



Independent Pricing and Regulatory Tribunal

# IPART's Achievements

## Regulation and Reform: IPART after 20 years

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CEO and Full Time Member, Independent Pricing and Regulatory Tribunal

10 August 2012

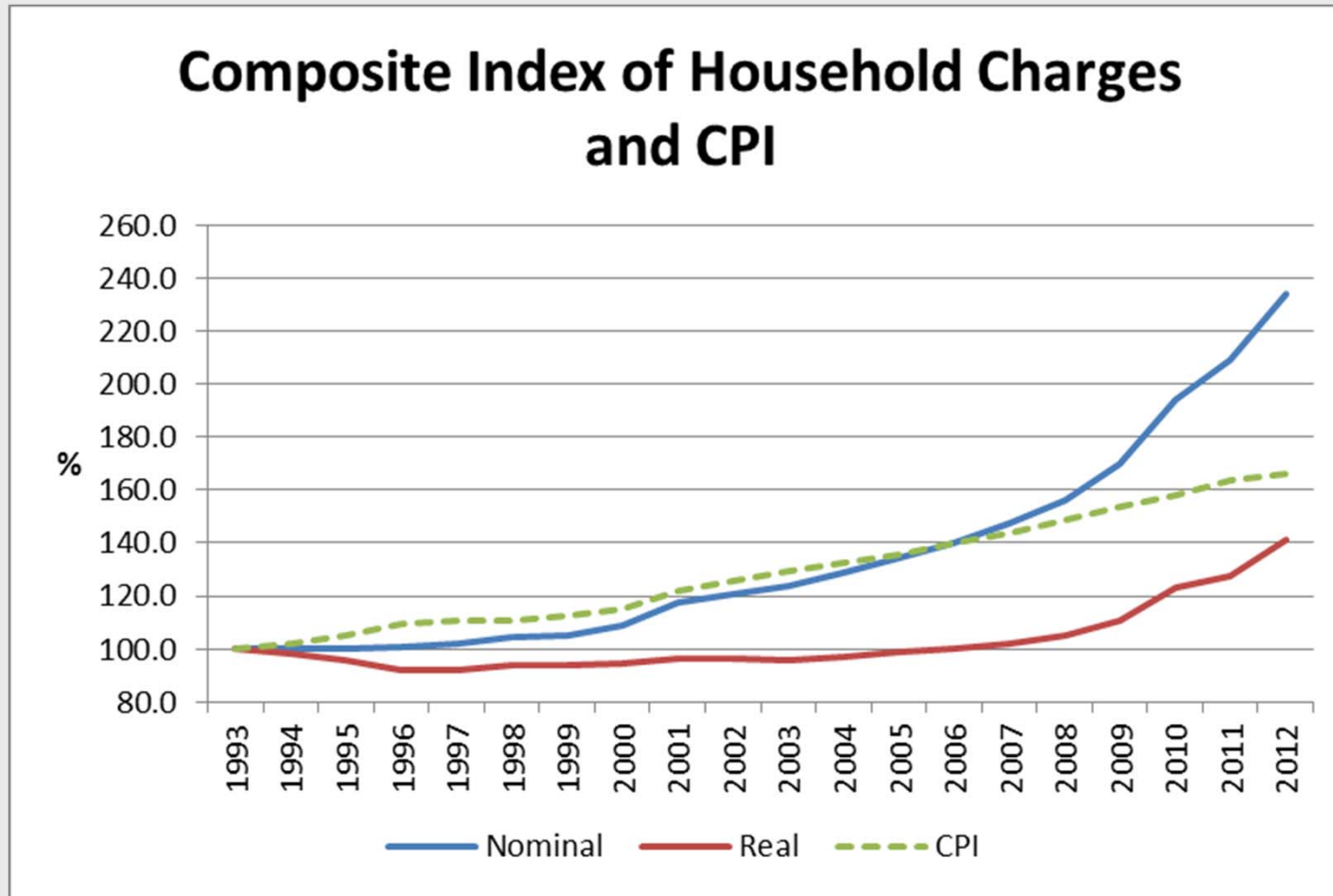
# IPART's establishment

- ▼ Established 1992 – “Government Pricing Tribunal”
  - ▼ Pre-Hilmer
  - ▼ Regulated Government-owned businesses
- ▼ Unusual step for the time
  - ▼ Most regulators regulated private monopolies

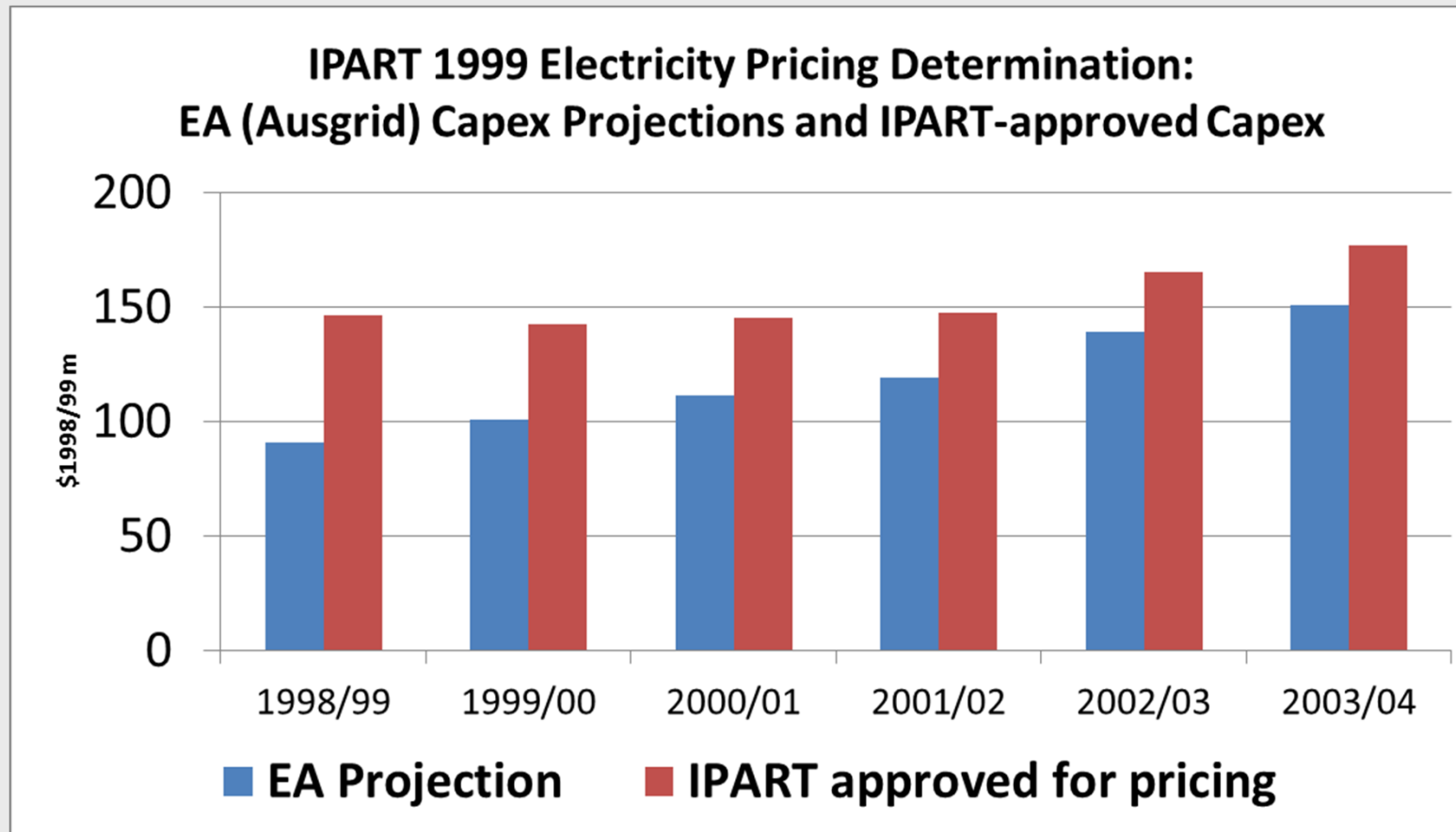
# 20 Years on...

