Product labelling regulatory review: Terms of Reference

Introduction

1. Product labelling plays a vital role in consumer protection, regulatory compliance and international trade. As global supply chains become increasingly consolidated, aligning New Zealand's labelling standards with international frameworks is essential to maintain competitiveness and accessibility. This alignment not only supports the export of New Zealand products but also reduces regulatory friction for imports, improving market access and ensuring that incoming goods meet domestic expectations.

2. On 21 July 2025, Cabinet agreed that the Ministry for Regulation would undertake a review of regulations relating to product labelling in 2025 (the Review) [CAB-25-MIN-0234.01 refers]. Following Cabinet approval, the Ministry undertook targeted consultation with regulators, industry groups and regulated parties across a range of sectors to understand the pain points within current regulatory systems. This engagement has formed the basis of these Terms of Reference.

Purpose of the Review

3. The Review aims to assess New Zealand's alignment with international product labelling standards and guidelines and identify regulatory barriers that unnecessarily restrict interoperability with global markets. It will examine labelling requirements, including import and export considerations, and explore innovative labelling approaches that could enhance international compatibility and market access while maintaining consumer protection. It will consider whether differences in New Zealand's regulatory requirements are appropriate and support proportionate risk management and consumer protection objectives.

4. The intent of the Review is not to undermine the important role of product labelling in protecting public health and health and safety, or inhibit the broader policy objectives underpinning the regulatory systems we examine. The Review will focus on identifying changes that would improve the functioning of these systems and reduce unnecessary compliance costs, while continuing to support consumers to make safe and informed choices.

Background – why review product labelling regulation?

5. New Zealand has over 30 pieces of primary or secondary legislation and other codes or standards that mandate what and how information is to be displayed on product labels, across a range of sectors.

6. These regulations are in place to ensure that customers and businesses have access to accurate information to make informed purchasing decisions, protect their health and safety (such as allergen information, expiry dates, transport and usage instructions), and ensure products traceability requirements are met.

7. Some regulated parties told us that product labelling requirements can be fragmented, overlapping and too complex, which can:

    - make it harder to align with key international trading partners
    - increase costs for importers and exporters
    - create barriers for businesses trying to enter new markets
    - limit the use of more efficient and innovative labelling methods, including digital solutions like QR codes.

8. As a trade dependent country, New Zealand makes significant efforts to contribute to and support international standards-setting bodies. This ensures that New Zealand can align domestic standards with international standards, enable trade and reduce costs for businesses.

Review approach

What the review will look at

9. Broadly, the Review will assess product labelling regulations and associated regulatory practice in New Zealand, to identify opportunities to align better with global trading partners, encourage innovation in how information is shared, and remove unnecessary compliance costs for New Zealand businesses.

10. Based on initial consultation with regulated parties, industry bodies and regulators, the Review will focus on the following topics:

    - supermarket competition, with a focus on product labelling issues
    - food and beverage labelling requirements (including alcoholic and non-alcoholic beverages)
    - over the counter (OTC) medicine labelling requirements
    - dietary supplements labelling requirements, with a focus on barriers to export
    - digital labelling.

11. While the Review will focus its findings and recommendations on these topics, the Review may comment on other product labelling regulations and regulatory systems where relevant.

In scope

Supermarket competition

12. As directed by Cabinet [CAB-25-MIN-0234.01 refers], the Review will evaluate the effects of current product labelling regulations on prospective entrants to the supermarket sector and provide recommendations to remove product labelling barriers and improve retail grocery competition.

13. This work is part of the Government's grocery work programme, looking at regulatory, structural and enforcement improvements to boost grocery competition. The Review will work closely with the Ministry of Business, Innovation and Employment (MBIE), who are leading this work programme in conjunction with other agencies.

Food and beverage products (alcoholic and non-alcoholic)

14. New Zealand is part of a joint food regulation system with Australian Federal, State and Territory Governments, where we have committed under the Joint Food Standards Treaty to harmonise food standards. This is implemented through the Australia New Zealand Food Standards Code (the Code). This harmonised approach creates benefits for trans-Tasman trade, as well as global trade, given its reputation as a highly trusted system for food regulation.

15. While supporting and recognising the significant value of the harmonised approach, regulated parties have identified potential areas for further improvement in this sector.

16. The Review will explore potential improvements within the Joint Food System with Australia, including in relation to specific labelling requirements, regulatory practices and implementation.

17. The Review will also consider opportunities for greater harmonisation, alignment or mutual recognition with food labelling standards in other jurisdictions. This will build on other work underway to facilitate export trade, such as the Food (Exemption of Food for Export) Regulations 2025.[1]

18. The Review will consider the international implications of any amendments to New Zealand's implementation of the Code. Reflecting New Zealand's commitments to jointly regulate food (including food labelling) through the Joint Food Standards

[1] These regulations remove the requirement for exporters of certain food and other products to apply for special exemptions from domestic labelling requirements if their products meet the requirements of importing countries. The regulations came into force on 25 September 2025.

