Submission to the Commerce Commission

Comhla Vet / Vet First – Proposed Acquisition

Submitted by: IndieVets

18 November 2026

1. Introduction

IndieVets welcomes the opportunity to make a submission on the proposed acquisition of Veterinaryfirst Limited (Vet First) by Comhla Vet Limited (Comhla Vets).

IndieVets is a network of more than 130 independently owned veterinary clinics throughout New Zealand. Our members provide veterinary services to companion animals and production animals, predominantly in urban areas, but also in rural and regional communities. The location of our members can be seen here: https://indievets.co.nz/vet-locator/

Our members are independently owned and operated businesses. They compete with one another, as well as with larger veterinary groups, on price, service, quality, clinical expertise and their relationships with clients and local communities.

The purpose of establishing IndieVets, in 2019, was to help level the playing field against the increasing level of corporate ownership in New Zealand; particularly offshore private equity ownership.

IndieVets supports a competitive, sustainable veterinary sector in which pet owners and farmers have **genuine choice** – and where independent practices can continue to operate and grow, and veterinary professionals retain the ability to exercise independent clinical judgement.

We note there are other equivalent, but much larger, overseas groups that champion the independent veterinary sectors in the UK and US. They are listed in our blog: https://indievets.co.nz/news/our-indie-friends-around-the-world/

IndieVets also aims to bring transparency around ownership, given that corporate-owned clinics do not typically advertise the fact. [redacted]

We recognise that corporate ownership and investment does provide an exit strategy for practice owners, and can offer access to capital, management expertise, technology and operational support. Our concern is not corporate ownership in itself. It is the **progressive concentration of ownership and market power**, and the potential consequences for competition, independent operators and consumers.

We ask that the Commission considers not only the immediate competitive impact of this transaction, but also the wider changes taking place in the veterinary sector and the cumulative effect of successive acquisitions.

2. An industry undergoing significant consolidation

The veterinary profession in New Zealand is changing.

Historically, the sector has been characterised by locally owned practices, often established and operated by veterinarians who have built long-standing relationships with their communities. While larger veterinary groups have become an increasingly significant part of the market, independent practices remain an important source of competition, choice and diversity.

The proposed acquisition would bring together Comhla's network of 52 veterinary clinics and Vet First's 17 clinics, creating a group with 69 clinics across New Zealand.

This is a significant expansion of an already substantial veterinary business.

It should not be considered in isolation from the wider consolidation occurring in the sector. Each acquisition removes an independently controlled business or reduces the number of separately controlled competitors. Over time, this can fundamentally change the structure of a market, even where individual transactions do not appear to create an immediate or obvious competition problem.

We submit the Commission should therefore consider whether the proposed acquisition would contribute to an ongoing pattern of consolidation that is *progressively reducing the number of meaningful competitors in New Zealand's veterinary markets*.

The experience overseas demonstrates why this matters:

The United Kingdom

The UK's Competition and Markets Authority (CMA) undertook an extensive investigation into veterinary services for household pets, culminating in its final report in March 2026.

The investigation identified significant competition concerns associated with consolidation in the veterinary sector. More than 60% of UK veterinary practices were owned wholly or partly by six large veterinary groups.

The CMA found that, between January 2023 and July 2024, average prices at five large veterinary groups were 18.3% higher than at independent practices for consultations, treatments and medicines.

It also found evidence that *acquisitions of independent practices by large groups had contributed to higher average prices over time.*

The CMA's findings also identified a lack of transparency around practice ownership, insufficient information to help consumers compare services, and concerns about commercial pressures on clinical decision-making.

It also supported reform of the regulatory framework to bring veterinary businesses, as well as individual veterinary professionals, within the scope of regulation.

The United States

The United States has also experienced substantial corporate and private equity investment in veterinary practices.

The Federal Trade Commission (FTC) has taken direct action to address acquisitions that it considered likely to reduce competition in local veterinary markets.

In 2022, the FTC intervened in JAB Consumer Partners' proposed US$1.1 billion acquisition of SAGE Veterinary Partners. JAB already owned major veterinary groups National Veterinary Associates and Compassion-First.

Further, the FTC identified competition concerns in several local markets in Texas and California. The transaction was subject to divestment of competing clinics and extensive prior-notice and prior-approval requirements for certain future acquisitions.