- ▼ What have we achieved?
  - ▼ De-politicised, more rational pricing
    - Increased transparency and public information
  - ▼ Improved standards of service
  - ▼ Increased certainty
  - ▼ Stronger incentives for efficiency improvement
  - ▼ De-politicised and transparent licensing
  - ▼ Supported increased competition
  - ▼ New market-based environmental programs
  - ▼ Expanded range of functions
  - ▼ Policy review and development

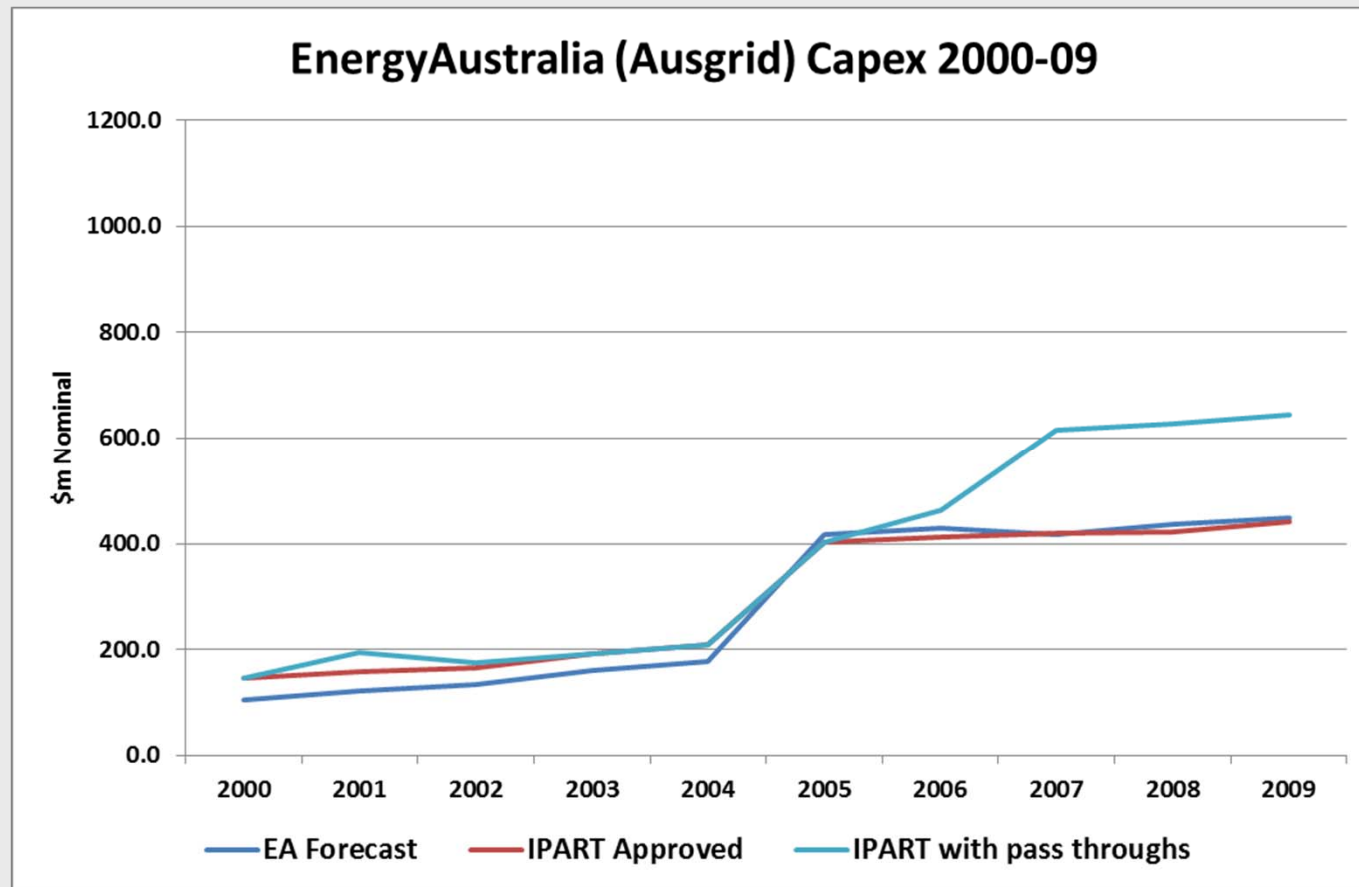
# Index of Household Charges



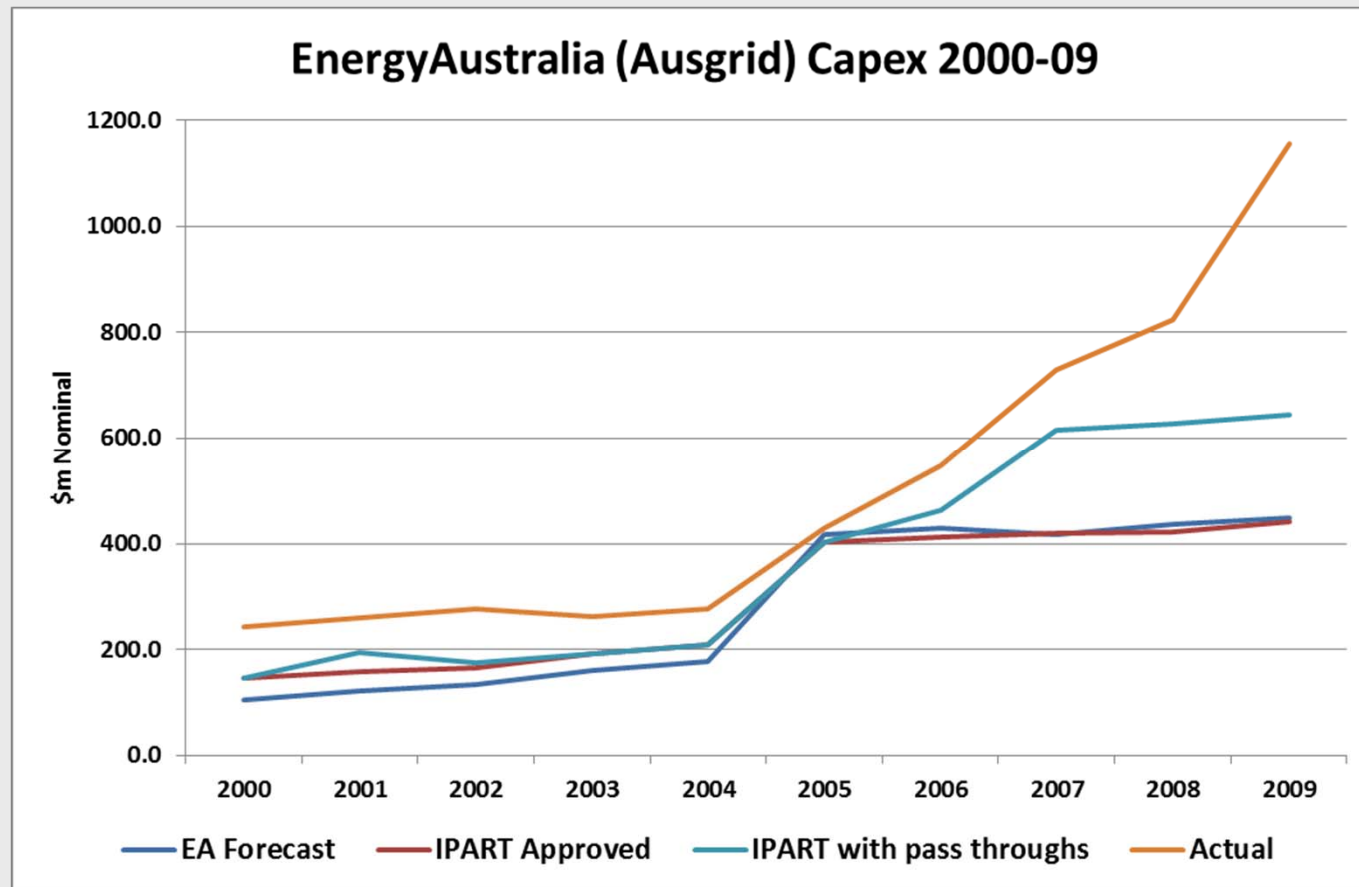
# Electricity Network Capital Expenditure



