Gráinne Moss

Real Results
modernising New Zealand's agricultural and horticultural products system

Abstract
New Zealand's agriculture and horticulture sectors underpin food security, export earnings and rural livelihoods, yet their regulatory frameworks have long been criticised for complexity, fragmentation and slow adaptation to emerging risks. In 2024, the Ministry for Regulation initiated a comprehensive review to modernise these settings, reduce regulatory compliance burden and enable innovation, while safeguarding environmental and consumer outcomes. This article explains how the review was conducted, and outlines key findings: overlapping statutes, inconsistent enforcement and barriers to sustainable practices. Finally, the article considers the review's recommendations, focused on consolidation, risk-based regulation and adaptive standards. One year on, implementation is delivering tangible results: more streamlined approval processing, improved requirements for manufacturers, and early signs of investment in sustainable technologies. The review demonstrates the value of system-wide regulatory stewardship and anticipatory regulation in a small, high-trust democracy. Lessons from this process offer a blueprint for future regulatory reform across primary industries and beyond.

Keywords agriculture, horticulture, regulatory reform, Ministry for Regulation, risk-based regulation, adaptive standards, regulatory stewardship, New Zealand, global consolidation, modernising, agrichemicals

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Key statistics

- New Zealand's market is small: in 2022, New Zealand accounted for 0.1% of global use/distribution of pesticides.
- One of New Zealand's major crops – apples – represents only 0.6% of global apple production, and global apple production is only one-tenth the size of global maize production, the largest global production crop.
- The agriculture and horticulture sector generates NZ$43 billion in export revenue for New Zealand, which is half of all our export revenue and 10% of New Zealand's GDP.
- New active ingredients can cost over NZ$460 million to bring to a major market, including research and development (Agbioinvestor, 2024).
- A scenario considered by an independent consultant estimated that to bring a product such as a novel inhibitor (already marketed overseas) to market in New Zealand would cost between NZ$1 million and $4 million (Sense Partners, 2024).

Introduction: Why modernisation was needed

New Zealand's agriculture and horticulture sectors underpin food security, export earnings and rural livelihoods. These sectors rely on agricultural and horticultural products to protect and manage plants and animals, making them central to both the economy and the resilience of food systems.

New Zealand operates in a small and geographically remote market, with distinct environmental conditions and limited proximity to major manufacturing bases. These factors can constrain access to new products and increase the importance of well-functioning regulatory systems for international competitiveness.

By 2023–24, there were clear signals that regulatory settings for agricultural compounds, veterinary medicines and hazardous substances were not operating as effectively as they could. The approvals pathway, spanning the Agricultural Compounds and Veterinary Medicines Act (ACVM) and Hazardous Substances and New Organisms Act (HSNO), was widely seen as fragmented, slow and insufficiently proportionate to risk. Stakeholders reported long time frames, duplication and limited use of trusted international assessments, with issues often emerging at system interfaces.

The Ministry for Regulation initiated a review in 2024 to modernise the approvals pathway, aiming to reduce unnecessary burdens and improve access to products while maintaining robust risk management. The review took a system-level approach to identify practical improvements.

New Zealand's exposure to export markets is substantial and concentrated: in the year to December 2024, goods exports to China were almost NZ$18 billion (around a quarter of all goods exports), exports to the United States reached about NZ$9 billion, and exports to Australia were approximately NZ$8.9 billion, with food and fibre products dominating all three markets. For a small, high-export economy, these regulatory systems function as critical infrastructure. Weak performance affects not only compliance costs but also market access, reputation and long-term economic resilience.

This article proposes that in small, high-trust systems, regulatory reform is most effective when system-level diagnosis is paired with a clear mandate to deliver measurable improvements.

The Ministry for Regulation inquiry model: key and innovative characteristics

The inquiry model

The Ministry for Regulation uses regulatory reviews to engage with those affected by regulation and identify how existing systems can be improved. Reviews are designed to ensure meaningful participation from affected individuals and organisations.

Review topics are identified using a transparent, risk-based approach, considering economic impact, system performance and stakeholder input. The ministry focuses on areas where regulation is a recognised problem and where reform can deliver clear benefits, particularly where its independence and system-wide perspective add value.

