15 June 2026
Primary Production Committee
Parliament Buildings
Wellington
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Retail NZ submission: Hazardous Substances and New Organisms Amendment Bill

Overview

1. Retail NZ is a membership organisation that represents the views and interests of New Zealand's retail sector. We are the peak body representing retailers across Aotearoa, with our membership accounting for nearly 70% of all domestic retail turnover. New Zealand's retail sector comprises approximately 30,000 businesses and employs around 222,000 Kiwis.
2. Retail NZ consulted our membership in the preparation of this submission.

Request for further consultation

3. Retail NZ formally requests an additional consultation period of a minimum 28 days. Our members require a fully marked-up version of the legislation in addition to the amendment Bill. This would be a significant improvement to the accessibility of the Bill in its current form.

4. Retail NZ requests definitive information on the proposed levy structure. Without this additional information it is impossible for industry to consider the implications of the legislation for their business and provide accurate, technically sound feedback.

Support for Bill's Intent

5. Retail NZ welcomes the opportunity to submit on the Hazardous Substances and New Organisms (HSNO) Amendment Bill. We agree with the Bill's goal to streamline and improve application processes, support risk-proportionate decision-making, and enhance compliance, monitoring, and enforcement under the HSNO Act.
6. Retail NZ supports the use of temporary approvals to reduce the time for safe products to come to market. The addition of the following controls would strengthen the Bill.
    a. The law should explicitly name trusted jurisdictions (like the UK and EU) or require the Environmental Protection Authority (EPA) to maintain an active, trusted list on its website.
    b. We recommend a maximum 2-year limit for temporary approvals, granted only on the condition that there is valid reason for the approval to be temporary, and a full review is actively underway. We aren't confident a 4-year time frame would incentivise an efficient approvals process.

c. The Bill must state that if a full approval is rejected, the temporary approval is instantly revoked. It must also clearly define a fair “dispose-of" period so retailers are not left with surplus stock.

Levy Uncertainty and Supply Chain Risk

7. Our members are concerned about the introduction of levies to fund the EPA without the necessary detail to examine before accepting this amendment. Key details are missing and key questions remain:

    a. How will the levy be determined? While the Stage 1 Cost Recovery Impact Statement (CRIS) suggests a framework based on hazard classes and a per-volume or weight basis, it also suggests that a flat threshold approach "might prove less practical" and that targeting all substances under group standards is "likely to be impractical". We agree that flat thresholds would likely not be appropriate for all retailers.

    b. Complex products contain multiple hazardous ingredients. Industry, including retail, must be consulted to find a workable metric that allows for the complexity inherent in products with multiple substances.

    c. How frequently are levies, as described in the proposed section 20G under Subpart 5, reviewed or increased? (The section states: The Governor-General may, by Order in Council made on the recommendation of the Minister, make regulations providing for the levies.) Who holds the final accountability for approving these increases, and what caps will be in place?

    d. Currently there is no requirement to specifically register a product import if it contains an approved hazardous substance component. Will the levy create additional reporting requirements for every shipment? If so, this will create additional administration costs for business which will be passed to consumers.

    e. When would this levy need to be declared, and to whom? Will businesses have to declare data for every single shipment at the border?

    f. The EPA must be legally required to ring-fence these levy funds, report income and expenditure annually to those they levy, and prove the value delivered by those funds.

8. Retail NZ requests a separate consultation specifically on the levy design before this Bill moves forward.

9. The Stage 1 CRIS notes that the EPA intends to use levy funding to implement better automation and upgrade its 20-year-old ecotoxicological risk models. By leveraging modern AI and automated tools, the EPA's per-application processing labour and overall administrative burden should decrease. The final levy framework should account for this increased efficiency ensuring that industry rates scale downward as these cost-saving technologies are successfully integrated.

A note on transparency and communication

10. Feedback from a member with specialism in this area suggests that this legislation has progressed without referencing previous foundational work, and it has not been raised in recent communications.

11. To ensure fair and open consultation, we request a version of the new, amended legislation is supplied with all changes explicitly highlighted. Members we have been in

touch with have found the format of the amendment bill challenging to review within the consultation window.

Conclusion

12. Thank you for the opportunity to make a submission.

13. Retail NZ is happy to discuss any aspect of this submission further and would like the opportunity to make an oral submission to the committee.

14. No part of this submission should be withheld under the OIA.

Sincerely,

Carolyn Young

CHIEF EXECUTIVE

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