

Wellsford community better off by \$362,000 annually: What competitive pressure delivers to New Zealand communities

Quantifying the “Gull Effect” in Wellsford

Wellsford is one of many communities around New Zealand experiencing what has been described by the Automobile Association (‘AA’) as the “Gull Effect”.

Gull arrived in Wellsford in November 2016 with the opening of an unmanned fuel outlet which has seen the price of the fuel sold in Wellsford drop by up to 18 cents per litre.

Comparing Wellsford prices against the standard national New Zealand price charged by the major oil companies during August and September 2019 indicates Regular 91 octane fuel prices for Wellsford motorists have fallen by an average of 4.7 cents per litre for this period alone.

In July 2018 the Auckland Regional Fuel Tax (ARFT) was introduced at 10 cents per litre plus GST. Gull have opted not to pass this additional tax onto customers prompting the competition to follow suit. This means an additional saving of 11.5 cents per litre for the customer.

David Bodger, General Manager at Gull says he is delighted the Wellsford community is benefiting from the Gull Effect.

“We know the Wellsford community is making a sizeable saving in 2019 alone of 4.7 cents per litre which equates to \$362,000 annually across Wellsford and the surrounding regions. This money undoubtedly will be spent on other things within these communities. This estimate is based on around 7.7 million litres of 91 fuel being sold to private motorists annually in Wellsford.”

“Competition has enormous benefits,” notes Bodger. “By opening an unmanned station in 2016 we have effectively distributed a large amount of money back into the Wellsford community, regardless of whether people shop at Gull or not. In Gull’s book that is a great thing.”