



Notice

25 March 2020

Perth Energy Pty Ltd

2019 performance audit

The Economic Regulation Authority has published the 2019 [performance audit report](#) and [post-audit implementation plan](#) for Perth Energy Pty Ltd's gas trading licence GTL12.

Perth Energy retails gas to small-use customers throughout Western Australia.^{1, 2} Since the last audit in 2017, Perth Energy's customer base grew from eight to 160 customers.³

On 2 September 2019, AGL Energy Limited purchased Perth Energy. Perth Energy's name, ABN and address have not changed.

The ERA's decision

The ERA considers that Perth Energy has achieved an adequate level of compliance with its licence.

The ERA has decided to increase the audit period from 24 months to 36 months. The next audit will cover the period 1 December 2019 to 30 November 2022, with the report due by 28 February 2023.

Background to the ERA's decision

Audit ratings

The auditor assessed 231 licence obligations applicable to Perth Energy's licence and found:⁴

- 89 were rated A1 (adequate controls, compliant).
- Three were rated A2 (adequate controls, non-compliant – minor effect on customers).

¹ A 'small-use gas customer' is a customer who consumes less than 1 terajoule of gas per year.

² Perth Energy is licenced to retail gas in all seven gas supply areas in Western Australia, but currently only supplies customers in the coastal supply area, which includes Perth.

³ This is the number of customers that Perth Energy reported to the ERA for the purpose of calculating its 2017/18 and 2018/19 licence standing charges.

⁴ Obligations 25, 30, 81, 82 and 122 were determined as not applicable during the audit period, and therefore not assessed for compliance.

- 72 were rated A/NR (adequate controls, not rated for compliance due to lack of relevant activity).
- Five were rated B2 (generally adequate controls – improvement needed, non-compliant – minor effect on customers).
- Two were rated B/NR (generally adequate controls – improvement needed, not rated for compliance due to lack of relevant activity).
- One was rated C2 (inadequate controls – significant improvement needed, non-compliant - minor effect on customers).
- 23 were rated NP/1 (controls assessment not performed, compliant).
- 36 were rated NP/NR (controls assessment not performed, not rated for compliance due to lack of relevant activity).

The audit found nine non-compliances.

Seven of the non-compliances were from the 2017 audit and were resolved during this audit period. The remaining two non-compliances are administrative matters concerning the late payment of two standing charge invoices and late submission of standing charge data.

Audit recommendations

The auditor made two recommendations to address the non-compliances. The auditor did not make recommendations for the remaining non-compliances, because they were resolved during this audit period.

The post-audit implementation plan states that Perth Energy will address the audit recommendations between now and April 2020.

The ERA's assessment of the audit findings

Audit

Perth Energy's overall compliance with its licence has improved since the previous audit. There were fewer non-compliances found in the 2019 audit and Perth Energy has resolved all the recommendations from the 2017 audit.

Further information

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