



# Performance Audit Report

**IPower 2 Pty Limited and IPower Pty Limited  
(Trading as Simply Energy)**

**Gas Trading Licence Performance Audit 2020**

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# 1. Independent Auditor's Report

## Modified Conclusion

In our opinion, based on the procedures performed as outlined in the Audit Plan approved by the Economic Regulation Authority ("the ERA") on 31 March 2020, except for the effect of the issues set out in the Basis for Modified Conclusion section below, IPower 2 Pty Limited and IPower Pty Limited trading as Simply Energy ("Simply Energy") has complied, in all material respects, with the conditions of its Gas Trading License performance obligations for the period 6 February 2018 to 29 February 2020.

## Basis for modified conclusion

The Licence obligations listed in the table of non-compliance commencing on page 3 were assessed as non-compliant (rating 2, 3 or 4).

## Scope

We have performed a reasonable assurance engagement over Simply Energy's compliance, in all material respects, with the performance criteria specified in its Gas Trading License ("the License") (the "compliance requirements") and *Section 11ZA of the Energy Coordination Act 1994*, throughout the period being 6 February 2018 to 29 February 2020 ("the specified period").

The assurance engagement was undertaken in accordance with the ERA's Audit and Review Guidelines: Electricity and Gas Licences March 2019.

The scope of the assurance work required relates to assessing Simply Energy's systems and effectiveness of processes and regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the Licence issued under *Energy Coordination Act 1994*.

## Basis of Our Conclusion

We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements (ASAE 3100). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- Used our professional judgement to plan our procedures and assess the risks that may cause material non-compliance with each of the compliance requirements to be concluded upon;
- Considered internal controls implemented to meet the compliance requirements; however, we do not express a conclusion on their effectiveness; and
- Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

## Summary of Procedures

Our procedures consisted primarily of:

- Utilising the ERA's 2017 Gas Compliance Reporting Manual ("Reporting Manual") and the 2019 Audit and Review Guidelines for Electricity and Gas Licences ("the Guidelines") to develop a risk assessment;
- Developing an Audit Plan and an associated work program, approved by the ERA on 31 March 2020;
- Interviewing relevant Simply Energy staff to gain an understanding of process controls;
- Assessing documents and performing walkthroughs of processes and controls to support the assessment of compliance and the effectiveness of the control environment in accordance with

Licence obligations; and

- Performing procedures and testing based on the procedures listed in the approved Audit Plan.

### **How We Define Reasonable Assurance and Material Non-Compliance**

- Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material non-compliance with the compliance requirements.
- Instances of non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of Simply Energy's compliance with the compliance requirements.

### **Inherent Limitations**

- Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the compliance requirements may occur and not be detected.
- A reasonable assurance engagement throughout the specified period does not provide assurance on whether compliance with the compliance requirements will continue in the future.

### **Use of this Assurance Report**

This report has been prepared for Simply Energy and the ERA for the purpose of assessing compliance with the requirements of the License and may not be suitable for another purpose.

We understand that a copy of this report will be provided to the ERA for the purpose of reporting on the reasonable assurance engagement for the Licensee. We agree that a copy of this report may be provided to the ERA in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the ERA in relation to the report.

We disclaim any assumption of responsibility for any reliance on this report, to any person other than Simply Energy and the ERA, or for any other purpose other than that for which it was prepared.

### **Management's responsibility**

Management are responsible for:

- the compliance activities undertaken to meet the requirements of the Licence;
- identifying risks that threaten the compliance requirements identified above being met and identifying, designing and implementing controls to enable the compliance requirements to be met and, monitoring ongoing compliance;
- Ensuring that it has complied in all material respects with the requirements of the Licence;
- Establishing and maintaining an effective system of internal control over its systems designed to achieve its compliance with the Licence requirements;
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the ERA;
- Implementing corrective actions for instances of non-compliance (if any).

### **KPMG's responsibility**

Our responsibility is to perform a reasonable assurance engagement in relation to Simply Energy's compliance with the compliance requirements of *Section 11ZA of the Energy Coordination Act 1994* and its License requirements throughout the period and to issue an assurance report that includes our conclusion.

### **Our Independence and Quality Control**

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

## Table of non-compliances:

Reporting Manual number and Licence condition	Issue
<p><b>Legislative Obligation 84</b> Trading Licence cl 5.1</p> <p>A licensee must ensure that a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available for inspection at its offices at no charge.</p>	<p>Through enquiries with the Regulatory team, we determined Simply Energy does not have a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available for inspection at its offices. However, Simply Energy expects a request for the documents to be unlikely as the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available online, which is the customer's first point of contact as this option is more accessible and convenient.</p> <p>As per the Regulatory team, in the event of such request, Simply Energy would print the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code at reception. We note that Simply Energy also does not maintain a record of such requests.</p> <p><b>Rating</b></p> <p>Based on enquiries, examination of documentation and walkthroughs, it was concluded that there were inadequate controls with minor improvements needed, and Simply Energy was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>
<p><b>Legislative Obligation 102</b> Distribution Licence cl 21.1 Trading Licence cl 23.1</p> <p>A licensee must provide to the ERA any information that the ERA may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the ERA.</p>	<p>Our inquiries of the Regulatory and Compliance team noted that Simply Energy maintain an excel spreadsheet to keep track of reporting dates across several jurisdictions, including Western Australia. This includes the reporting dates for the annual GTL Compliance report and annual Performance report. We also note that Simply Energy has a dedicated team member whose responsibility is to manage all reporting externally. Further, Simply Energy maintains a breach register to record breaches of the GTL obligations which are required to be reported to the ERA in the annual Compliance Report. The Compliance team receive incident reports of potential breaches identified and raised by line managers or others of various business units, and subsequently investigate the incident to determine whether there is a reportable breach.</p> <p>We examined correspondence related to all submissions of the annual Compliance report and Performance Report for the audit period between Simply Energy and the ERA and observed the following:</p> <ul style="list-style-type: none"> <li>• The 2017-18 Compliance Report was not submitted to the ERA by the required date, but was submitted in the manner and form specified by the ERA.</li> <li>• The 2018-19 Compliance report was submitted on time, and in the manner and form specified by the ERA.</li> <li>• The Performance reports for the period 2017-18 and 2018-19 were submitted to the ERA by the required date, and in the manner and form specified by the ERA.</li> </ul> <p>This non-compliance was identified by management in 2019 and reported to the ERA and subsequent process improvements were implemented. We also note that Simply Energy is in the process of implementing a new system "Risk Wizard" that will contain all obligation requirements and provide automated reminders to facilitate future compliance. Management advised that this system will be implemented by the end of 2020.</p> <p><b>Rating</b></p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and that Simply Energy had not complied with the licence obligation during the audit period with a moderate impact on customers or third parties.</p>
<p><b>Legislative Obligation 103</b> Distribution Licence cl 22, Trading Licence cl 24</p>	<p>Our inquiries noted that the Regulatory and Compliance team manage directives made by the ERA to publish information within timeframes. Once the information to be published has been finalised, the Compliance team will direct the Online Experience Specialist to publish the information on the website.</p>

<b>Reporting Manual number and Licence condition</b>	<b>Issue</b>
<p>A licensee must publish any information it is directed by the ERA to publish, within the timeframes specified.</p>	<p>Through our inspection of relevant documentation, we noted one instance of non-compliance that was identified by management, whereby Simply Energy did not publish the Annual Performance Report on its website within the 7 calendar day timeframe provided by the ERA. The 2018/19 Performance Report was published on Simply Energy’s website on 25 October 2019 whilst the ERA required the report to be published by 16 October 2019 (based on its notification dated 9 October 2019).</p> <p>We checked with the Regulatory and Compliance team that this breach will be reported in the 2019/20 compliance report to the ERA.</p> <p>We also note that Simply Energy is in process of implementing a new system “Risk Wizard” that will contain all obligation requirements and provide automated reminders to assist in future compliance. Management advised that this system will be implemented by the end of 2020.</p> <p><b>Rating</b></p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, and Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>
<p><b>Legislative Obligation 114</b></p> <p>Trading Licence cl 19.1</p> <p>A licensee must comply with the Gas Marketing Code of Conduct.</p>	<p>Through inspection of the Code of Conduct, we note there had been two updates to the Code of Conduct during the audit period. The key change was to remove the requirement for providing general information on the retailer’s gas customer safety awareness program in 2020.</p> <p>Through discussion with Regulatory and Compliance team, we noted that Simply Energy operates in different jurisdictions in Australia, and are governed by different Code of Conducts. As a result, Simply Energy as a business adopts the code of conduct at the highest or most onerous level across the country, to ensure it complies with different code of conduct in different jurisdictions.</p> <p>When there is an update in the Code of Conduct, Simply Energy goes through the following process to ensure its current policies, procedures and processes are in compliance with the Code of Conduct:</p> <ul style="list-style-type: none"> <li>• Compliance team is the responsible party on any regulatory changes. When there is a change on the Code of Conduct, Compliance team is notified the change;</li> <li>• Compliance team goes through the changes and assesses its impact on the business, through performing a Needs Analysis, determining what needs to be updated in its policies, procedures and processes including training material. The compliance team also works with external regulators to seek clarification and understand the changes as required;</li> <li>• Once the impacts are identified, these are communicated to the Sales Capability team;</li> <li>• Subsequently, the Sales Capability Manager will update training material based on the changes and provide back to the Compliance team for comments;</li> <li>• Once the training material is updated, trainings are pushed out to marketing agents which both the Sales Capability team and Compliance team will facilitate together. The training will be delivered either in-person, via e-learning or via conference call.</li> </ul> <p>We were unable to obtain written evidence to assess the operating effectiveness of the above control regarding process for changes to the code of conduct. However, we note that Simply Energy has appropriately implemented the change based on the Code of Conduct by removing the safety awareness program from its communications which demonstrated that Simply Energy has conducted the review of Code of Conduct and made the appropriate change.</p> <p>We noted Code of Conduct includes a number of sub-clauses which we assessed for compliance individually across obligation 117 to 129. We did not identify any non-compliance in our testings for obligations in relation to Code of Conduct. However, we noted Simply Energy self identified a Type 2 breach of clause 2.3 (1)</p>

<b>Reporting Manual number and Licence condition</b>	<b>Issue</b>
	<p>Entering into a non-standard contract - obligation 119 where an agent did not obtain verifiable consent from customer before entering into the NSC. We were advised by management that Simply Energy will report this breach in August 2020 as part of the 2019-2020 Compliance Report. This breach has consequently led to non-compliance of obligation 114 due to this is an overarching obligation of Code of Conduct.</p> <p>Through inspection of the completed Investigation Report signed off by Compliance Manager, it was noted that Simply Energy retrained all sales agents that carried out work on the incident date i.e.21 August 2019 and the training covered vulnerable customers, high pressure sales behaviour and misleading and deceptive conduct.</p> <p><b>Rating</b></p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there were inadequate controls with improvement needed and that Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>
<p><b>Legislative Obligation 115</b> Trading Licence cl 19.2</p> <p>A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct.</p>	<p>Through discussion with Regulatory and Compliance team, we note that training is provided to appropriate Simply Energy agents and employees to ensure they comply with Code of Conduct.</p> <p>KPMG found instances where Simply Energy is unable to locate the training record to evidence the trainings have been appropriately provided to its agents and employees as they were maintained in hard copies during the audit period.</p> <p>KPMG noted obligation 115 is an overarching obligation which requires Simply Energy's agents and employee to comply with the Code of Conduct. We noted Code of Conduct includes a number of sub-clauses which we assessed for compliance individually across obligation 117 to 129. We did not identify any non-compliance in our testings for obligations in relation to Code of Conduct. However, we noted Simply Energy identified a Type 2 breach of clause 2.3 (1) Entering into a non-standard contract - obligation 119 where an agent did not obtain verifiable consent from the customer before entering into the non-standard contract. We were advised by management that Simply Energy will report this breach in August 2020 as part of the 2019-2020 Compliance Report. This breach has consequently led to non-compliance of obligation 115. Through our testing, we did not identify other instances where Simply Energy's employees or agents were not in compliance with the Code of Conduct.</p> <p><b>Rating</b></p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there were inadequate controls with improvement needed and that Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>
<p><b>Legislative Obligation 116</b> Trading Licence cl 19.1</p> <p>A retailer must ensure that its gas marketing agents comply with Part 2 of the Code of Conduct.</p>	<p>Through discussion with Regulatory and Compliance team, we note that training is provided to appropriate Simply Energy gas marketing agents to ensure they comply with Code of Conduct.</p> <p>KPMG found instances where Simply Energy is unable to locate the training record to evidence the trainings have been appropriately provided to its agents and employees as they were maintained in hard copies during the audit period.</p> <p>KPMG noted obligation 116 is an overarching obligation requires Simply Energy's marketing agents to comply with the Code of Conduct. We noted Code of Conduct includes a number of sub-clauses which we assessed for compliance individually across obligation 117 to 129. We did not identify any non-compliance in our testings for obligations in relation to Code of Conduct. We noted Simply Energy self-identified a Type 2 breach of clause 2.3 (1) Entering into a non-standard contract - obligation 119 where an agent did not obtain verifiable consent from the customer before entering into the non-standard contract. We were advised by management that Simply Energy will report this breach in August 2020 as part of the 2019-2020</p>

<b>Reporting Manual number and Licence condition</b>	<b>Issue</b>
	<p>Compliance Report. This breach has consequently led to non-compliance of obligation 116. Through our testing, we did not identify other instances where Simply Energy's marketing agents not comply with the Code of Conduct.</p> <p><b>Rating</b></p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there were inadequate controls with improvement needed and that Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>
<p><b>Legislative Obligation 119</b> Trading Licence cl 19</p> <p>A retailer or gas marketing agent must ensure that non-standard contracts that are not unsolicited consumer agreements are entered in the manner and satisfying the conditions specified.</p>	<p>'We note Simply Energy is required to obtain and make record of the customer verifiable consent that the NSC has been entered in to and make available of a copy of the NSC to customer within 5 business days after the contract was entered into.</p> <p>We inspected Simply Energy's training material such as Induction training material and Compliance Culture training material which outlined the definition of explicit informed consent. Through our sample testing, we note there were instances where Simply Energy is unable to provide training record for some employees or marketing agents to evidence they have taken appropriate trainings. Simply Energy's system automatically sends the Welcome Pack to new customers with a copy of the NSC within 5 business days.</p> <p>In order to assess whether Simply Energy has obtained customer's verifiable consent before entering into a NSC and whether the NSC was made available to customers within 5 business days, we have performed sample testing and have:</p> <ul style="list-style-type: none"> <li>• listened to a sample of sales recording of online sales;</li> <li>• inspected a sample of signed contracts for door to door sales;</li> <li>• performed walkthrough of online sales page;</li> <li>• inspected the Welcome Pack made available to customers.</li> </ul> <p>Through our testing, we did not identify any instance of non-compliance. However, we noted Simply Energy identified one instance where the sales agent did not obtain verifiable consent from the customer before enter into the NSC which resulted in a breach of Obligation 119. We were advised by management that Simply Energy will report this breach in August 2020 as part of the 2019-2020 Compliance Report.</p> <p><b>Rating</b></p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there were inadequate controls with improvement needed and that Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>
<p><b>Legislative Obligation 120</b> Trading Licence cl 19</p> <p>A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.</p>	<p>Through discussion with Senior Regulatory Analyst and Sales Capability Manager, all information specified are provided to customer in the Welcome Pack and customer are informed they can obtain the information from Welcome Pack before entering into the non-standard contract.</p> <p>Simply Energy's system is configured to send the Welcome Pack to the new customer once they enter into a NSC.</p> <p>Through inspection of copies of Welcome Packs for sampled customers, it was noted that those Welcome Pack that was sent from July 2018 to February 2019 had a duplicated page of page one from Disclosure Statement whilst information specified in clause 2.3(2)(h) concession information and 2.3(2)(j) multi-lingual and TTY service information were not provided in the Disclosure Statement . Per discussion with Senior Regulatory Analyst, it was a template error which was subsequently amended. This was evidenced by samples tested where Welcome Pack provided to customer post February 2019 contains all specified information in clause 2.3(2).</p> <p>Further, it was noted that those Welcome Pack sent to customers during January and February 2020 contain blurry information which was unable to be read. It was</p>



<b>Reporting Manual number and Licence condition</b>	<b>Issue</b>
	<p>noted that Simply Energy was informed by a customer of this issue and subsequently conducted an internal review. An updated Welcome Pack were sent to customers that were affected in March 2020 to rectify the issue.</p> <p><b>Rating</b></p> <p>Based on enquiries, sample testing and examination of documentation, it was concluded that there are adequate controls in place, however Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>
<p><b>Legislative Obligation 121</b> Trading Licence cl 19</p> <p>A retailer or gas marketing agent must obtain a customer's verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information).</p>	<p>Through discussion with Senior Regulatory Analyst and Sales Capability Manager, we note that Simply Energy obtains verifiable consent from the customer before the customer enter into the non-standard contract and also inform customer to obtain the specified information in clause 2.3(2) from the Welcome Pack.</p> <p>Through discussion with Regulatory and Compliance team and inspection of the training material, it was noted Simply Energy provides regular trainings to its marketing agents including in relation to obtaining customer's verifiable consent. Through sample testing, it was noted of instances where Simply Energy unable to provide training record for its marketing agents.</p> <p>In order to assess whether Simply Energy has obtained customer's verifiable consent, we have:</p> <ul style="list-style-type: none"> <li>• listened to sales recording of a sample of online sales;</li> <li>• inspected a sample of signed contracts for door to door sales;</li> <li>• performed walkthrough of the online sales page.</li> </ul> <p>Through our testing, we did not identify any instance of non-compliance. However, we noted Simply Energy self-identified one instance where the sales agent did not obtain verifiable consent from the customer before entering into the NSC which resulted in a breach of Obligation 119. This consequently resulted in a non-compliance of Obligation 121. We were advised by management that Simply Energy will report this breach in August 2020 as part of the 2019-2020 Compliance Report.</p> <p><b>Rating</b></p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there were inadequate controls with improvement needed and that Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>
<p><b>Legislative Obligation 198</b> Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(1)</p> <p>A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within 5 business days from when the residential customer informs the retailer about the payment problems. If the retailer cannot make the assessment within 5 business days, it must refer the customer to a relevant consumer representative to make the assessment.</p>	<p>Our inquiries of the Regulatory and Compliance team noted that the contact centre, emails and web chat are the key methods used by Simply Energy staff to communicate with residential customers about payment problems. Through examination of the hardship policy we noted Simply Energy has a process in place to assess hardship requirements of customers within the mentioned period as per Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(1) and provide assistance to customers who are assessed as experiencing payment difficulties.</p> <p>Debt management staff are trained to determine the need for an assessment where a customer has advised of payment difficulties, and refer the customer to the hardship team for an assessment to be completed. Where customers cannot be immediately referred to a hardship agent for assessment, a call back will be scheduled and the customer will be contacted within 24-48 hours for an assessment to be completed. Simply Energy use a Customer database ("HubPlus") that also records and displays the status of pending hardship cases. Customers referred to the hardship team as a result of payment difficulties are able to be identified in the events log of HubPlus.</p> <p>Through our sample testing of the event logs within HubPlus we identified that 4 assessments were not completed within 5 business days of the referral.</p>

