

IAN A PECK
AFAIPMM CD
CONSULTANT (RETIRED)
SYSTEMS:LOGISTICS:STORES:PURCHASING:CONTRACTS:
BENCHMARKING: PARTNERSHIPS.

15 01 11

Submissions
Electricity Review
P O Box 123
Hobart 7001.

Attention Scott Lancaster.

Dear Scott,

Further to our telephone conversation on the 13th. Instant I would confirm my interest in the improvement of the Tasmanian Energy Business.

I have briefly detailed below my experience and concerns that I have with the above based on in depth observation and direct experience within the state energy business during the period 2002 /2005.

Experience.

Inter, Interstate and International experience within the commercial sphere working within the guidelines of Worlds Best Practice (WBP).

Have carried out specialised Audits within the Tasmanian Energy Business and identified serious financial problems that previous Internal and External Audits had failed to address.

At Corporate to Hands on level within International Business Units carried out investigations (similar to that you now propose) with Multi Million Dollar cost reductions, improved efficiencies and production. Industry types were heavy Industry, Mining and Energy.

Comments.

WBP (commercial) has an error factor of 3%max. As people are involved the considered best possible error factor is 1.6%. Over a given 12 month period in a large Multi Million dollar business unit I have presided over an error factor of 1.8 to 2.2%. In my previous experience within the Tasmanian Energy Business I observed an error factor of 13 to 21%. I would point out that my experience within our Energy business is some 5years old at best. However it would be my unsubstantiated opinion that not much has changed. In less than one resource day a clear indication is possible of where a business unit sits in relation to WBP.

Under WBP guidelines you do not split Accountability and Responsibility at the Work Role desk.

As one example I can recall a work function had a benchmark of 2hrs 20minutes to complete, the time factor within the State Energy unit was around the 12hrs. It boils down to "How you do it".

Other examples are available.

Recommendation.

Your proposed Statement of Approach to include a "Commercial Review under Worlds Best Practice guidelines (Do it once and do it right).

Yours truly



Ian Peck