



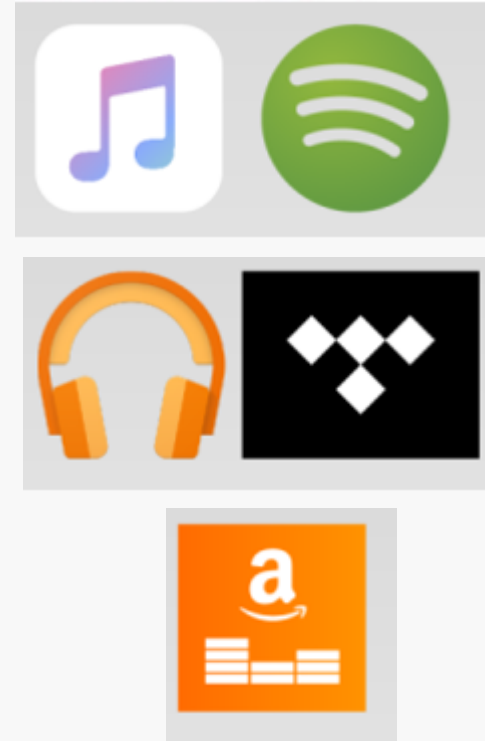
# Applying Hilmer Principles in changing energy markets

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ACCC Regulatory Conference

4 August 2016

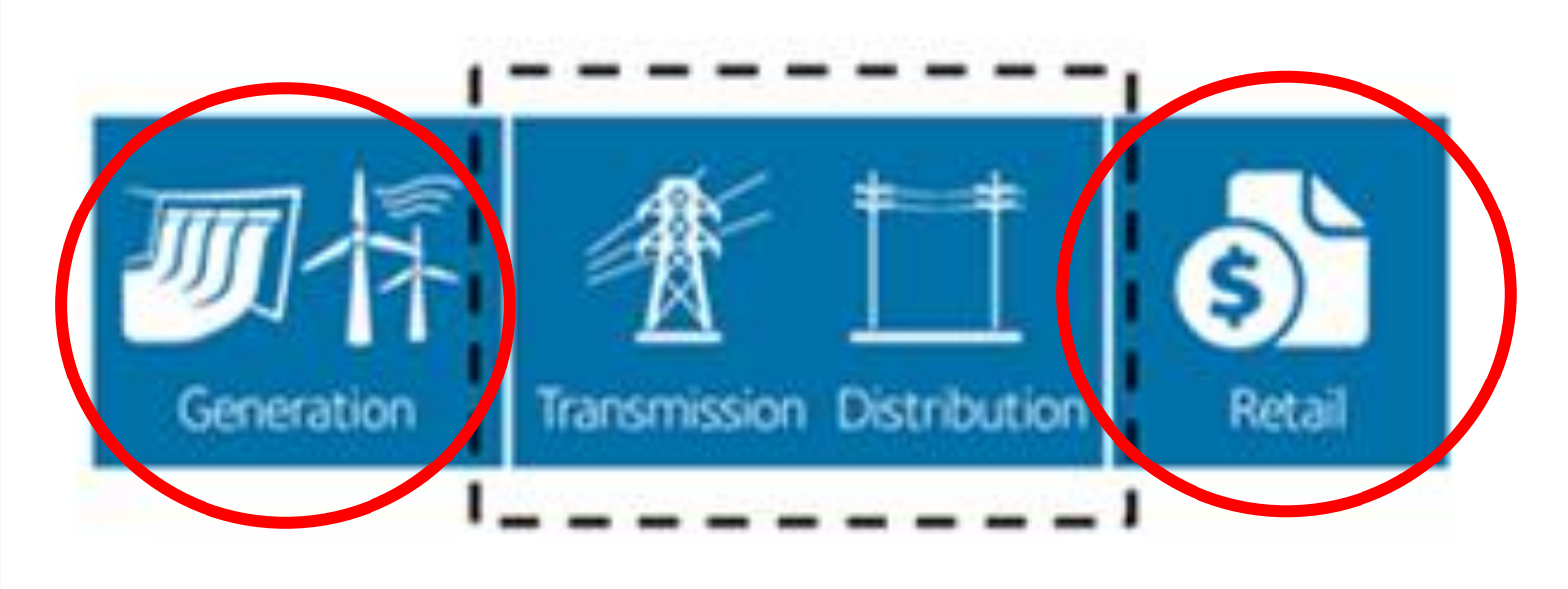
# Change is so rapid, we forget how things were



