

16 March 2022

Future Pathways Consultation  
MBIE

(By email)

**Natural Health Products New Zealand Submission on the Future Pathways Green Paper**

Dear Future Pathways

Natural Health Products NZ, the peak industry body represents over 80% of the natural health sector. Our members include manufacturers of ingredients and consumer brands of functional foods, dietary supplements, cosmetics (skincare) and animal health products. Our products are sold domestically and exported to many countries across the world. We take New Zealand primary produce along the chain from volume to value. A key component of our members success is the ability to develop and market unique New Zealand ingredients and products with proven health benefits. To enable this, we engage with research organisations throughout New Zealand to develop solid evidence bases for the health functions of our products and ingredients and to develop new and novel offerings.

We work with nearly all of the Universities, Crown Research Institutes and other research providers within New Zealand. Often research programs are co-funded by government agencies through the likes of MBIE's Callaghan Innovation, MPI's Sustainable Food and Fibre Futures, High Value Nutrition National Science Challenge and other government funded programs. We utilise these excellent research providers as a 'total New Zealand' package for developing new ingredients and products where the source, research and development, manufacturing and IP are all held within our New Zealand member companies.

As such it is vital that the ability for high quality and accessible research continues. Our members contribute more than \$2.3 billion to the New Zealand economy and the local high-quality research capability is a key part of our association's strategy to grow this significant input even further in the coming years.

New Zealand Universities and CRIs through these research partnerships spend many millions of dollars annually on research of our unique natural health ingredients and products. Often this is to quantify and qualify health benefits and this knowledge is utilised to New Zealand companies' competitive advantage in the global market place. There is, however, a disconnect between research results and the regulatory environment governing natural health products in New Zealand. Due to decades of government's failures to enact regulatory reform to provide New Zealand with a modern fit-for-purpose regulatory regime, we are stuck with a system that prohibits many health benefit claims that are permitted in other countries. Health benefit claims cannot be communicated on-pack for product sold within New Zealand, but also for product that is exported. The lack of an export-only exemption for products further constrains our ability to demonstrate the efficacy and quality of our products and disadvantages the sector when competing in the marketplace abroad.

It is fair to say that research dollars are wasted currently, as the health benefit claims that the research generates cannot be legitimately used in the market to support consumers understanding of the function of ingredients and products.

Natural Health Products New Zealand submits that urgent regulatory reform is required to enable full value to be gained from research and development in our primary produce and high value natural health products in New Zealand, including for exports. We are working diligently with the Ministries of Health and Primary Industries to achieve this but have not had success to date.

We recommend Future Pathways engage with the MoH and MPI to this end on this issue and we are happy to facilitate a conversation as our sector knowledge and experience can assist with understanding these issues and their impact both locally and in overseas markets.

Natural Health Products NZ would also like to see an increased focus on research involving mātauranga Māori particularly with respect to native flora and fauna. We offer our expertise willingness to engage in this area as one significant hurdle for commercialisation of native flora and fauna (as and if appropriate) is permissibility in international markets. We recommend a working group including Natural Health Products NZ be established to qualify research programs to meet international regulatory requirements for permissibility to enable commercialisation (as and if appropriate). This is a significant barrier to export of native food ingredients and products based on rongoā Māori where traditional use paradigms may require scientific substantiation for permissibility purposes.

We applaud research into New Zealand grown and sourced ingredients and products and hope that Future Pathways enables even more discovery of knowledge for both academic and commercial purposes. The New Zealand research sector has always punched well above its weight internationally and we look forward to Future Pathways enabling this further.

Yours sincerely

**Natural Health Products NZ**



Samantha Gray  
**Government Affairs Director**