**Submission form - Review of the Dairy Industry Restructuring Act 2001 and its impact on the dairy industry**

The Government is reviewing the Dairy Industry Restructuring Act 2001 (DIRA) and its impact on the dairy industry. The review is currently at the public consultation stage.

We are seeking your input on the issues, options and questions as set out in the DIRA discussion document.

This form contains all the questions that appear in the online submission form at <https://www.research.net/r/DIRA>. These are identical to those in the discussion document. You can use this document to familiarise yourself with the questions in the form before making your submission.

If you have trouble using the form, you can email your submission to [DIRA@mpi.govt.nz](mailto:DIRA@mpi.govt.nz).

You will need to read the discussion document before considering your responses to the questions set out in this form.

Your responses are due by 5pm on Friday 8 February 2019, and will help inform the recommendations that the Government will consider later in 2019.

You will be asked to select the sections on which you would like to submit, and you may submit on as many or few areas as you like. All questions are optional.

**Chapter 2: Performance of the dairy industry**

**Section 2.1 2001 structural reform to enable the industry to drive strategic change**

*Please refer to [Section 2.1] of the discussion document.*

**(1) Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?**

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**Section 2.2 Industry performance since the restructure**

*Please refer to [Section 2.2] of the discussion document.*

**(2) Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.**

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**Chapter 3: The effects of the DIRA and other factors on industry performance**

**Section 3.1: Has the DIRA been effective at managing Fonterra’s dominance in the market for farmers’ milk, and is it still needed?**

*Please refer to [Section 3.1] of the discussion document.*

**(3) Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers’ milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.**

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**(4) Do you think Fonterra is still dominant in the market for farmers’ milk, at the national and regional levels?**

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**(5) Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.**

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**(6) Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.**

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**(7) Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra’s dominance? If so, please provide examples and supporting information/evidence.**

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**(8) Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?**

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**Section 3.2: Does the DIRA encourage industry growth?**

*Please refer to [Section 3.2] of the discussion document.*

**(9) Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.**

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**Section 3.3: Does the DIRA influence Fonterra’s strategy?**

*Please refer to [Section 3.3] of the discussion document.*

**(10) Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?**

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**(11) Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.**

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**(12) Do you consider that the DIRA provisions governing Fonterra’s base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?**

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**(13) If the DIRA is not driving Fonterra’s business and investment strategy, what is? Please provide detailed comment in support of your views.**

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**Section 3.4: Does the DIRA impact on the industry’s environmental performance?**

*Please refer to [Section 3.4] of the discussion document.*

**(14) Do you agree with our preliminary analysis of the DIRA’s impact on the industry’s environmental performance? If not, please provide your reasons and supporting evidence.**

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**(15) Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?**

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**(16) Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?**

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**Section 3.5: Does the DIRA incentivise inefficient entry by large dairy processors?**

*Please refer to [Section 3.5] of the discussion document.*

**(17) Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.**

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**(18) Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.**

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**Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?**

*Please refer to [Section 3.6] of the discussion document.*

**(19) Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.**

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**(20) Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.**

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**Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?**

*Please refer to [Section 3.7] of the discussion document.*

**(21) Do you agree with our preliminary analysis of the DIRA impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.**

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**(22) Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.**

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**Chapter 4: Options for change**

**Section 4.1: DIRA open entry requirements**

*Please refer to [Section 4.1] of the discussion document.*

**(23) Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.**

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**(24) What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.**

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**(25) How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?**

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**(26) What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.**

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**Section 4.2: Access to regulated milk for large dairy processors (except Goodman Fielder)**

*Please refer to [Section 4.2] of the discussion document.*

**(27) Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.**

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**(28) Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?**

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**(29) What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.**

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**(30) How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?**

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**(31) Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.**

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**Section 4.3: Options for the base milk price calculation**

*Please refer to [Section 4.3] of the discussion document.*

**(32) Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.**

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**(33) What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.**

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**(34) How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?**

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**(35) Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.**

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**Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors**

*Please refer to [Section 4.4] of the discussion document.*

**(36) Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.**

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**(37) What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.**

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**(38) How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?**

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**(39) Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.**

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**Section 4.5: Options for the DIRA review and expiry provisions**

*Please refer to [Section 4.5] of the discussion document.*

**(40) How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?**

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**(41) Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.**

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**(42) What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.**

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**(43) How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?**

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**(44) Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.**

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