# Electricity supply chain circa early 1990s



# As it is with NEM establishment in 1990s

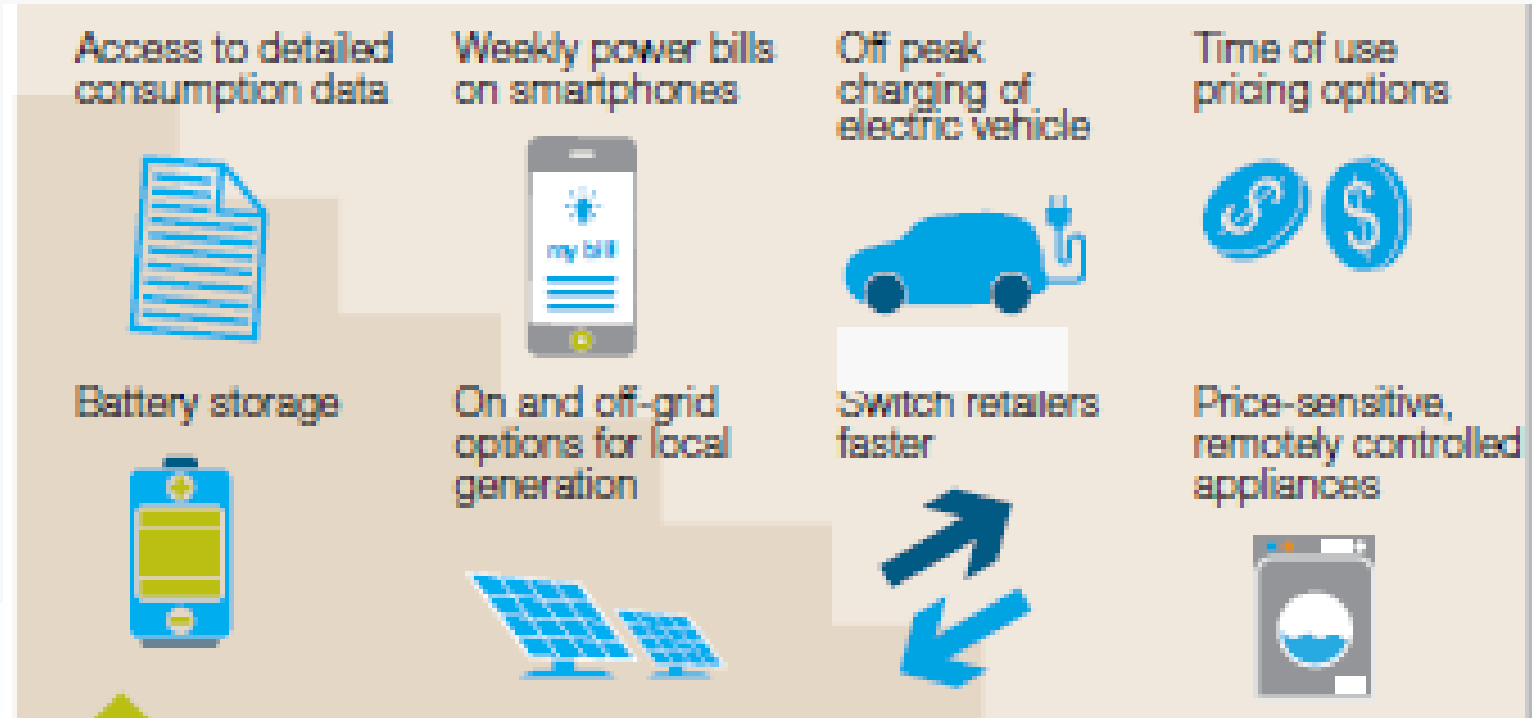


**Contestable service**

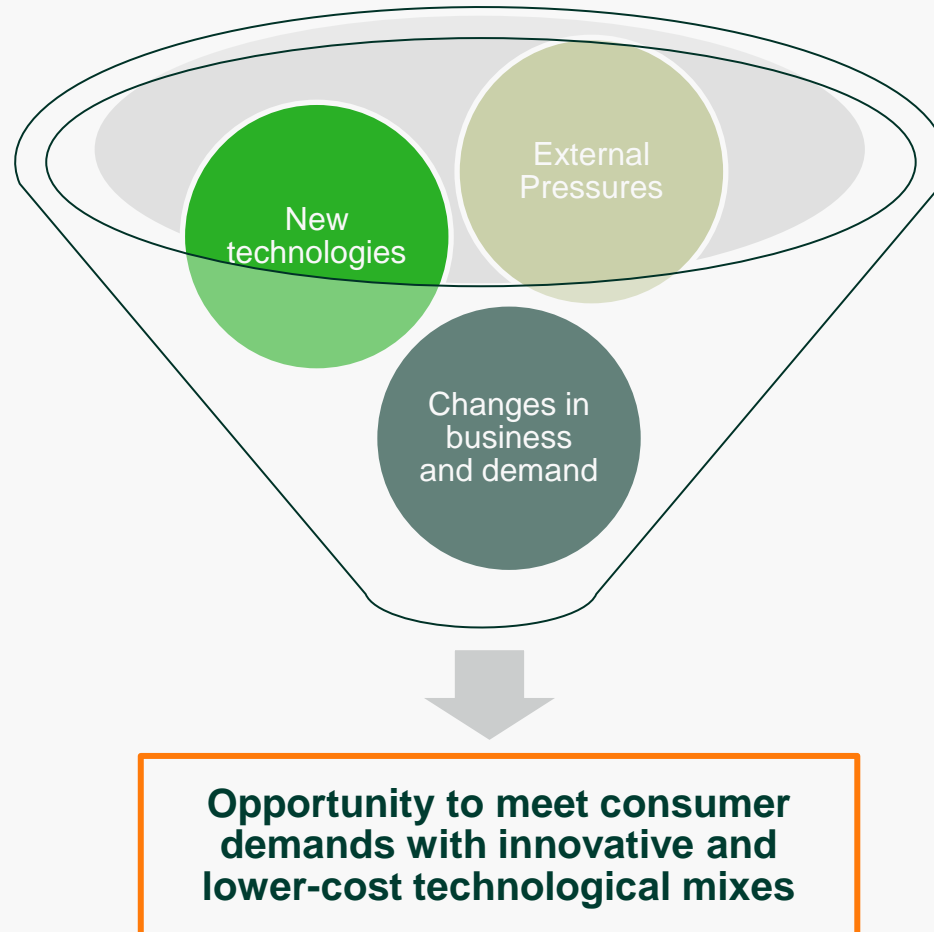
**Monopoly services**

**Contestable service**

# An evolving electricity supply chain



# Change is driven by innovation and disruption from different sources

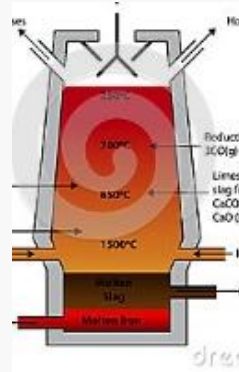