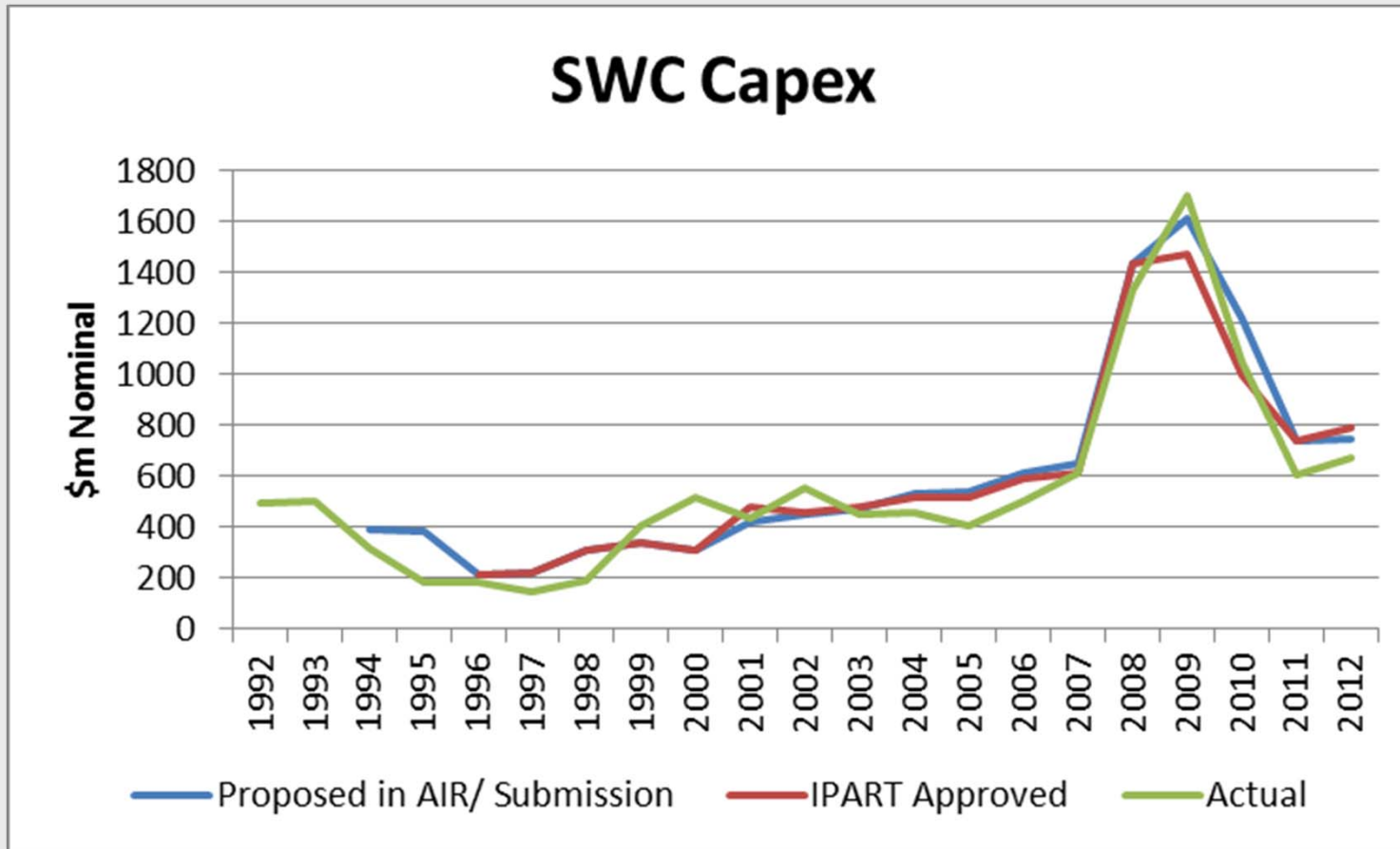
# Electricity Distribution Network Capex



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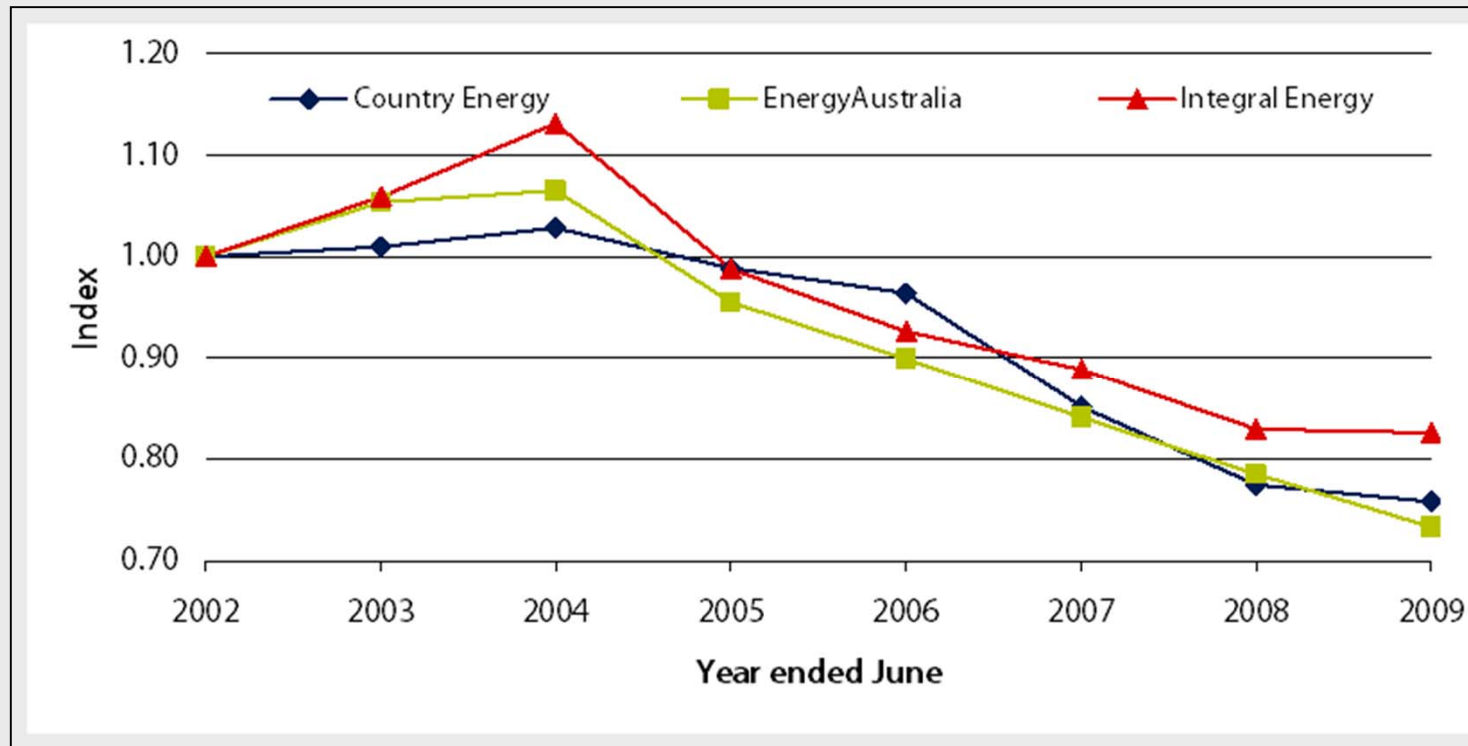
# Sydney Water Capex – incl Desal