Reporting Manual number and Licence condition	Issue
	<p>In each instance Simply Energy attempted to make initial contact with these customers within 24 to 48 hours of the customer's initial contact with the debt management team with no success. In each instance we sighted evidence that Simply Energy followed internal processes for making contact with these customers, which also included 'no contact letters' being sent. Hence, delays in providing an assessment was due to unsuccessful communication with the customer. While we note that there are specific processes agents are required to follow, the timeframes for follow up activities were not documented in the internal processes.</p> <p>Further, according to management, it is assumed that if a customer does not respond to successive contact attempts, agents are trained to remove the customer from the Hardship program and hence requirements for this obligation would no longer be applicable.</p> <p><b>Rating</b></p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed and Simply Energy was not compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>
<p><b>Legislative Obligation 211</b> Trading Licence cl 2.1 and Sch 2 Compendium cl 6.8</p> <p>A retailer must advise a customer experiencing financial hardship of the options specified in clause 6.8.</p>	<p>Through enquiries with the Regulatory and Collections Team, we note that Simply Energy will advise customers experiencing financial hardship of the following options as specified within the Gas Compendium where they are applicable and appropriate to the customers circumstances:</p> <ul style="list-style-type: none"> <li>• Customer's right to have the bill redirected at no charge to a third person;</li> <li>• Payment methods available to the customer;</li> <li>• Concessions available to the customer and how to access them;</li> <li>• Different types of tariffs available to the customer;</li> <li>• Independent financial counselling services and relevant consumer representatives available to assist the customer; and</li> <li>• Availability of any other financial assistance and grants schemes that the retailer should reasonably be aware of and how to access them.</li> </ul> <p>However, through enquiries we noted that it is unlikely that a customer experiencing financial hardship will be informed of all six options. While Simply Energy is able to redirect the bill of a hardship customer to a third person, this may not be practical where a customer wishes to apply for a government grant, as having a customer's bill redirected to another address may not meet the eligibility criteria for the grant. This option is therefore not always provided to customers unless it is appropriate to the customer's circumstances and therefore varies on a case-by-case basis. There is also only one tariff available to residential customers, this being the residential tariff. Hence, the requirement for Simply Energy to advise customers experiencing financial hardship of the different types of tariffs available, may not be relevant to Simply Energy.</p> <p>Based on our testing, we note that Simply Energy have policies and controls in place to ensure that customers experiencing financial hardship are provided with information on payment methods, the availability of grants, concessions, independent financial counselling services and other general assistance. However, upon inspection of Simply Energy's hardship policy and procedures we note that customers experiencing financial hardship are not always advised of the right to redirect a bill to a third person. Further we note that information on redirecting bills is not disclosed on Welcome letters and Activation letters sent out to customers who have been accepted in Simply Energy's Bill Assist (Hardship) Program. We sampled a set of customers to assess whether that a welcome letter (which outlines the information noted above) was provided to the customer and noted no issues.</p> <p>We note that Simply Energy perform weekly quality assessment reviews of hardship agents' calls whereby agents are assessed against a specific criteria, which includes whether the customer was provided with the best payment method for their situation and information on grants, concessions, financial counselling</p>

<b>Reporting Manual number and Licence condition</b>	<b>Issue</b>
	<p>services and other general assistance available to the customer. This information is also noted within Simply Energy's hardship policy which agents are trained to comply with.</p> <p><b>Rating</b></p> <p>Based on enquiries, examination of documentation and walkthroughs, it was concluded that there were inadequate controls with minor improvements needed, and Simply Energy was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>
<p><b>Legislative Obligation 223</b> Trading Licence cl 2.1 and Sch 2 Compendium cl 7.2(1)</p> <p>A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1).</p>	<p>Per discussions with the Regulatory and Collections Team, we noted that Simply Energy will complete a checklist on its Billing system (Cstar) prior to arranging for a disconnection for a failure to pay a bill. We note that this checklist includes various items that need to be checked and passed, and a disconnection service order can only be raised if all items within the checklist have passed. We observed that the checklist requires the debt management agent to check that there is no bill assist flag on the account which indicates that the customer has been offered a hardship arrangement. The checklist also requires the agent to check that the account has an overdue balance greater than \$300. Hence, this control ensures that disconnections are not actioned under the circumstances outlined in the clause.</p> <p>Through observation of the HubPlus system, we note that treatment plans are set up within the Hub which automatically issues disconnection warning notices for overdue customers which includes the date that the bill is required to be paid by to prevent disconnection.</p> <p>We checked that concessions are not available for gas customers in Western Australia (WA) and that Simply Energy only supply gas to customers in WA. Further, Simply Energy do not facilitate transfers of historical debt and thus, overdue bills only relate to the current supply address. Hence, subclauses 7.2(1) (d) to (g) are not applicable to Simply Energy.</p> <p>Sample testing checked that there was one instance of a disconnection being arranged which was not in accordance with the requirements under the clause. A disconnection service order was incorrectly raised a few days after the customer had settled the overdue balance on their account due, which was due to an agent omission.</p> <p><b>Rating</b></p> <p>Based on enquiries and examination of documentation, we can conclude that there are generally adequate controls with some improvement needed and that Simply Energy were not compliant with the licence obligation, with a minor effect on customers or third parties, during the audit period.</p>
<p><b>Legislative Obligation 281</b> Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 13.1</p> <p>A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.</p>	<p>Through discussion with the Regulatory Team, we noted that Simply Energy is required to annually prepare and submit a Performance Report and a Compliance Report.</p> <p><b>Compliance Report</b></p> <p>The Compliance Report is updated throughout the reporting year as breaches are identified. This is compiled by the Manager Regulatory Compliance and contains the following information:</p> <ul style="list-style-type: none"> <li>• checked that Simply Energy has complied with all applicable Type 1 and 2 licence obligations during the period, other than those specifically referred to in Schedule A;</li> <li>• Identified any Type 1 or Type 2 licence obligations that have been breached during the period and provided details of: <ul style="list-style-type: none"> <li>- the licence obligation that has been breached;</li> <li>- the nature and extent of the breach;</li> <li>- the impact of the breach including the number of customers and other licensees affected;</li> <li>- the reasons for the breach;</li> </ul> </li> </ul>

<b>Reporting Manual number and Licence condition</b>	<b>Issue</b>
	<ul style="list-style-type: none"> <li>- the actions that the licensee has taken to rectify the breach;</li> <li>- the actions taken by the licensee to prevent recurrence of the breach; and</li> <li>- the date the licensee has, or expects to, comply again fully with the licence obligation that has been breached.</li> </ul> <p>We tested the population of two Compliance reports submitted during the audit period (in 2018 and 2019) and noted that they contained the information specified by the ERA in the GTL reporting manual.</p> <p><b>Performance Report</b></p> <p>Each year, the ERA will provide Simply Energy with a template GTL Performance Reporting Datasheet (the "Datasheet") which sets out the information required to be submitted. Guidance for completing the Datasheet is provided within the GTL Performance Reporting Handbook. We note that no data was reported in the Performance report submitted for the 2017-2018 report as Simply Energy began trading in WA in July 2018.</p> <p>Hence, we tested the accuracy of the Performance report for the 2018-19 financial year.</p> <p>We performed a walkthrough of systems with the Senior Regulatory Analyst and Data and Insights Analyst to understand how the data is sourced and populated into the report.</p> <p>We obtained the data used to compile the 2018-19 performance report and conducted sample testing over 14 indicators to test accuracy of the figure reported.</p> <p>We have observed the following:</p> <ul style="list-style-type: none"> <li>• the total reported number of residential customers as at 30 June could not be agreed to the data provided, with the reported number being higher by 0.01%.</li> <li>• the total number of direct debits cancelled during 2018-19 reported was higher than the number checked from the data by 67%.</li> </ul> <p><b>Rating</b></p> <p>Based on enquiries and examination of documentation, it was concluded that there were inadequate controls in place to ensure that reporting deadlines were met, and Simply Energy has not complied with the licence condition resulting in a moderate impact on customers or third parties.</p>
<p><b>Legislative Obligation 282</b> Trading Licence cl 2.1 and Sch 2 Compendium cl 13.2</p> <p>A report referred to in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.</p>	<p>Through inquiry we noted that the submission of annual performance reports is the responsibility of the Regulatory Compliance Manager and the required submission dates are tracked via a Reporting Calendar.</p> <p><b>GTL Compliance Report</b></p> <p>The ERA GTL Compliance Reporting Manual specifies within section 5.2.1 that reports must be submitted to the ERA by 31 August following the 30 June year end. Schedule 6 of the Manual provides the template for the report.</p> <p>Once the report is submitted, it is reviewed by the ERA who will subsequently provide a required publish date in writing. Simply Energy will then publish the report on its website.</p> <p>Our testing of the 2018 and 2019 GTL Compliance Reports and related correspondence between Simply Energy and the ERA identified that the Compliance report for 30 June 2018 was not provided by the due date (submitted one month late), but was presented in the manner and form specified by the ERA.</p> <p><b>GTL Performance Report</b></p> <p>The ERA GTL Performance Reporting Handbook outlines required performance indicators and how and when the data must be provided by a retailer to the ERA. The ERA provide a template GTL Performance Reporting Datasheet that is required to be used. When the Handbook is released, the Manager Regulatory Compliance</p>

<b>Reporting Manual number and Licence condition</b>	<b>Issue</b>
	<p>updates the Register with the required date, ERA contact, and required submission address (email).</p> <p>For the applicable 30 June reporting years the following dates were prescribed by the ERA:</p> <ul style="list-style-type: none"> <li>• 1 October 2018 (For 30 June 2018 period)</li> <li>• 30 September 2019 (For 30 June 2019 period)</li> </ul> <p>Testing of the performance reports and correspondence between Simply Energy and the ERA checked that Simply Energy had submitted the performance report on time in both periods.</p> <p><b>Rating</b></p> <p>Based on enquiries and examination of documentation, it was concluded that there were inadequate controls in place to ensure that reporting deadlines were met, and Simply Energy has not complied with the licence condition, during the audit period.</p>
<p><b>Legislative Obligation 283</b> Trading Licence cl 2.1 and Sch 2 Compendium cl 13.3</p> <p>A report referred to in clause 13.1 must be published by the date specified by the ERA.</p>	<p>The ERA will provide a date that Simply Energy are required to publish required reports on their website by. Through inquiry of Regulatory and Compliance Team, we noted that once a publish date is provided by the ERA, the Compliance Officer will request the Online Experience Specialist to publish the report on the website.</p> <p>Through testing of the GTL Performance reports for the periods ended 30 June 2018 (2017/18 report) and 30 June 2019 (2018/19 report) and related correspondence between Simply Energy and the ERA, we noted that the 2018/19 Performance Report was published on Simply Energy's website on 25 October 2019 even though the ERA required the report to be published by 16 October 2019 in its notification dated 9 October 2019. This non-compliance was identified by management in 2019 and reported to the ERA and subsequent process improvements were implemented. We also note that Simply Energy is in process of implementing a new system "Risk Wizard" that will contain all obligation requirements and provided automated reminders to facilitate future compliance. Management advised that this system will be implemented by the end of 2020.</p> <p><b>Rating</b></p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed and Simply Energy was not compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>

**Vicky Carlson**

Partner, KPMG

18 November 2020

# 2. Executive Summary

## 2.1. Introduction

This document presents the findings from the initial audit of IPower 2 Pty Limited and IPower Pty Limited trading as Simply Energy ("Simply Energy")'s compliance with its legislative obligations under its Western Australian Gas Trading License GTL-16.

Simply Energy is a leading energy retailer with over 725,000 customer accounts across New South Wales, Queensland, South Australia, Victoria and Western Australia. Simply Energy is backed by ENGIE, one of the largest independent power producers in the world and a global leader in the transition to a zero-carbon economy. Simply Energy operates an outsourced model with IT, sales and customer service activities provided by partners under contract to Simply Energy.

We performed a reasonable assurance engagements in accordance with *Australian Auditing Standard on Assurance Engagements – Compliance Engagements* (ASAE 3100) as to whether Simply Energy has complied, in all material respects with its obligations as required by GTL-16 for the period 6 February 2018 to 29 February 2020. The Audit was undertaken in accordance with the Audit plan that was approved by the ERA on 31 March 2020.

## 2.2. Objective

The purpose of the Audit was to assess Simply Energy's compliance with its performance obligations in GTL-16 as outlined in the Reporting Manual published by the ERA, for the period 6 February 2018 to 29 February 2020.

Our ASAE3100 audit opinion expressed a conclusion on whether Simply Energy has complied in all material respects with its GTL-16 obligations. We provide a long form report which details our observations, findings and recommendations in relation to any exceptions identified for each compliance obligation in accordance with the Guideline.

## 2.3. Scope of work

This was the first independent audit undertaken at Simply Energy as its License was granted on 6 February 2018. As a consequence the audit period was from 6 February 2018 until 29 February 2020 (noting operations commenced on 2 July 2018). The Audit has been undertaken in accordance with the Guidelines. We conducted a reasonable assurance engagement in accordance with the *Australian Standard on Assurance Engagements - Compliance Engagements* (ASAE 3100).

We considered internal controls implemented to meet the compliance obligations, however we do not express a conclusion on their effectiveness. In performing our procedures we have regarded to:

- Process compliance – the effectiveness of systems and procedures in place throughout the audit period including the adequacy of internal controls.
- Outcome compliance – the actual performance against standards prescribed in the licence throughout the audit period.
- Output compliance - the existence of the output from systems and procedures throughout the audit period (specifically, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained).
- Integrity of reporting – the completeness and accuracy of the compliance reports and compliance registers provided to the ERA.
- Compliance with any individual licence conditions – the actual performance against the requirements imposed on the specific licensee by the ERA or specific matters raised by the ERA.

- Consideration of the special areas of focus as advised by the ERA – (1) Annual Performance data and (2) Payment difficulties and financial hardship. Ensuring appropriate application of advised risk priority to those areas and undertaking the prescribed procedures

## 2.4. Audit Planning Approach

In developing the Audit plan, KPMG adopted a risk based approach, consistent with the Authority’s mandatory methodology for assessing risk, which is based on the ISO 31000:2018 Risk Management – Guidelines. Our methodology to identify risk and allocate ratings the following sections are based on Section 3 and Section 4 of the Guidelines.

### Step 1 – Identify obligations and risks

We examined the licence conditions, and identified the risks that may affect compliance with these conditions. As part of this, we considered where, when, why and how events could prevent, degrade or delay compliance with the licence obligations. Risk analysis was centred on the compliance risks as tabled below:

Type of Risk	Description
Supply quality and reliability	Delays in new connections, excessive supply interruptions, supply quality standards not met.
Consumer protection	Customer service levels not met, incorrect bills, disconnection and reconnection standards not met, customers unable to access financial hardship assistance.
Legislation/licence	Breach of industry Acts, regulations and codes, contravention of licence conditions.

### Review of Compliance Reports and Breach registers

We read the Compliance Report issued by Simply Energy to the ERA for the period 1 July 2018 to 30 June 2019 to confirm that it was consistent with Simply Energy’s Breach register for the period.

### Step 2 – Risk Analysis

Given this was an initial audit for Simply Energy, our preliminary risk assessment was based on discussions with management to identify:

- the consequences and likelihood of the inherent risks to give an overall inherent risk rating; and
- the strength of the existing internal controls that mitigate the inherent risks.

## 2.5. Consequence

The consequences of the risk occurring was assessed using the 3-point rating scale described in the table below. The more significant the consequences, the higher the rating value allocated.

Rating		Non-compliance		
		Supply quality and reliability	Consumer protection	Breaches of legislation or other licence conditions
1	Minor	Breaches of supply quality or reliability standards – affecting small number of customers. Delays in providing a small proportion of new connections.	Customer complaints procedures not followed in a few instances. Small percentage of disconnections or reconnections not completed on time.	Legislative obligations or licence conditions not fully complied with, minor impact on customers or third parties

Rating		Non-compliance		
		Supply quality and reliability	Consumer protection	Breaches of legislation or other licence conditions
			Small percentage of bills not issued on time.	Compliance framework generally fit for purpose and operating effectively.
2	Moderate	Supply quality breach events that significantly impact customers; large number of customers affected and/or extended duration and/or damage to customer equipment. Supply interruptions affecting significant proportion of customers on the network for up to one day. Significant number of customers experiencing excessive number of interruptions per annum. Significant percentage of new connections not provided on time/ some customers experiencing extended delays.	Significant percentage of complaints not being correctly handled. Customers not receiving correct advice regarding financial hardship. Significant percentage of bills not issued on time. Ongoing instances of disconnections and reconnections not completed on time, remedial actions not being taken or proving ineffective. Instances of wrongful disconnection.	More widespread breaches of legislative obligations or licence conditions over time. Compliance framework requires improvement to meet minimum standards.
3	Major	Supply interruptions affecting significant proportion of customers on the network for more than one day. Majority of new connections not completed on time/ large number of customers experiencing extended delays.	Significant failure of one or more customer protection processes leading to ongoing breaches of standards. Ongoing instances of wrongful disconnection.	Wilful breach of legislative obligation or licence condition. Widespread and/or ongoing breaches of legislative obligations or licence conditions. Compliance framework not fit for purpose, requires significant improvement.

Table 1: Consequence Rating

## 2.6. Likelihood

The likelihood was assessed using the 3-point rating scale described in the table below:

	Level	Criteria
A	Likely	Non-compliance is expected to occur at least once or twice a year
B	Probable	Non-compliance is expected to occur once every three years
C	Unlikely	Non-compliance is expected to occur once every 10 years or longer

Table 2: Likelihood Rating



## 2.7. Inherent Risk

The inherent risk was arrived through the combination of the consequence rating and the likelihood rating. The inherent risk rating that was used is depicted in the table below:

Likelihood	Consequence		
	1. Minor	2. Moderate	Major
A. Likely	Medium	High	High
B. Probable	Low	Medium	High
C. Unlikely	Low	Medium	High

Table 3: Inherent Risk Rating – Consequence

Described below are the inherent risk ratings:

Level	Description
High	Likely to cause major damage, disruption or breach of licence obligations
Medium	Unlikely to cause major damage but may threaten the efficiency and effectiveness of
Low	Unlikely to occur and consequences are relatively minor

Table 4: Inherent Risk Rating

### Step 4 - Identify and assess internal controls

Once the inherent risks were identified and classified, KPMG undertook a high level assessment of the internal controls that are in place to mitigate each inherent risk.

