



Corner Ruakura &
Morrinsville Roads
Private Bag 3221
Hamilton 3240
New Zealand

Ph+64 7 858 3750
Fax +64 7 858 3751

dairynz.co.nz

4 February 2026

Committee Secretariat
Economic Development,
Science and Innovation Committee
Parliament Buildings
Wellington

eds@parliament.govt.nz

DairyNZ submission to the Economic Development, Science and Innovation Committee on the Commerce (Promoting Competition and Other Matters) Amendment Bill

1. DairyNZ welcomes the opportunity to comment on the Commerce (Promoting Competition and Other Matters) Amendment Bill ('the Bill').

About DairyNZ

2. DairyNZ is the industry-good body representing New Zealand's 11,000 dairy farmers. We seek to progress a positive future for New Zealand dairy farming through enhanced sustainability, profitability and competitiveness. In the year ended June 2025, NZ dairy exports generated approximately \$27 billion, accounting for one in every four export dollars earned by New Zealand. Dairy farming and processing contribute around \$20 billion a year to GDP, representing 3-4% of total GDP, and the sector employs over 55,000 people, including 40,000 on farms and 15,000 in processing.

Executive Summary

3. DairyNZ encourages the Committee to:
 - I. New Zealand's competition settings keep pace with developments in the digital economy;
 - II. The Commerce Commission has the mandate to examine cross-market- competition issues, including data access; and
 - III. The groundwork is laid for future policy that keeps digital and data-driven markets competitive, innovative, and fair.

4. Specifically DairyNZ:

- Supports the intent of the proposed reforms to modernise and strengthen New Zealand's competition settings.
- Endorses the proposed amendments to the collaborative activity clearance process, which it considers will better support beneficial collaboration between competitors.
- Is concerned to ensure that the Commerce Act provides workable mechanisms for addressing digital and data-driven competition issues.
- Considers that the proposed new study power in section 51F should explicitly allow the Commerce Commission to examine cross-market issues, such as those of the kind that arise in respect of data and the digital economy.

Why is the Commerce Act relevant to DairyNZ?

5. Dairy's relevance to New Zealand economy emphasises why it is important that we have open and contestable markets – not least to ensure New Zealand dairying remains viable internationally but also so that it contributes positively to the Government's ambition to double exports.
6. We place a strong emphasis on partnering and collaborating with organisations across both the public and private sectors, which enables us to accelerate innovation and deliver greater value for farmers and their communities.
7. As an industry-good organisation, DairyNZ has a long-standing interest in ensuring New Zealand's competition laws promote efficient and contestable markets. When markets become highly concentrated or when participants encounter significant barriers to entry or expansion, farmers can face higher input costs, fewer choices, and weaker incentives for innovation. Over time, these pressures could erode the competitiveness and resilience of New Zealand's dairy sector, both domestically and internationally.

Areas of Future Opportunity and Risk

8. Digital technologies and data-driven tools are now central to modern dairy farming. For this reason, DairyNZ is increasingly focused on issues relating to data ownership, access, interoperability, and the potential for market power to form around large datasets or proprietary digital systems. International experience shows how competition can be distorted when farmers lose control of their data, when key datasets are siloed within commercial platforms, or when poor interoperability prevents switching and entrenches incumbent providers. The absence of consistent and trusted frameworks for data access and use has been raised repeatedly overseas and mirrors concerns emerging across the broader digital economy.
9. In light of the above, DairyNZ was encouraged by MBIE's stated aim in the Targeted Review of the Commerce Act 1986, being to:

“ensure New Zealand's competition settings are keeping pace with market developments, including those in the digital economy, and international best practice.”

10. We were also pleased to see MBIE focusing on identifying tools that could reduce barriers to entry and expansion, which is a prevalent issue in digital markets overseas.

