

Chong Newztel Ltd

Media Monitoring of press, broadcast, internet and advertisements

Govt announces regulatory of Trans-Tasman therapeutic

Item code : TV120070717071134BC0

Job name : Leader of the Opposition (OPPN)

TV One 17 July 2007

Breakfast

Time : <07:11:34 - 07:19:28>

Duration : 473 seconds

PRESENTER (KAY GREGORY): Well it was a controversial plan from the very start to establish a joint agency with Australia to regulate what's termed therapeutic products and complementary medicines. Opponents of the bill fought to have it pulled, holding a series of rallies around the country. Yesterday the Government announced they're putting the bill on hold, not dumping it, but putting it on hold until they have the numbers in the House to push it through. State Services Minister Annette King is here to explain that move and from Christchurch we're joined by lawyer Amy Adams of the New Zealand Health Trust and if can come to you first, Minister, could you explain to us simply what the aim of the bill was in the first place.

HON. ANNETTE KING (STATE SERVICES MINISTER): The aim was to regulate across the three products that you've just mentioned across, um, pharmaceuticals, medical devices, complementary medicines and but also actually blood and tissues and to do that in a joint way with Australia to ensure that we could put in place the highest quality, ah, regulator for those products for the safety of the public, for the quality of the product, ah, but also for the honesty of the product.

PRESENTER: What's wrong with the way we do it now.

KING: Well in fact we don't do it now. We regulate our pharmaceuticals, we don't regulate our medical devices, um, in New Zealand at all and we have very little regulation on complementary medicines and this was an opportunity to get the

Chong Newztel Ltd

Media Monitoring of press, broadcast, internet and advertisements

economy of scale, to be able to get into a regulator where we would be able to have the best standard to compete with many other parts of the world where they've already formed blocks to, ah, create regulators, the United States, the European Union and this was a fantastic opportunity that was worked through over a decade actually, Kay, um, it started under the previous National Government and we worked through those issues, um, each along the way compromising, making the changes to suit, ah, New Zealand which didn't have the same regulation as Australia.

PRESENTER: Well if it's such a fantastic opportunity why has it fallen apart.

KING: Well the truth is that I do not have the votes in Parliament, ah, to, ah, proceed with it at this stage, um, I did have the votes, um, I had the votes, um when I introduced it, in fact worked very well with, um, United Future and New Zealand First. Ah, changes in the votes of two members who became independents, affect that. Ah, Act Party worked very well to see if there was a compromise and there has been a lot of good work by Parliamentarians looking at how we could modify it and in fact the New Zealand First proposal I think was, um, one that the Australians would go with where we had a two tier system for complementary medicines. Those, um, medicines that are complementary medicines that wanted to be in the joint regulator could be part of it. Those that didn't which are many of the members of the Health Trust could have been regulated New Zealand only.

PRESENTER: A huge amount of opposition though from the public wasn't there. You have to admit that.

KING: Well I don't know whether you actually ever heard from the

Chong Newztel Ltd

Media Monitoring of press, broadcast, internet and advertisements

public. You heard from, ah, some of the public. Ah, for example there are a large number of those who make complementary medicines who want to be in the joint regulator. They're not in Australia now but they want to be because they want to have the quality, they want to ensure that they can access 20million people for their product, um, and, and their voices were seldom heard and also neither was there the hundreds of thousands of dollars that were put behind this campaign right throughout newspapers and so on by the Health Trust and others.

PRESENTER: All right let's come to Amy Adams from the Health Trust. Amy what was your problem with this bill.

AMY ADAMS (NEW ZEALAND HEALTH TRUST): Well look despite what the Minister said our problem with the bill is really very simple. It was going to put in place a compliance regime that was totally out of step with the actual demonstrated risk profile of the products. Now I mean our concern was primarily with natural health products. We weren't so concerned at looking in other areas and what we've always said and what the other members of Parliament have always said is you need to take natural health products out if you want to go down this track and that's what the Government wasn't prepared to do and what actually happened is that the majority of MPs in the House like us looked at the proposal and saw that it was going to be bad for New Zealand in the final analysis. It was going to impose costs on products that are predominantly safe and costs that were going to see up to two thirds of the products currently available in New Zealand taken off the shelves because they simply could not afford to comply with these regimes. So it was an issue with the safety of the products. There's been very, very little safety issues with these products. It was all about over blown compliance costs that weren't going to do

Chong Newztel Ltd

Media Monitoring of press, broadcast, internet and advertisements

the public any good at all.