The table below describes the preliminary adequacy rating for existing controls:

Level	Description
Strong	Controls that mitigate the identified risks to a suitable level
Moderate	Controls that only cover material risks; improvement required
Weak	Controls are weak or non-existent and do little to mitigate the risks

Table 5: Adequacy Rating

### Step 5 – Assign audit priority ratings

The next stage in the audit planning process was to determine audit priorities for each of the licence conditions based on the combined rating for inherent risk and control adequacy. The prescribed 5 level audit priority scale was used:

		Preliminary Adequacy of Existing Controls		
		Weak	Moderate	Strong
Inherent Risk	High	Audit priority 1	Audit priority 2	
	Medium	Audit priority 3	Audit priority 4	
	Low	Audit priority 5		

Table 6: Audit Priority

KPMG has adopted a singular approach by mapping each licence condition to an associated control(s), undertaking a risk assessment which included discussions with management to determine an audit priority for each licence obligation.

<b>Risk Rating</b>	<b>Number of Obligations</b>
<b>High</b>	7
Medium	146
Low	66
Not Applicable	78
<b>TOTAL</b>	<b>297</b>

During the audit planning process, in consultation with management, we performed preliminary risk assessment and assigned audit priority ratings for each of the licence obligation based on the combined rating for inherent risk and control adequacy.

<b>Audit Priority Rating</b>	<b>Number of Obligations</b>
<b>Priority 1</b>	0
<b>Priority 2</b>	7
<b>Priority 3</b>	34
<b>Priority 4</b>	112
<b>Priority 5</b>	66
<b>Not Applicable</b>	78
<b>TOTAL</b>	<b>297</b>

The ERA has advised and approved in our audit plan 2 areas of special focus for this Audit:

- compliance with the assistance provided to customers who are experiencing payment difficulties or financial hardship; and
- Accuracy of report performance data

Accordingly, we have assigned an audit priority of “3” in the audit plan for obligations 198-213 of the Reporting Manual. Giving due consideration to the ERA’s guidance in the letter to Simply Energy dated 19 November 2018 and related breach, we have denoted Obligation 102 of the Reporting Manual as Priority 2, irrespective of the adequacy of the existing controls.

## 2.8. Audit Plan Approval

Following the completion of the risk workshops and supporting activities, each obligation was reviewed and risk prioritised according to its inherent risk rating using the ERA’s methodology. The relevant management team members confirmed the applicable risk and control ratings prior to completion of the Audit plan.

The final Audit Plan was approved by the ERA on 31 March 2020.

## 2.9. Execution of the Audit Plan

Based on the assigned audit priority for each licence obligation, we carried out specific assurance procedures in order to obtain sufficient and appropriate evidence. In selecting the assurance procedure, we used our judgement and assessment of the level of risk involved.

Described below is the testing strategy taken for each audit priority:

Audit Priority	Nature of Testing
<b>Priority 1 and 2 (High Priority)</b>	<ul style="list-style-type: none"> <li>• enquire with key individuals responsible for ensuring compliance to understand activities undertaken to achieve compliance;</li> <li>• examine compliance reports and breach register</li> <li>• perform walkthroughs to understand processes and control activities;</li> <li>• inspect and review audit evidence such as documentation and policies;</li> <li>• match compliance activities to the requirements of GTL-16 to identify any requirements that have not been addressed;</li> <li>• using a sampling approach, assess instances of material non-compliance with the requirements of GTL-16;</li> <li>• recalculate a sample of relevant performance indicators.</li> </ul>
<b>Priority 3 and 4 (Moderate Priority)</b>	<ul style="list-style-type: none"> <li>• enquire with key individuals responsible for ensuring compliance to understand activities undertaken to achieve compliance;</li> <li>• examine compliance reports and breach register</li> <li>• perform walkthroughs to understand processes and control activities;</li> <li>• inspect and review audit evidence such as documentation and policies.</li> </ul>
<b>Priority 5 (Low Priority)</b>	<ul style="list-style-type: none"> <li>• enquire with key individuals responsible for ensuring compliance to understand activities undertaken to achieve compliance;</li> <li>• view compliance reports and breach register;</li> <li>• undertake a desktop review of relevant documents, policies and controls in place.</li> </ul>

While carrying out the discussion with key individuals responsible for ensuring compliance and understanding the activities undertaken to achieve compliance, we performed a re-assessment of the inherent risk and control adequacy on each performance obligation. Where we revised the inherent risk and control adequacy rating which lead to a deviation from the audit plan on audit priority, we performed adequate procedures to obtain sufficient and appropriate evidence based on the revised audit priority rating. Refer to section 3 for deviations from audit plan.

A list of key documents and other information sources examined during the course of the Audit is provided in Appendix 1.

We have reported an adequacy of controls rating and compliance rating for applicable obligations using the following structure in line with the ERA’s guidelines:

<b>Performance audit compliance and controls rating scales</b>			
<b>Adequacy of Controls Rating</b>		<b>Compliance Rating</b>	
<b>Rating</b>	<b>Description</b>	<b>Rating</b>	<b>Description</b>
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor effect on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate effect on customers or third parties
D	No controls evident	4	Non-compliant – major effect on customers or third parties
N/P	Not performed – A controls rating was not required	N/R	Not rated – No activity took place during the audit period
N/A	Obligation was identified as not being applicable during the course of the audit	N/A	Obligation was identified as not being applicable during the course of the audit

Table 7: Compliance and Controls Rating Scales

## 2.10. Audit Team Members and Time Undertaken to Complete Audit

The following table outlines the auditor's personnel who undertook the audit and time taken to complete the audit procedures. Fieldwork commenced on 16 March 2020 and was completed on 28 August 2020.

<b>Audit Members</b>	<b>Hours</b>
Vicky Carlson, Engagement Partner	34
Sanket Agrawal, Engagement Manager	143
Ivy Shen, Engagement In-charge	178
Tisha Soorkea, Senior Team Member	61
Anna Shiel, Team Member	328
Emily Jackson, Team Member	230
Tanya Abraham, Team Member	262
Total	1,236

# 3. Deviations from the audit plan

## 3.1. Revision of audit priority

No.	License Obligation	Description	Audit Plan audit priority	Revised audit priority	Explanation
117	Trading Licence cl 19	A retailer or gas marketing agent must ensure that standard form contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	2	4	<p>From the ERA's website, we found that standard form contracts specify the terms and conditions upon which a retailer will supply electricity to its customers. These terms and conditions form a 'safety net' for small use electricity customers. A retailer and small use customer may also negotiate terms and conditions different from the retailer's standard form contract, referred to as a 'non-standard contract'. Even though a non-standard contract does not require the ERA's approval, it must comply with relevant legislation.</p> <p>Therefore, due to the custom nature of the non-standard contract and no approval required by the ERA, it is more likely that non-standard contracts may breach license conditions. In addition, considering the predominant amount of customers are on non-standard form contracts, this risk is further increased.</p> <p>In case of Simply Energy there are no customers on a standard form contract and hence, it is more unlikely there would be a breach. Hence the audit priorities were realigned based on these findings.</p>
118	Trading Licence cl 19	A retailer or gas marketing agent must ensure that the information specified in clause 2.2(2) is given to the customer no later than on or with the customer's first bill, unless the retailer or gas marketing agent has provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer has requested to receive the information).	2	4	
119	Trading Licence cl 19	A retailer or gas marketing agent must ensure that non- standard contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	4	2	
120	Trading Licence cl 19	A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.	4	2	
121	Trading Licence cl 19	A retailer or gas marketing agent must obtain a customer's verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the	4	2	

No.	License Obligation	Description	Audit Plan audit priority	Revised audit priority	Explanation
		preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information).			
25	Trading Licence cl 5.1	A licensee must comply with the applicable standards of the Gas Standards Act 1972.	5	2	We noted that the obligation is identified as Type 1 reporting obligation at Gas Compliance Reporting Manual Energy Coordination Act 1994 issued in January 2017. Hence the audit priorities were realigned based on the finding.
227	Trading Licence cl 2.1	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6.	4	2	

### 3.2. License obligation assessed as “not applicable” after approval of audit plan

No.	License Obligation	Description	Explanation
6	Trading Licence cl 5.1	A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.	We noted that the obligations only apply to Distribution businesses per the Gas Compliance Reporting Manual June 2020. Hence, the obligation is not applicable to Simply Energy as a trading business.
25	Trading Licence cl 5.1	A licensee must comply with the applicable standards of the Gas Standards Act 1972.	
38	Trading Licence cl 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for refusal to pay a refundable advance, if the customer pays the refundable advance and the customer has paid any applicable reconnection fee.	Simply Energy does not collect security deposits or refundable advances as part of the offers available in either standard or non-standard form contracts.
46	Trading Licence cl 5.1	A licensee must not disconnect supply for failure by a customer to pay a refundable advance without giving a written notice to the customer of its intention to disconnect at least 5 business days prior to the disconnection date.	
49	Trading Licence cl 5.1	A licensee must not disconnect supply where an application for a government concession has not been decided.	
186	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.6(1)	A retailer must not charge a residential customer a late payment fee in the circumstances specified in clauses 5.6(1)(a)-(d).	There is no concession available in Western Australia, therefore, as advised by management the obligation is not applicable to Simply Energy which operates in WA market. Simply Energy do not charge late payment fee, therefore, such obligation is not applicable to Simply Energy.

No.	License Obligation	Description	Explanation
186A	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.6(2)	If a retailer has charged a late payment fee in the circumstances set out in clause 5.6(1)(c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer's next bill.	
187	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.6(3)	If a retailer has charged a residential customer a late fee, a retailer must not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice.	
188	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.6(4)	A retailer must not charge a residential customer more than 3 late payment fees in relation to the same bill, or more than 12 late payment fees in a year	
189	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.6(5)	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to the residential customer's last bill prior to the assessment being made.	
207	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.4(4)	If a residential customer has in the previous 12 months had 2 instalment plans cancelled due to non-payment, a retailer does not have to offer that residential customer another instalment plan, unless the retailer is satisfied that the residential customer will comply with the proposed plan.	
213	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.9(2)	A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers.	The obligation has been deleted from the Gas Compliance Reporting Manual June 2020. Therefore, the obligation is not applicable to Simply Energy.

# 4. Performance summary

## 4.1. Performance summary table

This performance audit involved testing 207 out of a total of 297 licence obligations. The 90 obligations not tested were determined as not applicable to Simply Energy during the planning stage of the audit. There were also 40 obligations with a Not Rated compliance rating due to no testable events in the audit period. This is consistent with the requirements stipulated within the Guideline.

The table below provides a summary of the audit outcome. There are 15 obligations rated as non-compliant for the audit period.

GTL-16		Adequacy of controls					Subtotal	
		A – Adequate controls	B – Generally adequate controls	C – Inadequate controls	D – No controls evident	N/P – Not Performed		N/A – Not Applicable
Compliance Rating	1 – Compliant	15	-	6	-	131	-	152
	2 – Non-compliant minor	-	3	-	-	-	-	3
	3 – Non-compliant moderate	1	5	6	-	-	-	12
	4 – Non-compliant major	-	-	-	-	-	-	-
	N/R - Not Rated	-	-	4	-	36	-	40
	N/A – Not Applicable	-	-	-	-	-	90	90
	<b>Total</b>	<b>16</b>	<b>8</b>	<b>16</b>	<b>0</b>	<b>167</b>	<b>90</b>	<b>297</b>

The table below illustrates the obligations where non-compliances or control improvement opportunities have been identified. Further details are contained in 4.3:

Current Audit Non-Compliances and Recommendations	Resolved during current audit period	Unresolved at the end of the current audit period	Total
Obligations - Non-compliant	-	15	15
Obligations - Compliant with opportunity to improve controls	-	6	6
Obligations – Not-rated with opportunity to improve controls	-	4	4
<b>Total</b>	<b>-</b>	<b>25</b>	<b>25</b>

Table 8: Current Audit Non-Compliances and Recommendations



## 4.2. Detailed Audit findings, observation and recommendations

For each licence obligation, we explained the basis for our ratings and recommendations. The information include:

- Key findings of the audit fieldwork;
- Sources of information used to assess compliance or effectiveness;
- Audit procedures performed to assess compliance or effectiveness;
- Assessment of policies and procedures performed during the audit;
- Interviews conducted with licensee staff;
- The assessment of compliance or effectiveness over the audit period; and
- Actions taken by the licensee during the audit period to address breaches/recommendations

This information is contained within Appendix 2 to this report.

## 4.3. Recommendations to address current non-compliance and control deficiencies

The following tables provide an overview of actions taken by

<b>A. Unresolved at end of current audit period</b>			
<b>Recommendation reference</b> (no./year)	<b>Non-compliance/Controls improvement</b> (Rating/Licence obligation/Details of non-compliance or inadequacy of controls)	<b>Auditor's recommendation</b>	<b>Action taken by the licensee by end of audit period</b>
01/2020	B2 <b>84 Trading Licence</b> cl 5.1 Simply Energy, whilst not having a printed copy of the Energy Coordination Regulations 2004 or relevant code at its office, advised they would make one available on request from a customer. However no record of any such requests had been maintained.	Simply Energy should maintain an up to date copy of the Energy Coordination (Customer Contract) Regulations 2004 and relevant codes available at the reception of Simply Energy's office. In addition, a record of any such requests in future should be maintained to enable monitoring of compliance and support future audit activities.	The recommendation has been communicated to management, no action has been taken before end of the audit period.
02/2020	B3 <b>102 Distribution Licence</b> cl 21.1 Trading Licence cl 23.1 & <b>103 Distribution Licence</b> cl 22 Trading Licence cl 24	Simply Energy is in process of implementing a new system "Risk Wizard" that will contain all obligation requirements and provide automated reminders to assist in future compliance.	Management advised that this system will be implemented by the end of 2020.

<b>A. Unresolved at end of current audit period</b>			
<b>Recommendation reference</b> (no./year)	<b>Non-compliance/Controls improvement</b> (Rating/Licence obligation/Details of non-compliance or inadequacy of controls)	<b>Auditor's recommendation</b>	<b>Action taken by the licensee by end of audit period</b>
	<p><b>282 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 13.2</p> <p><b>283 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 13.3</p> <p>Simply Energy identified that the Annual Performance Report was not reported within the required timeframe.</p>		
03/2020	<p>C3</p> <p><b>114 Trading Licence</b> cl 19.1</p> <p>No written evidence was provided regarding to the review of Code of Conduct and its effect on internal policies and procedures.</p>	<p>KPMG recommend Simply Energy implement a formal review and sign-off process over the Code of Conduct to support the audit trail for future compliance activities. This process should incorporate segregation of duties between reviewer and approver.</p> <p>In relation to the self-identified breach, management has advised us that they have performed an investigation of the instance and actioned a remediation plan to re-train the relevant marketing agent. We did not identify any other instances of non-compliance through our testings, therefore, we believe management's response to the instance was adequate.</p>	<p>The recommendation has been communicated to management, no action has been taken before end of the audit period.</p>
04/2020	<p>C3</p> <p><b>115 Trading Licence</b> cl 19.2 &amp;</p> <p><b>116 Trading Licence</b> cl 19.1&amp;</p> <p><b>119 &amp; 121 Trading Licence</b> cl 19</p> <p>Simply Energy were unable to provide some training records to demonstrate training had been provided to its employees or marketing agents. In addition, Simply Energy identified a breach where the customer's verifiable consent was not obtained before entering into a non-standard contract.</p>	<p>Management has advised us that Simply Energy has implemented an online training program which maintains all training records.</p> <p>In relation to the self-identified breach, management has advised they performed an investigation of the instance and actioned a remediation plan including re-training of the relevant marketing agent. We did not identify any other instances of non-compliance through our testing.</p>	<p>We consider management's response adequate, but note that the online training program was implemented late in the audit period and accordingly we have not tested the effectiveness of these enhanced controls.</p>
05/2020	<p>A3</p> <p><b>120 Trading Licence</b> cl 19</p> <p>It was found that some contents in the Welcome Pack issued to the customers were blurry or missing required information.</p>	<p>Simply Energy identified the issues during the audit period and subsequently re-issued the Welcome Pack. However, to avoid future occurrence, KPMG recommend that Simply Energy implement a formal review process of the NSC template before issuance to customers. This should reflect an appropriate</p>	<p>The recommendation has been communicated to management, no action has been taken before end of the audit period.</p>

<b>A. Unresolved at end of current audit period</b>			
<b>Recommendation reference</b> (no./year)	<b>Non-compliance/Controls improvement</b> (Rating/Licence obligation/Details of non-compliance or inadequacy of controls)	<b>Auditor's recommendation</b>	<b>Action taken by the licensee by end of audit period</b>
		timeframe such as annually or whenever changes are made to the template.	
06/2020	C1 <b>135 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 3.1(2) Simply Energy does not have a procedure in place to ensure connection requests are forwarded to the distributor within the required timeframe.	KPMG recommend Simply Energy implement reporting/monitoring activities in this area in to monitor and assess whether connection requests have been forwarded within the timeframes prescribed by the obligation. This will enable Simply Energy to monitor and assess its own compliance with the obligation.	The recommendation has been communicated to management, no action has been taken before end of the audit period.
07/2020	B3 <b>198 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.1(1) It was found that there were instances where Simply Energy did not assess whether residential customer was experiencing payment difficulties or financial hardship within 5 business days.	Simply Energy should enhance its process documentation to clearly define timelines of follow up activities where customer communication is not established. Further, Simply Energy should define specific timeframes and contact attempts after which a customer is removed from the hardship program to ensure audit trail for future compliance.	The recommendation has been communicated to management, no action has been taken before end of the audit period.
08/2020	C 1 <b>198A Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.1(2) <b>203 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.2(4) <b>208 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.6(1) <b>209 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.6(2) <b>216 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.10(4)  C N/R <b>200A Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.1(2) <b>201 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.2(2) <b>202 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.2(3) <b>212 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.9(1)	Simply Energy should implement controls to monitor its own compliance with obligation requirements and support an audit trail for future compliance review activities. For example, management can explore implementing a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.  Further, internal procedures should be developed and documented to ensure that customers experiencing financial hardship who are represented by consumer representatives are managed in a consistent manner.	The recommendation has been communicated to management, no action has been taken before end of the audit period.

