

ENERGEX **CASE STUDY**



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ENERGEX: vital stats in brief

- A top 100 Australian company with \$6.6 billion in total assets
- Provides electricity transmission and distribution services
- over 3,800 staff
- supplies electricity to around 2.8 million people in south east Queensland – and growing by the week.
- 25,000 square kilometre distribution area
- 50,000km of underground and overhead electricity lines
- over 500,000 power poles
- 43,000 transformers
- more than 290,000 street lights.

CERTIFICATIONS WITH NCS INTERNATIONAL:

ISO 9001 Quality
Management
Systems;

ISO 14001 Environmental
Management Systems;

AS/NZS 4801 Safety
Management Systems.



BACKGROUND

ENERGEX is an organisation whose strong environmental commitment is integral to its identity and operations. This commitment is exemplified in a number of ways.

In partnership with the Banksia Environmental Foundation, one of Australia's leading advocates of sustainability and environmental excellence, ENERGEX developed the 'Towards Leadership Code' to help businesses progress towards an ecologically sustainable future. The company is also involved in a wide range of clean energy and environmental improvement programs relating to its own fleet, plant and its energy distribution activities.

And, underpinning all of ENERGEX's operations is its certified ISO 14001 Environmental Management System (EMS).



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Key challenges for ENERGEX

Some of the challenges that ENERGEX faces include meeting the rapidly growing demand for energy in Australia’s fastest growing population centre, South East Queensland. The company must also stay not only compliant, but maintain its leadership status, in a complex and changing regulatory environment.

Peter Coman is Quality Assurance Manager at ENERGEX. He explains that the company has changed its environmental focus in the past 18 months or so, following Government-mandated changes to the Queensland electricity market last year. These changes saw ENERGEX divest itself of its retail arm and sell off its gas assets.

“Having had a very broad focus due to the wider scope of our operations, we have since been able to refine our environmental initiatives more directly in line with our core business of network ownership and management functions.

“Already having a strong environmental track record due to the operation of our EMS was a distinct advantage in terms of having to make changes to meet our changed business and operational needs,” he says. “We were able not only to maintain the integrity of our environmental policy, but also to hit on some environmental initiatives and improvements as well.”

Certification, leadership and going above and beyond

According to Peter Coman, a major advantage of having the certified EMS is that it helps position the company’s performance as well above benchmark – and keep it there.

And, as he explains, this is important for a number of reasons.

“Our industry as a whole is seen as environmentally irresponsible – even companies such as ours which are not involved in generation,” he says. “There is a strong push both to manage our environmental impacts proactively and to be seen to do so.

“Further, we want to be seen as leaders and in effect to lead in this regard. It’s crucial that the State Government and its agencies past and present set the example.

“Our certified EMS supports us in achieving that. On the one hand there’s a statutory list of requirements and the Standard ensures we meet that. But then it takes us above that. Our company looks at objectives and initiatives above and beyond that mandatory level – in following the standard the benchmark is set a bit higher. And that translates to better performance on our part and the many benefits that flow from it – the way we proactively go about reducing waste and conserving resources like water, fuel and electricity.”

And, continues Peter Coman, having the certification in place helps to cement this.

“We want to manage our impacts systematically and not leave anything to chance,” he says. “Seeking certification and staying certified means you must be constantly subject to intensive scrutiny. You not only have to actually do what you are claiming to, but also take positive steps to measurably improve.”





The importance of choosing the right certification body

Maintaining top performance in the face of challenge and change while continuing to make improvements is a tall order for any organisation.

But that, says Peter Coman, is where having the right certification body can make all the difference. And in the case of ENERGEX, that certification body is NCS International.

“We’ve been with them since the mid 90s. We had a very strong vision about where we wanted our company to be, the leadership position we wanted to take and the outcomes we wanted from our system and our certification,” says Peter.

He goes on to explain that this involved ENERGEX taking a less-than-conventional approach and essentially writing up their own system in a format that matched the organisation’s own processes.

