

Quality Management System (QMS)

Compliance and Performance Report 2018-19

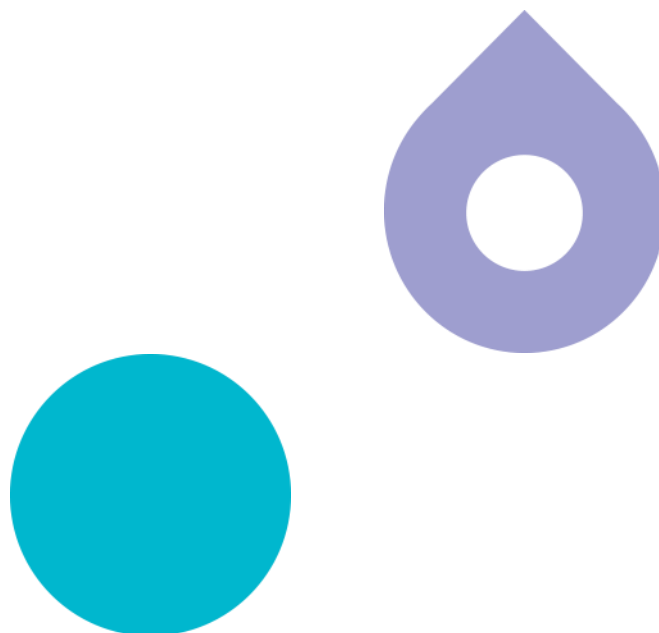




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Introduction

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, 2018 – section 7.2.1)	Quality Management System (QMS) compliance and performance report section
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 in-scope for 2018-19
The results and outcomes from those activities and programs.	Section B Results and outcomes of QMS program for 2018-19
Any non-conformances for the QMS and the actions taken to resolve those non-conformances	Section C QMS Non-conformances
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 2018-19
Any proposed significant changes to the QMS	Section E QMS proposed significant changes

1 Section A

Quality Management System (QMS) processes certified for 2018-19

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 annual IPART Operational Audit of Sydney Water Corporation.

As part of establishing our new Quality Management System (QMS), all current business processes were reviewed with the relevant process owners. This established the initial set of processes to be included in our QMS certification completed in March 2018.

Progress has been made to increase the number of processes to be included in the QMS certification for 2018-2019. Seven additional processes have been included this year in the QMS and are included in Table 1-1 below. 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.

The following enterprise business processes form the current scope of the Sydney Water QMS.

Table 1-1 Scope of Sydney Water QMS

QMS element	Business process / framework	Description
Managing our supply chain	Supply Chain Framework	Processes to manage procurement within supply chain framework.
	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
	Acquire property	Property acquisition processes covering acquisition by agreement, compulsory acquisition (regulatory) and eDeveloper.
	Property Management	Provide property management services for all property assets.
	Property Optimisation Program (POP)	Strategic review of Sydney Water property holdings to identify opportunities for more efficient land use by Sydney Water operations, enhancement of intrinsic values of a site and surplus land for divestment.
	Dispose Property	Dispose property when property is identified as surplus and no longer required for operational use.
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.
	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.

QMS element	Business process / framework	Description
	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.
	Corruption Prevention Framework	Prevent and detect corruption through Corruption Prevention Program.
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.
	Training and competence	Processes for management of people capability.
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	Business planning	Process to define organisation's 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).
	Population Projections & Dwelling Forecasts	The process provides population projections & dwelling forecasts based on data received from various data sources.
	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
	Operating Licence review	Process to review Sydney Water's current operating licence requirements and make recommendations for the next Licence. Process also includes implementation of the new requirements once it is approved for the new term.
	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.
	Competition Management	Respond to WICA applications, legislation/ industry reviews, third party access, wholesale service and sewer mining requests.
	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.
	Helix Content & Change	The process aims at capturing the business processes in Helix using Holocentric modeler.
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

QMS element	Business process / framework	Description
		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.
Business performance and improvement	Business Performance Reporting	The process gathers data from different groups (data providers) and creates a business performance report for review of the Executive and Board.
	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)	SPAS - 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.
	SPAS - 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.
	SPAS - 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.
	CGD - Developer processes - Urban growth	'Managing new developments' process.

QMS element	Business process / framework	Description
	CGD - Manage stakeholder engagements	Process that manages 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.
	Delivery management	Management of the delivery lifecycle for the building and upgrading of Sydney Water's infrastructure.
Business processes (Operational control)	Environmental Management Framework	ISO14001:2015 certified Environmental Management System (EMS).
	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.



