

## Millie Lynskey

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**From:** Bay of Islands Campervans Ltd <info@bayofislandscampervans.co.nz>  
**Sent:** Saturday, February 12, 2022 8:31 PM  
**To:** Millie Lynskey  
**Subject:** Submission THL/Apollo

Dear Millie Lynskey,

Thank you for giving us the opportunity to make a submission regarding the takeover from Apollo by the THL group.

Though we agree with the THL group, that competition in the motorhome rental market can be fierce, there are only four larger (over 500 vehicles) companies operating in NZ.

In our opinion, Juicy and Wendekreisen are servicing the budget oriented market; and, or operate an older (often second hand) rental fleet. Both companies rent out campervans, not so much high end motorhomes. Therefore, not competing in the THL/Apollo rental segment.

THL and Apollo currently concentrate mostly on the high end of the market; renting out modern, (near new) vehicles, mostly motorhomes, less campervans.

A takeover will mean the competition between large-scale companies of the high end motorhome segment will result in one company, and large-scale competition will become non-exciting.

The next size companies servicing the high-end market are Wilderness and McRent, both less than 200 vehicles. Competition in rental segment; Yes. Not so much in fleet size or market dominance.

We are afraid the acquisition will create a vacuum of competition, and a dominance in the market by the newly formed alliance. We have concerns this will create pricing dependency from one massive player. It will take very deep pockets to introduce, establish a new large-scale company to restore the balance.

THL has actively contacted private RV owners (and smaller companies, including ours) to sign up for Highway/SHAREaCAMPER. Doing so, they enable themselves to fill the peak season demand (whenever they had no vehicles available), and simultaneously harvest information about the total RV-rental market potential.

By selling Highway/SHAREaCAMPER, to Campify, and having a seat at the board of directors, THL keeps the advantage to own/repurchase the whole NZ peer to peer market once it makes large profits. This will potentially result in an even larger market share.

We believe less competition in the RV rental business is not in the interest of local or international tourism. The newly formed entity will over represent, and can ignore whatever (now non-exciting) competitors try to achieve. Time and time again, history learns us that consolidation of businesses in NZ usually ends up price gouging... This is quite obvious in supermarkets and airlines for example...

As a last remark, we strongly believe the impact of COVID-19 and the effects on THL, Apollo is a non argument. The entire tourism-, rental-industry has been hugely impacted, including our

business. It will take years to re-establish a healthy tourist market post Covid. *If* consolidating the market is benefitting the RV rental industry, and not affecting competition or potential price gouging, now is definitely not the time.

We are in regular contact with other small rental businesses (including once that are not listed in the proposal) and all have similar thoughts. We understand that our opinion, as a small player in the industry, is not of significant importance, though we do hope our concerns will be heard.

Kind regards,

Nick Galama, Rob van de Wetering.

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