“Not every certification organisation could handle what we wanted to do. That was back in the days of the very prescriptive, element by element structure of standards and auditing. So we went to market for a company that could work with us using a slightly different approach. That’s when we met up with NCSI. They understood where we were coming from and that we still wanted to meet the requirements of the standard – it’s just that we were taking our own unique needs and situation as the starting point rather than ‘ticking the box’ in the sometimes irrelevant parts of the then Standard. This involved a partnership approach in which they truly got to understand our business. We haven’t looked back since.”

As it emerged, the approach taken by ENERGEX and NCSI was prescient. The process oriented methodology they used was similar to that adopted by the 2000 version of the ISO 9001:2000 standard.

A further advantage of dealing with NCSI was the company’s forward thinking and flexibility in certifying against several different types of system. Again, this proved ahead of its time.

“NCSI was able to offer us integrated audits for our certifications which meant we didn’t have to go through the disruption and expense of multiple audits for each certification,” says Peter. “Essentially this was an early version of the integrated management system.”

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Satisfaction with NCS International doesn't mean the company has not been put to the test.

"As part of our own purchasing policy we have an obligation to get value for money, which means going to market regularly on our essential services. We extensively compared people, price, value add and partnership approach with the others in the market and that's where NCSI were the ones who came up ahead," says Peter.

"During the 14 or 15 years of our management system we have expanded and changed the scope of where we are certified and what we are certified but we have worked together as partners and it's not a word that we use lightly," says Peter.

Managing growth and maintaining risk management through the supply chain

ENERGEX has a strong focus on ensuring that its external suppliers and service providers can demonstrate that their own systems and procedures are in line with, if not certified to, ENERGEX's own certified Environment, Safety and Quality Management Systems.

"Service providers who work on and around our electrical network in the higher risk activities must be what we term 'prequalified' to seek work with us and we base the requirements on those three certifications. We audit those companies – both desktop and on site – to ensure that contractors in our workforce also comply to our level in order to maintain the integrity of the services we offer. It is all about professional and commercial reliability."

And, says Peter, when it comes to managing the spectacular and challenging growth the company is managing today this type of reliability is essential.

"Every year the economists and forecasters estimate the next year's growth and every year they underestimate it. This puts a real strain on the network. We're looking at an average of 180 new connections to the network every day." (Not all new connections are for housing)

And it appears there is no sign of letting up. Estimates say that in the next 10 years, 25% of growth of Aust will take place between Tweed Heads and Noosa.

"We have a huge wave in front of us and we need our systems to ensure that as we catch it we are meeting all the requirements and staying up to scratch, not getting carried away by it," says Peter.

Adding to the situation is the fact that there's a worldwide shortage of skilled electricity workers, from linesmen to electrical fitter mechanics.

"In the last decade or so training has been at a bare minimum there's been no real impetus from private industry to build a talent pool as distinct from the days when the industry was dominated by government owned entities.

"We have been recruiting overseas. We have brought over 100 electrical workers out and doubled our intake of apprentices – but that's a four year trade training program and we have to wait for it bear fruit down the track. Which gets us back to our greater reliance on the contracted workforce.

"Having systems and controls in place to manage those resources and ensure we can meet and maintain the standards that are so essential to our organisation has never been more important."

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Key messages from **ENERGEX**



- Look for a certification body that is prepared to get to know your business intimately and work with your company in a partnership approach to help you attain your business goals.
- As difficult as it may seem in a very busy and growing organisation, take the time out to resource and plan regular systems-based activities such as auditing, corrective action and so on properly and ensure it continues to be a priority. This will repay you in spades by keeping you on track when you are most in need.
- Be clear about the reasons your company is seeking certification and what it wants to achieve from it. Communicate this to your certification body because with clearly stated aims you can develop the right system and achieve a whole raft of different behaviours and outcomes – but again it requires planning and commitment.

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