3 Section C

QMS Non-conformances

There were zero non-conformances issued against the QMS during the most recent surveillance audit.

4 Section D

QMS Improvement Plan 2018-19

A management review of the QMS was conducted in December 2018. The following improvements have been targeted for this reporting period, most of these should be completed by 30 June 2020, unless noted otherwise. In addition, new processes will be added to the QMS as part of the ongoing continuous improvement of the system.

Table 4-1 QMS Improvement Plan 2018-19

	Improvement	People	Process	Timeframe
1	<p>Risk Management</p> <p>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.</p> <p>Improve controls assurance activity via the integrated 2LOA program.</p>	Risk coordinators, Risk champions, and QMS Governance Group	Risk Management	30 June 2019 Complete
2	<p>BPRF</p> <p>Improvement of Business Performance and Reporting Forecast measures for Group (incl. KPIs relating to customer and performance of external suppliers).</p> <p>Design data to report performance of external suppliers/contractors for the new consolidated BPRF/CPR report.</p>	Corporate Strategy	Business Performance Review and Forecasting (BPRF)	30 June 2019 Ongoing
3	<p>Business Resilience</p> <p>Improve management of incident recording and tracking of investigations for relevant incidents and mapping of incidents to associated risks to identify learnings from incidents.</p> <p>Release of revised Investigation and Lessons Learned process and supporting capability and communication offerings.</p>	Business Resilience	Business resilience framework	30 June 2020 In progress
4	<p>Assurance</p> <p>Review findings across all assurance activities to identify systemic findings and opportunities to share learnings.</p>	Internal Audit, Management System Teams	Audit and assurance	30 June 2020 In progress
5	<p>Assurance - Inspection</p> <p>Source additional inspection data e.g. from Customer Delivery and Delivery Management</p>	Customer Delivery Delivery Management	Audit and assurance Monitoring and measurement	30 June 2020 In progress

	Improvement	People	Process	Timeframe
6	<p>Assurance - Audit</p> <p>Develop an integrated audit program. Review findings from 2LOA and 3LOA programs to check if there is any correlation of findings</p>	Internal Audit, Management System Teams	Audit and assurance	30 June 2019 Completed
7	<p>Action Request</p> <p>Improve analysis of action requests and Identify key risks related to systemic action requests.</p> <p>Review the feasibility of having one action request management tool and encourage teams to use it.</p> <p>Managers to be advised (as part of the BPRF preparation) where delegation and closure time frames are not meeting the procedural requirements</p>	Management System Teams	Corrective action Risk Management	30 June 2020 In progress
8	<p>Management System Tools</p> <p>Investigate new technology to support management systems.</p>	QMS Team	Document and Records management Audit and assurance Corrective action	30 June 2021 In progress
9	<p>Performance of external providers</p> <p>Improve procurement processes to embed quality management requirements for external suppliers. Establish a work program with the ARIBA team to frequently monitor and report on contractor performance via ARIBA supplier relationship module. Further enhance the process used to determine quality provisions for contracts</p> <p>Improve current knowledge and capability about quality management provision in Sydney Water contracts</p>	Legal and procurement/ Supply Chain teams QMS team	Supply chain and procurement Post implementation review process (PIR)	30 June 2019 Ongoing
10	<p>People Capability</p> <p>Review and improve management systems training and awareness programs to facilitate integration</p>	L&D Team, Management System teams	Training, awareness and competence	30 June 2020 In Progress

	Improvement	People	Process	Timeframe
11	Management Review Improve alignment and integration of corporate and operational management systems management review activities	Management System teams	Management review	30 June 2020 In progress
12	Planning Identify new processes to go into the QMS	QMS Team	Management of business processes	30 June 2019 Complete
13	Management of Documented Information Improve management and reporting of controlled documents	Management System teams	Document management	30 June 2019 Ongoing
14	Nonconforming Products and Services Refine alignment of the CDIMS and QMS management review activities to improve the data analysis and sharing of product and service performance trends.	QMS Team, IMS Team	Review of product and service non-conformance	30 June 2019 Ongoing
15	Changes to the Organisation Include new processes in the QMS as identified through the QMS annual work program and ongoing gap assessments	QMS team	Change management	30 June 2019 Ongoing
16	Customer Data Capture KPI's associated with systemic complaints to share learnings across the enterprise for customer data.	QMS Team and Business Planning and Performance Team	BPRF	30 June 2019 Complete



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 its two quality certifications – the enterprise QMS and Customer Delivery IMS (quality), from February 2020.

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