A defining feature is its focus on how regulatory processes operate across the system, including interfaces, decision points and time frames. In the agriculture and horticulture review, this meant analysing how the ACVM and HSNO Acts interact in practice.

The model places strong emphasis on stakeholder co-design, combining workshops, submissions, and targeted engagement with industry, regulators and policy agencies. It also blends formal analysis, such as economic modelling and legal testing, with practical insights from system users.

Ministry for Regulation reviews are time-bound, typically completed within six months, and are undertaken with a clear mandate for change. This enables analysis and implementation planning to proceed in parallel, with a focus on delivering actionable improvements rather than simply informing debate.

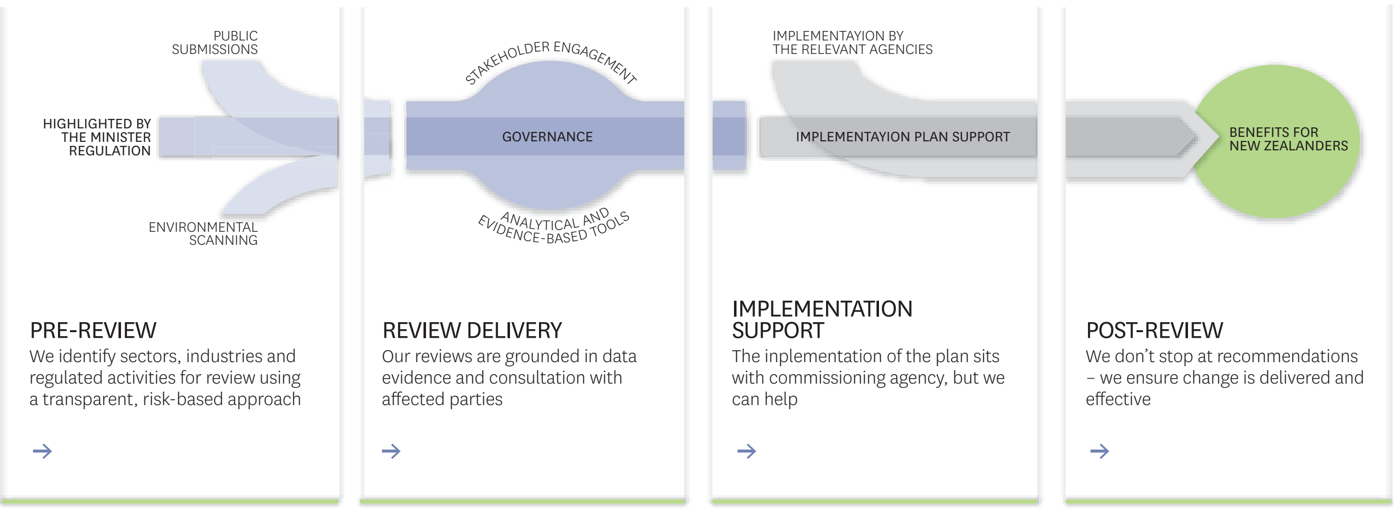
There are four types of regulatory review:

- whole sector: e.g., early childhood education sector;
- whole industry: e.g., hairdressing and barbering industry;
- a regulated activity: e.g., agricultural and horticultural products approval process.
- system focus: e.g., product labelling, which cuts across sectors and industries.

How the agricultural and horticultural products review was conducted

The review unfolded over three phases. The first was diagnostic, where we undertook a stocktake of statutes, decision nodes, queues/time frames, international comparators and historical knowledge. The second was engagement and analysis. We received 84 submissions and held multiple workshops/meetings with agencies, industry and experts; economic modelling was commissioned (from Sense Partners) to estimate productivity gains from faster access. The ministry worked closely with core agencies (the Ministry for Primary Industries (MPI),

Figure 1: The Ministry for Regulation review process



Ministry for the Environment and the Environmental Protection Authority (EPA)) throughout the review. It was supported by a sector reference group, which had membership from across product user groups, and a senior officials advisory group.

