Economic Regulation Authority

Notice

14 November 2025

AGL Sales Pty Limited

2025 performance audit

The Economic Regulation Authority has published the 2025 performance audit report and the post-audit implementation plan for AGL Sales Pty Limited's gas trading licence GTL14.

AGL Sales is a subsidiary of AGL Energy Limited, which provides gas, electricity and related products and services to about 4.5 million customers in Queensland, New South Wales, Victoria, South Australia and Western Australia.

AGL Sales supplies gas to over 100,000 residential and small business customers in Western Australia.

The ERA's decision

The ERA considers that AGL Sales has achieved a high level of compliance with its licence and decided to maintain the audit period at 36 months. The next audit will cover the period 1 June 2025 to 31 May 2028, with the report due by 30 September 2028.

Areas of special focus

Section 1.6.3 of the *Audit and Review Guidelines: Electricity and Gas Licences* allows the ERA to direct the licensee to require the auditor to assign a higher priority to specific licence obligations (areas of special focus).

The ERA nominated eight family violence obligations and 10 payment assistant obligations to ensure AGL Sales has the processes to comply with the *Compendium of Gas Customer Licence Obligations* (Compendium) that took effect on 1 July 2024.

The ERA also nominated the Compendium's overcharging obligation for special focus, because in 2024, the Federal Court found AGL Retail Energy Limited and three other subsidiaries of AGL Energy Limited had not complied with the National Energy Retail Rules' overcharging obligations in the National Electricity Market.

AGL Retail Energy Limited had continued to accept Centrepay payments from customers to closed accounts (known as "overpayments") and did not notify customers to arrange to refund the money. We requested that the auditor check to ensure this was not occurring in AGL Sales' operations in Western Australia (energy retailer overpayments on closed accounts was also the subject of two ERA investigations this year, with the ERA recently publishing a decision report on its findings).

Audit findings

The audit of the 178 licence obligations applicable to AGL Sales found one non-compliance and no control deficiencies. The auditor found AGL Sales compliant with the 19 obligations nominated for special focus.

The non-compliance was because AGL Sales did not achieve a 100 per cent compliance rate for issuing bills within the required 105-day period. This was a repeat non-compliance from the 2022 audit.

The auditor found that AGL Sales has processes to cancel Centrepay payment arrangements following an account closure and identify other overpayments made to closed accounts and contact the customers to arrange a refund. The processes were in place when the definition of "overcharging" was amended in the Compendium on 1 July 2024.[1] This means that AGL Sales was found compliant with the Compendium's overcharging obligations during the audit period (this was also what the ERA concluded from its investigations).

The auditor made one recommendation to address the non-compliance. The post-audit implementation plan states that AGL Sales will implement the recommendation by 16 February 2026.

The ERA's assessment of the audit findings

AGL Sales' compliance with its licence has improved since the previous audit, with one non-compliance, compared to four non-compliances in the 2022 audit.

Since the previous audit, AGL Sales implemented early detection controls to identify accounts at risk of billing delays exceeding 105 days. The controls include a system automated flag indicating when a customer account has reached a 90-day unbilled period. AGL Sales's billing team monitors flagged accounts to determine and rectify the reason for the delay.

The new controls reduced the number of bills issued late, with AGL Sales achieving a 99.91 per cent compliance rate during the audit period.

The ERA considers that, given AGL Sales has over 100,000 customers and that the gas distributor manually reads its meters, the number of bills issued late is not a material concern. AGL Sales has committed to implement further controls to address the non-compliance.

Further information

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[1] The amendment removed the limitation that an overcharge must be on a bill.