

2025

Regulatory Determination Project

Revised Regulatory Proposal Attachment 6.05 - Productivity initiatives

November 2024



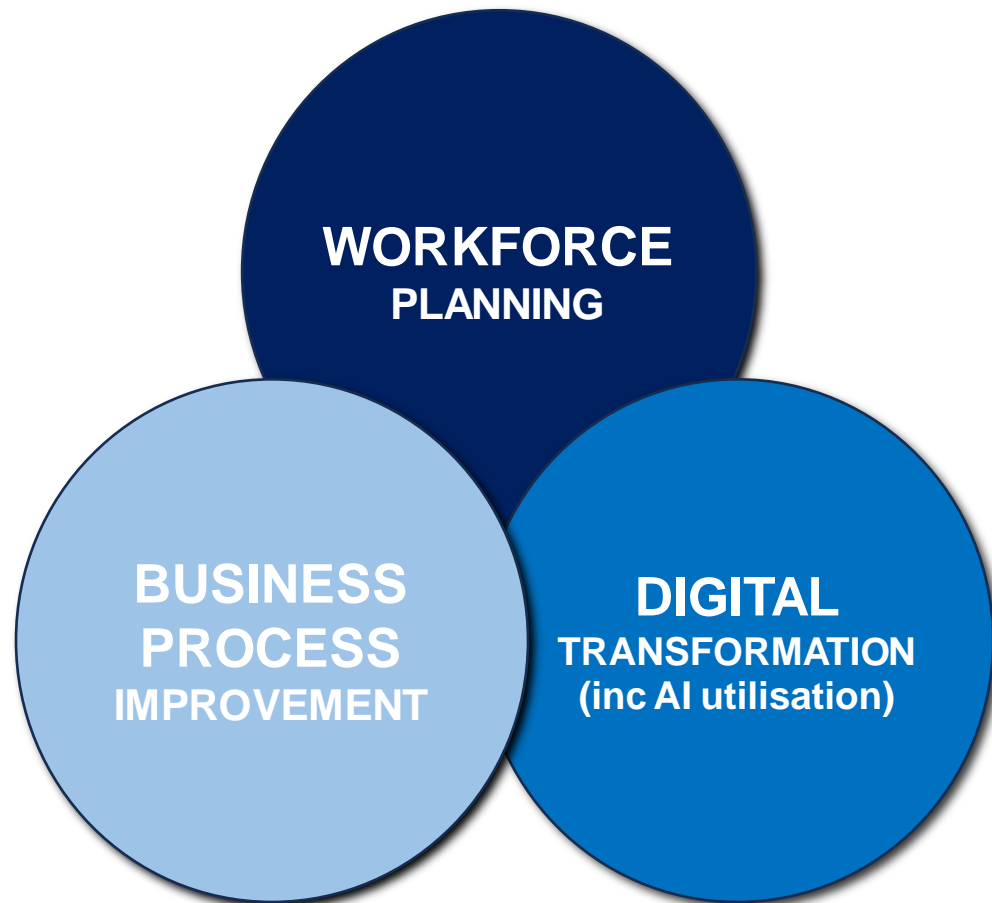
Part of Energy Queensland

Background

- To address affordability concerns, Energex and Ergon Energy Network both applied a 1.0% productivity factor to the 2025-30 opex forecast. This is above the standard AER approach of 0.5%. The 1.0% productivity factor was also applied to our capitalised overheads.
- The reductions in opex due to the productivity adjustment and the applied efficiency adjustment will be a significant challenge for our business as the costs of managing our network continue to rise. However, we are committed to continuing to deliver a safe, secure and reliable network in the 2025-30 regulatory control period.
- EQL is investigating three core elements for our productivity program, namely People, Processes and Systems / Data.
- The productivity program is in development and work is ongoing.
- Details of some of the areas of focus we are investigating are included in this Attachment.



EQL productivity elements



Three core elements to the productivity program across:

- People
- Processes
- Systems / Data

The program will be designed to help drive efficiency across all three elements over several years.

Overarching themes that will help us increase overall productivity

- Embedding digital systems to support the delivery of services including ServiceNow, Enterprise Resourcing Planning (ERP), Enterprise Asset Management (EAM), Enterprise Content Management (ECM), Distribution Management System (DMS), Enterprise Intelligence Platform (EIP) and Geographic Information System (GIS).
- Enhancing Resourcing Planning to ensure growth driven by POW levels is appropriately targeted and downstream enabling non network and corporate areas are optimised.
- Dedicated Operational Excellence / Productivity Initiatives to be included and monitored via divisional planning processes.
- Development of a productivity and performance framework for measuring the approach to managing our assets and our program of work.
- Flexible property/accommodation design to better support effective utilisation of workspaces including potential lease optimisation.
- Optimisation of training programs and training delivery.
- Opportunities to leverage technology (including AI enablement) to automate and improve manual processes.
- Harmonisation and optimisation of work practices (both as part of new technology deployment & prior).
- Optimisation of supply chain operations with a focus on inventory, transport, the distribution network and warehousing.
- Improving the utilisation of enabling assets to ensure the network is efficiently and reliably utilised across Queensland.



Areas of focus and examples of inflight initiatives

- The following list is intended to provide an example of areas of focus which will be investigated. It is not intended to be exhaustive.
- The initiatives and productivity framework are currently under development.
- EQL has engaged external support to assist with the development of the program.
- Continuous evaluation and adaptation will ensure the program remains relevant and effective to the evolving needs of EQL.