Our final and third phase was compiling a final report with recommendations and a roadmap which was presented to Cabinet, which endorsed the full set of 16 recommendations.

How does Ministry for Regulation work differ from Productivity Commission inquiries?

Ministry for Regulation reviews differ in important ways from those that were undertaken by the Productivity Commission. The reviews are similar in that they are independent, evidence-based and objective. However, the purpose, timing and role of the reviews are different.

Productivity Commission inquiries typically ran for around 18 months. They were designed to inform and stimulate public debate, with findings often considered by Cabinet as part of broader policy deliberations. In this sense, they tended to mark the start of a conversation about reform. Ministry for Regulation reviews, by contrast, are more targeted and time-bound, typically taking only six months and designed to deliver change.

What enables Ministry for Regulation inquiries to drive change?

The experience of the agriculture and horticulture review and other reviews undertaken by the Ministry for Regulation indicates that the distinctive contribution of Ministry for Regulation inquiries is not any single analytical tool or process. Rather, it is a combination of institutional position, mandate and delivery focus.

First, Ministry for Regulation reviews are undertaken with a clear mandate for change already in place. Unlike earlier inquiry models, which were often designed to inform debate, Ministry for Regulation reviews are commissioned on the basis that a problem exists and that reform is expected. This shapes both the scope and the pace of the work. It allows effort to be directed towards identifying implementable solutions, rather than establishing whether change is needed. In practice, this means that engagement, analysis and recommendation development occur alongside implementation planning, rather than as sequential steps.

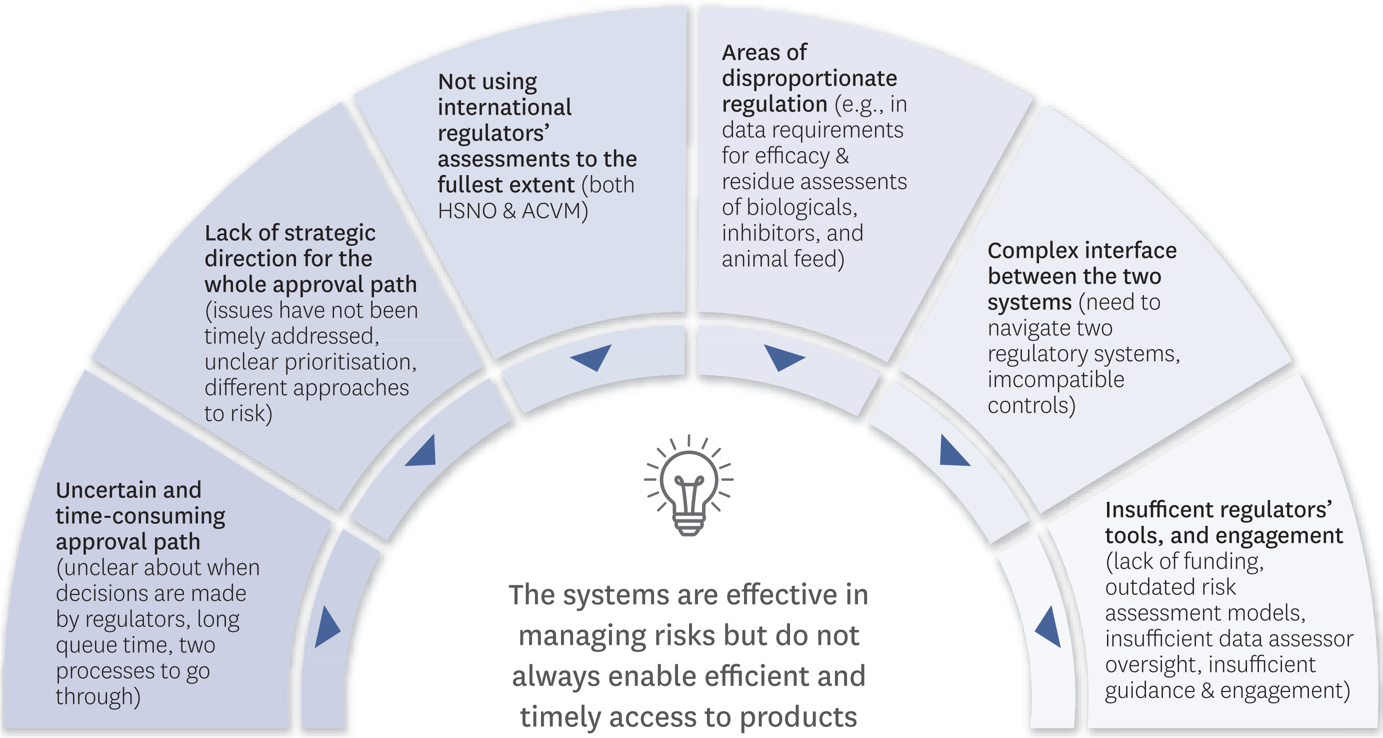
Second, the ministry's position as a central agency enables a whole-of-system perspective that is difficult to achieve through line agency-led reviews. Many regulatory problems arise not within a single statute or organisation, but at the interfaces between them. In the agriculture and horticulture case, the approvals pathway spanned two regulatory regimes and multiple agencies, with delays and inconsistencies emerging at these handoffs. The ability to map the system end to end, and to work across institutional boundaries, was a key enabler of reform. This convening role also supported more productive cross-agency discussion about trade-offs, particularly where objectives relating to safety, speed, environmental outcomes and innovation intersect.

