

# TAUHARA NORTH No.2 TRUST



## **Tauhara North No.2 Trust (TN2T)**

### **Submission to the Commerce Commission**

#### **Re: Proposed Merger of Gull and NPD**

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## **1. Executive Summary**

Tauhara North No.2 Trust (TN2T), as a Māori land trust with significant commercial interests, submits in strong support of Gull NZ and the proposed merger with NPD.

TN2T is an investor in Gull through its participation in 28 Galileo LP, alongside investment partners including Allegro. This investment reflects both commercial discipline and alignment with a business model that prioritises community outcomes, competition, and efficiency.

Our position is clear:

- Gull plays a critical role as a challenger brand in the New Zealand fuel market.
- Gull has delivered sustained downward pressure on fuel prices, benefiting consumers nationwide.
- Gull has demonstrated strong community partnership, including direct support to iwi during emergency events.
- Strengthening Gull through the proposed merger will likely enhance competition, not diminish it.

For these reasons, TN2T supports the continued growth and strengthening of Gull as being in the long-term interests of New Zealand consumers.

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## **2. TN2T Context and Investment Approach**

TN2T represents the collective interests of its owners, with a long-term commitment to sustainable economic development that supports both intergenerational wellbeing and commercial returns.

TN2T invests with a dual mandate:

- To generate sustainable financial returns; and
- To deliver broader outcomes for whānau, including affordability, resilience, and access to essential services.

TN2T's investment in Gull followed extensive due diligence and was based on:

- Confidence in Gull's ability to operate as a credible market disruptor;
- Alignment with partners committed to long-term value creation;
- Commitment to ESG investment principles, particularly environmental and social outcomes; and

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- A shared philosophy that commercial success must also deliver community benefit.

This approach is grounded in tikanga Māori, including:

- **Manaakitanga** – supporting and uplifting people;
- **Kaitiakitanga** – responsible stewardship of resources and systems;
- **Whanaungatanga** – building enduring relationships.

Gull's conduct as a business has consistently aligned with these principles.

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## 3. Competition and Market Impact

### 3.1 Role of Gull as a Challenger Brand

The New Zealand fuel market has historically been concentrated among a small number of large participants. In such environments, challenger brands are essential to maintaining competitive tension.

Gull has demonstrably fulfilled this role by:

- Offering consistently lower pricing relative to incumbents;
- Introducing pricing discipline across the market;
- Driving consumer benefit beyond its own customer base.

The presence of Gull creates a ripple effect, compelling competitors to respond. This dynamic is critical to protecting consumer welfare.

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### 3.2 Impact on Fuel Affordability

Fuel affordability is a material issue for New Zealand households, particularly for:

- Regional communities;
- Lower-income households;
- Māori communities, including TN2T whānau.

For many, fuel is not discretionary—it is essential for:

- Employment access;
- Education;
- Health services;
- Whānau connectivity.

Gull's pricing model directly contributes to reducing these costs. The continuation—and strengthening—of this model is therefore of significant public benefit.



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### 3.3 Effect of the Proposed Merger

TN2T considers that the proposed merger has the potential to:

- Improve operational efficiency and scale;
- Enhance distribution capability and reach;
- Strengthen Gull's ability to sustain competitive pricing pressure nationally.

From TN2T's perspective, the key regulatory question is whether the merger diminishes or enhances competition.

TN2T's assessment is that a stronger Gull:

- Is better positioned to compete with larger incumbents;
- Will likely increase competitive tension, not reduce it;
- Will deliver greater consumer benefit over time.

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## 4. Community Impact and Partnership

### 4.1 Support During Cyclone Gabrielle

During Cyclone Gabrielle, Gull provided fuel as koha to support iwi and community-led response efforts.

This contribution was:

- Immediate;
- Practical;
- Critical to enabling frontline mobilisation across affected regions.

Fuel supply during such events is essential infrastructure. Gull's actions materially supported community resilience at a time of significant disruption.

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### 4.2 Ongoing Community Support

Gull has demonstrated a consistent pattern of behaviour in supporting communities through:

- Rapid response;
  - Direct engagement;
  - Prioritising need over commercial return in times of crisis.
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#### 4.3 Implications for Regulatory Consideration

These actions demonstrate that Gull operates not only as a commercial entity but as a responsible market participant.

From a regulatory perspective, this is relevant because:

- It reflects non-price dimensions of competition, including service and community contribution;
- It demonstrates resilience and responsiveness within the supply chain;
- It aligns with broader public interest considerations.

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#### 5. Importance to TN2T Whānau

TN2T's support for Gull is informed by direct experience.

TN2T whānau:

- Actively use Gull services;
- Benefit from its lower pricing;
- Rely on its continued presence in the market.

In the current economic climate, cost-of-living pressures remain significant. Fuel costs are a key component of household expenditure.

Gull's ability to maintain lower pricing is therefore:

- Not marginal;
- Not optional;
- Essential to many whānau.

Any outcome that strengthens Gull's capacity to deliver these benefits should be supported.

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#### 6. Long-Term Perspective and Market Resilience

As a Māori land trust investor, TN2T brings a long-term perspective to market participation.

TN2T is not focused on short-term gains. Instead, TN2T prioritises:

- Sustainable competition;
- Resilient supply chains;
- Intergenerational benefit.

The proposed merger should be assessed in this context.

A stronger, well-capitalised Gull:



- Enhances market resilience;
  - Supports New Zealand participation;
  - Contributes to a more balanced and competitive fuel sector.
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## 7. Conclusion

TN2T strongly supports Gull and the proposed merger with NPD.

In summary:

- Gull is a proven competitive force in the New Zealand fuel market;
- It delivers real and measurable benefits to consumers;
- It has demonstrated genuine commitment to communities, including iwi;
- Strengthening Gull will likely enhance competition and consumer outcomes.

For TN2T, this is both a commercial and a values-based position.

TN2T therefore supports outcomes that enable Gull to continue—and expand—its role in delivering affordable fuel and meaningful community impact across Aotearoa.

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## 8. Recommendations to the Commission

- Approve the Gull–NPD merger as it strengthens a proven challenger in a concentrated fuel market.
  - Recognise Gull’s critical role in lowering fuel prices and delivering real benefits to consumers and communities.
  - Support a stronger Gull to enhance long-term competition, resilience, and affordability across New Zealand.
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**Nāku noa, nā**

**TN2T**