Treaty, the Review will consult with Australia, including on any recommendations that would also require Australian agreement to implement.

Over the counter (OTC) medicines

19. Regulated parties have raised that the current regulatory framework for OTC medicines in New Zealand presents barriers to harmonisation with Australia and other jurisdictions. This creates duplication, increased costs and reduced consumer access.

20. The Review will assess current labelling requirements for OTC medicines to identify opportunities for greater regulatory alignment with comparable jurisdictions.

Dietary supplements

21. Some submissions from regulated parties raised issues with the current regulatory framework for dietary supplements, stating that current requirements are outdated and not fit for purpose. In particular, regulated parties told us that the current restrictions on health or therapeutic claims on dietary supplements hinders New Zealand's export competitiveness. The differences in New Zealand's requirements compared to export destinations create compliance costs by requiring relabelling, causing supply chain delays and hindering market access.

22. The Ministry for Primary Industries (MPI) has a programme of work underway to explore options for export exemptions for dietary supplements, as part of the broader initiative around facilitating food export trade described at paragraph 17. MPI and the Ministry of Health are also exploring targeted updates to the Dietary Supplements Regulations 1985 to address issues relating to composition, labelling and therapeutic claims.

23. The Review will support this work programme and explore whether additional changes could be made to reduce unnecessary labelling barriers to dietary supplement exports.

Digital labelling

24. Regulated parties across a range of sectors raised digital labelling as an area of opportunity, while also noting the importance of ensuring information is still accessible to all consumers. In some sectors and jurisdictions, new requirements and practices are emerging.

25. The Review will look at emerging trends and innovative practices in product labelling including digital labelling, and the role of government in providing direction and guidance in this area. Unlike the focus of the other listed topics, this work will look across a range of product types and regulatory systems to identify common challenges and opportunities.

26. In a recent letter to the Australian Minister of Finance and Treasurer, FSANZ signalled its intention to undertake a principles-based review of digital food labelling in 2025

and 2026. This Review's findings and recommendations may support FSANZ's work in this area.

Out of scope topics

27. These Terms of Reference do not list every product type or regulatory system that has product labelling implications. However, for the avoidance of doubt, we list some areas that the Review will not examine.

28. In relation to the Review's focus areas of food and beverages and over the counter medicines, the Review will not make findings or recommendations in relation to the following matters:

    - product labelling requirements relevant to providing official (government) assurances to an overseas government to certify export requirements are met for market access purposes to permit a product entering an overseas market (such as halal or organics certifications).
    - matters relating to gene technologies including genetic modification of food or food additives.
    - composition, labelling or sale of infant formula products.
    - the classification of medicines (i.e. whether they must be obtained by prescription, by a pharmacist or by general sale), approved pack size or supply quantity for an OTC medicine, or labelling requirements relating to the approved 'indication' (i.e. use) of a medicine.
    - product labelling or broader regulatory requirements in relation to tobacco products, vaping products or herbal smoking products.

29. In our engagement, regulated parties discussed a range of other regulatory systems. These topics have not been selected as focus areas for the Review. Accordingly, the Review will not make specific findings and recommendations about the following topics, although it may comment on them if relevant to the focus areas of the Review:

    - product labelling requirements for hazardous substances as defined under the Hazardous Substance and New Organisms Act 1996.
    - product labelling requirements in relation to agricultural compounds and veterinary medicines as defined under the Agricultural Compounds and Veterinary Medicines Act 1997.
    - product labelling and information requirements for building products and materials, including the Building (Building Product Information Requirements) Regulations 2022.

- Consumer Information Standards and Product Safety Standards made under the Fair Trading Act 1986 in relation to clothes, footwear, fabrics, furnishings, children's toys and goods, and used motor vehicles.
- intellectual property matters such as trademarks, trade dress or design features, except where they intersect with issues of misleading claims under the Fair Trading Act 1986 or the placements of product labelling elements required in law.
- branding and aesthetic features of labels beyond regulatory compliance.

Analytical approach

30. When assessing issues and opportunities in relation to product labelling regulation, the Review will consider the following questions (among others):
    - What is the rationale for government intervention (i.e., what is the market failure)?
    - If there is a market failure, what is the proportionate response, including if it needs to come from government?
    - What are the costs and benefits of regulation and the distribution of those across different parties?
    - How is the regulation performing, including compared to equivalent regimes in other countries?
    - How well do product labelling regulations support clarity, consistency and ease of compliance for both consumers and businesses, and are there overlapping or duplicative requirements?
    - To what extent do product labelling regulations remain effective and relevant in the face of evolving consumer expectations, technological advancements, and market changes?
31. Any findings and recommendations will be informed by key considerations such as:
    - the importance of protecting consumer health and safety and ensuring any proposed changes do not reduce consumers' ability to make safe and informed choices (through mechanisms such as allergen labelling)
    - supporting a level playing field, to ensure fair competition is protected
    - preserving the integrity of international agreements and arrangements and complying with New Zealand's international trade obligations
    - ensuring any proposed changes minimise disruption, costs and implementation challenges for regulated parties.