PRESENTER: But don't we need some regulation because we can't entirely guarantee that everything is safe.

ADAMS: Of course we do and look we've always been a supporter of regulation. Right from the outset the Health Trust and others have said this industry needs good regulation. It needs to be a system of laws that the public could have confidence in. We're a consumer group. Our interest is to see a system of regulation that is going to be in the best interest of the consumer. That's a system that provides some assurance about what's in products and about the information that people can say in terms of what a product will do. What it isn't is a system that is actually going to kill business innovation and remove product choice and push product prices up because it goes far beyond, you know, what's actually required.

PRESENTER: Because it could be said that this is just a whole lot of health, vitamin pill manufacturers spitting the dummy because they're worried about their future.

ADAMS: Well, you know, not at all I don't think so. But I think it's fair enough for businesses to stand up for their livelihoods and, you know, the majority of businesses are very concerned about this proposal. The few that are supporting it tends to be businesses that are already operating in Australia, are Australian-owned and have large market share. What you've got here is a few dominant players looking to wipe out the smaller competition. But from our perspective what we were concerned about is what that meant to, to the health product consumer at the end of the day and we're talking about two and a half million New Zealanders who use these products. They have a right to safe products but these are products that have a lower risk profile than food. You need to

Chong Newztel Ltd

Media Monitoring of press, broadcast, internet and advertisements

regulate them in accordance with that risk profile and that's what the Government has failed to do here. They've tried to imply (sic) a pharmaceutical standard where it's just not warranted.

PRESENTER: Let's go back to Annette King now. What happens now. It's on hold, realistically is it dead in the water.

KING: Ah, no, I think.

PRESENTER: Because it looks that way doesn't it.

KING: Well I think what we've got to look at here, Kay, is what compromises we could get that would be acceptable to all parties. You see part of the problem has been misinformation. Seventy percent of the products that are on the market, ah, in New Zealand are in the market in Australia. So to say two thirds are going to be taken off...

PRESENTER: So we've basically got to start all over again is that what you're saying.

KING: No I, what I would, what I think needs to happen is there needs to be some clear heads to sit down and say what would work as a compromise. We ran out of time basically, Kay, because the Australians needed to know, ah, by yesterday whether, ah, we had the votes to proceed because they needed to introduce the mirror legislation which is the same as the New Zealand legislation, they've set us up as a joint regulator. Because they're coming into an election they needed to introduce it if it was going to be passed before their election. I could not give them that assurance, ah, and they have agreed that we put it to one side.

PRESENTER: All right.

Chong Newztel Ltd

Media Monitoring of press, broadcast, internet and advertisements

KING: But this is about the safety of the public. I'm not here because of some self interest that I have. My concern has always been for the best for New Zealanders, for the safety of New Zealanders and that includes, ah, the manufacturers and many of the manufacturers do not export to Australia but they want to be in the best possible position.

PRESENTER: All right, if I can come back to Amy for the final word. Your reaction to that.

ADAMS: Well look at the end of the day we're, we're very pleased that the bill's been put on hold. It really reinforces what we've been saying for four years which is that this bill isn't going to work for New Zealand and the fact that the Minister can't get the votes just reinforces that. What we do feel though is that putting it on hold is really not a satisfactory state of affairs. It leaves everyone in limbo and what really needs to happen now is for the Government to accept that this isn't going to work and get behind building a world leading system of regulation based here in New Zealand. That's what we've always wanted.

PRESENTER: All right, okay, Annette King and Amy Adams thank you very much for being here this morning.

KING: Thank you.

ADAMS: Thank you.

ENDS