<b>A. Unresolved at end of current audit period</b>			
<b>Recommendation reference</b> (no./year)	<b>Non-compliance/Controls improvement</b> (Rating/Licence obligation/Details of non-compliance or inadequacy of controls)	<b>Auditor's recommendation</b>	<b>Action taken by the licensee by end of audit period</b>
	Simply Energy does not have the information in relation to customer's request readily available in its system to evidence whether appropriate control was in place.		
09/2020	B2 <b>223 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 7.2(1) One instance was found that a disconnection being arrange was not in accordance with the requirements. A disconnection service order was incorrectly raised a few days after the customer had settled the overdue balance on their account due, which was due to an agent omission.	Simply Energy should reinforce through training the importance of staff completing the checklist before disconnecting to ensure future compliance. Further, Simply Energy should investigate to identify any further breaches.	The recommendation has been communicated to management, no action has been taken before end of the audit period.
10/2020	C3 <b>281 Trading Licence</b> cl 2.1 and <b>Sch 2 Distribution Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 13.1 Through our walkthrough, we identified variances in two data points reported in the 2018-2019 Performance Report.	We recommend Simply Energy investigate the reason for the differences and subsequently enhance the robustness of the performance reporting process to improve completeness and accuracy of reporting. This could include: <ul style="list-style-type: none"> <li>divisional managers being involved in reviewing and validating the accuracy of the data being reported.</li> <li>formal review and approval by appropriate levels of management with evidence of reviews documented and stored.</li> <li>enhance process documentation used for KPI reporting to ensure that it captures all steps that need to be undertaken to extract and report the relevant data required under the obligation.</li> </ul>	The recommendation has been communicated to management, no action has been taken before end of the audit period.
11/2020	B2 <b>211 Trading Licence</b> cl 2.1 and <b>Sch 2 Compendium</b> cl 6.8 Through examination of documentation, we noted that there was no reference to the customer's right to have a bill redirected to a third person at no charge.	We recommend that Simply Energy should enhance the hardship process to ensure customers are advised of the right to redirect their bill to a third party. This could be included as part of the Hardship assessment process to ensure the customer is aware of this option at the onset of the process.	The recommendation has been communicated to management, no action has been taken before end of the audit period.

<b>A. Unresolved at end of current audit period</b>			
<b>Recommendation reference</b> (no./year)	<b>Non-compliance/Controls improvement</b> (Rating/Licence obligation/Details of non-compliance or inadequacy of controls)	<b>Auditor's recommendation</b>	<b>Action taken by the licensee by end of audit period</b>
		It is also recommended that the criteria used for quality assessments specifically include an assessment of whether the customer was advised of the option to have their bill redirected, in order to enable Simply Energy to monitor and assess compliance with the obligation.	

## Appendix 1: Key documentation and information sources

The table below outlines key documents used in this Audit Report.

#	Name
1	Energy Coordination Act 1994
2	Energy Coordination (Customer Contracts) Regulations 2004
3	Energy Coordination (Licensing Fees) Regulations 1999
4	Gas Marketing Code of Conduct 2017, 2019 and 2020
5	Compendium of Gas Customer Licence Obligations (Compendium)
6	Gas Compliance Reporting Manual
7	Gas Trading Licence Performance Reporting Handbook
8	Natural Gas Customer Service Code
9	Simply Energy Western Australia Hardship Policy and Procedures
10	Simply Energy Standard Form Contract
11	Simply Energy Non Standard Contract
12	Simply Energy's Standard Complaints and Dispute Resolution Procedures
13	ERA Customer Complaints Guidelines
14	Retail Market Procedures (WA)
15	Gas Performance Reporting Datasheets – 2017/18
16	Gas Performance Reporting Datasheets – 2018/19
17	Simply Energy ERAWA KPI Reporting Process
18	Simply Energy Annual Compliance Report 2017-2018
19	Simply Energy Annual Compliance Report 2018-2019

The table below outlines key Information System used in this Audit Report.

#	System	Description
1	HUBNet	Transfers and market interface system used to interact with the FRC HUB (AEMO) and the distributor.
2	HUB	Billing engine used in conjunction with HUBNet to produce bills, service meters and maintain pricing information and meter data.
3	HUBPlus	User interface for customer service representatives to record interactions with customers.
4	CStar	Contains the disconnection checklist to be performed as part of the disconnections process.
5	Panviva	Knowledge based system which contains processes and procedures relevant to day-to-day operations.
6	VDM Hansen	Database used to source data for the purposes of regulatory performance reporting.
7	Complaints Database	Contains records of customer complaints
8	Salesforce	Contains records of customer complaints (implemented early 2020)
9	iKnock	Maintains the interface for door-to-door sales and documentation used at the point of sale. The system tracks gas marketing agents' movements and keeps record of properties visited as part of gas marketing activities.
10	Partner Portal	Interface used to load records of telesales.
11	Webtools	Interface used to record online sales.

## Appendix 2: Performance Summary table for audit and Audit Observations and Recommendations

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
1	Distribution Licence cl 4.1 Trading Licence cl 4.1	A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 & 5)	4	<p>Through enquiry with Regulatory and Finance teams, Simply Energy receives an annual fee invoice from the ERA. Upon receipt of the invoice, the Regulatory Analyst creates a purchase order and the General Manager of Regulation approves the invoice. The Finance team then processes the payment. The invoice is recorded within the accounting system, Sun, which automatically identifies due dates for payments.</p> <p>We examined the invoices and remittance advice for 2018 - 2020 which cover the audit period and noted Simply Energy paid the applicable fees to the ERA.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
2	Trading Licence cl 12.1	A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract.	4	<p>Through enquiries with the Regulatory Team and Sales Team, and examination of the standard form contract and non-standard form contract we noted that Simply Energy offers customers two types of contracts, a Standard Form Contract and a Non Standard Contract.</p> <p>However, Simply Energy predominantly offer its customers a Non Standard Contract as this is the market contract which contains retail offers. A Standard Form Contract is offered as a default in situations such as where Simply Energy is responsible for a property where an individual has vacated from the property, but Simply Energy is still obligated to supply to a property or connect the supply to a property. Sales representatives are trained to only offer customers with a market (non-standard) contract.</p> <p>We note that Simply Energy's Standard Form Contract has been approved by the ERA and published on the ERA's website, in addition to Simply Energy's website. We have also inspected a Non Standard</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>Contract provided to customers upon joining Simply Energy and note that it contains a Disclosure Statement which states that the customer has entered into a market (non-standard) contract with Simply Energy and that a Standard Form Contract is also available.</p> <p>Hence, customers are advised of the two contracts that Simply Energy has available for the supply of gas. Furthermore, through observation of the customer database that lists the type of contract per customer, we did not identify any customers on any contract other than a standard form or non-standard contract. Based on our enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
3	Trading Licence cl 13.1	A licensee must comply with a direction given to the licensee under section 11WI.	4	<p>Through discussions with Regulatory Team, we note that the Compliance and Regulatory Team is responsible for monitoring correspondence and direction from the ERA. The team receives an email notification alert that notifies them when any action is directed by the ERA such as an amendment to standard form contracts.</p> <p>During the audit period, no instances were identified of directions being given by the ERA to Simply Energy under 11WI to amend the standard form contract. Therefore, this obligation was not performed and cannot be rated for compliance.</p>		N/P	N/R
4	Trading Licence cl 5.1	Gas is deemed to be supplied under the standard form contract if a customer commences to take a supply of gas at premises without entering into a contract with the	5	<p>Through discussions with Regulatory team and Pricing team, we noted that gas is deemed as supplied under the standard form contract if a customer commences to take a supply of gas at premises without entering into a contract with the holder of a trading licence. However, management advised that Simply Energy did not have any existing customers on the Standard Form Contract during the audit period. Through observation of the customer database that lists the type of contract per customer, we did not identify any customers on a standard form contract.</p>		N/P	N/R



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		holder of a trading licence.		There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.			
5	Trading Licence cl 5.1	A standard form contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier.	5	<p>Based on enquiries with the Regulatory team, we were advised that Simply Energy ensures that a Standard Form Contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier.</p> <p>Simply Energy advised they did not have any existing customers on Standard Form Contract during the audit period.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>		N/P	N/R
10	Distribution Licence cl 15.1 Trading Licence cl 16.1	A licensee must provide the ERA with a performance audit by an independent expert acceptable to the ERA within 24 months of commencement and every 24 months thereafter (or longer if the ERA allows).	4	<p>Through enquiries with the Regulatory Team and inspection of relevant documents, we noted that:</p> <ul style="list-style-type: none"> <li>• The Regulatory Team received a reminder letter from the ERA in relation to providing a 2020 performance audit.</li> <li>• Simply Energy commenced its tender process in November 2019 and appointed KPMG as independent expert for the performance audit which is subsequently approved by ERA on 14 February 2020.</li> <li>• Simply Energy engaged with KPMG as the independent expert for the performance audit for the audit period 6 February 2018 to 29 February 2020.</li> <li>• KPMG commenced its audit in March 2020 and with the aim to deliver final audit report on 29 May 2020.</li> <li>• Due to COVID-19, Simply Energy applied for an extension of the due date which is subsequently approved by ERA. The revised due date for final audit report is 30 September 2020.</li> </ul> <p>Our inquiries of the Regulatory and Compliance team noted that Simply Energy maintain an excel spreadsheet to keep track of reporting dates across several jurisdictions, including Western Australia however this is manual in nature and therefore prone to error/oversight. Management have advised Simply Energy is in the process of implementing a new system "Risk Wizard" that will contain all obligation requirements and provide automated reminders to assist in future compliance. Management advised that this system will be implemented by the end of 2020.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.			
19	Trading Licence cl 18.1	A licensee that sells gas that is transported through a distribution system must be a member of an approved retail market scheme if a scheme is in force.	4	<p>Through enquires with the Regulatory Team and examination of the Australian Energy Market Operator (AEMO) website we determined that:</p> <p>AEMO Scheme is the approved scheme in force in Western Australia market. Simply Energy is a member of the scheme. The appointment took effect from 21 June 2018 which is prior to Simply Energy commencing operations in WA (i.e. 6 July 2018).</p> <p>We also inspected the invoices for the applicable annual fees to check that Simply Energy continues to be a member of the scheme throughout the audit period.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
20	Distribution Licence cl 5.1 Trading Licence cl 5.1	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme.	4	<p>Through enquiry with the Regulatory Team, inspection of the 'WA Gas Retail Market Agreement' and Simply Energy's Marketing Code of Conduct, we determined that:</p> <ul style="list-style-type: none"> <li>• Simply Energy is a member of the AEMO Retail Market Scheme which has regulations embedded throughout to manage the competition and prevent prohibited conduct under the retail market procedure.</li> <li>• Additionally, Simply Energy provides staff training on retail market operation, health and safety, anti-bribery, ethics, privacy and antidiscrimination.</li> </ul> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
21	Distribution Licence cl 5.1	A licensee must not assist another party	4	Through enquiry with the Regulatory Team, inspection of the 'WA Gas Retail Market Agreement' and Simply Energy's Marketing Code of		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
	Trading Licence cl 5.1	to engage in prohibited conduct relating to the operation of a retail market scheme.		<p>Conduct, we determined that:</p> <ul style="list-style-type: none"> <li>• Simply Energy is a member of the AEMO Retail Market Scheme which has regulations embedded throughout to manage the competition and prevent prohibited conduct under the retail market procedure.</li> <li>• This includes regulations to prevent licensees assisting other parties to engage in prohibited conduct relating to the operation of the retail market scheme.</li> </ul> <p>No instances were identified where Simply Energy assisted another party to engage in prohibited conduct during the audit period. Therefore, the obligation was not performed during the audit period and cannot be rated for compliance.</p>			
22	Distribution Licence cl 5.1 Trading Licence cl 5.1	A licensee, as a member of a retail scheme, must comply with a direction given to it by the ERA to amend the scheme, and to do so within a specified time.	4	Through discussions with the Regulatory team, we determined that the regulatory team has an email alert that notifies them when the ERA direct them to amend the scheme within a specified time frame. No instances were identified during the audit period where the ERA has directed Simply Energy to amend the scheme. Therefore, the obligation was not performed during the audit period and cannot be rated for compliance.		N/P	N/R
24	Distribution Licence cl 17, Trading Licence cl 18.1	The licensee must not supply gas to customers unless the licensee is a member of an approved Gas Industry Ombudsman Scheme and is bound by any decision or direction of the ombudsman under the Scheme.	4	<p>Through enquiries with the Regulatory Team and examination of the Western Australia Ombudsman's website we determined that:</p> <p>Simply Energy have been members of the Energy and Water Ombudsman (WA) Scheme since 6 March 2018.</p> <p>As per the review undertaken on the Annual Report 2018/2019 published by the Energy and Water Ombudsman, Simply Energy has been classified as a member under the scheme.</p> <p>Additionally, Simply Energy are registered as participants of the Gas Industry Ombudsman Scheme on the WA Energy and Water Ombudsman website:  <a href="http://www.ombudsman.wa.gov.au/ewowa/making_complaints/who_you_can_complain_about.htm">http://www.ombudsman.wa.gov.au/ewowa/making_complaints/who_you_can_complain_about.htm</a></p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.			
29	Trading Licence cl 5.1	A licensee supplying gas in an area referred to in Regulation 3(a), (b), or (c) is required to have at least one capped tariff for any supply of gas in that area.	4	<p>Through discussions with the Regulatory and Pricing team, we note that Simply Energy only supplies gas to the Mid-west/South-west area and offer a capped tariff to all residential customers. We note that Simply Energy do have a capped tariff which is explicitly offered in the Standard Form Contract approved by the ERA. The capped tariff is specifically applicable to Simply Energy's Standing Offer, whose details are published in an Energy Price Fact Sheet on Simply Energy's website.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
30	Trading Licence cl 5.1	A licensee is required to offer to supply gas to each of its existing standard contract customers under the terms of the customer's existing contract but at a capped tariff unless the existing contract already entitles the customer to be supplied at a capped tariff.	4	<p>Through discussions with the Regulatory and Pricing team, we noted that customers on the Standard Form Contract are offered a supply of gas at a capped tariff as stipulated within the contract.</p> <p>However, we note that Simply Energy did not have any existing customers on the Standard Form Contract during the audit period.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>		N/P	N/R
31	Trading Licence cl 5.1	When offering to supply gas to a new customer under a standard form contract, a licensee	4	Through discussions with the Regulatory and Pricing team, we note that Simply Energy's Standard Form Contract contains a clause that gas will be supplied for no more than the maximum amount permitted by the Energy Coordination (Gas Tariffs) Regulations 2000 (WA). Hence, Simply Energy offers to supply gas to a new customer under a standard		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		is to offer to supply gas at a capped tariff.		<p>form contract at a capped tariff.</p> <p>However, we note that Simply Energy did not have any existing customers on the Standard Form Contract during the audit period.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>			
32	Trading Licence cl 5.1	Except in prescribed circumstances, a licensee must not disconnect or cause disconnection to occur if — (a) a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to protect the health of a person who lives at the customer's supply address; and (b) the customer has entered into arrangements acceptable to the licensee in relation to payment for gas supplied.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy to, except in prescribed circumstances, to not disconnect or cause disconnection to occur if a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to protect the health of a person who lives at the customer's supply address; and the customer has entered into arrangements acceptable to the licensee in relation to payment for gas supplied.</p> <p>We also note that during the audit period all the customers were not Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
33	Trading Licence cl 5.1	Before disconnecting supply for non-payment of a bill, a	5	Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy, before disconnecting supply		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		licensee must give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day).		<p>for non-payment of a bill, to give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day).</p> <p>We also note that during the audit period all the customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
34	Trading Licence cl 5.1	Before disconnecting supply for non-payment of a bill, a licensee must give a disconnection warning to a customer not less than 22 business days after the billing day advising the customer that disconnection will occur unless payment is made on or before the day specified in the disconnection	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy to give a disconnection warning, before disconnecting supply for non-payment of a bill, to a customer not less than 22 business days after the billing day advising the customer that disconnection will occur unless payment is made on or before the day specified in the disconnection warning (being a day not less than 10 business days after the day on which the disconnection warning is given).</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		warning (being a day not less than 10 business days after the day on which the disconnection warning is given).		conclude that Simply Energy were compliant with the obligation during the audit period.			
35	Trading Licence cl 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for non-payment of a bill if the customer pays the overdue amount or makes an arrangement for its payment and the customer has paid any applicable reconnection fee.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy to reconnect supply to a customer within 10 business days after disconnection for non-payment of a bill if the customer pays the overdue amount or makes an arrangement for its payment and the customer has paid any applicable reconnection fee.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
36	Trading Licence cl 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for denial of access to a meter, if the customer provides access to the meter and the customer has paid any applicable reconnection fee.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring that Simply Energy must reconnect supply to a customer within 10 business days after disconnection for denial of access to a meter, if the customer provides access to the meter and the customer has paid any applicable reconnection fee.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				conclude that Simply Energy were compliant with the obligation during the audit period.			
37	Trading Licence cl 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for unlawful consumption of gas, if the customer pays for the gas consumed and the customer has paid any applicable reconnection fee.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring that Simply Energy must reconnect supply to a customer within 10 business days after disconnection for unlawful consumption of gas, if the customer pays for the gas consumed and the customer has paid any applicable reconnection fee.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
39	Trading Licence cl 5.1	A licensee must reconnect supply to a customer within 20 business days after disconnection in an emergency situation or for health, safety or maintenance reasons, if the situation or problem giving rise to the need for disconnection has been rectified, and if the customer has paid any applicable reconnection fee.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring that Simply Energy must reconnect supply to a customer within 20 business days after disconnection in an emergency situation or for health, safety or maintenance reasons, if the situation or problem giving rise to the need for disconnection has been rectified, and if the customer has paid any applicable reconnection fee.</p> <p>During the audit period all the customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
40	Trading Licence cl 5.1	A licensee must not disconnect supply to a customer who is unable to pay until: alternative payment options have been offered to the customer; the customer is given information on government funded concessions; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.	4	<p>Based on an assessment of the Non-Standard form contract, we note that Simply Energy inform customers of the following under clause 8.2:</p> <p>If you have failed to pay your bill, including if you haven't agreed to an offer of an instalment plan or other payment option, or you haven't paid in accordance with such a plan or option, then before we disconnect you, we will:</p> <p>i) use our best endeavours to contact you personally;</p> <p>iii) if payment is not made by the date specified in the reminder notice, give you a written disconnection warning not less than 22 business days after the date the bill was issued, advising you that you will be disconnected unless you pay by the day specified in the disconnection warning (which will be at least 10 business days after the date of the disconnection warning);</p> <p>iv) if you are a residential customer, offer you an instalment plan or other payment option such as an extension of time to pay (if we haven't already done so) and give you information about government concessions (and give you at least 5 business days to accept that offer)</p> <p>The Regulatory team checked that the Non-standard form contract was developed prior to Simply Energy commencing trading in July 2018 and we note that it was developed in consultation and review by the internal regulatory and marketing team and an external legal counsel.</p> <p>The regulations require the obligation to be addressed with reference to the Non-standard form contract containing the relevant clauses which have been outlined above.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
41	Trading Licence cl 5.1	A licensee must not disconnect supply to a business	5	Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		customer until: it has used its best endeavours to contact the customer; it has offered the customer an extension of time to pay the bill; and it has provided the customer a written notice of its intention to disconnect at least 5 business days' notice prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.		<p>contains a clause requiring to not disconnect supply to a business customer until: it has used its best endeavours to contact the customer; it has offered the customer an extension of time to pay the bill; and it has provided the customer a written notice of its intention to disconnect at least 5 business days' notice prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
42	Trading Licence cl 5.1	A licensee must not disconnect supply to a customer who denies access to a meter until: the customer has refused access on at least 3 concurrent billing cycles, the customer is given the option to offer alternative access	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy to not disconnect supply to a customer who denies access to a meter until: the customer has refused access on at least 3 concurrent billing cycles, the customer is given the option to offer alternative access arrangements; the customer is provided written advice on each occasion access was denied; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date.</p> <p>During the audit period all the customers were on Non-standard form</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		arrangements; the customer is provided written advice on each occasion access was denied; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date.		<p>contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
43	Trading Licence cl 5.1	A licensee who disconnects in the event of an emergency must provide a 24 hour information service, estimate the time when gas supply will be restored and use best endeavours to restore supply when the emergency is over.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy, in the event of disconnection due to an emergency, to provide a 24 hour information service, estimate the time when gas supply will be restored and use best endeavours to restore supply when the emergency is over.</p> <p>During the audit period the customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel. Management advised that there were no instances of disconnections due to an emergency.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
44	Trading Licence cl 5.1	A licensee who disconnects supply	5	Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		for health and safety reasons must provide the customer written notice of the reason; allow the customer 5 business days to remove the reason where the customer is able to; and after the 5 business days issued a notice to the customer of its intention to disconnect supply at least 5 business days' notice prior to the disconnection date.		<p>obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy, when disconnecting supply for health and safety reasons, to provide the customer written notice of the reason; allow the customer 5 business days to remove the reason where the customer is able to; and after the 5 business days issued a notice to the customer of its intention to disconnect supply at least 5 business days' notice prior to the disconnection date.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
45	Trading Licence cl 5.1	A licensee who disconnects supply for planned maintenance must provide the customer 4 days written notice; and used best endeavours to minimise disruption and restore supply.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy, when disconnecting supply for planned maintenance, to provide the customer 4 days written notice; and used best endeavours to minimise disruption and restore supply.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
47	Trading Licence cl 5.1	A licensee must not disconnect supply where the bill owing is less than the average bill over the past 12 months and the customer has agreed to pay.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause prohibiting Simply Energy from disconnecting supply where the bill owing is less than the average bill over the past 12 months and the customer has agreed to pay.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
48	Trading Licence cl 5.1	A licensee must not disconnect supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause prohibiting Simply Energy from disconnecting supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
50	Trading Licence cl 5.1	A licensee must not disconnect supply where a customer has failed to pay a debt that is not a direct service charge.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause prohibiting Simply Energy from disconnecting supply where a customer has failed to pay a debt that is not a direct service charge.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
51	Trading Licence cl 5.1	A licensee must not disconnect supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause prohibiting Simply Energy from disconnecting supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
52	Trading Licence cl 5.1	If a licensee is under an obligation to reconnect supply and the customer makes a request for reconnection after 3pm on a business day, the licensee shall use best endeavours to reconnect the customer as soon as possible on the next business day.	4	<p>Based on an assessment of the Non-Standard form contract, we note that Simply Energy inform customers of the following under clause 8.4:</p> <p>b) If you are entitled to be reconnected and you make the request for reconnection:</p> <p>ii) after 3.00pm on a business day, we will use our best endeavours to get your distributor to reconnect you as soon as possible on the next business day.</p> <p>The Regulatory team checked that the Non-standard form contract was developed prior to Simply Energy commencing trading in July 2018 and we note that it was developed in consultation and review by the internal regulatory and marketing team and an external legal counsel.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>We note that the regulations require the obligation to be addressed with reference to the Non-standard form contract containing the relevant clauses which have been outlined above.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
56	Trading Licence cl 5.1	A licensee must inform customers that the supply charge is either for residential or non residential supply; includes a specified fixed component and specified usage component; and describes the circumstances a customer needs to meet to qualify for residential tariffs.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy to inform customers that the supply charge is either for residential or non residential supply; includes a specified fixed component and specified usage component; and describes the circumstances a customer needs to meet to qualify for residential tariffs.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
57	Trading Licence cl 5.1	A licensee must give notice of the tariffs charged and provide these notices to customers without charge upon request.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy to give notice of the tariffs charged and provide these notices to customers without charge upon request.</p> <p>During the audit period all the customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.			
58	Trading Licence cl 5.1	A licensee must give notice of a variation in tariffs charged and provide these notices to customers affected by the change no later than the next bill.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy give notice of a variation in tariffs charged and provide these notices to customers affected by the change no later than the next bill.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
59	Trading Licence cl 5.1	A licensee must issue a bill to a customer at least once every 3 months, unless agreed otherwise.	4	<p>Through inspection of the Non Standard Contract, we noted that Simply Energy inform customers that they will be billed at least every three months, unless a longer billing period has been agreed upon.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
60	Trading Licence cl 5.1	A licensee must prepare a bill in accordance with the terms specified in the AGA code, including the	5	Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy to prepare a bill in accordance with the terms specified in the AGA code, including the inclusion of any refundable advance.		N/P	1