# Challenges of network characteristics

Vertical externalities



Scope economies



Second best



# Policy and regulatory challenges

## /dis'rupt/

1. to interrupt the continuity of: *the TV transmission was disrupted.*
2. to cause disorder in: *to disrupt a meeting.*

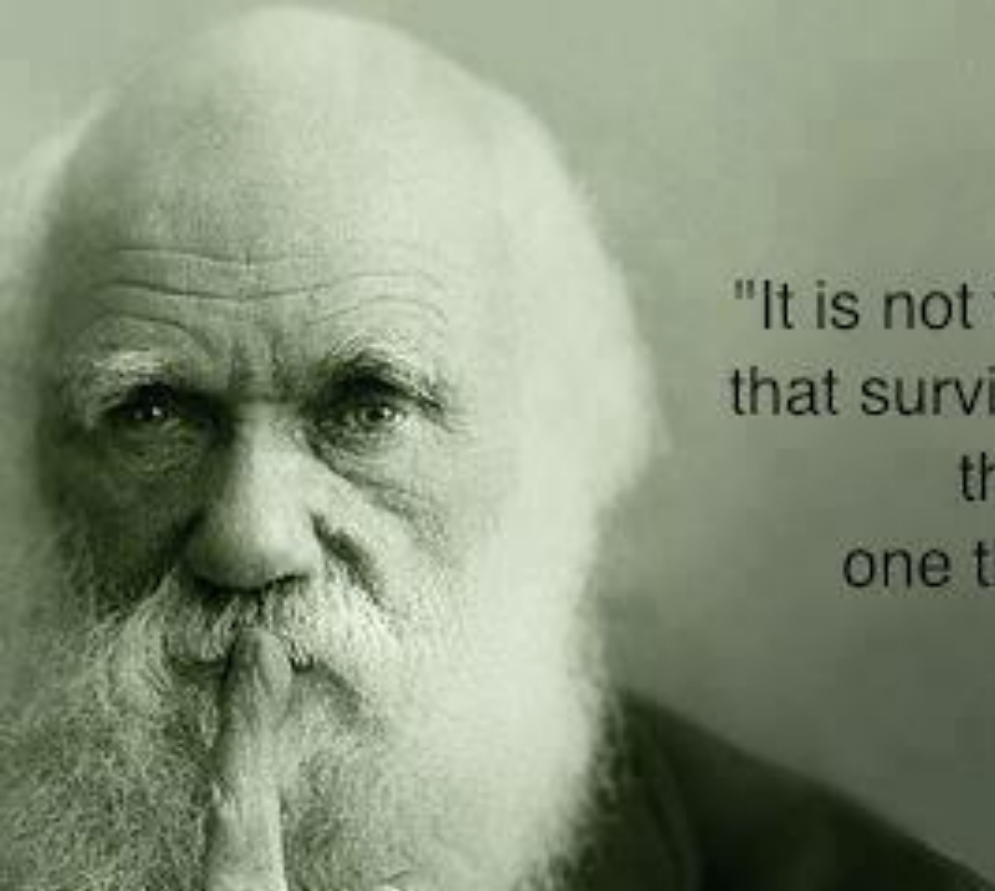
Necessity  
principle

Multiple  
rule books

Adaption



# Conclusion



"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change".

Charles Darwin