11. The Bill contains a number of worthwhile reforms intended to strengthen competition and improve the Commerce Commission's toolkit. In particular, DairyNZ welcomes the amendments designed to streamline the collaborative activity clearance process and provide greater flexibility for collaborative arrangements involving changing participants over time. DairyNZ considers that these amendments will improve the utility of the clearance regime and better support beneficial collaboration between businesses.

12. However, DairyNZ is concerned that the Bill does not go far enough in addressing competition issues arising in the digital economy, particularly those linked to data access, interoperability, and the risk of platform dominance.

13. These issues are increasingly the focus of regulatory initiatives in New Zealand's international competitors. For example:

- The European Union's Digital Markets Act imposes data-sharing and interoperability obligations on large "gatekeeper" platforms.
- The United Kingdom's Digital Markets, Competition and Consumers Act enables tailored conduct rules for firms with Strategic Market Status.
- The European Union's 'European Strategy for Data' aims to create 'Common European Data Spaces' across sectors, including agriculture, to foster innovation, sustainability, and competitiveness.

14. The risks associated with data monopolisation are well documented overseas and are beginning to appear in digital agriculture here. Without proactive steps, New Zealand risks falling behind, particularly given the small scale and high concentration of many of our domestic markets.

15. Given that the Bill does not, for example, provide for industry codes or rule making powers to address sector-specific competition issues, DairyNZ foresees that primary legislation may be required to safeguard data access, interoperability, and platform competition in digital and data-driven markets. New Zealand will need approaches that recognise the importance of data sovereignty, data portability, shared data infrastructure, and the strategic role of sector-good datasets, while also being proportionate to our market size.

16. A necessary first step is building the evidence base. This is something that DairyNZ considers could usefully be dealt with under the proposed new market study power in section 51F (set out in section 12 of the Bill). However, the proposed new study power in s 51F is framed around a "market, industry, or sector". DairyNZ considers that this may be too narrow to capture digital and data issues which may be manifesting across multiple markets, such as:

- data portability and interoperability;
- access to datasets; and
- information asymmetries created by digital tools used throughout supply chains.

Recommendation

17. DairyNZ recommends that section 51F be amended to make clear that the Commission may undertake studies into cross-market competition issues. This would enable it to examine matters such as data access or interoperability which do not fall neatly within a single market. For additional clarity, DairyNZ considers that the issues around data not limited to the data itself, but to

the hardware which collects that data, and the software which is used to facilitate access and use of the data by individual users, proprietary rights in derived data, and the underlying data itself that can be used to generate additional competitive advantages.

18. Clarifying that section 51F studies may also consider “pro-competitive reforms to existing regulations” would also help ensure the Commission can look at the full range of factors that may influence competition. In some areas, competition issues may relate not only to market conduct or gaps in regulation, but also to whether current regulatory settings are operating as intended or could be better aligned with competitive outcomes. Including this wording would give the Commission flexibility to consider whether adjustments to existing frameworks might support more contestable and dynamic markets, particularly in areas where digital and data-related developments are evolving quickly.

19. DairyNZ suggests that the wording of section 51F could be expanded to state:

“...in relation to any one or more markets, industries or sectors, where the Commission considers it in the public interest to recommend the development of pro-competition regulation or pro-competitive reforms to existing regulation.”

20. This amendment would better reflect modern competition challenges, and ensure the Commission has the scope needed to examine issues that cut across traditional market boundaries.

Conclusion

21. DairyNZ appreciates the Committee’s consideration of these matters and supports the Bill’s overall intent to strengthen New Zealand’s competition framework. We encourage the Committee to ensure that:

- I. New Zealand’s competition settings keep pace with developments in the digital economy;
- II. The Commerce Commission has the mandate to examine cross-market- competition issues, including data access; and
- III. The groundwork is laid for future policy that keeps digital and data-driven markets competitive, innovative, and fair.

We would welcome the opportunity to engage further with officials and the Committee on these issues.

Sincerely,



Roger Lincoln
General Manager Policy and Government Relations, DairyNZ

Contact for further information: laura.symes@dairynz.co.nz