pathway	Oppose omission	No dedicated pathway despite inherently lower risk profile.	Insert subsection <u>140(1)(u) prescribing biological products eligibility criteria, assessment requirements, approval timeframes, and the use of recognised international regulatory assessments</u>.

Clause 19 Section 20C amended (Reassessment work plan)	Oppose as drafted	EPA duplicates work already underway under Rotterdam and Stockholm Conventions, consuming resources needed for new product approvals.	Insert subsection 20C(4) d: The Authority should not conduct the reassessment of a hazardous substance that is the subject of an active review under an international convention to which New Zealand is a party, including the Rotterdam Convention on the Prior Informed Consent Procedure and the Stockholm Convention on Persistent Organic Pollutants.
Clause 135 Section 98B amended (Group Standards)	Support in principle; oppose as drafted	Amendments are administrative only and do not expand use for lower-risk products. Threshold test in s96C unchanged.	Insert subsection 96B (1)(c):The Authority must, as a starting point, consider a group standard for products already assessed as low risk by a recognised international regulator.
Clause 20 Levy	Oppose	The Bill proposes new cost recovery before addressing known inefficiencies, risking higher costs and reduced product availability.	Option 1. Remove sections 20D–20J from the Bill. Option 2. Amendments made to 20G Insert subsection 20G(2)(aa) the Authority is required to demonstrate that efficiency opportunities have been explored. Insert subsection 20G(2)(c) the Authority is required to link any levy revenue collected to measurable improvements in performance and timeliness. Insert subsection 20G(4)(aa) the Authority should assess impacts on product availability and the whole supply chain when specific amount of levies.