

Aide-Mémoire

Meeting with Natural Health Alliance

Date due to MO:	10 April 2024	Action required by:	N/A
Security level:	IN CONFIDENCE	Health Report number:	H2024039199
To:	Hon Casey Costello, Associate Minister of Health		
Consulted:	Health New Zealand: <input type="checkbox"/> Māori Health Authority: <input type="checkbox"/>		

Contact for telephone discussion

Name	Position	Telephone
John McGrath	Director, Priority Projects Strategy Policy and Legislation	s 9(2)(a)
Tim Vines	Manager, Therapeutics Strategy Policy and Legislation	s 9(2)(a)

Aide-Mémoire

Meeting with Natural Health Alliance

Date due: 10 April 2024

To: Hon Casey Costello, Associate Minister of Health

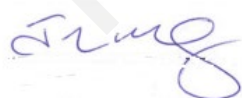
Security level: IN CONFIDENCE **Health Report number:** H2024039199

Details of meeting: Wednesday 1 May, 3pm – 3.30pm, 2.035PH

Purpose of meeting/proposal: To discuss next steps for the regulation of natural health products once the Therapeutic Products Act 2023 has been repealed.

Comment: **Meeting with Natural Health Alliance**

- Natural Health Alliance supports the regulation of natural health products (NHPs). However, it strongly opposed three previous bills that have attempted to regulate them (including the Therapeutic Products Act) on the basis they overregulated NHPs.
- Natural Health Alliance is particularly concerned about impacts on importers and small to medium sized businesses that supply domestically. It considers previous regulatory attempts would have significantly increased consumer prices and reduced the range of available products.
- NHP stakeholders have divergent views on the regulation of NHPs. This includes Natural Health Products NZ who you met with on 21 February 2024 and Consumer Healthcare Products NZ who you are meeting on 11 April 2024.
- The Ministry continues to liaise with all NHP stakeholders.



John McGrath
Director, Priority Projects
Strategy, Policy and Legislation

Purpose

1. You are meeting Carla Swan, Society Officer for Natural Health Alliance from 3-3:30pm on Wednesday 1 May in your office. Patrick Fahy, Chairman of the Alliance, is also likely to attend.
2. The purpose of the meeting is to discuss the next steps for the regulation of natural health products (NHPs) once the Therapeutic Products Act 2023 is repealed.
3. **Appendix One** provides a short biography on Carla Swan and Patrick Fahy. **Appendix Two** provides the letter from Natural Health Alliance requesting an interview.
4. Officials attending the meeting will be:
 - John McGrath, Director Priority Projects, Strategy Policy and Legislation
 - Tim Vines, Manager Therapeutics, Strategy Policy and Legislation.

Background

5. Natural Health Alliance is made up of growers, manufacturers, suppliers, practitioners and consumers of NHPs.
6. Natural Health Alliance was formed in 2003 to oppose the Treaty document signed between the New Zealand and Australian governments to establish a single joint trans-Tasman Therapeutic Products Agency (ANZTPA). It considers importers view the Australian regulatory system 'a trade barrier to the Australian market and protectionist for Australian manufacturers'. It believes 'the inevitable consequence of "harmonising" with Australia's restrictive system would have been to significantly increase the cost of dietary supplements and decrease the range that would be available to consumers in New Zealand'.
7. The legal instrument for ANZTPA was repealed in 2007 and new work on a New Zealand—only Bill began. In 2009, the National Party and Green Party of Aotearoa agreed to develop a stand-alone Bill for NHPs, which was introduced in 2011.
8. The Natural Health Alliance also opposed this Bill, arguing that it proposed the same heavy-handed regulations on the sector that were imposed in Australia. It considered the Bill would favour large manufacturing companies that export NHPs rather than small to medium sized businesses supplying domestically. It particularly opposed a 'pharmaceutically based "permitted list" of ingredients approach' (ie, that only permitted ingredients could be added to a NHP).
9. The NHP Bill, which passed its second reading in 2013, lapsed in 2017 when the Labour Party and NZ First formed a new Government.
10. A regulatory regime for NHPs was included in the Therapeutic Products Bill following a Cabinet decision in July 2021. Natural Health Alliance opposed this move as it considered the Bill classified NHPs like pharmaceuticals and imposed a high degree of regulation. It stated these products have been regulated for many years under the Food Act with no problems. It claims that 'no-one has died or been hurt through consuming such natural remedies'.

