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PRESENTER (GEOFF ROBINSON): Postponed, not cancelled. That's

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Morning Report with Sean Plunket & Geoff Robinson

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PRESENTER (GEOFF ROBINSON): Postponed, not cancelled. That's how the Government is describing its failure to push through the controversial Therapeutic Products and Medicines Bill. But the National Party's Tony Ryall says the Opposition has handed the Government a humiliating defeat.

TONY RYALL (NATIONAL PARTY): The Government arrogantly believes that it could get this Bill passed without listening to the other parties in Parliament and clearly, they've finally learnt that they can't.

PRESENTER: Well, joining us now in the studio, the Minister of State Services Annette King, whose job it was to try to stitch together the joint medicines regulator with the Australians. So were you not listening to the other parties in Parliament, Minister.

HON ANNETTE KING (MINISTER OF STATE SERVICES): No, I dispute that. In fact, ah, I've been responsible for this Bill for around seven years, ah, I took over the work that the National Party actually started on it, said it was sensible work and along the way have worked not only with the Australians, but with other political parties to get the best possible deal for the people of New Zealand.

PRESENTER: But at the end of the process, you couldn't get together a Parliamentary majority to pass it.

KING: I had a Parliamentary majority, ah, for us to be able to get through a joint approach with Australia. Um, unfortunately, that, ah, I [sic] lost

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two votes on that, um, when Taito Phillip Field, ah, ah, left the Labour Party and then Gordon Copeland, ah, went to the National Party. In fact, he proposed a two-tier system for complimentary medicines, which subsequently, ah, New Zealand First put forward an supplementary order paper saying that. But he ...

PRESENTER: ... But would that have worked. Would that have met what you wanted.

KING: It would've met what I wanted. What it would've meant, Geoff, is that we would have regulated pharmaceuticals and you've heard from Dr Pippa McKay about that. It would have regulated medical devices and it would enabled the many, many complimentary manufacturers in New Zealand who want to be in the joint regulator so that they can get into the Australian market with a quality product, for them to be part of it and then to have New Zealand-only regulation for those that want only deal in the New Zealand market. That would've, I believed, been a good, um, compromise, um, and in fact, it's one that the Australians were prepared to look at.

PRESENTER: So who stopped it.

KING: Ah, at the end of the day, Gordon Copeland did ask the National Party if he could vote for, ah, this, this [sic] compromise. Um, he was told no, his vote was now with them. Um, I believed that then we tried to work with ACT, they worked in a very honourable way with us. But at the end of the day, um, we couldn't get enough votes to be able to get it through at this stage and the Australians needed to know, ah, by yesterday, because they needed to introduce the mirror legislation, which is the same as ours, into their Parliament and pass it before their General Election. And that's looming.

PRESENTER: Okay, they, they [sic] had a deadline but it does leave you looking like a lame duck Government. You couldn't push through something [sic] that, according to you, just about everybody wanted.

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KING: Um, I don't believe it means we're a lame duck Government. What it means is that, I think, probably this Government, more than any other, does know that you have to work with other parties. And I totally dispute Tony Ryall's assertion that we didn't. In fact, he was impossible to work with. But work with his leader and others in his party took place, ah, with others in our party, in an endeavour right up until Friday, to get a compromise. So I dispute his comments. It was totally political, ah, from Tony Ryall but the others, I have to say, that we worked with, worked in an honourable way. It's not in my view, dead yet. It remains on the order paper. It does, at the agreement with Australia remains [sic] and I think there is an opportunity, ah, to look at the compromise later on. But it's too late now the Australian election timetable ...

PRESENTER: ... But in the short run, what we heard this morning from Dr McKay was that there are medicines which could be available to New Zealanders which won't be because this hasn't been put through, that the medicines have to go through MedSafe and it's a very long, slow and expensive process. And she says that expense puts the companies off doing it too.

KING: Well, what the companies have to do in the pharmaceutical industry at the moment is pay a fee to get into the Australian market and a fee to get into the New Zealand market.

PRESENTER: And we've just upped the charges, she says.

KING: Well, they hadn't been increased for about 20 years. So there was a need to actually increase them. But putting that to one side, they will continue to have to pay two fees. We are a very small regulator and this was part of the problem. We wanted to be in a joint regulator, so we had the economy of scale for both our countries, because when you look

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internationally, the EU has gone together to be a regulator, the big Australian regulator ...

PRESENTER: ... So were we hijacked by these complimentary medicines. Were they making such a fuss that you couldn't get the sensible stuff through.

KING: In many respects, yes. There is a group within the complimentary medicines, led by the New Zealand Health Trust, who expended a large amount of money opposing it. There's also another group of people in the complimentary medicines, ah, led by, um, Natural Products, which was an umbrella group, who were in favour. They told me they represented about 80% of the complimentary medicines in New Zealand, including small ones right up to large ones. They didn't have, or didn't have, the ability or the money to put into, ah, the campaign against it. It was a very well organised campaign and, and [sic] good luck to them. That's democracy.

PRESENTER: So now we have to wait what, 'til [sic] the next Australian electoral cycle.

KING: I think we have, I think we do [sic] need to now wait, um, until after the Australian election, um, because it's too late for them to bring in a Bill and pass it, and then to see, ah, to continue to work on the compromise. Because my argument is that New Zealanders deserve the best they can have, that is my interest. It's not about me or about the Labour Party. It was about what could we put in place for the best interest of New Zealanders. We've never considered ourselves a third world. We consider ourselves that we want to be in the first world when it comes to quality, our product, safety of product. And so I believe that, ah, that is, um, what New Zealanders want and we need to work in the future on how we can achieve that. It'll be very difficult to have New Zealand-only regulator. We don't have expertise, ah, not only in pharmaceuticals but in medical devices or in complimentary medicines, because we have not regulated in those areas.

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PRESENTER: Thank you for joining us today and explaining that. Annette King who is the Minister of State Services and the person who was guiding that particular piece of legislation through Parliament.

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