



Notice

16 November 2021

Synergy

2021 performance audit

The Economic Regulation Authority has published the 2021 [performance audit report](#) and [post-audit implementation plan](#) for the Electricity Generation and Retail Corporation's (trading as Synergy) electricity retail licence ERL1.

Synergy is the largest electricity retailer in Western Australia. As at 30 June 2021, Synergy supplied over 1.1 million small and large use customers through the South West Interconnected System.¹

Synergy is owned by the Western Australian government.

The ERA's decision

The ERA considers that Synergy has achieved a satisfactory level of compliance with its licence and has decided to maintain the audit period at 24 months.

The next audit will cover the period 1 July 2021 to 30 June 2023, with the report due to be provided by 30 September 2023.

The ERA's assessment of the audit findings

Synergy's compliance with its licence has improved since the 2019 audit, with the 2021 audit finding fewer non-compliances and a reduction in the total number of breaches of the licence obligations, a reduction in system and process errors and a reduction in customer service agent errors.

The audit found that Synergy had adequate controls in place for all its licence obligations. The auditor also commented that Synergy's management and staff have a positive, proactive culture and attitude towards compliance.

While Synergy's overall compliance with its licence has improved since the 2019 audit, the ERA considers there is scope for Synergy to further improve its compliance with its licence obligations and has decided to retain the audit period at 24 months.

Background to the ERA's decision

The audit of the 261 licence obligations applicable to Synergy found 34 non-compliances and no controls deficiencies. Most of the non-compliances were with the *Code of Conduct for the Supply of Electricity to Small Use Customers 2018*.

¹ A small use customer is a customer who consumes less than 160 megawatt-hours of electricity per year.

While the audit found 34 non-compliances, the ERA has taken into account that Synergy has a large customer base and processes millions of customer transactions each year.

The auditor made nine recommendations to address the non-compliances that had not been resolved by the end of the audit period. As Synergy resolved six of the nine recommendations by the time the audit report was finalised, the post-audit implementation plan is for the three recommendations that have yet to be resolved.

Areas of focus

The ERA selected one area of special focus for the audit, which was payment difficulties and financial hardship. The auditor was required to undertake a detailed assessment of the effectiveness of Synergy's processes to assist customers experiencing payment difficulties and financial hardship.

Synergy has shown improvement in complying with its payment difficulties and financial hardship obligations. Of the 18 payment difficulties and financial hardship obligations, Synergy was found non-compliant with four, compared to seven in the 2019 audit. Also, the number of breaches of the non-compliant obligations had reduced substantially since the 2019 audit.

The auditor found that the non-compliances would have had a moderate effect on customers and that Synergy had adequate controls for these obligations.

Further information

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