



Example Network Economics Projects

ICCC Petroleum Price Review

The Independent Consumer and Competition Commission (ICCC) required a consultant to support the Review under “Section 25A of the Prices Regulation Act (Amended) of the Petroleum Industry Pricing Arrangements”.

With Gravelroad’s extensive experience in the development of economic models for network and large systems, support was provided to the ICCC in developing the determination on pricing. Some key tasks completed included the detailed market consultation with wholesalers, distributors and retailers, the review of current monitoring arrangements, review previous price build up information and provide an update. Throughout the project a key deliverable was ongoing skills transfer to the ICCC staff.

Solomon’s Coconut Market Study

Strongim Bisnis, operating under the auspices of the Solomon Islands Growth Program (SIGP), is operating a three-year market systems development program (2017-20) funded by the Australian Government and required a “Coconut Market – Value-added Processing” Study.

Gravelroad completed this project by reviewing all available documentation, working with the Strongim Bisnis, management team and undertake consultations with relevant stakeholders, establishing the demand of coconut value-added products in regional and international markets, product and technology summary and conduct feasibility studies.

Water PNG – Economic Training

Water PNG sought to improve the ability of their staff to carry out regulatory cost and price analysis without being overly reliant upon consultants. Key areas included the capability to carry out economic analysis and to be able to work with other parties, such as their contractors and partners efficiently.

Gravelroad developed and presented a number of training courses to Water PNG staff which included the Building Block approach to the development of regulated prices, discuss alternative pricing methodologies, methods of economic analysis used for regulating prices in the water and sewerage industry, the reasons for using these methods and a forum discussing the evaluation of current regulatory issues for Water PNG.

Steamships Economic Modelling

Morobe Terminals Limited and Port Services (PNG) Limited (‘Steamships’) required economic modelling of the port operations.

Gravelroad completed an initial round of modelling and subsequent update following further responses. Key outputs provided by Gravelroad was a building block model of port operations which considered the capital costs, volume of goods transiting port and the operational approach.