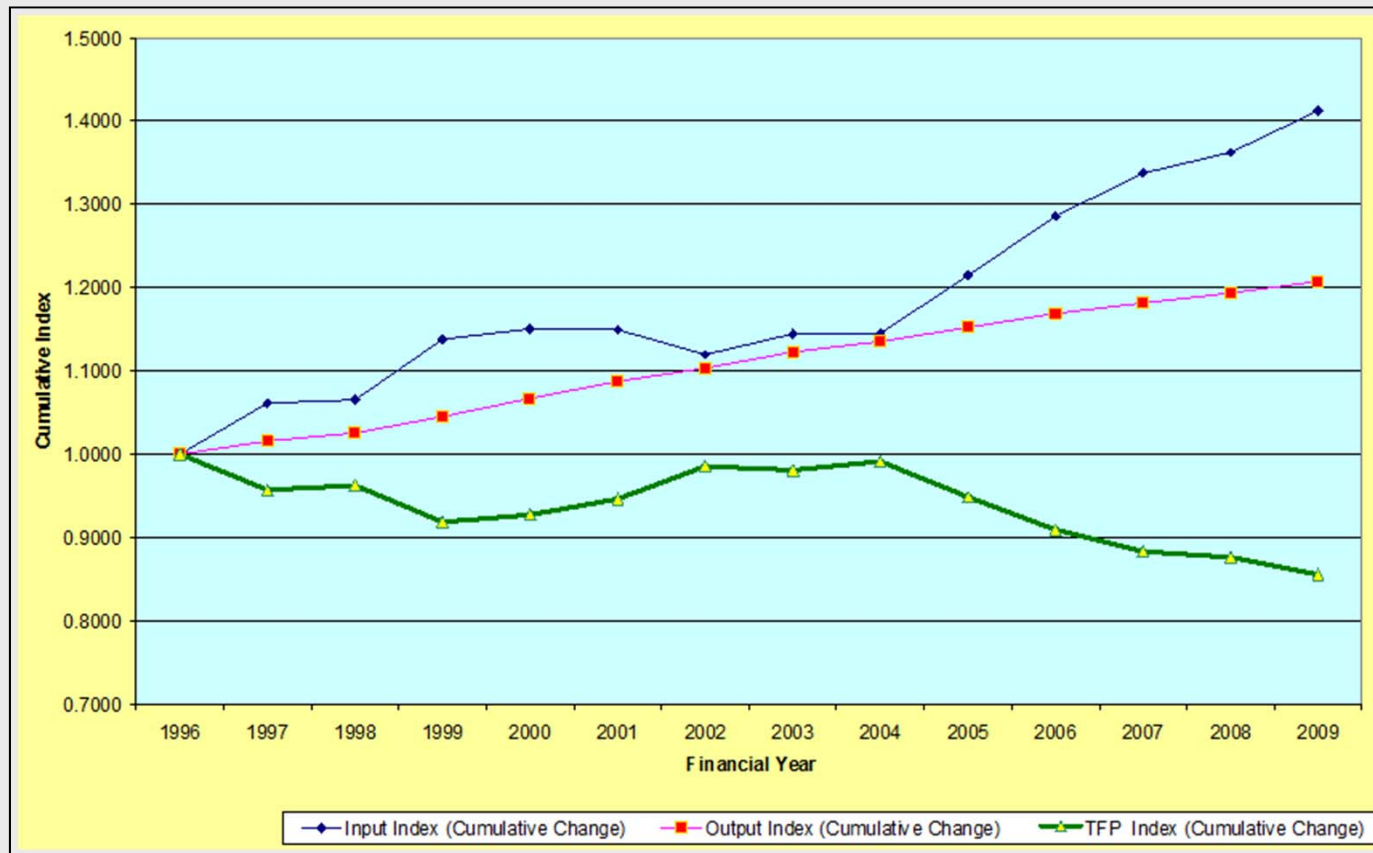
# Productivity: Electricity Distribution Networks