Review process

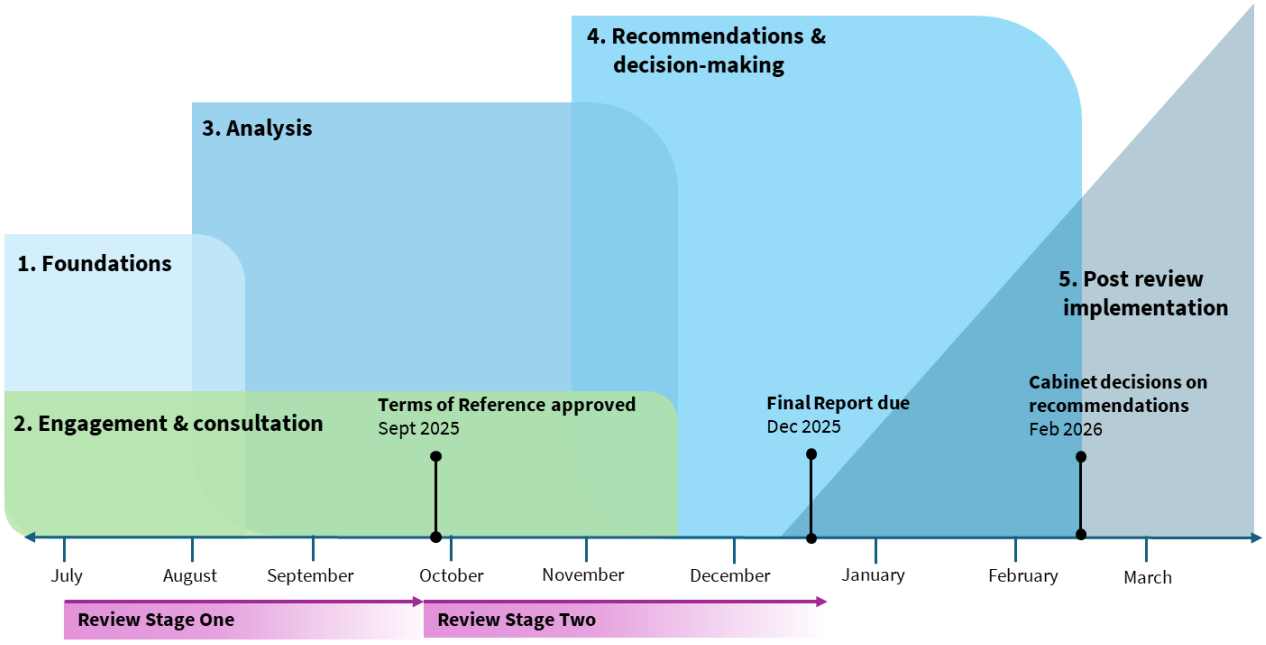
Timeframes

32. The Review will provide its final report to the Minister for Regulation prior to Christmas 2025.

33. The Review is being carried out in two stages:

    - **Stage One: Identifying priority areas** *(July – September 2025)*: the Review engaged with affected businesses, industry groups and other stakeholders to understand regulatory 'pain points' associated with product labelling requirements. Informed by this engagement and the Review's own analysis, officials provided the Minister for Regulation and other relevant Ministers with advice on which regulatory systems and regulatory problems the Review should focus on. This advice formed the basis of these Terms of Reference.
    - **Stage Two**: **Developing proposals** *(September – December 2025)*: following the publication of these Terms of Reference, the Review will begin its work to more deeply investigate these areas to develop findings and make recommendations for reform.

34. The Review's stages and estimated timeframe are set out below:



Engagement approach

35. The Review will engage with those impacted by and subject to product labelling requirements, including regulated parties who are required to comply with product labelling regulatory requirements and groups representing specific needs of

consumers. We will also engage closely with regulators to understand their perspectives on issues they see in the regulatory systems they manage.

36. In Stage One, the Review team sought feedback on regulatory pain points from a range of regulated parties, including businesses and their industry representative groups, via an online questionnaire and direct engagement meetings. The Review will seek to further draw on consumer, regulated party and regulator insights as part of developing findings and recommendations.