The FTC subsequently took further action in relation to JAB's proposed acquisition involving Ethos Veterinary Health, again requiring divestments and imposing oversight of future acquisitions.

Of particular relevance is the FTC's concern about 'roll-up' strategies, whereby a large group progressively acquires smaller businesses to build market power. The concern is that a series of acquisitions can gradually weaken competition, even where individual transactions might not independently appear to raise significant concerns.

The United States and United Kingdom have different regulatory systems, but both provide an important lesson for New Zealand: the structure and ownership of the veterinary sector matter, and regulators are now alert to the cumulative effects of consolidation.

New Zealand is well-placed to take into account these overseas developments, rather than wait until similar competition problems become entrenched.

3. The value of ownership diversity

The Commission is seeking information on "the impact that the Proposed Acquisition may have on the state of competition in the relevant market(s)."

In the UK, the CMA investigation highlighted that effective competition requires more than the continued presence of a number of veterinary clinic premises. It requires genuinely independent competitors with the ability and incentive to challenge larger operators.

IndieVets believes that a healthy veterinary sector benefits from having strongly diverse ownership models. Our members range from small 1-2 vet practices, to larger multi-practice groups. This provides the public with genuine choice in terms of clinical offerings, pricing and location; which in turn supports a competitive, resilient sector.



Independent ownership also provides veterinarians with an alternative career pathway: the opportunity to own, manage and develop their own business rather than being limited to employment only.

This also matters for the long-term sustainability of the profession. The availability of independent ownership opportunities helps attract and retain entrepreneurial veterinary professionals and supports the development of locally responsive businesses.

Independent practices can also be more closely connected to their communities, with decisions about staffing, services, investment and client relationships made locally.

There are other inherent risks from reduced choice and competition. The recent controversy over Calvary Healthcare in Australia, which could see patients in rural communities left without critical healthcare options due to the restrictive policy decisions of the hospital owners, is a stark example.

A market dominated by a small number of large groups may still contain numerous clinic locations, but that does not necessarily mean it offers meaningful competition. Consolidation, and the reduced choice it necessarily brings, also makes those veterinary businesses less responsive to community needs.

4. Local competition and barriers to entry

There are a number of local markets in which Comhla and Vet First overlap.

We consider it important that these markets are examined individually, taking account of the particular characteristics of each community and the services available.

The geographic boundaries of veterinary markets cannot necessarily be determined by applying a uniform radius around each clinic.

In provincial and rural communities, clients may have fewer practical alternatives than those in larger urban centres. Travel distances, the availability of veterinarians, emergency requirements, the type of

animal being treated and the nature of the service all influence whether a customer can realistically switch providers.

For production animal services in particular, the relationship between a veterinary practice and its farming clients is often long-standing and involves much more than individual consultations. Services can include herd health planning, preventative medicine, reproductive services, disease management and ongoing advice. The location and capacity of the practice to provide timely on-farm services are important competitive factors.

Similarly, companion animal clients may not regard a practice some distance away as a realistic alternative, particularly where urgent treatment, continuity of care or after-hours services are required.

We also question the assumption that barriers to establishing a new veterinary practice are necessarily low.

The fact that it may be possible to open a clinic does not mean that doing so is commercially viable or that the new entrant will be able to compete effectively with an established group.

Establishing a sustainable practice requires substantial investment in premises, equipment, technology and staffing. Access to experienced veterinary professionals is a particular constraint. Building a client base and establishing a reputation in a local community takes time.

For these reasons, we submit the Commission ought to distinguish between theoretical entry and the realistic likelihood of new competitors entering a market in sufficient time and at sufficient scale to constrain the merged entity.

5. The importance of independent veterinary practices to competition

The Commission's Statement of Preliminary Issues identifies independent clinics as an important source of competitive constraint on the parties.

We agree, but believe the practical ability of independent practices to provide that constraint needs to be examined carefully.

Independent practices are not simply smaller versions of corporate groups. They operate under different commercial conditions and face particular challenges when competing with businesses that have access to group-wide resources, centralised purchasing, shared infrastructure, management systems and the financial capacity to acquire other practices.