## TFP of electricity distribution networks

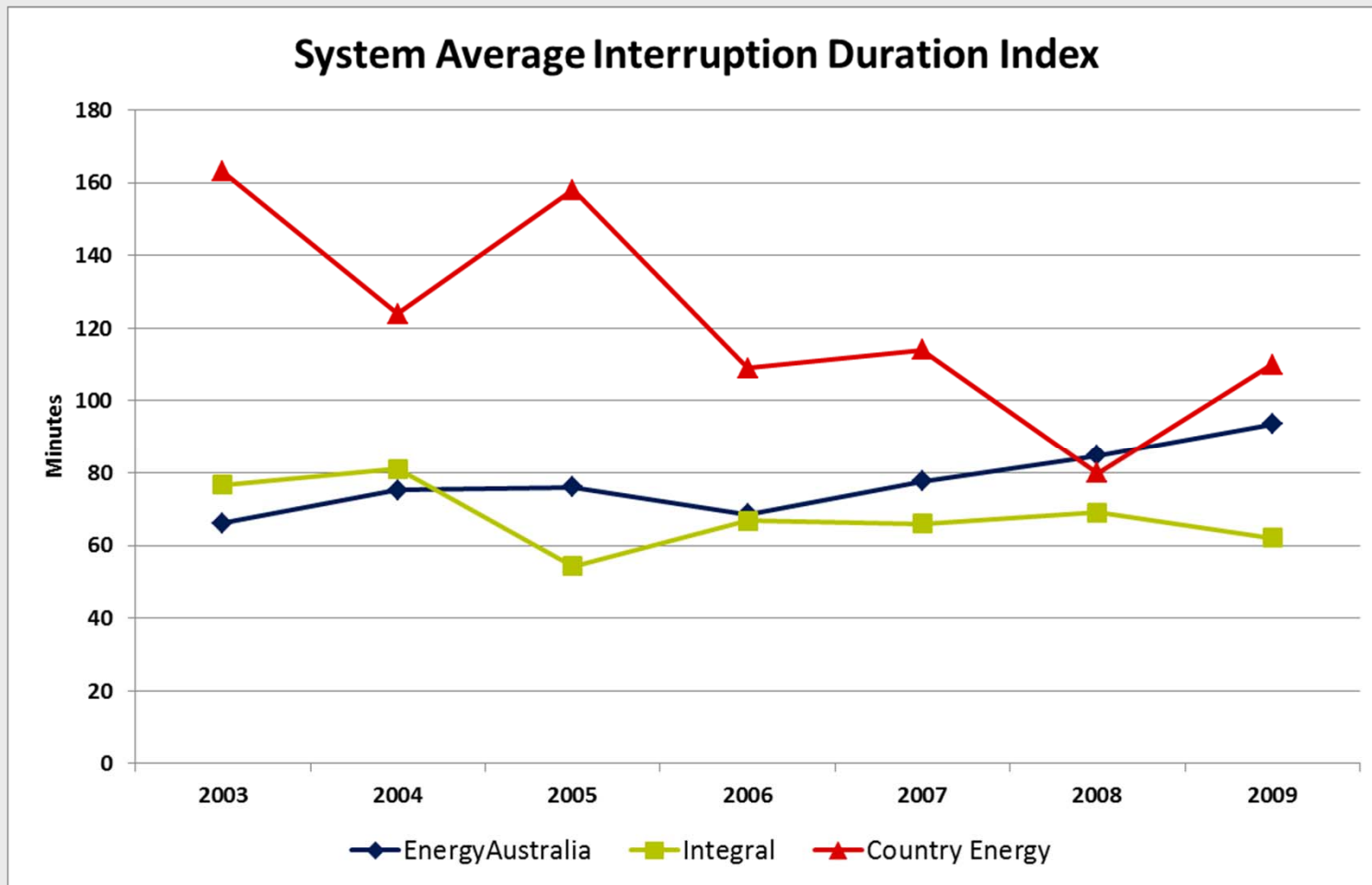


# Productivity: Water

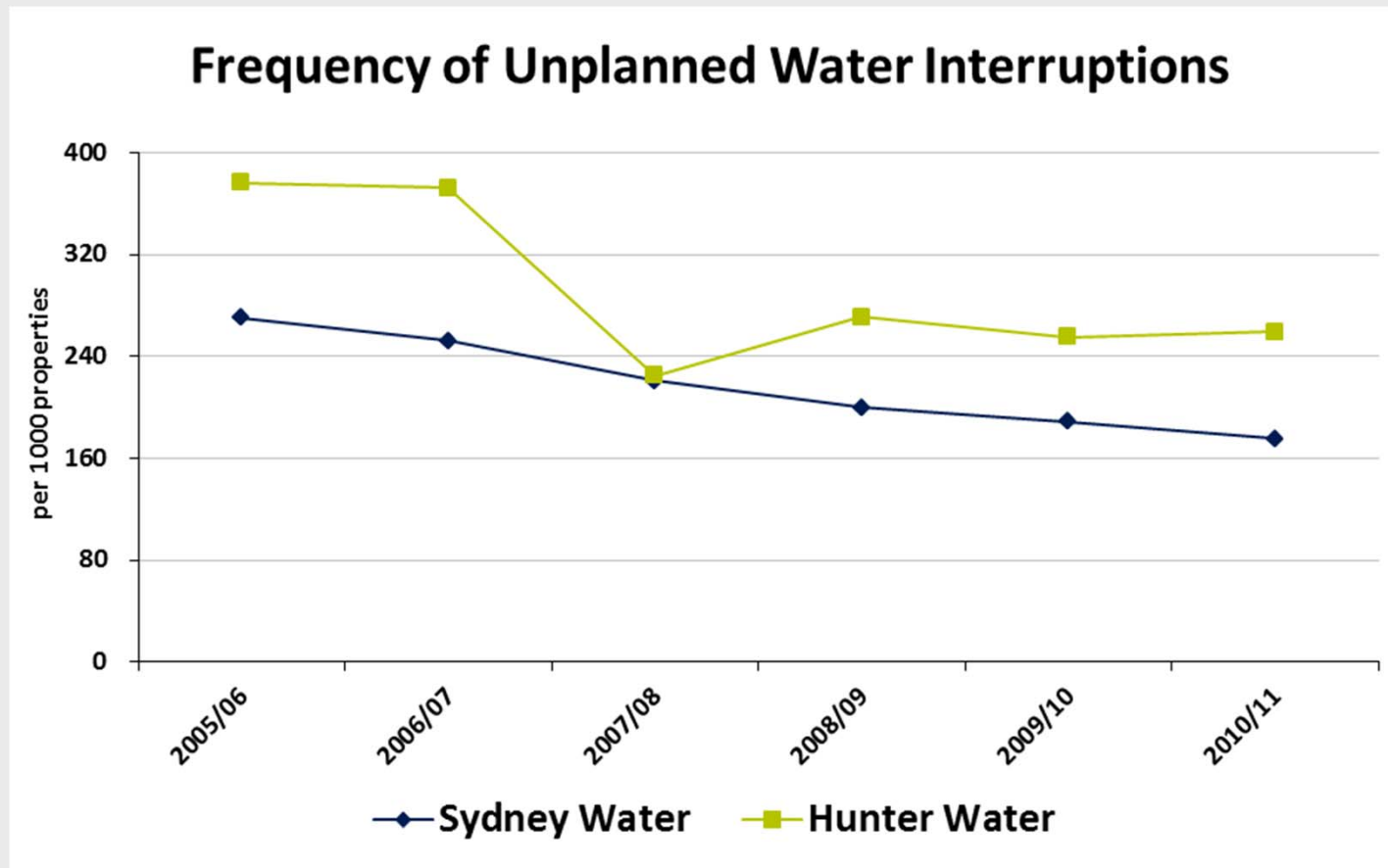
## Sydney Water - Change in TFP (opportunity cost of capital included) 1995/96 to 2008/09