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		inclusion of any refundable advance.		<p>During the audit period all the customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
61	Trading Licence cl 5.1	A licensee must apply payments received from a customer as directed by the customers (if the bill includes charges for other goods and services).	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy, must apply payments received from a customer as directed by the customers (if the bill includes charges for other goods and services).</p> <p>During the audit period all the customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
62	Trading Licence cl 5.1	If a customer does not direct how a payment is to be allocated, a licensee must apply the payment — (i) to charges for the supply of gas before applying any portion of it to such goods or services; or (ii) if such goods or services include	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause for when a customer does not direct how a payment is to be allocated, Simply Energy applies the payment to charges for the supply of gas before applying any portion of it to such goods or services; or if such goods or services include electricity, to the charges for gas and the charges for electricity in equal proportion before applying any portion of it to any other such goods or services.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		electricity, to the charges for gas and the charges for electricity in equal proportion before applying any portion of it to any other such goods or services.		Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.			
63	Trading Licence cl 5.1	A licensee must provide available bill data to customers upon request free of charge subject to clause 47 (2) and (4) of the Energy Coordination (Customer Contracts) Regulations 2004.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy, provide available bill data to customers upon request free of charge subject to clause 47 (2) and (4) of the Energy Coordination (Customer Contracts) Regulations 2004.</p> <p>During the audit period all customers were not Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
64	Trading Licence cl 5.1	A licensee must base a customer's bill on a meter reading and meters must be read at least once per year.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains the following provision which directly addresses the obligation in relation to bills being based on meter readings.</p> <p>4.2 (a) We will usually base your bills on readings of your meter. We will use our best endeavours to obtain metering data as frequently as required to prepare your bills. In any event, we will use best endeavours to ensure that your distributor reads your meter at least once every 12 months.</p> <p>During the audit period all the customers were on Non-standard form</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
65	Trading Licence cl 5.1	A licensee, who accepts a customer reading of the meter, must not adjust the bill in favour of the licensee if the licensee subsequently discovers the reading was incorrect in favour of the customer.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains the following provision which directly addresses the obligation in relation to bills being based on meter readings..</p> <p>4.2 (e) If we provide you with a bill based on estimated usage and we are later able to read your meter, then we will adjust the estimated bill in accordance with the meter reading, unless:  i) the estimated bill was used to finalise your account; or  ii) we accepted your reading as the meter reading to base the bill on and the subsequent reading shows an error in your favour.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
66	Trading Licence cl 5.1	A licensee, who provides a customer with an estimated bill and is subsequently able to read the meter, must adjust the estimated bill in	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains the following provision which directly addresses the obligation in relation to adjustments made to a bill, where Simply Energy originally based the bill on estimated usage and are later able to read the meter.</p> <p>4.2 (e) If we provide you with a bill based on estimated usage and we are later able to read your meter, then we will adjust the estimated bill</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		accordance with the meter reading.		<p>in accordance with the meter reading</p> <p>During the audit period all customers were not Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
67	Trading Licence cl 5.1	A licensee must read a customer's meter upon request and may impose a fee for doing so.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains the following provision in relation to charging a reasonable fee for a meter reading where the customer was provided with an estimated bill where access to the meter had previously been denied. 4.2 (e) If we provide you with a bill based on estimated usage because you denied us access to your meter, and you subsequently request that we replace an estimated bill with a bill based on a reading of your meter, then we will do so as long as you allow us access to the meter and pay any reasonable charge we request.</p> <p>During the audit period all the customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
68	Trading Licence cl 5.1	A licensee must offer payment in person and payment by mail.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains the following provision that indicates that customers are able to pay in person and via mail.</p> <p>5.1 (b) You can pay your bill in full using a range of options, including:</p> <p>i) over the counter in person at a third party retailer or outlet specified on your bill;</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>ii) by mail; or iii) by any of the other methods specified on your bill..</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
69	Trading Licence cl 5.1	A licensee must offer customers who are absent for a long period, payment in advance facilities and the option of redirecting the bill.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains the following provision which directly addresses the obligation. The clause below indicates that customers are able to pay their bill in advance or have their bill redirected where they will be absent for a period of time.</p> <p>5.1 (d) You can ask us to pay your bill in advance or have your bill redirected if you are going to be absent for a long period of time, or if you are unable to arrange payment using any of the methods on your bill.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
70	Trading Licence cl 5.1	A licensee must not terminate a contract if a customer commits a breach of the contract (other than a	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause prohibiting Simply Energy from terminating a contract if a customer commits a breach of the contract (other than a substantial breach) unless the licensee has a right to disconnect supply under the</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		substantial breach) unless — (a) the licensee has a right to disconnect supply under the contract, a written law or a relevant code; and (b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract.		contract, a written law or a relevant code; and the licensee has disconnected supply at all supply addresses of the customer covered by the contract. We performed a walkthrough of the process and note that Simply Energy has documented processes in place to ensure compliance with the obligation requirements  During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.  Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.			
71	Trading Licence cl 5.1	A licensee must provide a customer (a) a copy of their customer service charter; (Please note that the format and contents of the Customer Service Charter is not defined in the Energy Coordination (Customer Contracts) Regulations 2004) (b) copies of regulations or any relevant code; (c) information about fees and charges payable under the contract; (d) with	5	Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains a clause requiring Simply Energy, by customer request, to provide the customer with the relevant information.  During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.  Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		information on energy efficiency; (e) billing data; and (f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer.					
72	Trading Licence cl 5.1	A licensee must offer a customer who is experiencing payment difficulties: instalment plan options; right to have bill redirected to third person; information or referral on government assistance programs; and information on independent financial counselling services.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains the following provision which directly addresses the obligation. The clause below outlines the information that customers experiencing payment difficulties will be provided with.</p> <p>5.3 Payment difficulties If you cannot pay your bill or are experiencing financial hardship, let us know. If you are a residential customer and have told us that you are having difficulty paying your bill then we will offer you:</p> <ul style="list-style-type: none"> <li>a) additional time to pay a bill;</li> <li>b) instalment plan options;</li> <li>c) the right to have a bill redirected to a third party;</li> <li>d) information about, and referral to, Government assistance programs; and</li> <li>e) information on independent financial counselling services.</li> </ul> <p>We also note that during the audit period all the customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				conclude that Simply Energy were compliant with the obligation during the audit period.			
73	Trading Licence cl 5.1	A licensee must not supply gas to the customer under a door to door contract during the cooling-off period unless the customer requests supply.	5	<p>Based on enquiries with the Regulatory team, we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains the following provision which directly addresses the obligation. The clause below outlines the Simply Energy will not commence supplying gas to the customer during the cooling-off period unless that customers requests supply.</p> <p>2.3 When we start selling you gas We will only start selling you gas when: a) your cooling-off period has expired; b) your premises are connected to the distribution network; and c) if you are transferring to us from another retailer, the transfer has been processed.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
74	Trading Licence cl 5.1	A licensee must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains the following provision which directly addresses the obligation. The clause below outlines the Simply Energy will not commence legal proceedings in the circumstances required by the obligation.</p> <p>5.4 Late Payments: We will not commence legal proceedings for the recovery of an amount you owe us if you are a residential customer and: i) you have entered into a payment arrangement with us and you are complying with the terms of that arrangement; We also note that during the audit period all the customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p>		N/P	1



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.			
75	Trading Licence cl 5.1	A licensee must only provide a credit reporting agency with default information relevant to one of their bills.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard form contract as the contract contains the following provision which directly addresses the obligation. The clauses below indicate that credit information will be treated as confidential in accordance with the relevant regulations.</p> <p>11.4 Privacy Any personal and credit information that we hold about you is treated as confidential and will be handled in accordance with applicable privacy law and the Privacy &amp; Credit Information Management Policy included in this booklet attached to these terms.</p> <p>11.5 Confidentiality We will keep confidential your information in accordance with relevant regulations, unless: a) you give us prior written consent to disclose the information; b) disclosure is required to comply with any accounting or stock exchange requirement; c) disclosure is required to comply with any legal or regulatory requirement or proceedings; d) the information is already publicly available; or e) we believe you have used gas illegally and we must provide your information to the Economic Regulation Authority or the Director of Energy Safety.</p> <p>During the audit period all customers were on Non-standard form contracts and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Simply Energy does not engage credit reporting for its gas customers. Where Simply Energy have been unable to recover a debt, they may</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>decide to refer the account to a legal recovery agency. Where this occurs, the account will be managed by the legal recovery agency and any debt and payment related enquiries are referred to the recovery agency. Further, if the debt has been subsequently cleared then any credit reporting related activities will be undertaken by the recovery agency.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
76	Trading Licence cl 5.1	A licensee must notify a credit reporting agency immediately if a customer has cleared their debt.	5	<p>Through enquiries with the Regulatory team and Credit management team, we note that Simply Energy does not engage in credit reporting for its gas customers. Where Simply Energy have been unable to recover a debt, they may decide to refer the account to a legal recovery agency. Where this occurs, the account will be managed by the legal recovery agency and any debt and payment related enquiries are referred to the recovery agency. Further, if the debt has been subsequently cleared then any credit reporting related activities will be undertaken by the recovery agency. Simply Energy would therefore not be involved in this process.</p> <p>Hence Simply Energy do not engage in the process and do not have processes and procedures around credit reporting.</p> <p>Therefore, the obligation was not performed during the audit period and cannot be rated for compliance.</p>		N/P	N/R
77	Trading Licence cl 5.1	If a customer remedies a default and demonstrates extenuating circumstances, a licensee must request the credit reporting agency to remove the default record.	5	<p>Through enquiries with the Regulatory team and Credit management team, we note that Simply Energy does not engage in credit reporting for its gas customers. Where Simply Energy have been unable to recover a debt, they may decide to refer the account to a legal recovery agency. Where this occurs, the account will be managed by the legal recovery agency and any debt and payment related enquiries are referred to the recovery agency. Further, if the debt has been subsequently cleared then any credit reporting related activities will be undertaken by the recovery agency. Simply Energy would therefore not be involved in this process.</p>		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>Hence Simply Energy do not engage in the process and do not have processes and procedures around credit reporting.</p> <p>Therefore, the obligation was not performed during the audit period and cannot be rated for compliance.</p>			
78	Trading Licence cl 5.1	A licensee must not refer a default to a credit reporting agency that is the subject of a complaint or matter of review.	5	<p>Through enquiries with the Regulatory team and Credit management team, we note that Simply Energy does not engage in credit reporting for its gas customers. Where Simply Energy are unable to recover a debt, the account may be referred to a legal recovery agency who will manage and action any credit related activities, including defaults, for the account. Simply Energy would therefore not be involved in this process.</p> <p>Therefore, the obligation was not performed during the audit period and cannot be rated for compliance.</p>		N/P	N/R
79	Trading Licence cl 5.1	A licensee must include information about its complaint handling process and contact details of the energy ombudsman on any disconnection warning given to a customer.	5	<p>From discussion with the Regulatory team we note that all disconnection notice letters issued by Simply Energy are of the same format and contain information on Simply Energy's complaints handling process as well as the contact details of the Energy Ombudsman. We inspected a sample of a disconnection warning issued to a customer checked that the required information under the clause had been included and thus provided to the customer.</p> <p>However we understand that before an account is referred to a legal recovery agency, the account will be examined for complaints, payments or other transactions that may impact on the collection of the debt.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
80	Trading Licence cl 5.1	When a non-standard contract is due to expire, a licensee must issue a notice in writing to a customer not	5	<p>Based on enquiries with the Regulatory team, Simply Energy does not supply fixed term non-standard contract. We inspected the NSC terms and conditions and noted below provision:</p> <p>Contract Term This contract starts from the date you accept our offer. It is an ongoing</p>		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		more than 2 months and not less than one month before the day on which the contract is due to expire (or at the commencement of the contract if the contract is less than 1 month) with information about: the expiry date; alternative supply options, and the terms and conditions for continued supply post contract expiry.		<p>contract with 24 month benefit period.</p> <p>Based on enquiries and inspection of the NSC contract, Simply Energy does not supply fixed term non-standard contract. Therefore, this obligation is not rated for compliance.</p>			
81	Trading Licence cl 5.1	Upon request, a licensee must provide a customer free of charge with a copy of its customer service charter within 2 business days of the request. (Please note that the format and content of the Customer Service Charter is not defined in the Energy Coordination (Customer	5	<p>We inspected ERA feedback in respect to issues noted in review of Simply Energy's Standard Form contracts and subsequent conclusion formed by ERA. The ERA concluded that Simply Energy's requirement to provide a customer with a copy of a customer service charter is an optional requirement in lieu of the Standard Form Contract and have not produced a customer service charter for that reason.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		Contracts Regulations 2004).					
82	Trading Licence cl 5.1	A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.	5	<p>We inspected ERA feedback in respect to issues noted in review of Simply Energy's Standard Form contracts and subsequent conclusion formed by ERA. The ERA concluded that Simply Energy's requirement to provide a customer with a copy of a customer service charter is an optional requirement in lieu of the Standard Form Contract and have not produced a customer service charter for that reason.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>		N/P	N/R
83	Trading Licence cl 5.1	Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code.	5	<p>Through discussions with the Regulatory team, we noted that Simply Energy provides a customer with a copy of the Energy Coordination (Customer Contract) Regulations (Regulation) 2004 or a relevant code, when requested.</p> <p>Where a customer service agent receives a request for a copy of the Regulation or Code, this will be forwarded to the Compliance team for actioning. The compliance team have a dedicated mailbox for queries and will therefore issue a copy of the regulation or code requested by the customer in their preferred format. However, we note that there are no documented processes for managing requests for copies of regulation or the code from customers are this is managed on an ad-hoc basis or tracking if/when a request was raised or completed.</p> <p>Through enquiries, we noted that that there were no instances of the obligation being performed during the audit period. Management advised that when such an instance occurs it is escalated to the Regulatory team to take necessary action. We have sighted the escalation process and noted it covers the requirements of the obligation.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>		N/P	N/R
84	Trading Licence cl 5.1	A licensee must ensure that a copy of the Energy	5	Through enquiries with the Regulatory team, we determined Simply Energy does not have a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available for inspection	<b>Recommendation 01/2020:</b> Simply Energy should	B	2