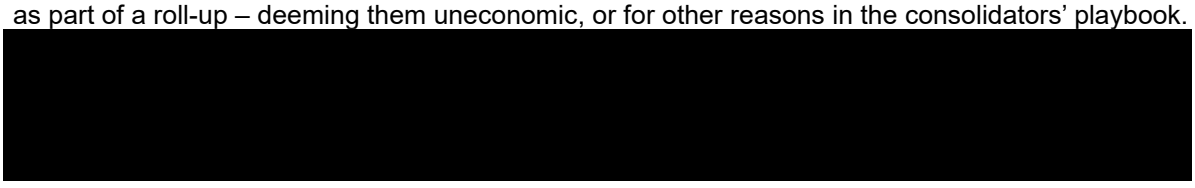
Independent practices must fund their own facilities, equipment, staffing, technology, training and business development. They also carry the financial risks associated with ownership and investment.

Their ability to compete is affected by access to capital, supplier terms and the commercial realities of operating in smaller regional markets.

It would therefore be inappropriate to assume that the independent clinics remaining in a local market will necessarily provide an effective and enduring competitive constraint on the merged entity.

If those existing independent (or non-merged clinics) are swallowed up by the larger entity, they may or may not re-emerge in independent form.

IndieVets notes that often consolidators will buy and then shut down smaller clinics that they purchase as part of a roll-up – deeming them uneconomic, or for other reasons in the consolidators' playbook.



We submit the Commission needs to assess the actual capacity of independent competitors to respond to price increases, service reductions or changes in commercial terms, rather than simply counting the number of clinics within a proposed geographic catchment.

6. Vertical integration and the wider supply chain

IndieVets is particularly concerned that the proposed acquisition be considered in the context of Comhla Group's broader interests in the veterinary supply chain.

Comhla is not simply a veterinary clinic operator. Its wider group interests include veterinary wholesalers, animal nutrition and a diagnostic laboratory. This creates a broader competition question than the ownership of clinics alone.

As outlined in the Statement of Preliminary Issues, Comhla Group has interests in:

- Fortis Vet, a veterinary product wholesaler;
- Agilis Vet, a veterinary product wholesaler focused primarily on production animals;
- Heartland Nutrition, a supplier of trace elements, minerals and feedstuffs for dairy cows; and
- DRL, a veterinary diagnostic laboratory.

We recognise that responsible vertical integration can create efficiencies and benefits. However, it also raises legitimate questions about the potential for a vertically integrated group to influence the terms on which competing independent practices access products, diagnostics and other essential services.

The Commission might examine whether the enlarged group would have an increased ability or incentive to:

- Direct purchasing by its clinics towards businesses within its own group.
- Negotiate preferential purchasing terms that are not available to independent practices.
- Use its increased scale and purchasing volumes to secure more favourable supplier arrangements.
- Influence the availability, pricing or terms of access to veterinary products and diagnostic services.
- Strengthen its competitive position in ways that make it more difficult for independent practices to compete.

The availability of an alternative supplier is not the same as access to equivalent commercial terms, product ranges, delivery arrangements or service levels.

We highlight the recent FTA decision (November 2026) to block the proposed $3.5b acquisition of veterinary wholesalers MWI by rival Covetrus. The FTC alleges that the transaction would merge the two largest suppliers in the markets for veterinary clinic distribution and distribution to large corporate accounts – and the combined firm would drive up costs for veterinary clinics, decrease service quality and increase prices for pet owners.

Covetrus and MWI supply veterinarians with the products used in veterinary clinics, including pharmaceuticals, vaccines, “white goods,” (e.g., gloves, gauze, syringes), surgical supplies and thousands of other products, as well as associated services.

Of similar concern – and one is that is receiving considerable attention in the US – is the vertical integration of pharmacy with veterinary clinics and referral hospitals. If the same corporate entity ultimately owns the entire vertical, they effectively become the ‘gate-keeper’ to all treatments, products, medicines and referrals.

One example in the US is the acquisition of veterinary services businesses by Tractor Supply Company, the largest rural lifestyle retailer in the US. This is an example of a business deliberately assembling control across different parts of the animal health supply chain.



Closer to home, in Australia, VetPartners' acquisition of online veterinary pharmacy Pet Chemist has raised concerns about the implications of a single corporate group owning both clinics and access to medicines. (Refer Dr Leigh Davidson's complaint to the ACCC)



We expect the Commission has received evidence from suppliers and independent veterinary practices about the practical impact of the merged group's purchasing scale and vertical integration.

This assessment would include the likely impact on purchasing terms following the acquisition, as well as the risks of cumulative acquisitions and vertical integration/monopoly.

7. The cumulative effects of consolidation

IndieVets believes this is one of the most important issues for the Commission to consider.