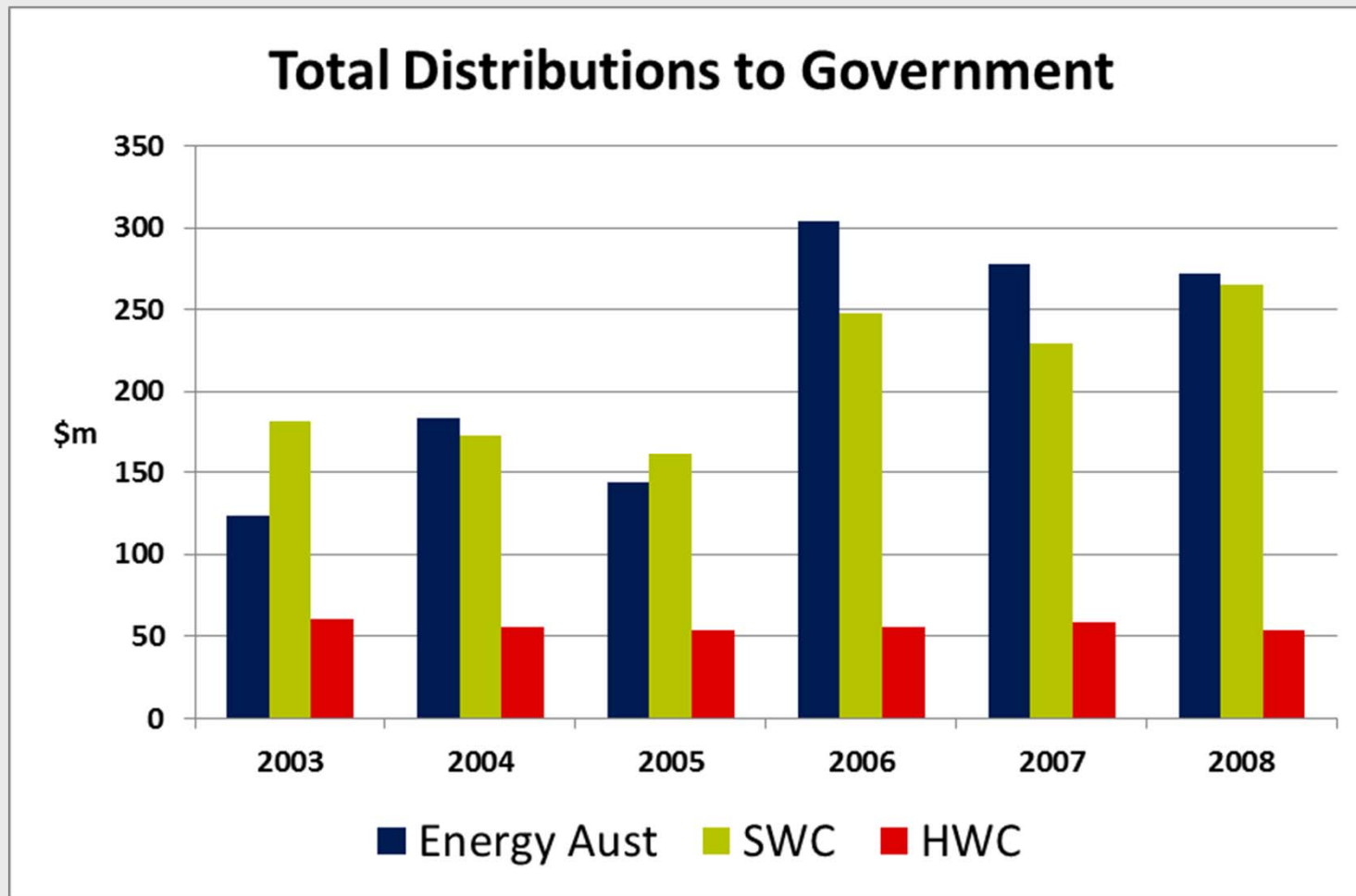
# Service Quality - Electricity



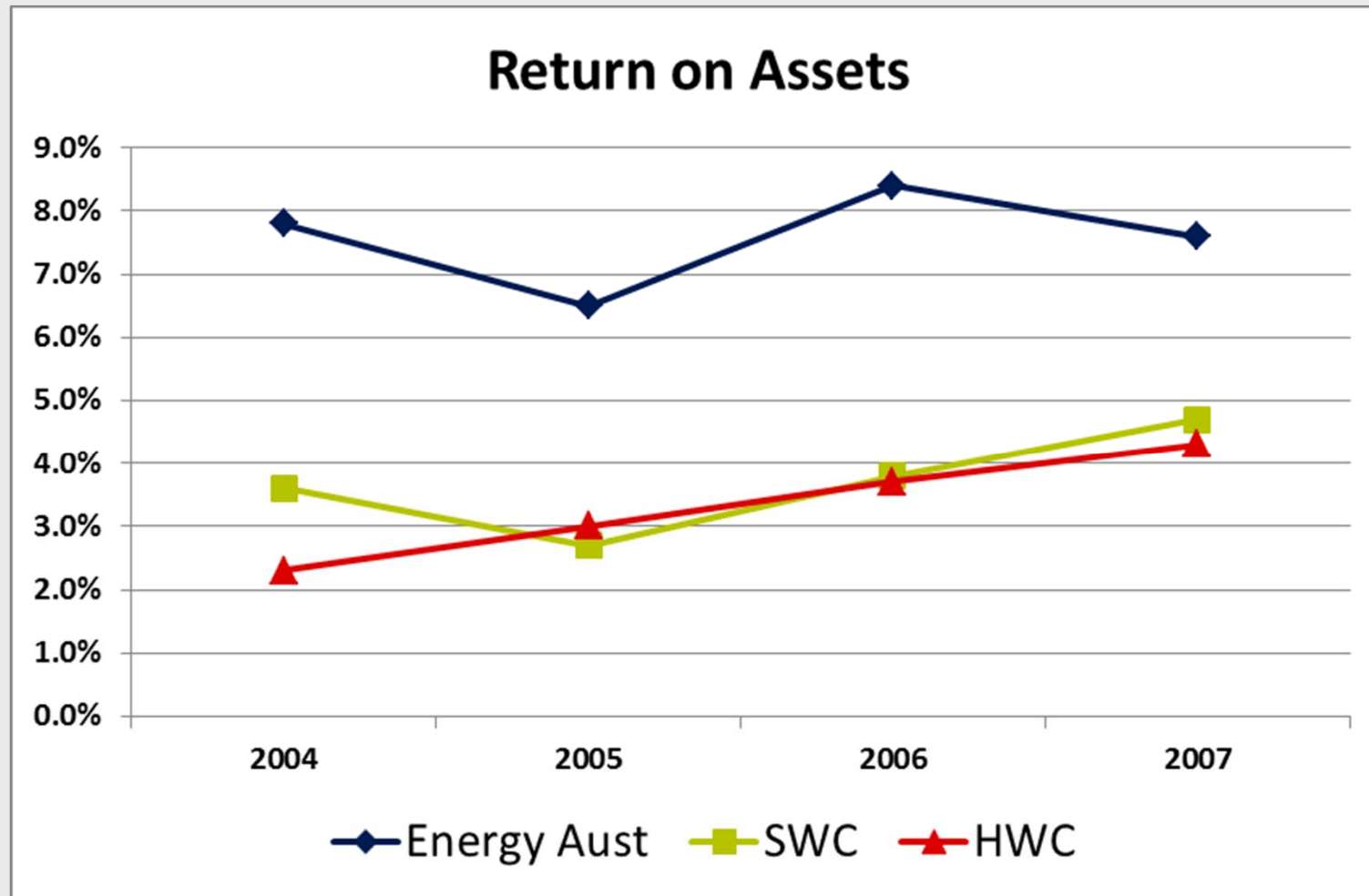
# Service Quality - Water



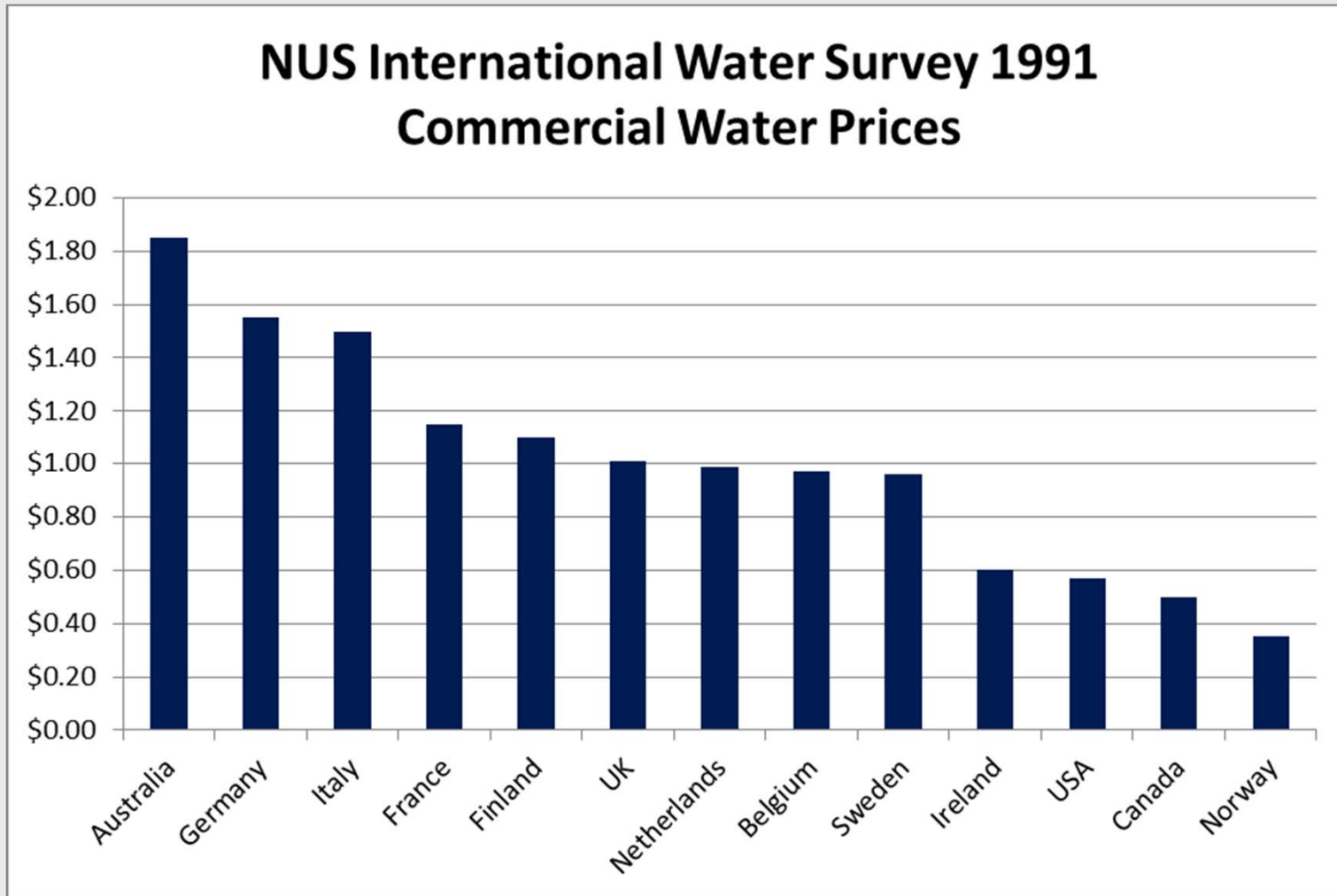
# Agency Profitability



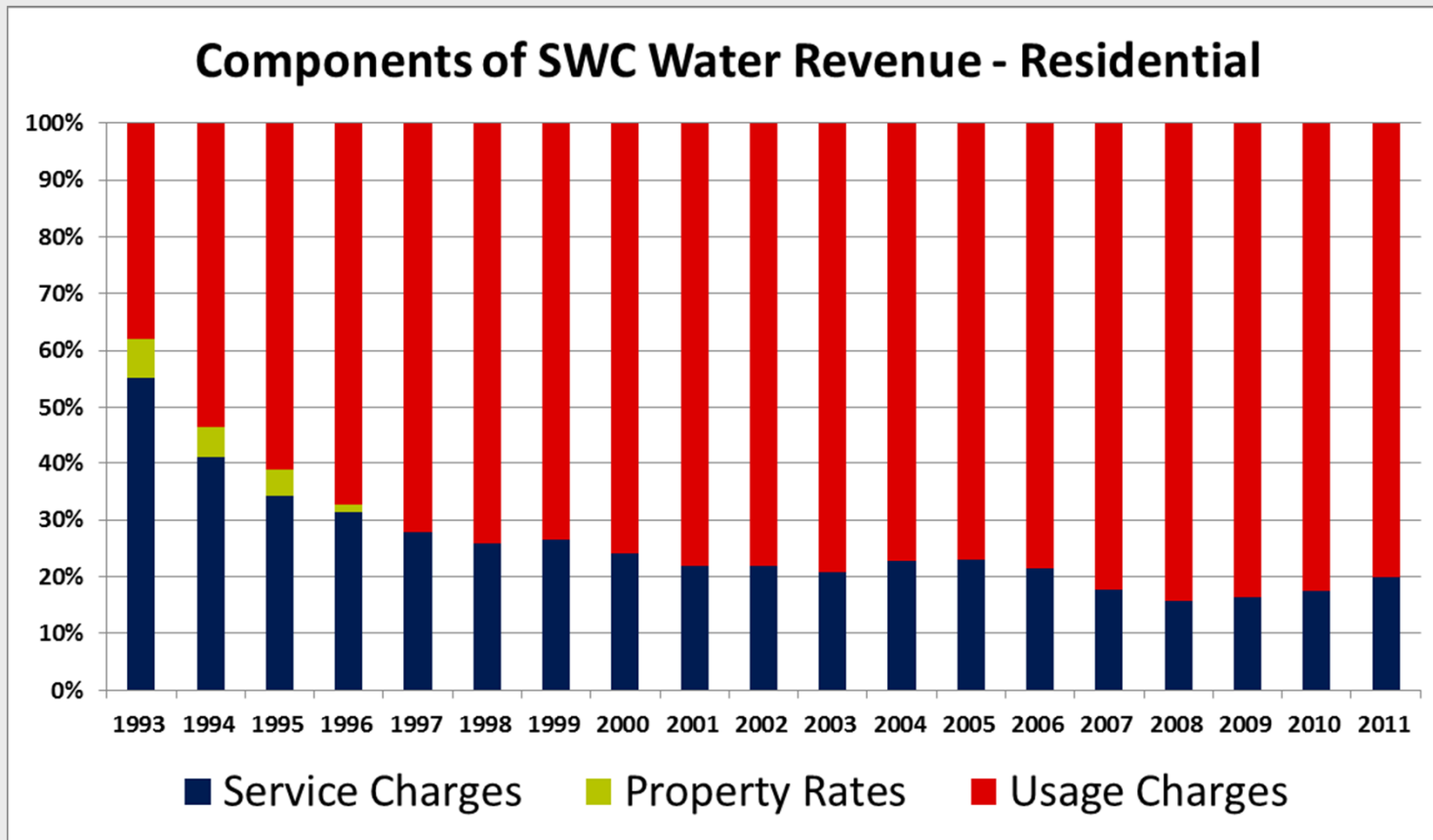