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		Coordination (Customer Contract) Regulations 2004 or a relevant code is available for inspection at its offices at no charge.		<p>at its offices. However, Simply Energy expects a request for the documents to be unlikely as the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available online, which is the customer's first point of contact as this option is more accessible and convenient.</p> <p>As per the Regulatory team, in the event of such request, Simply Energy would print the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code at reception. We note that Simply Energy also does not maintain a record of such requests.</p> <p>Based on enquiries, examination of documentation and walkthroughs, it was concluded that there were inadequate controls with minor improvements needed, and Simply Energy was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>	maintain an up to date copy of the Energy Coordination (Customer Contract) Regulations 2004 and relevant codes available at the reception of Simply Energy's office. In addition, a record of any such requests in future should be maintained to enable monitoring of compliance and support future audit activities.		
85	Trading Licence cl 5.1	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain equipment for the supply of gas up to the point of supply.	5	<p>Through enquiries with the Regulatory team and inspection of relevant documentation we note that Simply Energy's Standard Form Contract includes a provision that they must provide, install and maintain equipment for the supply of gas up to the point of supply.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
86	Trading Licence cl 5.1	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain metering and necessary equipment at the supply address.	5	<p>Through enquiries with the Regulatory team and inspection of relevant documentation we note that Simply Energy's Standard Form Contract includes a provision that they must provide, install and maintain metering and necessary equipment at the supply address.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
90	Trading Licence cl 5.1, Distribution Licence cl 5.1	A licensee must ensure that any representatives seeking access to the supply address on its behalf wear, carry and show official identification.	5	<p>Through discussions with the Regulatory and Sales team, we note Simply Energy requires representatives seeking access to the supply address to wear and show official identification. We note that representatives of Simply Energy also include a third party sales marketing services provider, and that both the external marketing provider and Simply Energy have provided agents with training that clearly communicates the requirement for official identification to be worn. We have assessed the training material and attendance records for Simply Energy and the external party to assess the effectiveness of the training control.</p> <p>Further, we inspected the Standard Form Contract approved by the ERA and the Non Standard Contract and note that both contracts state that representatives will show their identification if asked, when seeking to access the premises.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
91	Trading Licence cl 5.1	A licensee must notify a customer of any amendment to a non- standard contract.	5	<p>Based on enquiries with the Regulatory, legal and marketing team we note that Simply Energy addresses the matters outlined in this obligation through its Non-standard contract. The contract contains a clause stating that Simply Energy may vary the rates and charges of a contract at any time and will give advance notice of any change which may be on a bill.</p> <p>During the audit period, all customers were on a Non-standard contract and we have inspected relevant documentation to check that the contract was appropriately reviewed internally and by external legal counsel.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
96	Distribution Licence cl 15.2	A licensee must comply and require its expert to comply	4	Through enquiries with the Regulatory Team and examination of the '2019 Audit and Review Guidelines: Electricity and Gas Licenses' we determined that:		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
	Trading Licence cl 16.2	with the ERA's standard guidelines dealing with the performance audit.		<p>Regulation and Compliance Team are responsible for arranging the performance auditor and must ensure the request specifies the appointed auditor must comply with the audit guidelines.</p> <p>Simply Energy must comply with the Gas Compliance Reporting Manual, and record any breaches as they arise to the 283 obligations they must comply with.</p> <p>As part of the Audit and Review Guidelines, KPMG submitted a Performance Audit Plan on 30 March 2020, with approval on 31 March 2020. In addition, KPMG will perform audit procedure in line with guidance which evidenced Simply Energy's independent expert is complying with ERA's standard guidelines. Furthermore, in order to ensure that the expert complies with the guideline, this requirement was included as part of the contractual agreement between Simply Energy and the expert. To ensure ongoing monitoring, regular status check-ins were conducted between the Regulatory team and the expert.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>			
97	Distribution Licence cl 15.4 Trading Licence cl 16.4	A licensee's independent auditor must be approved by the ERA prior to the audit.	4	<p>Through enquiries with the Regulatory Team and inspection of relevant documents, we determined that:</p> <ul style="list-style-type: none"> <li>• Simply Energy provided a letter to the ERA to seek approval to appoint an auditor to undertake the performance audit; and</li> <li>• Simply Energy received approval from the ERA for KPMG to provide the performance audit on 14 February 2020.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period..</p>		N/P	1
98	Distribution Licence cl 16	A licensee may be subject to individual	5	Through enquiries with the Regulatory and Compliance team we note that Simply Energy has not been subject to individual performance standards set by the ERA.		N/P	N/R



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
	Trading Licence cl 17	performance standards.		Therefore, the obligation was not performed during the audit period and cannot be rated for compliance.			
99	Distribution Licence cl 18 Trading Licence cl 20	Unless otherwise specified, all notices must be in writing and will be regarded as having been sent and received in accordance with defined parameters.	5	Based on enquiries with the regulatory team and inspection of clauses in Standard Form Contracts and Non-standard form contracts and assessment of a sample notice we determined that Simply Energy, unless otherwise specified, issue all notices in writing and are sent and received in accordance with defined parameters.  Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.		N/P	1
100	Distribution Licence cl 19.1 Trading Licence cl 21.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards.	4	Through enquiries with the Regulatory team and Financial Controller, we note that Simply Energy's Finance division performs various functions such as financial control, management reporting, departmental cost reporting, budgeting, coordination of governance activities, payment processing, accounts receivables and strategic advice. Furthermore, Simply Energy's accounting processes are set up to comply with accounting standards in order to ensure compliance with the Corporations Act. Simply Energy produces financial accounts in compliance with Australian Accounting Standards – Reduced Disclosure Requirements and these accounts are audited by an independent auditor before submission to ASIC. We inspected the signed accounts for the year ended 31 December 2018 and 31 December 2019 with no qualifications noted in the auditor's opinion.  Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.		N/P	1
101	Distribution Licence cl 20 Trading Licence cl 22.1	A licensee must report to the ERA if the licensee is under external administration or experiences a significant change	4	Through enquiries with Regulatory Team, we note that a key function of the Regulatory team is to report to the ERA in the case of significant conditions arising. Furthermore, there are protocols in place to make decisions at a corporate level to ensure that they have a plan in place and are not breaching other obligations. We sighted these protocols and noted they articulate the requirement to report to the ERA if there is a significant change in Simply Energy's circumstances.		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		in its corporate, financial or technical circumstances that may affect the licensee's ability to meet its obligations under this licence within 10 business days of the change occurring.		<p>Management advised that there were no instances to report to the ERA during the audit period as operational capability was maintained. We also enquired about the effects of COVID-19, whilst it was not within the audit period and Simply Energy advised they still maintained operational capability during this time.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>			
102	Distribution Licence cl 21.1 Trading Licence cl 23.1	A licensee must provide to the ERA any information that the ERA may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the ERA.	2	<p>Our inquiries of the Regulatory and Compliance team noted that Simply Energy maintain an excel spreadsheet to keep track of reporting dates across several jurisdictions, including Western Australia. This includes the reporting dates for the annual GTL Compliance report and annual Performance report. We also note that Simply Energy has a dedicated team member whose responsibility is to manage all reporting externally. Further, Simply Energy maintains a breach register to record breaches of the GTL obligations which are required to be reported to the ERA in the annual Compliance Report. The Compliance team receive incident reports of potential breaches identified and raised by line managers or others of various business units, and subsequently investigate the incident to determine whether there is a reportable breach.</p> <p>We examined correspondence related to all submissions of the annual Compliance report and Performance Report for the audit period between Simply Energy and the ERA and observed the following:</p> <ul style="list-style-type: none"> <li>- The 2017-18 Compliance Report was not submitted to the ERA by the required date, but was submitted in the manner and form specified by the ERA.</li> <li>The 2018-19 Compliance report was submitted on time, and in the manner and form specified by the ERA.</li> <li>- The Performance reports for the period 2017-18 and 2018-19 were submitted to the ERA by the required date, and in the manner and form specified by the ERA.</li> </ul>	<p><b>Recommendation 02/2020:</b> We consider the automated solution management is currently implementing will address the control deficiency. Simply Energy should review all obligations and reporting timelines to ensure the Risk Wizard system accurately describes requirements and timelines to ensure future compliance.</p>	B	3

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>This non-compliance was identified by management in 2019 and reported to the ERA and subsequent process improvements were implemented. We also note that Simply Energy is in the process of implementing a new system "Risk Wizard" that will contain all obligation requirements and provide automated reminders to facilitate future compliance. Management advised that this system will be implemented by the end of 2020.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, and that Simply Energy was non-compliant with the licence obligation during the audit period with a moderate impact on customers or third parties.</p>			
103	Distribution Licence cl 22, Trading Licence cl 24	A licensee must publish any information it is directed by the ERA to publish, within the timeframes specified.	4	<p>Our inquiries noted that the Regulatory and Compliance team manage directives made by the ERA to publish information within timeframes. Once the information to be published has been finalised, the Compliance team will direct the Online Experience Specialist to publish the information on the website.</p> <p>Through our inspection of relevant documentation, we noted one instance of non-compliance that was identified by management, whereby Simply Energy did not publish the Annual Performance Report on its website within the 7 calendar day timeframe provided by the ERA. The 2018/19 Performance Report was published on Simply Energy's website on 25 October 2019 whilst the ERA required the report to be published by 16 October 2019 (based on its notification dated 9 October 2019).</p> <p>We checked with the Regulatory and Compliance team that this breach will be reported in the 2019/20 compliance report to the ERA.</p> <p>We also note that Simply Energy is in process of implementing a new system "Risk Wizard" that will contain all obligation requirements and provide automated reminders to assist in future compliance. Management advised that this system will be implemented by the end of 2020.</p>	<p><b>Recommendation 02/2020:</b></p> <p>We consider the automated solution management is currently implementing will address the control deficiency. Simply Energy should review all obligations and reporting timelines to ensure the Risk Wizard system accurately describes requirements and timelines to ensure future compliance</p>	B	3

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, and Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.			
106	Trading Licence cl 12.2	A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified by the ERA.	4	<p>Through enquiries with the Regulatory and Compliance Team, we note that Compliance Team works with the Legal Team to manage and draft standard form contracts. The Marketing Team then formats the document and it is sent back to the Legal Team to then be approved by the regulators.</p> <p>During the audit period, no instances were identified where Simply Energy were directed by the ERA to review the standard form contract and submit the results of the review.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>		N/P	N/R
107	Trading Licence cl 12.3	A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review.	4	<p>Through enquiries with the Regulatory and Compliance Team, we note that Compliance Team works with the Legal Team to manage and draft standard form contracts. The Marketing Team then formats the document and it is sent back to the Legal Team to then be approved by the regulators.</p> <p>During the audit period, no instances were identified where Simply Energy were directed by the ERA to review the standard form contract and submit the results of the review.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>		N/P	N/R
108	Trading Licence cl 13.1	A licensee must only amend the standard form contract in accordance with the Energy Coordination	4	<p>Through enquiries with the Regulatory and Compliance Team, we note that Compliance Team works with the Legal Team to manage and draft standard form contracts. The Marketing Team then formats the document and it is sent back to the Legal Team to then be approved by the regulators.</p> <p>During the audit period, no instances were identified where Simply</p>		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		Act 1994 and Regulations.		<p>Energy were directed by the ERA to review the standard form contract and submit the results of the review.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>			
109	Trading Licence cl15.1 and 15.2	A licensee must maintain supply to a customer if it supplies, or within the last 12 months supplied, gas to that customer's premises unless another supplier starts supplying the customer.	4	<p>Through discussions with Regulatory Team, we determined Simply Energy continues to supply gas to a customer unless the customer enters into an agreement with another supplier, at which point the contract ends when the transfer has been completed.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
110	Trading Licence Sch 3 cl 1.5	A licensee must provide the ERA within 3 business days of a request by the ERA with reasons for refusing to commence supply to a customer if requested by the ERA.	4	<p>Through discussions with Regulatory Team, Simply Energy does not refuse to supply gas to a customer. Therefore, there has been no instance where Simply Energy refusing to commence supply to a customer and as such the need to report to ERA.</p> <p>Based on enquiries, there was no instance of the obligation, as such, the obligation is not rated for compliance.</p>		N/P	N/R
111	Trading Licence Sch 3 cl 1.7	A licensee must comply with a direction from the ERA to supply a customer, subject to specified conditions.	4	Through discussions with Regulatory Team, Simply Energy has not received any notification from the ERA to supply a customer during the audit period. Management advised that the Regulatory team will provide monitor all communications with the ERA and ensure if direction is received supply is provided to a customer or a notification of this to the ERA as per Obligation 110. However, management advised that there was no occurrence where Simply Energy received direction from ERA to supply a customer.		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.			
112	Trading Licence Sch 3 cl 2.1 to 2.2	A licensee must provide reasonable information relating to its activities under the licence as requested by the holder of a distribution licence to enable for the safe and efficient operation of the relevant distribution system, provided such disclosure does not prejudice the commercial interests of the licensee.	4	<p>Through enquiries with the Regulatory team we note that Simply Energy entered into a Gas Service Agreement with its distributor i.e. ATCO. The purpose of the agreement is to specify terms and conditions upon which ATCO will provide Simply Energy with access to one or more Reference Services for the haulage of Gas from specified Receipt Points to Delivery Points on the ATCO GDS, including Simply Energy's obligation to be performed in consideration for ATCO's provision of access and under the Regulatory Instruments. The agreement stipulates terms and conditions on topics including Notices and Address to Notice and Confidentiality and Information Exchange. By complying with the service agreement in place between Simply Energy and ATCO, it acts as a strong control environment for Simply Energy to comply with the obligation. Through enquiries with the Regulatory Team and examination of ATCO Gas Service Agreement document, we determined that:</p> <ul style="list-style-type: none"> <li>• Information requests are typically received from ATCO in accordance with Simply Energy's Service Agreement.</li> <li>• The agreement stipulates terms and conditions on topics including Notices, Address to Notice, Confidentiality, and Information Exchange.</li> </ul> <p>By complying with the service agreement in place between Simply Energy and ATCO, it acts as a strong control environment for Simply Energy to comply with the obligation.</p> <p>No instances were identified during the audit period where Simply Energy received an information request from ATCO.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>		N/P	N/R
113	Trading Licence Sch 3 cl 3.1	A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under	4	<p>Through discussions with the Senior Regulatory Analyst, we note that Simply Energy do not make changes to any price, price structure, fee or interest rate under the Standard Form Contract (SFC). Any changes made would be based on the directions of the authority/regulations. As such, Simply Energy did not have any instance to notify the Minister of changes to the SFC. Changes to fees, prices and interest rates may be made to the Non Standard Contract, which is not covered by the</p>		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		the standard form contract is to come into effect.		obligation.  There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.			
114	Trading Licence cl 19.1	A licensee must comply with the Gas Marketing Code of Conduct.	2	<p>Through inspection of the Code of Conduct, we note there had been two updates to the Code of Conduct during the audit period. The key change was to remove the requirement for providing general information on the retailer's gas customer safety awareness program in 2020.</p> <p>Through discussion with Regulatory and Compliance team, we noted that Simply Energy operates in different jurisdictions in Australia, and are governed by different Code of Conducts. As a result, Simply Energy as a business adopts the code of conduct at the highest or most onerous level across the country, to ensure it complies with different code of conduct in different jurisdictions.</p> <p>When there is an update in the Code of Conduct, Simply Energy goes through the following process to ensure its current policies, procedures and processes are in compliance with the Code of Conduct:</p> <ul style="list-style-type: none"> <li>• Compliance team is the responsible party on any regulatory changes.</li> </ul> <p>When there is a change on the Code of Conduct, Compliance team is notified the change;</p> <ul style="list-style-type: none"> <li>• Compliance team goes through the changes and assesses its impact on the business, through performing a Needs Analysis, determining what needs to be updated in its policies, procedures and processes including training material. The compliance team also works with external regulators to seek clarification and understand the changes as required;</li> <li>• Once the impacts are identified, these are communicated to the Sales Capability team;</li> <li>• Subsequently, the Sales Capability Manager will update training material based on the changes and provide back to the Compliance team for comments;</li> <li>• Once the training material is updated, trainings are pushed out to marketing agents which both the Sales Capability team and Compliance team will facilitate together. The training will be delivered either in-</li> </ul>	<p><b>Recommendation 03/2020:</b> KPMG recommend Simply Energy implement a formal review and sign-off process over the Code of Conduct to support the audit trail for future compliance activities. This process should incorporate segregation of duties between reviewer and approver.</p> <p>In relation to the self-identified breach, management has advised us that they have performed an investigation of the instance and actioned on remediation plan of re-train the relevant marketing agent. We did not identify any other instances of non-compliance through our testings, therefore, we believe management's response to the instance was adequate.</p>	C	3

