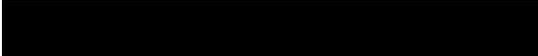


3 September 2019



By email only: 

Dear 

**Official Information Act #19.032 - Z Energy Limited**

1. We refer to Z Energy Limited's (Z Energy) request received on 29 August 2019 for the following information about the Commerce Commission's (the Commission) analysis of various fuel firms' return on average capital employed (ROACE) contained in our *Market study into the retail fuel sector: Draft report* (draft report), published on 20 August 2019:
  - 1.1 the data the Commission used to calculate the estimated average ROACE for international fuel firms identified by the Commission as suitable comparator companies to New Zealand fuel firms, and the Commission's associated workings; and
  - 1.2 the data the Commission used to calculate the ROACE for Z Energy, and the Commission's associated workings.
2. We have treated this as a request for information under the Official Information Act 1982 (OIA).

**Our response**

3. We have decided to grant Z Energy's request.
4. The information requested by Z Energy is set out in the [attached](#) spreadsheet *Return on Capital Employed – Z version*. We have:
  - 4.1 included information relating to Shell and Chevron New Zealand (sometimes referred to as "Caltex" in the spreadsheet); and

- 4.2 excluded the data the Commission used to calculate the ROACE for other New Zealand fuel firms and the associated workings from the spreadsheet, as we consider that such information is outside the scope of Z Energy's request.
5. You can find further information explaining the Commission's approach to assessing profitability generally, selecting international benchmark firms and calculating ROACE in Attachments B to D of the draft report.
6. We advise Z Energy of its right, under section 26 of the OIA, to request correction of personal information provided if Z Energy believes it is inaccurate or incomplete and gives a misleading impression.
7. Please note the Commission may publish a public version of this response on its website. Your personal details will be redacted from the published response.
8. Please do not hesitate to contact us at [uia@comcom.govt.nz](mailto:uia@comcom.govt.nz) if you have any questions about this request.

Yours sincerely

*H. R. Wadham*

Hilda Wadham  
OIA Coordinator