Roles, governance and reporting

Ministers

37. These Terms of Reference have been approved by the Minister for Regulation in consultation with the Minister for Economic Growth, the Minister of Foreign Affairs, the Minister of Health, the Minister for Trade and Investment, the Minister of Commerce and Consumer Affairs and the Minister for Food Safety.

38. The Minister for Regulation will have oversight of the Review and will keep the other listed Ministers informed and engaged as necessary on the Review. This Review does not affect the portfolio responsibilities or decision-making of these Ministers.

Governance and agencies

39. The Review will be led by the Ministry for Regulation within its central agency mandate to strengthen the regulatory management system and improve regulatory quality. The Review team will report to the Minister for Regulation, including providing regular progress reporting and a final report setting out the Review's findings and recommendations.

40. The Ministry for Regulation will work in consultation with relevant agencies who will provide information and advice on the regulatory systems they play a role in and are responsible for. Change is more likely to succeed and be enduring where there is consensus between Ministers and between responsible agencies. However, the Ministry for Regulation retains its ability to make comments and recommendations that may not be fully supported by other agencies or stakeholders.

41. Governance and additional oversight of the Review will be provided by a Senior Officials group, made up of representatives from the Ministry for Regulation and relevant agencies.

Implementing recommendations

42. The Government response to the recommendations from the Review will be agreed by Cabinet. It is expected that Ministers responsible for the relevant regulatory systems will oversee the implementation and prioritisation of any Cabinet decisions.

43. If legislative change is required, the responsible portfolio ministers and their agencies are expected to lead the Bill through the legislative process. The Ministry for Regulation may provide some limited support through this period. Any legislative change and implementation will consider the needs of consumers and regulated parties, to minimise costs and disruption and provide certainty about the regulatory environment.

Definitions

44. **Market failure:** the situation where the allocation of goods and services under an unregulated market does not maximise the overall welfare of society. Common causes of market failure are public goods, externalities, market power and asymmetric information. The presence of a market failure does not necessarily mean the government should intervene because government intervention is also imperfect. The benefits that can realistically be expected from government intervention should be compared with the costs, accounting for the limitations and potential inefficiencies of regulation.

45. **Product labelling**: for the purposes of this Review, product labelling refers to the information on a product's packaging or the product itself to communicate mandatory or voluntary details about the product to consumers, regulators, and supply chain stakeholders. This may include (but is not limited to) ingredient lists, nutritional information, allergens, usage instructions, safety warnings, country of origin, certifications (e.g., organic, fair trade), sustainability claims (e.g., eco-labels), and product traceability information.

46. **Regulatory systems:** sets of formal and informal rules, norms and sanctions, given effect through the actions and practices of designated actors, that work together to shape people’s behaviour or interactions in pursuit of a broad goal or outcome.

47. **Regulated party / parties:** a person or organisation that must comply with the laws, regulatory requirements and societal expectations of behaviour. In the context of product labelling, this can include product manufacturers, exporters, importers or retailers, who need to ensure their products are correctly labelled according to the rules of the country they are sold in, and may be penalised if they are not.

48. **Regulatory practice:** refers to the activities and processes that regulators use to carry out their work. Good regulatory design and practice requires attention, skill and collaboration. Poor regulatory performance or regulatory failure is when harm occurs in the regulatory system.

49. **Proportionality:** when regulatory requirements are aligned to the level of risk being managed, and an appropriate balance is struck between regulatory control and operational freedom.

Appendix A: The in-scope regulatory instruments for the Product Labelling Regulatory Review

The table below outlines some more information about the main relevant regulatory systems and instruments that the Review will examine for two specific topic areas (food and beverages and over the counter (OTC) medicines), noting that these Terms of Reference state that the Review may comment on other product labelling regulations and regulatory systems where relevant.

Scope area	Food and beverages	OTC medicines	Dietary supplements
Relevant legislation	Australia New Zealand Food Standards Code (FSC) – as developed by FSANZ and adopted under the Food Act 2014 (New Zealand) and the Food Standards Australia New Zealand Act 1991 (Australia) Fair Trading Act 1986 Consumer Guarantees Act 1993	Medicines Act 1981 Medicines Regulations 1984 Fair Trading Act 1986	Food Act 2014 Medicines Act 1981 Dietary Supplements Regulations 1985
Regulator	Ministry for Primary Industries Commerce Commission (Fair Trading Act 1986)	Ministry of Health (Medsafe) Commerce Commission (Fair Trading Act 1986)	Ministry for Primary Industries (in relation to the Food Act 2014) Ministry of Health (Medsafe) (in relation to the Dietary Supplements Regulations 1985)
Policy agency	Ministry for Primary Industries MBIE (Fair Trading Act 1986)	Ministry of Health MBIE (Fair Trading Act 1986)	Ministry for Primary Industries Ministry of Health