

Quality Management System (QMS) Compliance and Performance Report 2017-18



Introduction

Under our *Operating Licence 2015–2020*, Sydney Water must prepare, for each financial year, a compliance and performance report on our Quality Management System (QMS) and on the activities and programs completed to maintain the certification for the remaining term of this Licence.

We must provide this report to the Independent Pricing and Regulatory Tribunal (IPART) by **1 September** each year. The report is also freely available on sydneywater.com.au.

Reporting requirements are listed below and addressed in the relevant section of the report.

Operating Licence 2015-20 Reporting manual requirements (IPART, 2017 – section 7.2.1)	Quality Management System (QMS) compliance and performance report section
<ul style="list-style-type: none">The quality management activities and programs completed by Sydney Water in the relevant financial year to meet the objectives of the QMS.	Section A Quality Management System (QMS) processes certified in 2017-18
<ul style="list-style-type: none">The results and outcomes from those activities and programs.	Section B QMS certification
<ul style="list-style-type: none">Any non-conformances for the QMS and the actions taken to resolve those non-conformances	Section C QMS Non-conformances
<ul style="list-style-type: none">The quality management activities and programs proposed to be undertaken by Sydney Water to meet the objectives of the QMS in the future, including the timetable for completion.	Section D QMS Improvement Program 2018
<ul style="list-style-type: none">Any proposed significant changes to the QMS	Section E QMS proposed significant changes

1. Section A

Quality Management System (QMS) processes certified in 2017-18

During 2017-18 Sydney Water developed, implemented and had certified an enterprise Quality Management System (QMS) consistent with AS/NZS ISO 9001:2015: Quality Management Systems standard as required by our current *Operating Licence*.

The development of the Sydney Water Quality Management System was completed on 30 June 2017. This management system was noted as being consistent with the requirements of AS/NZS ISO9001:2015, as confirmed through:

- review of nominated business processes against the standard;
- the completion of a gap assessment identifying Sydney Water compliance against the requirements of ISO9001:2015; and
- the IPART *Operational Audit of Sydney Water Corporation 2016-17*.

As part of establishing our new Quality Management System (QMS), we reviewed all current business processes with the relevant process owners. This established the initial set of processes to be included in our QMS certification completed in March 2018. As other processes are reviewed or established they will be included in subsequent annual audits for the QMS. This will allow for new processes evolving from our Lifestream program and other business activities to be included in subsequent years.

Other business processes already covered or planned to be covered by certification to an ISO standard are referenced where required by the QMS but are managed under separate management systems (eg Environmental management processes - ISO14001 and Asset related processes – ISO55001). Planning for the integration of our management systems has commenced and forms an integral part of the Lifestream program in our Corporate Strategy.

The following enterprise business processes were certified at the ISO9001:2015 certification audit in March 2018, and form the current scope of the Sydney Water QMS.

Table 1: Scope of Sydney Water QMS

QMS element	Business process / framework	Description
Managing our supply chain	Managing legal risk within the supply chain process	Managing legal risk within our supply chain. This process is part of our risk framework and supports our procurement and supply process.
	Contract establishment for supply chain	Sub process in supply chain management. Contract creation and verification of payments against contracts.

QMS element	Business process / framework	Description
	Supply Chain Framework	Processes to manage procurement within supply chain framework.
	Acquire property	Property acquisition processes covering acquisition by agreement, compulsory acquisition (regulatory) and eDeveloper.
Risk management	Risk management	A framework that sets risk management requirements that business units must follow, capture, monitor and report on.
	Business Resilience Framework	Part of our risk framework. Business resilience has five performance areas: incident management; emergency management; crisis management; business continuity and critical infrastructure resilience.
	Insurance and claims	Part of our risk framework. Includes provision of insurance and claims advice; management of general insurance and workers compensation claims; broad insurance risk transfer program that aligns with Sydney Water's risk appetite; general claims; workers compensation payments; recoveries; and reporting and compliance.
	Compliance Framework	Part of our risk framework. Aligned to ISO 19600:2014 Compliance Management Systems. Manage the compliance framework and identify Sydney Water's legislative environment. Includes regulatory scanning, identifying compliance obligations (new and changes) and managing an operating licence compliance program. Includes sub processes relating to compliance activities; including assigning accountabilities; provision of advice; compliance training; legal updates; online compliance system; enterprise reporting and monitor, review and report on operations.
People capability	Training and competence	Processes for management of people capability.
	Recruitment	Recruitment and onboarding processes.
	Contribution Development Plan (CDP)	Defines the annual contribution and developmental processes for individuals to ensure all employees can see how their work contributes to business goals.
Audit and assurance	Internal audit	Internal audit processes to provide assurance to the Managing Director and Audit & Risk Committee of the Board.
Strategy and planning	Change management	Change Management Framework to guide and support leaders of the organisation to navigate change during a project life cycle and includes coaching for change practitioners and change assurance.

