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Enquiries to: Haven Walsh



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401 Grey Street  
Hamilton East  
Hamilton 3216

Private Bag 3038  
Waikato Mail Centre  
Hamilton 3240

ph+64 7 859 0999  
fax +64 7 859 0998  
[www.waikatoregion.govt.nz](http://www.waikatoregion.govt.nz)

Ministry for Primary Industries  
PO Box 2526  
**WELLINGTON 6140**

Attention: Dairy Industry Restructuring Act 2001 review

Tena koutou

**Waikato Regional Council submission on the Dairy Industry Restructuring Act 2001 review**

Thank you for the opportunity to make a submission on the Dairy Industry Restructuring Act 2001 review. Please find attached Waikato Regional Council's (the council's) submission regarding this document. The submission was formally endorsed by the council's Strategy and Policy committee under delegated authority on 26 June 2018.

Should you have any queries regarding the content of this document please contact Haven Walsh directly on (07) 858 6064 or by email at [haven.walsh@waikatoregion.govt.nz](mailto:haven.walsh@waikatoregion.govt.nz).

Regards

A handwritten signature in blue ink, appearing to read "V Payne".

Vaughan Payne  
**Chief Executive**

## **Submission from Waikato Regional Council on the Dairy Industry Restructuring Act 2001 review**

### **1 Introduction**

- 1.1 Waikato Regional Council (the council) appreciates the opportunity to make a submission on the Dairy Industry Restructuring Act 2001 (DIRA) review.
- 1.2 In the Waikato, dairy farming and manufacturing account for approximately 10 percent of gross regional product. This is three times more than the share for New Zealand as a whole. Dairy farming is the largest employer in the Waikato. It directly supports more than 10,000 jobs with another 3,000 in dairy product manufacturing.
- 1.3 The council is interested in the review because of the potential impact that any legislative changes may have on the economic and environmental performance of the dairy sector and thereby the Waikato region and its' communities as a whole. The council supports the broad, strategic nature of the review to assess the New Zealand dairy industry's overall performance and the wide range of issues it is facing.
- 1.4 Our contact details are:

Waikato Regional Council  
Private Bag 3038  
Waikato Mail Centre  
Hamilton 3240  
(07) 859 0931  
Attention: Vaughan Payne – Chief Executive

### **2 Preliminary comments on the review of Dairy Industry Restructuring Act 2001**

- 2.1 Alignment with other central and local government objectives
- 2.2 As recognised in the reviews Terms of Reference, DIRA operates within, and has important linkages to other legislation. The council has core functions and responsibilities under the Resource Management Act 1991, Local Government Act 2002, the Biosecurity Act 1993 and with respect to the Waikato region specifically, Te Ture Whaimana o Te Awa o Waikato – the Vision and Strategy for the Waikato River that link to DIRA.
- 2.3 The council submits that any changes to DIRA should seek to align industry incentives with national and regional resource management priorities. For example the need to improve outcomes for freshwater, soil, biodiversity, biosecurity and community wellbeing. The review also needs to ensure that any changes to DIRA incentivises land use change that complements net zero emissions goals, which is another directive of central government.
- 2.4 The council considers analysis is required of how different options proposed for DIRA may (or may not) align with objectives for sustainability. Ongoing consultation with regional councils and other resource managers is requested in order to avoid unintended conflict between responses to central government direction.

## 2.5 Importance of the Waikato dairy sector<sup>1</sup>

- 2.6 The dairy sector is very important to the Waikato regional economy. Approximately 25 percent of the total Waikato region land area is currently used for dairy farming, a total of about 600,000 hectares. From this, around a quarter of New Zealand's dairy produce and around 30 percent of its dairy exports are generated. Together, dairy farming and manufacturing directly contributes around 10 percent of gross regional product (three times more than the share for New Zealand as a whole). The dairy farming industry is a large employer in the Waikato, directly supporting more than 10,000 jobs (about 5 percent of regional employment), with another 3,000 in dairy product manufacturing. Significant other manufacturing and service sector activity indirectly depends on the dairy sector.
- 2.7 Council notes that the financial, environmental and welfare performance of dairy farming is the subject of another project by the Ministry for Primary Industries, but considers that this review should be cognisant of these issues. Given the exposure of the Waikato region to effects on the dairy sector, we submit that potential changes to the dairy industry structure must be assessed for their broader consequences, in particular on social wellbeing and other community-level effects. In line with this, we support efforts to improve the profitability of the dairy sector through incentives to add value rather than, for example, incentives to maximise production. We acknowledge that these are not simple questions, and consider that ongoing research on these matters will continue to be a priority.

## 3 **Conclusion**

- 3.1 The council has a range of legislated responsibilities and strategic objectives it is seeking that may be impacted by changes to the DIRA. Any shift in policy direction as a result of the review of the DIRA must align with other central and local government objectives.
- 3.2 The council wishes to stay engaged in the DIRA review and would like to be kept informed about, and have input to, the issues and solutions as they are explored.

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<sup>1</sup> Figures in this section are sourced from: <https://ecoprofile.infometrics.co.nz/waikato%20region>.