



Notice

15 August 2016

Esperance Gas Distribution Company Pty Ltd

2016 PERFORMANCE AUDIT

The Economic Regulation Authority (**ERA**) has published the 2016 performance audit report and the post-audit implementation plan for Esperance Gas Distribution Company Pty Ltd's (**EGDC**) gas trading licence GTL11.

- [2016 Audit Report](#)
- [Post-Audit Implementation Plan](#)

Action by the ERA

EGDC has demonstrated a satisfactory level of compliance with its licence. Consequently, the ERA has decided to increase the time until the next audit from 24 months to 36 months. The next audit will cover the period 1 April 2016 to 31 March 2019, with the report to be provided to the ERA by 30 June 2019.

BACKGROUND

The audit covered 247 obligations, of which 124 were assessed as not applicable to EGDC's operations. Of the remaining 123 obligations that were rated for compliance, 112 achieved a rating of A1 (highest rating), one was rated A2 (minor non-compliance, effective controls), one was rated B1 (minor controls issue, compliant) and nine were rated B2 (minor non-compliance and controls issue).

In total, the auditor made 11 recommendations. Ten recommendations address 10 non-compliances,¹ and one recommendation addresses a controls improvement.²

The ERA does not agree with the auditor's rating of non-compliant for four obligations:

- Obligation 279: a copy of the annual customer report³ is to be provided to the Minister for Energy and the ERA at least seven days before publication. In 2015, the requirement for EGDC to give advance notice to the ERA and the Minister for Energy prior to publishing the report was no longer applicable.
- Obligations 277, 278 and 283: the annual customer report referred to in obligation 279 must be published on a specified date and made available to the public. EGDC did not retain a record of the publication date of its 2014 performance report, which is not evidence of non-compliance. However, not recording the date of publication is a controls issue that requires corrective action.

¹ Recommendations 1/2016 to 10/2016 inclusive.

² Recommendation 11/2016.

³ This report covers the information prescribed in Part 13 of the *Compendium of Gas Customer Licence Obligations*.



Notice

The remaining six non-compliances are:

- Obligations 60, 147 and 250: bills must display all of the prescribed information (i.e. a phone number to call if a customer is experiencing financial difficulties, and the national interpreter symbol). EGDC's bills did not contain this information.
- Obligation 82: a gas retailer must regularly advise its customers of the availability of its customer service charter.⁴ EGDC did not advise its customers during the audit period.
- Obligations 1 and 102: a gas retailer must pay the licence fee by a certain date; and provide its annual compliance report to the ERA by a certain date. EGDC failed to pay the licence fee and to provide its compliance report to the ERA on time.

The ERA considers that all those non-compliances it agrees with, are relatively minor administrative matters that did not affect customers adversely.

EGDC's post-audit implementation plan states it is in the process of implementing a new invoice template that will contain the information prescribed in obligations 60, 147 and 250. EGDC also has plans to improve its compliance system so that it provides payments and reports to the ERA on time.

According to EGDC's post-audit implementation plan, it will complete the actions that address all of the auditor's recommendations by 31 August 2016. The ERA will monitor EGDC's progress with the first post-audit follow up scheduled in October 2016.

For further information contact:

General Enquiries

Anu Besson

Phone: 08 6557 7976

Email: records@erawa.com.au

Media Enquiries

Tracy Wealleans

Work: 08 6557 7942,

Mobile: 0428 859 826

Email: communications@erawa.com.au

⁴ Regulation 45(2) of the *Energy Coordination (Customer Contracts) Regulations 2004* requires EGDC to from time to time include on a customer's bill a statement that the customer is entitled to a copy of its customer service charter free of charge. In the absence of any further guidance, the ERA has interpreted "time to time" to mean at least once during the time between audits.