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>person, via e-learning or via conference call.</p> <p>We were unable to obtain written evidence to assess the operating effectiveness of the above control regarding process for changes to the code of conduct. However, we note that Simply Energy has appropriately implemented the change based on the Code of Conduct by removing the safety awareness program from its communications which demonstrated that Simply Energy has conducted the review of Code of Conduct and made the appropriate change.</p> <p>We noted Code of Conduct includes a number of sub-clauses which we assessed for compliance individually across obligation 117 to 129. We did not identify any non-compliance in our testings for obligations in relation to Code of Conduct. However, we noted Simply Energy self identified a Type 2 breach of clause 2.3 (1) Entering into a non-standard contract - obligation 119 where an agent did not obtain verifiable consent from customer before entering into the NSC. We were advised by management that Simply Energy will report this breach in August 2020 as part of the 2019-2020 Compliance Report. This breach has consequently lead to non-compliance of obligation 114 due to this is an overarching obligation of Code of Conduct.</p> <p>Through inspection of the completed Investigation Report signed off by Compliance Manager, it was noted that Simply Energy retrained all sales agents that carried out work on the incident date i.e.21 August 2019 and the training covered vulnerable customers, high pressure sales behaviour and misleading and deceptive conduct.</p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there was inadequate controls with improvement needed and that Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>			
115	Trading Licence cl 19.2	A licensee must ensure all agents and employees comply with the	2	Through discussion with Regulatory and Compliance team, we note that training is provided to appropriate Simply Energy agents and employees to ensure they comply with Code of Conduct.	<b>Recommendation 04/2020:</b> Management has advised us that Simply	C	3



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		Gas Marketing Code of Conduct.		<p>KPMG found instances where Simply Energy is unable to locate the training record to evidence the trainings have been appropriately provided to its agents and employees as they were maintained in hard copies during the audit period.</p> <p>KPMG noted obligation 115 is an overarching obligation which requires Simply Energy's agents and employee to comply with the Code of Conduct. We noted Code of Conduct includes a number of sub-clauses which we assessed for compliance individually across obligation 117 to 129. We did not identify any non-compliance in our testings for obligations in relation to Code of Conduct. However, we noted Simply Energy identified a Type 2 breach of clause 2.3 (1) Entering into a non-standard contract - obligation 119 where an agent did not obtain verifiable consent from the customer before entering into the Non standard contract. We were advised by management that Simply Energy will report this breach in August 2020 as part of the 2019-2020 Compliance Report. This breach has consequently led to non-compliance of obligation 115. Throughout testing, we did not identify other instances where Simply Energy's employees or agents were not in compliance with the Code of Conduct.</p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there was inadequate controls with improvement needed and that Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>	<p>Energy has implemented an online training program which maintains all training records. We consider management's response adequate, but note that the online training program was implemented late in the audit period and accordingly we have not tested the effectiveness of these enhanced controls.</p> <p>As noted in <b>Recommendation 03/2020</b>, in relation to the self-identified breach, management has advised they performed an investigation of the instance and actioned a remediation plan including re-training of the relevant marketing agent. We did not identify any other instances of non-compliance through our testing.</p>		
116	Trading Licence cl 19.1	A retailer must ensure that its gas marketing agents	2	Through discussion with Regulatory and Compliance team, we note that training is provided to appropriate Simply Energy gas marketing agents to ensure they comply with Code of Conduct.	<b>Recommendation 04/2020:</b> Management has	C	3

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		comply with Part 2 of the Code of Conduct.		<p>KPMG found instances where Simply Energy is unable to locate the training record to evidence the trainings have been appropriately provided to its agents and employees as they were maintained in hard copies during the audit period.</p> <p>KPMG noted obligation 116 is an overarching obligation requires Simply Energy's marketing agents to comply with the Code of Conduct. We noted Code of Conduct includes a number of sub-clauses which we assessed for compliance individually across obligation 117 to 129. We did not identify any non-compliance in our testings for obligations in relation to Code of Conduct. We noted Simply Energy self identified a Type 2 breach of clause 2.3 (1) Entering into a non-standard contract - obligation 119 where an agent did not obtain verifiable consent from the customer before entering into the Non standard contract. We were advised by management that Simply Energy will report this breach in August 2020 as part of the 2019-2020 Compliance Report. This breach has consequently led to non-compliance of obligation 116. Through our testing, we did not identify other instances where Simply Energy's marketing agents not comply with the Code of Conduct.</p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there was inadequate controls with improvement needed and that Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>	<p>advised us that Simply Energy has implemented an online training program which maintains all training records. We consider management's response adequate, but note that the online training program was implemented late in the audit period and accordingly we have not tested the effectiveness of these enhanced controls.</p> <p>As noted in <b>Recommendation 03/2020</b>, in relation to the self-identified breach, management has advised they performed an investigation of the instance and actioned a remediation plan including re-training of the relevant marketing agent. We did not identify any other instances of non-compliance through our testing.</p>		
117	Trading Licence cl 19	A retailer or gas marketing agent	4	Through discussions with the Senior Regulatory Analyst, we noted that Simply Energy did not have any customers on a Standard Form		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		must ensure that standard form contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.		<p>Contract during the audit period as Simply Energy only sign WA customers onto a non-standard contracts. We inspected the customer database and through our sample testing noted no customers on standard form contracts.</p> <p>Therefore, Simply Energy did not have any existing customers on the Standard Form Contract during the audit period. As such, we were unable to verify whether the standard contracts entered satisfy conditions specified.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>			
118	Trading Licence cl 19	A retailer or gas marketing agent must ensure that the information specified in clause 2.2(2) is given to the customer no later than on or with the customer's first bill, unless the retailer or gas marketing agent has provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer has requested to receive the information).	4	<p>Through enquiries with the Regulatory Team we note that customers who join Simply Energy are provided with a Welcome Pack which contains the contract, information on gas safety, a disclosure statement and privacy policy. This occurs prior to a bill being issued and contains key information. We have inspected an example of a Welcome pack provided to a new customer to determine whether the requirements under clause 2.2 of the Marketing Code of Conduct have been met. We also note that there was a change in the Code of Conduct effective January 2020 and this change was reflected in the information provided to customers. We also inspected a sample of the first bill for customers and noted the information specified was provided with no issues noted.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
119	Trading Licence cl 19	A retailer or gas marketing agent must ensure that non- standard contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	2	<p>We note Simply Energy is required to obtain and make record of the customer verifiable consent that the NSC has been entered in to and make available of a copy of the NSC to customer within 5 business days after the contract was entered into.</p> <p>We inspected Simply Energy's training material such as Induction training material and Compliance Culture training material which outlined the definition of explicit informed consent. Through our sample testing, we note there were instances where Simply Energy is unable to provide training record for some employees or marketing agents to evidence they have taken appropriate trainings. Simply Energy's system automatically sends the Welcome Pack to new customers with a copy of the NSC within 5 business days.</p> <p>In order to assess whether Simply Energy has obtained customer's verifiable consent before entering into a NSC and whether the NSC was made available to customers within 5 business days, we have performed sample testing and have:</p> <ul style="list-style-type: none"> <li>- listened to a sample of sales recording of online sales;</li> <li>- inspected a sample of signed contracts for door to door sales;</li> <li>- performed walkthrough of online sales page;</li> <li>- inspected the Welcome Pack made available to customers.</li> </ul> <p>Through our testing, we did not identify any instance of non-compliance. However, we noted Simply Energy identified one instance where the sales agent did not obtain verifiable consent from the customer before enter into the NSC which resulted in a breach of Obligation 119. We were advised by management that Simply Energy will report this breach in August 2020 as part of the 2019-2020 Compliance Report.</p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there was inadequate controls with improvement needed and that Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>	<p><b>Recommendation 04/2020:</b> Management has advised us that Simply Energy has implemented an online training program which maintains all training records. We consider management's response adequate, but note that the online training program was implemented late in the audit period and accordingly we have not tested the effectiveness of these enhanced controls.</p> <p>As noted in <b>Recommendation 03/2020</b>, in relation to the self-identified breach, management has advised they performed an investigation of the instance and actioned a remediation plan including re-training of the relevant marketing agent. We did not identify any other instances of non-</p>	C	3

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
					compliance through our testing.		
120	Trading Licence cl 19	A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.	2	<p>Through discussion with Senior Regulatory Analyst and Sales Capability Manager, all information specified are provided to customer in the Welcome Pack and customer are informed they can obtain the information from Welcome Pack before entering into the non-standard contract.</p> <p>Simply Energy's system is configured to send the Welcome Pack to the new customer once they enter into a NSC.</p> <p>Through inspection of copies of Welcome Packs for sampled customers, it was noted that those Welcome Pack that was sent from July 2018 to February 2019 had a duplicated page of page one from Disclosure Statement whilst information specified in clause 2.3(2)(h) concession information and 2.3(2)(j) multi-lingual and TTY service information were not provided in the Disclosure Statement . Per discussion with Senior Regulatory Analyst, it was a template error which was subsequently amended. This was evidenced by samples tested where Welcome Pack provided to customer post February 2019 contains all specified information in clause 2.3(2).</p> <p>Further, it was noted that those Welcome Pack sent to customers during January and February 2020 contain blurry information which was unable to be read. It was noted that Simply Energy was informed by a customer of this issue and subsequently conducted an internal review. An updated Welcome Pack were sent to customers that were affected in March 2020 to rectify the issue.</p> <p>Based on enquiries, sample testing and examination of documentation, it was concluded that there are adequate controls in place, however Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>	<p><b>Recommendation 05/2020:</b> KPMG recommend that Simply Energy to implement a formal review process of the NSC template before issuance to customers. This should reflect an appropriate timeframe such as annually or whenever changes are made to the template.</p>	A	3
121	Trading Licence cl 19	A retailer or gas marketing agent must obtain a customer's	2	<p>Through discussion with Senior Regulatory Analyst and Sales Capability Manager, we note that Simply Energy obtains verifiable consent from the customer before the customer enter into the non-standard contract and also inform customer to obtain the specified information in clause</p>	<p><b>Recommendation 04/2020:</b> Management has advised us that Simply</p>	C	3

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information).		<p>2.3(2) from the Welcome Pack.</p> <p>Through discussion with Regulatory and Compliance team and inspection of the training material, it was noted Simply Energy provides regular trainings to its marketing agents including in relation to obtaining customer's verifiable consent. Through sample testing, it was noted of instances where Simply Energy unable to provide training record for its marketing agents.</p> <p>In order to assess whether Simply Energy has obtained customer's verifiable consent, we have:</p> <ul style="list-style-type: none"> <li>- listened to sales recording of a sample of online sales;</li> <li>- inspected a sample of signed contracts for door to door sales;</li> <li>- performed walkthrough of the online sales page.</li> </ul> <p>Through our testing, we did not identify any instance of non-compliance. However, we noted Simply Energy self identified one instance where the sales agent did not obtain verifiable consent from the customer before entering into the NSC which resulted in a breach of Obligation 119. This consequently resulted in a non-compliance of Obligation 121. We were advised by management that Simply Energy will report this breach in August 2020 as part of the 2019-2020 Compliance Report.</p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there was inadequate controls with improvement needed and that Simply Energy was non-compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>	<p>Energy has implemented an online training program which maintains all training records. We consider management's response adequate, but note that the online training program was implemented late in the audit period and accordingly we have not tested the effectiveness of these enhanced controls.</p> <p>As noted in <b>Recommendation 03/2020</b>, in relation to the self-identified breach, management has advised they performed an investigation of the instance and actioned a remediation plan including re-training of the relevant marketing agent. We did not identify any other instances of non-compliance through our testing.</p>		
123	Trading Licence cl 19	A retailer or gas marketing agent must ensure that a	5	Based on enquiries with the regulatory team, call centre service team and inspection of relevant documentation such as the Simply Energy welcome pack and Customer bills we note that the telephone numbers		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		customer is able to contact the retailer or gas marketing agent on the retailer's or gas marketing agent's telephone number during the normal business hours of the retailer or gas marketing agent for the purposes of enquiries, verifications and complaints.		<p>have been provided, including the opening hours of the customer service call centre which is during normal business hour. Per discussion with the Regulatory Team and examination of documentation, Simply Energy has employees rostered during business hours throughout their call centre to ensure compliance with the obligation requirements.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
124	Trading Licence cl 19	A retailer or gas marketing agent who contacts a customer for the purposes or marketing must, on request, provide the customer with the retailer's complaints telephone number, the gas ombudsman's telephone number and, for contact by a gas marketing agent, the gas marketing agent's marketing identification number.	5	<p>Based on enquiries with the Regulatory team, when Simply Energy contact a customer for the purposes of marketing, if requested, they will provide the customer if requested, with:</p> <ul style="list-style-type: none"> <li>• Simply Energy's complaints telephone number;</li> <li>• The Gas Ombudsman's telephone number; and</li> <li>• The agent's marketing identification number.</li> </ul> <p>Training is conducted prior to commencing any sales activity for Simply Energy, with annual refresher training provided. The Compliance and Sales Capability team is responsible for the delivery internal training and providing training materials that have been approved by the team. We have read the training material to assess how it satisfies the requirements of the obligation and noted no issues. Furthermore, we note that gas marketing agents are able to access the telephone numbers mentioned above by accessing Panviva which contains a range of key contact numbers.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
125	Trading Licence cl 19	A retailer or gas marketing agent	5	Through enquiries with the Regulatory team, we noted that gas marketing agents who meet with customers face-to-face for the		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		<p>who meets with a customer face to face for the purposes of marketing must:</p> <ul style="list-style-type: none"> <li>· wear a clearly visible and legible identity card showing the information specified; and</li> <li>· as soon as practicable provide the customer, in writing, the information specified.</li> </ul>		<p>purposes of marketing wear an identity card which includes their first name and photograph. The requirement to always carry identification is communicated at induction training provided to gas marketing agents. We have read the training material to assess how the training satisfies the requirements of the obligation and noted no issues.</p> <p>Further, it was noted that gas marketing agents will provide in writing, the following information if requested:</p> <ul style="list-style-type: none"> <li>• Their first name;</li> <li>• Their marketing identification number;</li> <li>• Name of the retailer being Simply Energy;</li> <li>• Simply Energy's complaints telephone number;</li> <li>• The business address and ABN of Simply Energy; and</li> <li>• The telephone number of the Gas Ombudsman</li> </ul> <p>The gas marketing agent can arrange for the information listed above to be provided electronically (via email) or alternatively the agent may note the above information on paper and provide the information to the customer.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
126	Trading Licence cl 19	A retailer or gas marketing agent who visits a person's premises for the purposes of marketing, must comply with any clearly visible signs at the premises indicating that canvassing is not permitted or no advertising material	5	<p>Through enquiries with the Regulatory team and Sales Capability Manager, we noted that door-to-door agents are trained to check for visible signs on a property that indicate that canvassing and advertising material are not permitted. Further, a device tracker functionality is in place which enables Simply Energy to monitor routes taken by agents and which also flags properties which have signs that indicate that canvassing is not permitted and advertising materials are not to be left at the property. Hence, agents are aware of their responsibility to comply with these signs when attending properties. We have performed an assessment of the content of the training material and a walkthrough of the process to identify the flagging functionality in the system.</p> <p>Based on enquiries and examination of documentation, we can</p>		N/P	1



