

Chairman's Email

10 November 2022

Subject: Update on DIRA Amendment Bill

Dear [name],

Earlier today, the Primary Production Select Committee released its report on the DIRA Amendment Bill – the piece of the legislation that will support our Flexible Shareholding structure.

With the Select Committee process completed, the Bill will now go through a second and third reading in Parliament before it can be passed into law. We remain hopeful this can be done before the end of the year.

Overall, we are satisfied that it is moving in the right direction and we are pleased to see the adoption of some of the key changes we advocated for in our submission.

The most significant of these related to the potential for third parties to take enforcement action against our Co-operative for any perceived breaches of the Milk Price oversight regime. The Committee has recommended this provision be removed.

We are also encouraged to see that some of our requested changes to the information disclosure requirements have been reflected in today's report.

However, some of our other proposed changes were only accepted in part, or not at all. The Select Committee has recommended to retain new individual liability provisions related to the Milk Price oversight regime, but they have at least limited these in line with the defences we put forward in our submission.

We are also disappointed that the Committee did not support our request to remove the additional powers of direction for the Commerce Commission.

It's our view that the Milk Price regime is very robust and independent already. We strongly object to any suggestion that our Co-op or the individuals involved in the process somehow manipulate the outcome. We will continue to advocate on these points as the Bill progresses.

You can read the Select Committee's full report [here](#).

I would like to thank those farmers who made individual submissions alongside our Co-op and the Co-op Council during the Select Committee process.

We remain committed to implementing our Flexible Shareholding structure as soon as possible and will continue to keep you updated on progress.

In the meantime, please remember that you can still buy and sell shares, but that share compliance remains on hold and will remain on hold until at least 6 months after the Flexible Shareholding structure is implemented.

Peter.