Third, Ministry for Regulation reviews combine independence with proximity to decision making. Being separate from line agencies responsible for the regulatory systems under review helps to create space for challenge, particularly where there are established practices or incentives that favour the status quo. At the same time, the Ministry for Regulation operates within the system, working closely with agencies and ministers. This allows recommendations to be tested for feasibility as they are developed and supports faster translation into Cabinet decisions and operational change.

Fourth, the inquiry model places a strong emphasis on delivery. Reviews are time-bound and structured around producing a set of recommendations that can be implemented in practice, often with indicative roadmaps, sequencing and performance measures. This contrasts with more open-ended inquiry processes, where the pathway from recommendation to implementation can be less defined. In the agriculture and horticulture review, early improvements in queue management and time-frame performance were achieved alongside the development of longer-term legislative and system changes, illustrating how analysis and delivery can proceed together.

Formal analytical tools, including cost–benefit analysis, are used where they add value, but they are complemented by system mapping, stakeholder engagement and international comparison. This combination is particularly important in small and complex systems, where data may be incomplete, and where understanding lived

Figure 2: Issues with the approval path for agricultural and horticultural products



experience – such as how approval processes operate in practice – can be as important as formal modelling. The ability to triangulate across these sources helps to identify issues that may not be visible through any single lens.

Finally, it is important to acknowledge that this model also involves trade-offs. Time-bound reviews can constrain depth in some areas, and a centralised approach may weaken line-agency ownership if not carefully managed. Addressing this requires deliberate collaboration, testing of findings and shared ownership of solutions.

Taken together, these features explain the model's ability to deliver cross-system, time-sensitive reforms.

Findings: What was working and what was broken

Overall, the review found that the existing regulatory systems were effective in managing risks to human, animal and plant health, trade, agricultural security (biosecurity) and the environment. However, it found that there were some material issues to address.

Long and uncertain approval times

The review found that introducing a product with a new active ingredient could take up to 5.6 years, reflecting process duplication and interface inefficiencies across the ACVM and HSNO Acts. A significant portion of this time frame was attributed to the EPA's waiting list, highlighting the need for targeted changes to effectively reduce the queue.

Lack of strategic direction for the whole approval path

The approval path was split across two regulatory systems and needed strategic oversight to ensure it remained effective, proportionate and responsive to changes. Strategic direction would be best supported by proactive industry engagement.

Insufficient leverage of international decisions

Regulators did not consistently use trusted overseas assessments to avoid relitigation of risk where appropriate, which increased the difficulty of obtaining approvals. In a small market like New Zealand, geographically distant from manufacturing bases, this increase in difficulty mattered acutely.