QMS element	Business process / framework	Description
	Pricing review	This process manages the pricing submission to secure funding for the next 4-year price path as well as justifying to IPART the expenditure from the previous period.
	Operating Licence review	Process to review Sydney Water's current operating licence terms and make recommendations to the minister for the next Licence. Process also includes implementation of the new requirements once it is approved for the new term.
	Business planning	Process to define organisations strategic direction and intent; conduct business planning; goal setting for the Managing Director; and align of contribution goals for all employees to the corporate strategy.
	Demand forecasting	This process aims to provide Sydney Water with a fit for purpose demand forecast for short (5 years), mid (15 years) and long term (50 years).
	Stakeholder & Community Engagement Framework	Protect, promote and engagement activities to manage Sydney Water's corporate identity, reputation and communication around issues and emergencies that may impact Sydney Water's public reputation; promote and improve the perception of Sydney Water within the community; promotion of initiatives such as: <ul style="list-style-type: none"> * Sponsorships and partnerships * Education and engagement programs Stakeholder engagement is designed to involve stakeholders in decision making processes by initiating and maintaining relationships with external parties.
	Corporate communications	This process covers internal and external communications and the provision of full service communications for Sydney Water.
Strategic customer business process	Customer engagement and research	The customer engagement in-scope process initially focuses on customer engagement for Sydney Water's IPART submission.
	Customer Experience Strategy	This in-scope process covers the development of the customer experience strategy.
	Customer experience measurement	This in-scope process aims to deliver a customer measurement framework enabling Sydney Water to identify, measure and understand perceptions, expectations and experience across all customer segments. This includes deployment of surveys; customer sentiment and identifying customer journeys, the Voice of Customer platform and a refresh of tracking materials.

QMS element	Business process / framework	Description
Business performance and improvement	Business Performance Review and Forecasting (BPRF)	The process gathers data from different groups (data providers) and creates a business performance report for review of the Executive.
	Change project governance	Business change stage gate framework.
Business processes - (Finance)	Commercial management	To manage the organisation's capital structure to optimise performance and decision-making, through: <ul style="list-style-type: none"> * budgeting and reporting and * reviewing and renegotiating major commercial agreements.
Business processes - (Asset, product, service planning and delivery)	Strategic Planning Framework	This process covers components of planning at a strategic level for product and service planning, asset service planning and regional service planning. This helps in determining how Sydney Water responds to growth, climate change and regulatory challenges.
	Manage stakeholder engagements	Process that manage stakeholder product needs including local councils, developers, government stakeholders. Develop engagement plans and consult with stakeholders in the growth forecasting layer. Create MapInfo Layer (urban growth information layer), as a growth intelligence source.
	Developer processes - Urban growth	'Managing new developments' process.
	Regional service planning	Framework for servicing targeted regional Sydney areas. The process utilises spatial data analysis to determine how assets relate to place with a focus on improving customer outcomes.
	Product master planning	Planning for drinking water, waste water, recycled water, storm water and energy. Drinking water and waste water is managed through ISO 9001:2015 management system requirements.

QMS element	Business process / framework	Description
	Delivery management	Management of the delivery lifecycle for the building and upgrading of Sydney Water's infrastructure including: <ul style="list-style-type: none"> • Supporting Customer Delivery to identify and investigate projects • Lead project option development and concept design phases • Management of projects through corporate gateways • Community liaison and stakeholder consultation • Health, safety and environmental management • Procurement and engagement of Delivery Contractors for construction • Project estimating, scheduling and financial control • Delivery quality assurance and compliance monitoring • Commissioning and transferring assets to Customer Delivery.
Business processes – (Operational control)	Environmental Management Framework	ISO14001:2015 certified Environmental Management System.
	Customer services	ISO9001:2015 certified products and services management system.
	Operational processes that support the delivery of products and services	ISO9001:2015 certified products and services management system.

