



QCA Pricing Practices Recommendations  
July 2014 Update on  
SunWater Implementation Plan

July 2014

SunWater has continued implementing the QCA's Pricing Practices Recommendations according to the Implementation Plan. This update covers the work completed between April and June 2014 (note: the numbering in this update references SunWater's Implementation Plan).

## **Customer Consultation on Annual NSPs (2.4)**

### **Analyse Customer NSP Feedback and Adjust NSPs (2.4.5)**

SunWater published draft NSPs for 2015 for each of 30 Service Contracts and consulted on the NSPs at Irrigation Advisory Committee meetings over March to May 2014. Most of the questions sought clarifications on the costs and plans in each scheme; these were able to be addressed in the feedback responses that have been published on SunWater's website. Where discussions led to changes to SunWater's plans for 2015 and beyond, these have been incorporated in the final budget and final NSPs which have been published on SunWater's website at: [www.sunwater.com.au/schemes/nsp/annual-nsp-and-performancereports](http://www.sunwater.com.au/schemes/nsp/annual-nsp-and-performancereports).

### **Respond to NSP Feedback on the SunWater Website (2.4.6)**

SunWater has published responses to questions and feedback on SunWater's NSP web page at: [http://www.sunwater.com.au/data/assets/pdf\\_file/0020/13268/NSP\\_Feedback\\_Responses.pdf](http://www.sunwater.com.au/data/assets/pdf_file/0020/13268/NSP_Feedback_Responses.pdf).

### **Conclusion for Annual NSP items 2.4.5 and 2.4.6**

SunWater has:

- Analysed customer feedback and made changes to SunWater's NSPs for 2015, and
- Published responses to feedback on the 2015 Draft NSPs at SunWater's website.

## **Improved Recording and Analysis of Labour Cost Information (3.2)**

### **Finalise Labour Cost Capture Improvements and Seek Approval from the QCA (3.2.4)**

A copy of the final Operating Planning Review, incorporating the proposed improvements to labour cost tracking, was provided to the QCA in April 2014. The QCA has subsequently approved SunWater's proposed initiatives to improve labour cost capture through staff training, improved reporting and internal checking.

### **Implement Improvements to Labour Cost Tracking (3.2.5)**

As reported in the April 2014 update, SunWater has implemented the improvements to labour cost tracking through the development of the Labour Tracking Tool. This tool should support continuous improvement in this area through improved reporting and internal checking of allocations. The six-monthly cycle of NSPs and Performance Reports provides additional checks of data accuracy and emphasises that the monitoring of labour cost allocation is a necessary part of regular business practice.

## **Conclusion for Labour Cost items 3.2.4 and 3.2.5**

The QCA has:

- Approved SunWater's planned improvements to the recording, documentation and analysis of labour cost information.

SunWater has:

- Implemented the improvements to labour cost tracking.

## **Separate Identification of Drainage Costs (3.3)**

The QCA's recommendation on drainage costs from the final report was:

The Authority recommends that a review of drainage charges be initiated by SunWater immediately upon completion of the current price investigation. For this purpose, SunWater should identify its drainage system costs from 1 July 2012 for consideration by the Authority prior to 30 June 2014.

The review of drainage costs has been completed and separately reported to the QCA (most recently in SunWater's October 2013 update). The drainage costs for 1 July 2012 to 30 June 2014 have been separately provided to the QCA in July 2014. By submitting this data in July 2014 rather than the QCA's 30 June deadline, SunWater was able to provide two full years of drainage cost data.

SunWater is observing better allocation of drainage costs to drainage profit centres, however there is still room for improvement. Operations labour is generally not being allocated to drains in schemes other than in Emerald. SunWater will re-enforce the message that operators should book any time spent on the drainage systems to the correct orders. It has previously been reported that SunWater will use an appropriate allocator to re-allocate any significant drainage costs found in the channel profit centres prior to the next price review.