



# Biosecurity Watch – Legislation review under way

## Proposed changes would have a financial impact on winegrowers

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Five years after signalling the Biosecurity Act 1993 was due to be reviewed, the Ministry for Primary Industries finally released a series of discussion documents for consultation in October last year, targeting six key areas of the New Zealand biosecurity system. 71 change proposals were put forward for public feedback, making this the most significant consultation on biosecurity legislation since the Act was established.

Biosecurity is crucial to the long-term sustainability and growth of the New Zealand wine industry. An incursion of an invasive pest or disease could result in significantly reduced grape yields, potentially affect wine quality, and impact the community's way of life. A strong future-proofed biosecurity system is fundamental to ensure we maintain our reputation as leading producers of trusted, sustainable, premium wine domestically and overseas.

The proposals cover the key areas of funding and compensation, border and imports, readiness and response, long-term pest management, surveillance and legislative interfaces, and system-wide issues. Changes to several of these areas would have implications for the wine industry:

### READINESS AND RESPONSE PROPOSALS

Under the Government Industry Agreement (GIA), the government and primary industry sectors work in partnership to prepare for and respond to biosecurity threats. In return for a seat at the table for governance and decision-making, industry partners agree to share in the costs of biosecurity readiness and response work for unwanted pests and diseases that threaten their sectors.

Changes to the scope and structure of the GIA are being proposed, with options such as expanding the GIA into long-

term pest management, the creation of multiple deeds or even separate biosecurity organisations for plant and animal biosecurity, and allowing new participants such as regional councils and other government departments to take part in the GIA.

New Zealand Winegrowers considers that while a different structure for the GIA may be needed as the partnership grows and matures, the current structure works well for the wine industry now; most importantly it allows us to choose which biosecurity threats are prioritised for readiness and response work, given a limited budget. Expanding the scope into pest management would add cost and complexity, particularly in identifying who benefits, and could result in growers paying twice - a GIA cost-shared contribution for a particular pest management programme as well as the cost of management on individual vineyards.

### COMPENSATION PROPOSALS

Biosecurity risk management is becoming more expensive, and MPI is seeking changes to funding and compensation mechanisms in the Biosecurity Act to enable them to better recover costs.

These proposed changes would have the effect of increasing GIA costs for the industry, and potentially reduce compensation entitlements. NZW understands this is largely driven by the experience with the *Mycoplasma bovis* response (which cost close to a \$1bn) and the planning under way for a Foot and Mouth Disease response.

At the moment, when a response is declared MPI can use powers under the Biosecurity Act 1993 to assist in eradicating or controlling the pest or disease. Exercise of these powers may result in loss or damage to property or business - for example, vines or fruit may have to be destroyed, or

movement restrictions may be placed on affected properties. The Biosecurity Act allows growers to claim compensation where this type of loss or damage occurs. Claims can be for direct and consequential losses.

Direct losses arise immediately from the government's use of powers and usually represent the value of property (crops, livestock) destroyed. Consequential losses are losses that do not arise immediately but can be attributed to the damage or destruction of property, for example, income from lost crop or milk sales, professional fees (typically legal, financial or farm consultancy fees), interest, and intellectual property (such as Plant Variety Rights).

Several proposals are outlined for varying the compensation settings in the Act. MPI state that the purpose of these proposals is to maximise incentives for good biosecurity behaviours and disincentives for bad behaviours, and to future-proof compensation settings so they are more enduring and flexible. The key proposals aim to limit how much consequential loss is eligible for compensation or would remove consequential losses entirely. Under all options, direct verifiable losses would still be compensated.

NZW supports keeping the status quo in relation to compensation, as the current settings ensure that compensation is available to those who report early and act in accordance with directions given in a response situation. Retaining compensation for consequential loss will ease the financial burden for affected growers and assist with recovery once an incursion happens.

Consultation on the Biosecurity Act closed in mid-December.

[NZW's full submission on the proposed amendments](#)