# Agency Profitability



# Price Restructure - Water

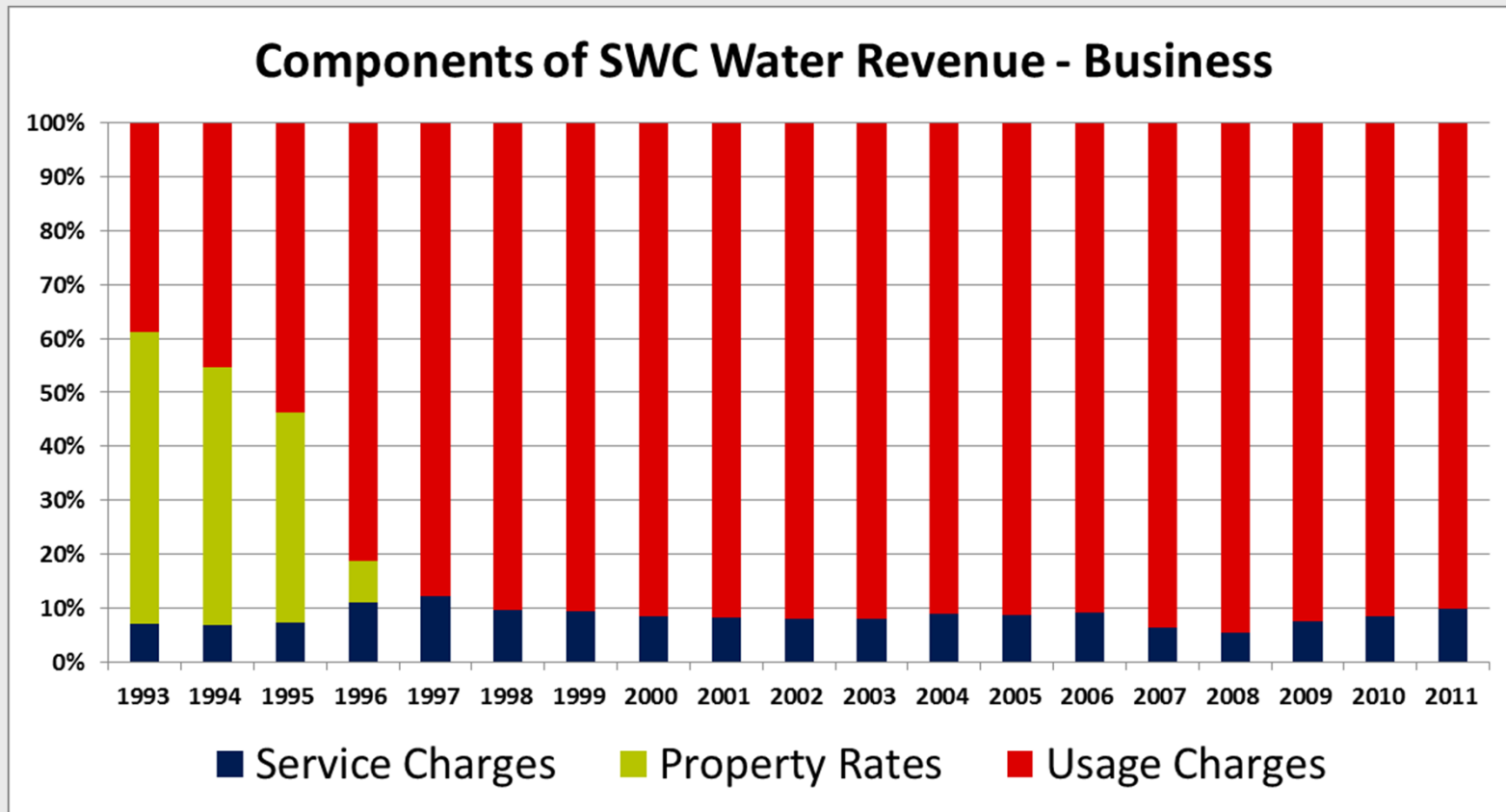


# Price Restructure - Water

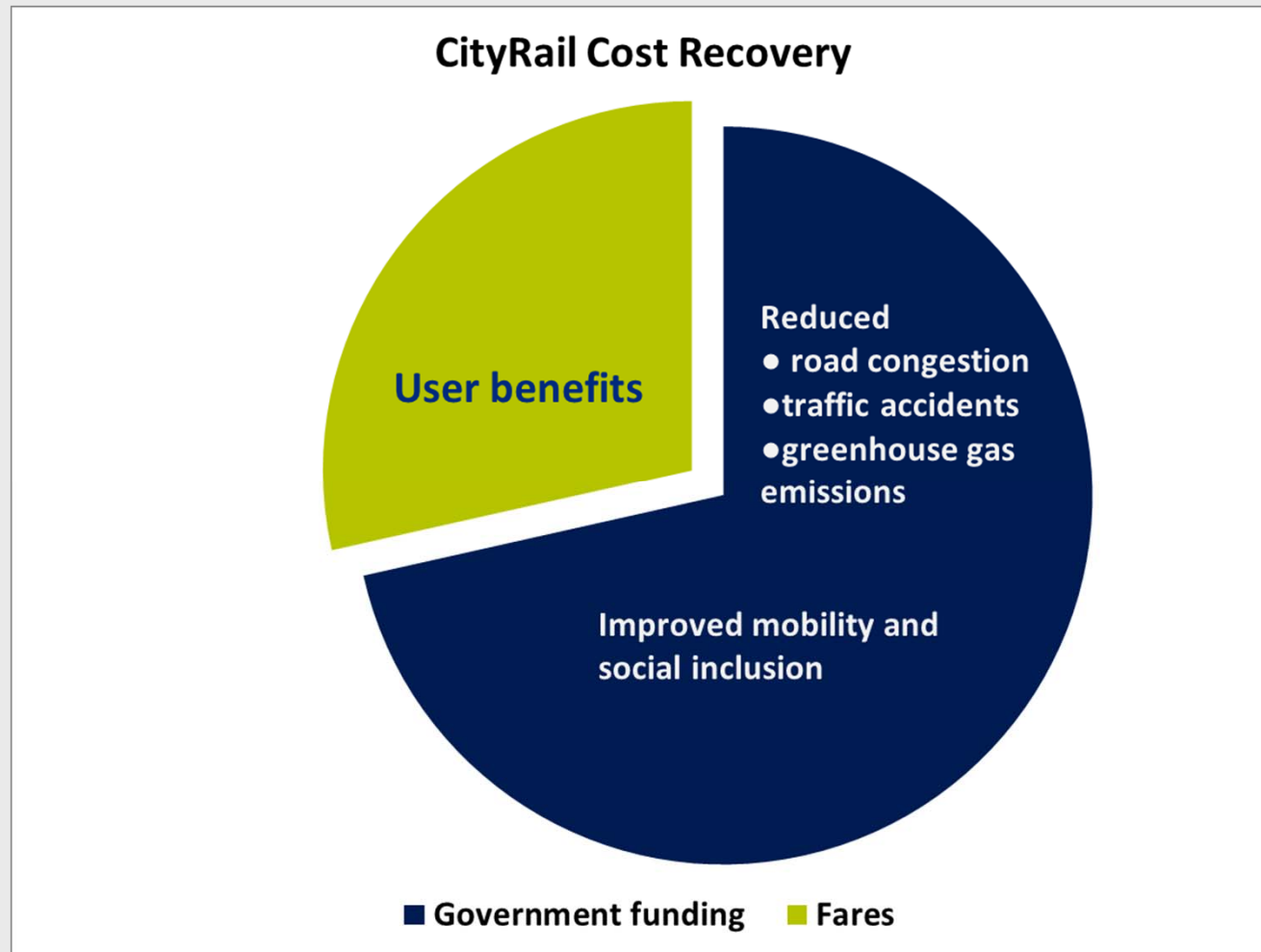




# Price Restructure - Water



# Externalities – Public Transport



# Competition

- ▼ What needs regulation?
  - Monopolies
  - Market power abuse potential
  
- ▼ What doesn't need regulation?
  - Retail electricity?
  - Some ferry services?





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[www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)