Opportunities for efficiency with a more risk-based approach

A greater proportion of low-risk applications could be triaged to proportionate pathways (e.g., HSNO rapid routes, ACVM registration exemptions, self-assessable changes), allowing faster access to products without materially changing risk outcomes.

Insufficient regulator resources, tools and engagement

- HSNO technical models needed modernisation. Stakeholders and ministers noted the need to upgrade ecotoxicological risk assessment models to contemporary scientific standards to improve both timeliness and quality of decisions.
- HSNO emergency approvals were not used as envisaged. Emergency provisions, important for biosecurity responses, were underutilised due to design frictions.
- The ACVM independent data assessment framework needed to be strengthened. Industry sought more oversight to ensure the quality of assessments and avoid duplication.
- Regulatory functions should be adequately funded. Funding came from both the Crown and regulated parties through fees and levies. The review independently assessed the regulators' cost-recovery levels and reflected industry's concerns that cost recovery should be transparent, which would

lead to improvements in product assessments, and that industry funding should be efficiently used.

Recommendations: A blueprint for change

The review's recommendations were grouped into four pillars, each with implementation steps and performance measures.

Consolidation and clarity

Legislative changes should be made to streamline HSNO and ACVM approvals, clarify interfaces, and authorise faster routes where risks were well understood. Some opportunities the review identified include combined guidance and process maps, joint pre-application meetings with both regulators, and staff members who are a first point of contact to provide initial guidance for both regulatory systems.

Risk-based regulation and triage

The review recommended greater use of rapid HSNO pathways; ACVM registration exemptions and self-assessable changes for appropriate cases; and prioritisation frameworks to manage queues.

Adaptive standards and international leverage

The review recommended the use of trusted international regulators' assessments where appropriate to save time; updating HSNO risk models; strengthening the ACVM independent data assessment framework; and enabling adaptive technical standards responsive to science and market changes. Recommendations included more frequent training workshops and more active management of independent data assessors; prioritising engagement with international regulators to support harmonisation; and consideration of whether existing international risk models can be adapted for New Zealand's climate.

System leadership, transparent performance and effective industry engagement

The review recommended establishing a Sector Leader Forum to improve engagement and collaboration between regulators and regulated parties. This forum was expected to improve strategic direction and transparency of regulators' performance. This aligns with the review's recommendation that the regulators explore a strategic priority pathway to ensure that the products that are needed the most are not held up by the existing first come, first served queue.

Modelling by Sense Partners suggested that halving approval times would generate benefits to the New Zealand economy with a net present value of around $272 million over 20 years. This supported the case for triage and the greater use of international risk assessments.

One year on: tangible results

With Cabinet decisions in place and agencies mobilised, the early outcomes are encouraging.

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Queue and time-frame performance

ACVM registration approvals meeting 40 working day statutory time frames rose from 74% to 91% during 2024/25 (acknowledging variation for complex/novel compounds). ACVM met the 20% queue reduction target in June 2025, with a 30% reduction target set for June 2026. HSNO queues reduced 29% in 2024/25, with targets set for further improvements (37.5% queue reduction) in 2025/26 as additional staff are taken on and begin to work on more complex applications. In practice, reducing queue times required both process changes and additional resourcing; neither was sufficient on its own.

Operational upgrades

The EPA moved to prioritise and resource hazardous substances applications; risk model upgrades were funded and work planned (a new bird-risk calculator tool is now publicly available to improve some HSNO assessment processes). MPI's New Zealand Food Safety unit improved triage and time-frame performance, including progressing work to increase the use of exemptions and self-assessable changes. Work has also started on strengthening the external data assessor framework, with stakeholder engagement undertaken in March 2026. The two regulators are working closely together to improve the interfaces between the two systems. They are also strengthening their partnership and collaboration with international counterparts for efficiency gains.

In November 2025, MPI and the Australian Pesticides and Veterinary Medicines Authority signed a refreshed memorandum of understanding. Under the agreement, the two agencies are working together on maximising the use of each other's assessments, cross-training staff, and increasing the efficiency of regulatory processes.