Natural Health Alliance supports regulation

11. The Natural Health Alliance has stated that it is pro-legislation and recognises that regulation of NHPs needs to be reviewed and updated. On its website, it supports:

- 'a new stand-alone office of NHPs be established, separate to a pharmaceutical regulatory authority, with a new ministerial position as its head and funding to similar level as for other industries
- persons appointed to run the new authority should be free of conflicts of interest and be generally acceptable to the natural health industry
- the availability of naturally occurring ingredients (or their 'Generally Recognised As Safe' (GRAS) synthetic equivalents) should only be restricted when there is robust evidence of harm. The same criteria should also apply for setting maximum dosage levels. Such restrictions should apply only to the form of the ingredient where harm was proven
- that the new regulatory authority be internationally accepted and promoted for the benefit of exporters
- that a multi-tiered structure for allowing natural health claims be established. Advertisers would be required to maintain research files for claims made at any level
- that clear guidelines should exist to differentiate the validity of claims such as 'clinically proven', 'supports', or 'may support'
- that affordable, pragmatic testing requirements are established for importers of products from countries without a robust regulator, or for very small New Zealand manufacturers
- that all products, ingredients and dosages currently available in New Zealand would be acceptable for sale in New Zealand. That efforts be made to educate allopathic medical practitioners on the benefits of certain nutritional supplements for non-critical medical conditions
- that a penalties structure for lack of compliance be set at levels considered normal for other industries in New Zealand'.¹

Risks

12. The Cabinet paper to repeal the Therapeutic Products Act 2023 is intended to be considered by the Cabinet Social Outcomes Committee (SOU) on 1 May 2024, which is one of the proposed dates for meeting the Natural Health Alliance. Cabinet will not yet have had an opportunity to consider and confirm any decision by SOU.
13. There is a risk that – with this matter still under active consideration by the Government – that you will not be able to provide the degree of clarity or assurance that representatives of the Natural Health Alliance may want.

Next steps

14. The Ministry of Health will provide you with advice on the future regulation of NHPs in June 2024. This advice will also reflect work to improve the NHP export regime, being led by the Minister for Food Safety, the Hon Andrew Hoggard.

¹ 'Goals', <https://www.naturalhealthalliance.co.nz/about-us/>



Talking points on natural health products

- Thank you for taking the time to talk to me about the next steps following repeal of the Therapeutic Products Act.

s 9(2)(g)(i)

PROACTIVELY RELEASED

Appendix 1 - Biographies of potential representatives from Natural Health Alliance

Carla Swan – Society Officer, Natural Health Alliance	
	<p>Carla Swan is the General Manager at Nature's Sunshine Products, a herbal supplements, family-owned business that has been operating for more than 50 years.</p>
Patrick Fahy (Paddy) – Chairman, Natural Health Alliance	
	<p>Patrick Fahy is the owner and Managing Director of Nature's Sunshine Products, which aims "to help and assist consumers to maintain their own health and well-being". Paddy has "over 40 years' experience in the health and wellness industry, is a naturopathic physician and nutritional biochemist with extensive knowledge in the formulation and manufacturing of nutritional supplements, homeopathic, natural skin care, and functional food preparations".</p> <p>Patrick is also the owner of Nutricom Australasia, a New Zealand company which was formed in 1998.</p> <p>Patrick was instrumental in forming the Natural Health Alliance in 2003 in response to the Treaty document signed between the New Zealand and Australian governments to establish a single joint trans-Tasman Therapeutic Products Agency (ANZTPA). He continues to be the Chairman of Natural Health Alliance.</p>

Appendix 2 – Natural Health Alliance letter to Hon Casey Costello requesting a meeting

From: Carla Swan - Natural Health Alliance s 9(2)(a)

Sent: Thursday, March 14, 2024 4:02 PM

To: 'Casey.Costello@parliament.govt.nz' <Casey.Costello@parliament.govt.nz>

Cc: 'C.Costello@ministers.govt.nz' <C.Costello@ministers.govt.nz>; s 9(2)(a)

Subject: Re: Natural Health Alliance Meeting with Casey Costello

Good afternoon, Casey.

I do hope you are well.

Following our discussion at the recent NZ First fundraising dinner held in Auckland, as mentioned we would like the opportunity to meet with you at your earliest to discuss moving forward once the Therapeutic Products Act has been repealed.

It is important that we have a stable regulatory environment which reduces bureaucratic oversight while at the same time protecting consumers.

We understand that as Associate Health Minister you will be very busy with commitments, therefore we are happy to travel to meet with you in Wellington should your Auckland schedule be full.

I look forward to hearing from you.

Yours sincerely

Carla Swan

Society Officer

Natural Health Alliance Incorporated

Mobile: s 9(2)(a)

www.naturalhealthalliance.co.nz

s 9(2)(a)