It is critical to ensure that any assessment reflects the actual structure and trajectory of the New Zealand veterinary market.

A market can become progressively less competitive without any single acquisition appearing decisive.

As the Commission will be aware, the nature of roll-ups is that the next acquisition and expansion plan is typically already mapped out. Typically, while the immediate deal is being celebrated with a handshake, the next buyer is waiting in the background with their cheque book.



It is notable that all of these subsequent acquisitions happened offshore, and may not have been under the jurisdictions NZ regulators. This raises the important question – what is the likely or potential trajectory for Comhla Vet/Vet First, beyond this immediate transaction.

Where large groups have the financial resources and incentive to continue acquiring established practices, the cumulative effect can be a reduction in the number of independent competitors, fewer alternative ownership pathways for veterinarians, and greater concentration of purchasing and service provision.

This can create a self-reinforcing cycle. As larger groups expand, independent practices face greater competitive pressure. Some owners may decide that selling to a corporate group is the most

commercially attractive or realistic succession option. The pool of independently owned practices then becomes smaller, further reducing the diversity of ownership and competition in the market.

The UK and US experiences demonstrate why regulators need to look beyond the immediate transaction and consider the broader competitive environment.

In New Zealand, the combination of clinic ownership, wholesale supply, animal nutrition and diagnostics creates a much wider commercial footprint.

Noting also that New Zealand's biosecurity interests are dependent on farmer's access to effective and affordable veterinary care.

The cumulative acquisition trajectory is relevant here. What is the ultimate 'end point'? We should be cognisant of the potential for offshore interests (e.g. US, Chinese and European) to hold significant control over New Zealand's production animal sector and critical supply chains.

An independent veterinary sector helps ensure farming businesses – and the New Zealand Government – retain access to the medicines and supplies needed to protect our agricultural exports and respond to biosecurity threats.

8. Matters we ask the Commission to examine

In conclusion, IndieVets asks the Commission to give particular attention to the following matters in its assessment:

- **Local market concentration:** The extent to which the acquisition would reduce competition in each of the identified overlapping companion and production animal markets, taking account of actual travel patterns, service availability and customer switching behaviour.

- **The competitive constraint provided by independent practices:** Whether independent clinics have the financial, staffing and operational capacity to provide an effective and sustainable competitive constraint on the enlarged group.

- **Barriers to entry and expansion:** The practical costs and challenges of establishing a new veterinary practice or expanding an existing independent practice, particularly in provincial and rural communities.

- **The cumulative effects of acquisitions:** Whether the proposed acquisition would contribute to a wider pattern of consolidation that is reducing the number of independently controlled veterinary businesses and weakening competition over time. **We believe this is the most important consideration.**

- **Vertical integration:** Whether Comhla Group's interests across veterinary wholesale, animal nutrition and diagnostics create an increased ability or incentive to disadvantage competing independent practices or suppliers.

- **Access to veterinary products and services:** Whether independent practices can obtain equivalent purchasing terms, product availability, diagnostic services and other essential inputs following the acquisition.

- **The future of independent practice ownership:** Whether continued consolidation is likely to reduce the availability of independent ownership and succession opportunities, and the implications for competition and the sustainability of the profession.

9. Conclusion

The proposed acquisition is significant in scale and takes place against a backdrop of increasing corporate ownership and consolidation in veterinary markets internationally.

The experience in the United Kingdom and United States demonstrates that the effects of consolidation can be far-reaching, affecting prices, consumer choice, the competitive position of independent practices and the commercial independence of veterinary professionals.

New Zealand has an opportunity to consider these issues before the market reaches a point where meaningful competition is more difficult to restore.

We urge the Commission to take a robust and forward-looking approach to its assessment, giving proper weight to the competitive role of independent practices, the practical barriers they face and the implications of further concentration of ownership.

A strong, sustainable veterinary sector needs more than a choice of clinic locations. It needs genuine competition, diverse ownership and a viable future for independent veterinary practices.

In particular, we urge the Commission to assess the very strong likelihood of future acquisitions from large offshore interests – the ensuring loss of regulatory control – and the risks that would pose to both the New Zealand veterinary profession and the wider production industry landscape.

If that cannot be established, IndieVets considers that clearance should be declined unless effective measures can be identified to address the competition concerns.

Submitted on behalf of IndieVets (18.11.2026)