Clarity and confidence

The Sector Leaders Forum is meeting every quarter to discuss systemic matters, including regulators' performance improvements. Industry feedback (from this forum and other engagement channels) has reflected improved transparency, and the distinction between domestic process improvements and global corporate rationalisation. This clarity helps avoid misattribution of plant closures or portfolio shifts to local regulation when the drivers are international.

International consolidation and context

The performance of domestic regulatory systems does not operate in isolation. In sectors such as agriculture and horticulture, global market dynamics play a significant role in shaping outcomes, including product availability, investment decisions and the pace of innovation.

The review found that global factors, including industry consolidation, portfolio rationalisation and changing investment strategies, play a significant role. These dynamics occur across jurisdictions and can affect product availability regardless of domestic regulatory settings. Distinguishing between these drivers is critical for effective policy design. Over-attributing outcomes to domestic regulation risks misdirecting reform efforts, while recognising global dynamics helps target improvements more precisely.

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Lessons for future reforms (and for small, high-trust democracies)

Lesson 1: System stewardship requires delivery, not just diagnosis

Experience from the agriculture and horticulture review suggests that the value of a review lies as much in the content and development of the final report as in what follows. Identifying and quantifying potential actions – including targets, resourcing decisions and performance measures – helps to ensure that recommendations translate into change. In this case, improvements in queue management and time-frame performance were achieved alongside the development of longer-term reforms, reinforcing that stewardship is an ongoing process rather than a one-off exercise.

Lesson 2: Risk-proportionate design enables both speed and assurance

A key insight from the review was that delays were not evenly distributed across the system. Significant time was spent processing low-risk or well-understood applications through full assessment pathways. Introducing more proportionate triage – including exemptions, rapid pathways and greater use of existing data – created scope to improve timeliness without materially changing risk outcomes. This suggests that, in practice, speed and safety are not always in tension if effort is targeted more precisely. The *OECD Regulatory Policy Outlook* (OECD, 2025) emphasises risk-based approaches to improve enforcement and innovation readiness – consistent with the Ministry for Regulation's approach.

Lesson 3: In small markets, international leverage is essential, but not sufficient on its own

New Zealand's scale and distance from major markets shape both regulatory challenges and opportunities. Greater use of trusted international assessments can reduce duplication and improve access to products. However, the review also highlighted that international alignment needs to be supported by domestic system capability – including clear pathways, updated risk models and sufficient resourcing – to translate those opportunities into actual improvements in access and timeliness.

Lesson 4: Diagnosis needs to distinguish system issues from global dynamics

Stakeholder concerns often focused on declining product availability or delayed access. The review found that these outcomes were influenced not only by domestic regulatory processes but also by global industry consolidation, portfolio rationalisation and firm-level strategy. Distinguishing between these drivers was important in shaping an effective response. Without this, there is a risk of over-correcting domestic settings in ways that do not address the underlying issue.

Lesson 5: Engagement improves the quality of both diagnosis and solutions

Structured engagement with industry, regulators and other stakeholders played a critical role in identifying issues that were not visible through formal data alone, particularly at system interfaces. It also helped test the feasibility of proposed changes and build shared understanding of trade-offs. Importantly, engagement did not end with the report; ongoing forums and feedback loops have continued to support implementation and system improvement.

Practical next steps

For regulators:

- continue queue reduction targets and publish performance dashboards;
- institutionalise international assessment leverage (mutual recognition/use of trusted dossiers);
- complete risk model upgrades and establish an ongoing technical standards refresh cycle;
- collect and check the experience of regulated parties.

For industry:

- use clarified self-assessable and exemption routes for low-risk changes;
- provide complete and high-quality data up front to speed assessments;
- avoid misattributing global rationalisation to New Zealand

regulation; focus submissions on specific, fixable domestic frictions.

For policymakers:

- maintain and deliver regulatory stewardship improvement and regulatory capability uplift;
- track outcomes against economic modelling assumptions (e.g., realised time savings versus projected financial benefits);
- apply this inquiry model to other sectors where dual systems and small-market dynamics hinder innovation and access.

A final word

This programme shows how a small, high-trust democracy can deliver meaningful regulatory reform by combining system-level analysis with a strong focus on delivery.

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