2. Section B

Results and outcomes of QMS program for 2017-18

During 2017-18 the Sydney Water QMS program focussed on implementing and certifying its QMS to the AS/NZS ISO 9001:2015: Quality Management Systems standard as evidenced by the certification below.



bsi.



By Royal Charter

Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 9001:2015

This is to certify that: **Sydney Water Corporation**
Level 14
1 Smith Street
Parramatta NSW 2150

Holds Certificate Number: **FS 683290**

and operates a Quality Management System which complies with the requirements of ISO 9001:2015 for the following scope:

Please see scope page.

For and on behalf of BSI: 
Marc Barnes, Managing Director, BSI Group ANZ

Original Registration Date: 2018-05-10
Latest Revision Date: 2018-05-11

Effective Date: 2018-05-10
Expiry Date: 2021-05-09

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Information and Contact: BSI Group ANZ Pty Limited, ACN 078 659 211; Suite 2, Level 7, 15 Talavera Road, Marquarie Park, NSW 2113
A Member of the BSI Group of Companies.

3. Section C

QMS Non-conformances

There were zero non-conformances issued against the QMS during this certification audit.

4. Section D

QMS Improvement Plan 2018-19

A management review of the QMS was conducted as part of the implementation of the QMS. The following improvements have been targeted for 2018-19. Most of the improvements should be completed by 30 June 2019, unless noted otherwise. In addition, new processes will be added to the QMS to demonstrate continuous improvement, these will be reported in the next reporting period.

Table 2: QMS Improvement Plan 2018-19

Improvement	People	Process	Timeframe
1. Review enterprise and group level risks to identify those that should have the QMS allocated as a risk treatment and track the effectiveness of the control.	Risk coordinators, Risk champions, and QMS Governance Group	Risk Management	30 June 2019
2. Improvement of Business Performance and Reporting Forecast measures for Group (incl. KPIs relating to customer and performance of external suppliers)	Corporate Strategy	Business Performance Review and Forecasting (BPRF)	30 June 2019
3. Improve management of incident recording and tracking of investigations for relevant incidents and mapping of incidents to associated risks to identify learnings from incidents.	Business Resilience	Business resilience framework	30 June 2020
4. Review findings across all assurance activities to identify systemic findings and opportunities to share learnings.	Internal Audit, Management System Teams	Audit and assurance	30 June 2020
5. Source additional inspection data e.g. from Customer Delivery and Delivery Management	Customer Delivery Delivery Management	Audit and assurance Monitoring and measurement	30 June 2020

Improvement	People	Process	Timeframe
6. Develop an integrated audit program.	Internal Audit, Management System Teams	Audit and assurance	30 June 2019
7. Improve analysis of action requests and Identify key risks related to systemic action requests.	Management System Teams	Corrective action Risk Management	30 June 2020
8. Investigate new technology to support management systems	QMS Team	Document and Records management Audit and assurance Corrective action	30 June 2021
9. Improve procurement processes to embed quality management requirements for external suppliers	Legal and procurement/ supply chain teams QMS team	Supply chain and procurement Post implementation review process (PIR)	30 June 2019
10. Review and improve management systems training and awareness programs to facilitate integration	L&D Team, Management System teams	Training, awareness and competence	30 June 2020
11. Improve alignment and integration of corporate and operational management systems management review activities	Management System teams	Management review	30 June 2020
12. Identify new processes to go into the QMS	QMS Team	Management of business processes	30 June 2019
13. Improve management and reporting of controlled documents	Management System teams	Document management	30 June 2019

5. Section E

QMS Proposed significant changes

No significant changes have been made to the QMS in this reporting period. Sydney Water is planning to commence integration of Sydney Water's Quality Management System and Environmental Management System by 30 June 2020. However, individual certifications will be retained until at least 2020.

IPART will be notified of these changes in due course.