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		is to be left at the premises.		conclude that Simply Energy were compliant with the obligation during the audit period.			
127	Trading Licence cl 19	A person who carries out any marketing activity in the name of or for the benefit of a retailer or a gas marketing agent is to be taken to have been employed or authorised by the retailer or gas marketing agent to carry out that activity, unless the contrary is proved.	5	<p>Per enquiries with the Regulatory and Sales capability team , we noted that Simply Energy's external gas marketing agents are contracted from a third party group to conduct Face to Face marketing and telesales over the phone. These third party groups provide agents to Simply Energy, and Simply Energy's Compliance Team and Channel Manager are responsible for induction training and registration. Once agents have passed the assessment at the end of the training modules, they are authorised to act on behalf of Simply Energy. Additionally, annual training refresher courses are completed.</p> <p>The Channel Manager acts as a control as they are responsible for the scripts, training, registration, software used by the agents and the management of Face to Face marketing. Therefore, they ensure that only authorised agents are acting in behalf on Simply Energy.</p> <p>Simply Energy has a standard marketing agreement with the contracted third party which checks that the gas marketing agents acting on behalf of Simply Energy are taken to have been employed and authorised by Simply Energy to carry out the marketing activity. Simply Energy reviews the training material to ensure it covers relevant topics as required by the obligation.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
128	Trading Licence cl 19	A gas marketing agent must: · keep a record of each complaint made by a customer, or person contacted for the purposes of marketing, about the marketing	4	<p>Through discussion with the Regulatory and Customer Advocacy teams, it was noted that Simply Energy have a Customer Advocacy team to manage customer complaints and a Customer Relations team to oversee Ombudsman related matters.</p> <p>Per inspection of Simply Energy's complaint database, it was noted that the complaints database which contains records of all complaints raised by customers, including those relating to the carrying out of marketing activities. Gas marketing agents are trained on the escalation processes that enable a complaint to be raised to the Customer</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		carried out by or on behalf of the gas marketing agent; and · on request by the gas ombudsman in relation to a particular complaint, give to the gas ombudsman all information that the gas marketing agent has relating to the complaint within 28 days of receiving the request.		Advocacy team.  Through discussion with Regulatory team, where the Gas Ombudsman requests for information in relation to a complaint, this will be handled by the Customer Relation team who will action the requests within the 28 days. The status of complaints and timeframes are monitored by the teams.  Based on enquiries and inspection of system, we can conclude that Simply Energy were compliant with the obligation during the audit period.			
129	Trading Licence cl 19	Any record that a gas marketing agent is required to keep by the Code of Conduct, must be kept for at least 2 years after the last time the person to whom the information relates was contacted by or on behalf of the gas marketing agent.	4	Per discussions with the Regulatory Team and Sales Team, we noted that there are no system restrictions on the period of time that customer records are stored within HubPlus. We inspected records in the system and noted that Simply Energy keeps records for at least two years for Western Australian customers as a system walkthrough of a customer checked that records are continuously held.  However, as the audit period is less than two years, we were unable to verify whether records were kept for at least two years as per the period.  There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.		N/P	N/R
134	Trading Licence cl 2.1 and Sch 2 Compendium cl 3.1(1)	If a retailer agrees to sell gas to a customer or arrange for the connection of the customer's supply address, the	4	Through discussions with the Regulatory team, we note that Simply Energy will forward a customer's request for connection to the supply address to ATCO, the distributor, by raising a service order within HubPlus. To raise the service order, we note that the distributor will be identified and the service order will specify the request for gas to be supplied to the property for the new customer. We performed a		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		retailer must forward the customer's request for the connection to the relevant distributor.		walkthrough of the process to assess the process.  Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.			
135	Trading Licence cl 2.1 and Sch 2 Compendium cl 3.1(2)	Unless the customer agrees otherwise, a retailer must forward the customer's request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day, if the request is received after 3pm or on a weekend or public holiday.	2	<p>Through discussions with the Senior Regulatory Analyst, we noted that when a customer requests for a gas connection, the customer service agent will raise a service order for a connection which is forwarded to the distributor, ATCO, for actioning. We note from inspection of process documentation in Panviva, that the service order will be completed within 2 business days if the request was raised prior to 3pm WST. This is in reference to requests made before 3pm on a business day which Simply Energy would forward to ATCO on that same business day as required by the obligation.</p> <p>We understand that when a request for connection is raised this will be sent via the market systems and ATCO will acknowledge the request.</p> <p>Simply Energy does not have a specific control in place to ensure that connection request are forwarded within the timeframes required by the clause 3.1(2).</p> <p>As noted above, a service order for connection will be raised in the system when a customer requests for connection and this goes through the market systems and ATCO will acknowledge the request. However Simply Energy do not report on this particular activity which requires Simply Energy to ensure that connection requests received before 3pm on a business day are forwarded on the same business day. This is not one of the monitoring and review activities that Simply Energy perform with respect to customer connection requests. There are several transactions that may occur between when the customer requests connection and when the application was sent to ATCO. For example, the MIRN discovery process may fail and this would create delays as the matter will need to be investigated by Simply Energy. This is not something easily captured by the system.</p> <p>Simply Energy was not able to provide evidence that connections requests are monitored to ensure that they are forwarded within the</p>	<p><b>Recommendation 06/2020:</b> KPMG recommend Simply Energy to implement reporting/monitoring activities in this area to monitor and assess whether connection requests have been forwarded within the timeframes prescribed by the obligation. This will enable Simply Energy to monitor and assess its own compliance with the obligation.</p>	C	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>timeframes specified by the obligation. There is no active report that Simply Energy had in place to record the date and time of when connections are requested and forwarded to ATCO, in order for compliance to be assessed. Further we noted that these dates could not be sighted within the system.</p> <p>Management advised us that system improvements have been implemented that will support audit activities in future periods.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were inadequate controls with significant improvement needed. We were unable to test the compliance due to lack of evidence. In line with Audit and Review guidelines, auditors should only rate a licence obligation non-compliant if there is supporting evidence. As a result, at request of ERA, we have rated the obligation as compliant and assessed the adequacy of the controls for the obligation.</p>			
136	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.1(a)	A retailer must issue a bill no more than once a month unless the conditions specified in 4.1(a)(i)-(iii) apply.	4	<p>Through discussions with the Senior Regulatory Analyst and inspection of NSC terms and conditions, it states 'we will bill you no more frequently than once a month. We will always bill you at least every three months unless you have agreed a longer billing period'. In addition, based on inspection of a sample of customer's billing history, we note that Simply Energy issue a bill approximately every three months.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with this obligation during the audit period.</p>		N/P	1
137	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.1(b)	A retailer must issue a bill at least every 105 days unless the conditions specified are met.	4	<p>Per discussion with the Senior Regulatory Analyst, we note that the bill is based on meter readings from the ATCO reading schedule, which ATCO undertakes for all customers every 3 months (89.5 days). Simply Energy will keep record of actual reading exceptions, which is what has not been provided in 12 months. If any customer has not received a bill for 95-100 days, the billing team will workflow to check why. Bills that are not received by Simply Energy after 5 days from the date of reading will go to the unbilled report. The bill, once received, will also advise of when the next reading is. If ATCO is not able to access the read meter,</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>a substitute reading will be provided, which is an estimation of what ATCO believes should be the reading while they perform an investigation based on historical data. Hence, Simply Energy has a workflow process for customers who have not received their bills in 95-100 days and all bills not received within 5 days will go to the unbilled report, which will ensure that SE issue the bills within the 105 days and are compliant with this obligation.</p> <p>We inspected invoices for a sample of customers and noted that they received bills in 3 months (hence within the 105 days).</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>			
146	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.4	A retailer must issue a bill to a customer at the address nominated by the customer, which may be an email address.	4	<p>Through enquiries with the Regulatory team, we noted that the mailing address to which bills are sent is collected at the point of sale, along with the mailing preference. The mailing address and/or email address of a customer is recorded within HubPlus. Furthermore, through walkthroughs we identified that instructions for updating the system for a mailing address and/or email address are provided in Panviva and we observed that there is a specific bill delivery section within HubPlus for updating the mailing address.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
147	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.5(1)	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in clauses 4.5(1)(a)-(cc) on the customer's bill.	4	<p>Through discussions with the Regulatory team, we note that the Simply Energy HubPlus system is designed to include the requirements (a) to (cc) of a bill as prescribed under clause 4.5(1) of the Gas Compendium. We performed a walkthrough of the system, assessed the business requirements documents that outlines the specifications of the HubPlus system and inspected a sample bill to check that Simply Energy included all the required information in the bill for the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
148	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.5(2)	Notwithstanding clause 4.5(1)(bb), a retailer is not obliged to include a graph or bar chart on the bill, if the bill meets the criteria specified in clauses 4.5(2)(a)-(c).	4	<p>Through discussions with the Senior Regulatory Analyst, we note that Simply Energy does not include a graph or bar chart on a bill that has been estimated and therefore not indicative of the customer's actual consumption. We note that this is consistent with the requirements of the obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
149	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.5(3)	If a retailer identifies and wishes to bill a customer for an historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with or on the customer's next bill.	3	<p>Per discussions with the Senior Regulatory Analyst, Simply Energy does not transfer historical debts as customers are required to settle debts on an old account for a previous address and create a new account for the new address.</p> <p>Therefore, a control assessment for this obligation was not performed and cannot be rated for compliance.</p>		N/P	N/R
150	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.6(1)	A retailer must base a customer's bill on the distributor's or metering agent's reading of the meter at the customer's supply address, or the customer's reading of the meter provided the retailer and the customer agreed that the customer will read the meter.	4	<p>Through discussions with the Regulatory team, it was noted that the distributor, ATCO, carries the responsibilities of reading the meter and Simply Energy base the bill on ATCO's meter reading. In an event that ATCO is unable to read the meter, an estimation is used for billing purpose or arrangement with customer to read the meter is conducted. Per inspection of a bill, we noted that the gas bill annotates whether the reading is actual (read by ATCO), estimation, substitution or final substitution.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
152	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.7(1)	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills.	4	<p>Through discussions with the Regulatory team, it was noted that Simply Energy will endeavour to obtain metering data on a quarterly basis for the purposes of issuing customers with a bill. Per inspection of an example of bill, it was noted that the expected next reading is stated in the bill and it is in the next quarter.</p> <p>It was noted through our discussion with Regulatory team that where an actual meter reading cannot be obtained, Simply Energy will issue a bill based on an estimated or substituted reading. Further, we noted that the customer may be contacted in instances where the distributor was unable to access the supply address to take a meter reading, in order for a new time to be arranged for a meter reading to take place. Further, Simply Energy may obtain a reading from the customer. Hence, we note that Simply Energy have several processes in place for obtaining metering data for the purposes of issuing bills on a quarterly basis.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
153	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.7(2)	A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1)(a)	4	<p>Per discussion with the Senior Regulatory Analyst, we note the HubPlus system will identify that the account has not had an actual meter reading in the past 12 months and this will result in a read rejection letter being issued to the customer. Simply Energy have a billing exceptions team who oversee this area and will issue letters as necessary. Contact needs to be made with the customer whereby the customer service agent will advise the customer that an appointment can be made for the distributor to attend the property and obtain the actual meter data. We performed a walkthrough of the process in the system and noted that detailed work instructions are noted for agents to follow to ensure readings are taken once every 12 months. We inspected for a sample of customer bills and noted the expected next reading date on the bill is within 12 months.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
154	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.8(1)	A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.	4	<p>Per discussions with the (Senior Regulatory Analyst, ATCO will send Simply Energy substitute readings which is an estimate based on historical data, which will then be sent to the customer. If the bill has been estimated, this will be shown within the bill, in the section which details all rates and usage. We note that this is consistent with the requirements of the obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
155	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.8(2)	Where the customer's bill is estimated, a retailer must clearly specify on the customer's bill the information prescribed in clauses 4.8(2)(a)-(c).	4	<p>Per discussions with General Manager Regulations, estimated readings are recorded within the system and bills are generated automatically from the system. We inspected the documented process and noted the customer service agents are trained to explain to customers how estimated reads are created. In circumstances where customer has questions in relation to the estimated bill, the customer is offered to organise a special read.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
156	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.8(3)	Upon request, a retailer must inform a customer of the basis and the reason for the estimation.	4	<p>Per discussions with General Manager Regulations and inspection of the documented process we note the customer service agents are trained to explain to customers how estimated reads are created.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
157	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.9	If a retailer gives a customer an estimated bill, and the meter is subsequently read, the retailer must include an adjustment on the	4	<p>Through discussions with the Senior Regulatory Analyst, we noted that Simply Energy will withdraw the previously issued bill with substitute readings and reissue a bill with the actual amount. However we note that management advised that there no such instances in the audit period.</p> <p>There were no instances of this activity being performed during the audit period, hence the obligation cannot be rated for compliance.</p>		N/P	N/R



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		next bill to take account of the actual meter reading.					
158	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.10	If a retailer has based a bill upon an estimation because the customer failed to provide access to the meter, and the customer subsequently requests the retailer to provide a bill based on a reading of the meter and provides access to the meter, and pays the retailer's reasonable charge for reading the meter (if any), the retailer must do so.	5	<p>Through enquires with the Regulatory team, we noted that Simply Energy will raise a service request for a meter reading to be taken when requested by a customer, if the customer has been billed based on an estimate due to access to the meter being denied. The customer service agent will raise the request based on when the customer is able to provide access to the meter and will advise of the applicable fee. The estimated bill is placed as in dispute and once the results of the read are received, a new bill may be issued while the estimated bill is withdrawn.</p> <p>We note that Simply Energy has a documented processes within Panviva that outlines the steps to be taken where a customer requests for bill to be issued based on an actual meter reading, rather than an estimate. We performed a walkthrough of the process to check the above and noted that documentation exists within Panviva.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
159	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.11(1)	If a customer requests the meter to be tested and pays a retailer's reasonable charge (if any) for doing so, a retailer must request the distributor or metering agent to do so.	4	<p>Through enquiries with the Regulatory team, we note that Simply Energy will raise a request for a meter test to be performed by the distributor ATCO, where the customer has made such a request and pays the meter retake and test fee stipulated by ATCO. Simply Energy has a documented process in place whereby agents are able to raise a service order request within HubPlus and note the details of the service order being requested (meter test) to be performed by the distributor. We performed a walkthrough of the process to check the above process and noted no issues.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
160	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.11(2)	If the meter is tested and found to be defective, the retailer's reasonable charge for testing the meter (if any) is to be refunded to the customer.	4	Per enquiries with the Regulatory and Compliance team, we note that where a meter has been tested and is found to be faulty, Simply Energy will refund the fee to the customer. Management advised that in most cases the fee would not be paid until after the test had been performed and results received. Hence, if the meter is found to be faulty, the customer will not be charged the meter test fee. Alternatively, if the meter was not found to be faulty, the customer is required to pay the cost of the meter test. We checked that these points are stipulated within Simply Energy's Non Standard Contract (Clause 4.4b). Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.		N/P	1
161	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.12(1)	If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff (and demonstrates to the retailer that they satisfy the conditions of eligibility), a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.	4	Through enquiries with the Regulatory and Pricing team, we note that Simply Energy only offers a residential tariff for its residential customers and a small business tariff for its small business customers. Thus, Simply Energy did not offer alternative tariffs during the audit period.  Therefore, the obligation was not performed during the audit period and cannot be rated for compliance.		N/P	N/R
162	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.12(2)	For the purpose of clause 4.12(1), the effective date of change in the tariff will be the date on which the last meter reading at	4	Through enquiries with the Regulatory and Pricing team, we note that Simply Energy only offers a residential tariff for its residential customers and a small business tariff for its small business customers. Thus, Simply Energy did not offer alternative tariffs during the audit period.		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		the previous tariff was obtained; or, if the change requires an adjustment to the meter at the customer's supply address, the date the meter adjustment is completed.		Therefore, the obligation was not performed during the audit period and cannot be rated for compliance.			
163	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.13	If a customer's gas use changes and the customer is no longer eligible to continue to receive an existing, more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.	4	<p>Through enquiries with the Regulatory and Pricing team, we note that Simply Energy only offers a residential tariff for its residential customers and a small business tariff for its small business customers. Thus, Simply Energy did not offer alternative tariffs during the audit period.</p> <p>Therefore, the obligation was not performed during the audit period and cannot be rated for compliance.</p>		N/P	N/R
164	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.14(1)	If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.	4	<p>Through enquiries with the Regulatory and Pricing team we note that Simply Energy issues a final bill upon a customer's request and must obtain the customer's mail to address. We note that Simply Energy have a documented process within Panviva that customer service agents are required to follow, which involves a service order being raised for a final reading to take place. Simply Energy will organise for the distributor to attend the supply address to obtain the final read on the final read date identified. We understand that there is a 10 business day timeframe from when a request is first raised to when the final bill is issued to the customer.</p> <p>We performed a walkthrough of the system to check the above process and noted "alerts" in the system prompting the user at relevant steps.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.			
165	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.14(2)	If the customer's account is in credit at the time of account closure, the retailer must, subject to clause 4.14(3), at the time of the final bill ask the customer for instructions on where to transfer the amount of credit (based on clauses 4.14(2)(a) or (b)), and pay the credit in accordance with the customer's instructions within 12 business days or another time agreed with the customer.	4	<p>Through discussions with the General Manager Regulations, if the customer's account is in credit at the time of account closure, when the final bill is issued, a "refund request" is triggered. Customers are advised that they can either complete the refund request online using the Refund Webform (<a href="https://www.help.simplyenergy.com.au/s/refund-request-form">https://www.help.simplyenergy.com.au/s/refund-request-form</a>) or via phone with Simply Energy customer service agent. Simply Energy would seek customer's account details and payment details to complete the refund process. Customers other than for deceased estate can choose either refund to a bank account or credit card account which will take up to 10 business days to pay the refund. In rare circumstances, refund via cheque can be requested for a deceased estate which will take up to 12 weeks to pay the refund. As advised by the General Manager Regulation, at the time of the request, customers are informed and agreed that it will take up to 12 weeks for payment to be made.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
165A	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.14(3)	If the customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt. If after the set off, there remains	4	<p>Per discussion with General Manager Regulations, Simply Energy does not offset credit against debt on different account under the same customer name. Therefore, no activity took place during the audit period.</p> <p>Therefore, the obligation was not performed and cannot be rated for compliance.</p>		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2).					
166	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.15	A retailer must review the customer's bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer's bill over the previous 12 months, and paying any future bills that are properly due.	4	<p>Per discussion with the Senior Regulatory Analyst, customers have the ability to dispute individual invoices in the system, with the process starting by hitting the dispute button, which will put the invoice on hold and create a workflow for billing team to assess and escalated to CAT. All future collection activities is also halted upon the invoice being in dispute. We have performed a walkthrough of the dispute process in Panviva and noted "alerts" in the system prompting the user at relevant steps. Through discussions with the Senior Regulatory Analyst, we note that a workflow will be initiated to review customer disputes, which including requesting the data in dispute from the customer and matching the details in the Hub.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
167	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.16(1)(a)	<p>If a retailer is satisfied after conducting a review of a bill that the bill is correct, the retailer</p> <ul style="list-style-type: none"> <li>• may require a customer to pay the unpaid amount;</li> <li>• must advise the customer that the customer may request the retailer to arrange a meter</li> </ul>	4	<p>Per discussion with the Senior Regulatory Analyst, we note that Simply Energy will contact their customer via a phone call to advise the customer of the requirements as per the obligation as well as to inquire as to how to proceed. Customers have the ability to dispute individual invoices in the system, with the process starting by hitting the dispute button, which will put the invoice on hold and create a workflow for billing team to assess and escalated to CAT. All future collection activities is also halted upon the invoice being in dispute. We have performed a walkthrough of the dispute process in Panviva and noted "alerts" in the system prompting the user at relevant steps. We have also assessed the complaints process and note that it covers the requirements of the guideline.</p> <p>Based on enquiries and examination of documentation, it was</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		<p>test in accordance with applicable law; and</p> <ul style="list-style-type: none"> <li>• must advise the customer of the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.</li> </ul>		<p>concluded that Simply Energy has complied with the obligation during the audit period.</p>			
168	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.16(1)(b)	<p>If a retailer is satisfied after conducting a review of a bill that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.</p>	4	<p>Through enquiries with the Senior Regulatory Analyst, when an undercharge becomes apparent in an event where customer requested a review of the bill, Simply Energy has the following process in place:</p> <ul style="list-style-type: none"> <li>- Per inspection of documented rules in Panviva, Simply withdraws and reissues the bill. Simply Energy does not recover undercharge for bill issued past 12 months on the reissued bill;</li> <li>- Per inspection of the documented process in Panviva, customer request for review of bill would go through Simply Energy's dispute process. Customer would be notified of amount to be recovered with an explanation upon conclusion of the dispute process;</li> <li>- Simply Energy does not charge late payment fee;</li> <li>- If a residential customer has indicated payment difficulty or financial hardship, the customer will be assessed for financial hardship assistance in line with Simply Energy's hardship policy. If accepted onto the hardship/bill assist program, a payment instalment plan will be implemented.</li> </ul> <p>Through enquiries with the Senior Regulatory Analyst, when an overcharge becomes apparent in an event where customer requested a review of the bill, Simply Energy has the following process in place:</p> <ul style="list-style-type: none"> <li>- Simply Energy will automatically set off any overcharged amount against the debt owed by the customer within the system. Any</li> </ul>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>remaining overcharged amount is automatically credited to customer's account;</p> <ul style="list-style-type: none"> <li>- Per inspection of documented rules in Panviva, for an overcharged amounts that is over \$50, Simply Energy would issue a letter and inform customer that a refund is available;</li> <li>- Simply Energy does not accrue interest on the credit/refund amount.</li> </ul> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the reporting period.</p>			
169	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.16(2)	The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable.	4	<p>Per discussion with the Senior Regulatory Analyst, we note that Simply Energy will contact their customers within 24 hours generally as a part of the dispute resolution process. The phone calls are handled mainly by the dispute team. We performed a walkthrough of the dispute process and noted there is specific guidance within the system to notify the customer within a reasonably short time period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
170	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.16(3)	If the retailer has not informed a customer of the outcome of the review within 20 business days from the date of receipt of the request for review under clause 4.15, the retailer must provide the customer with notification of the status of the review as soon as practicable.	4	<p>Per discussion with the Regulatory team and examination of Panviva, it was noted a bill review will take place if a customer disputes the bill. The relevant team will receive a Customer Request notifying the dispute and will work to resolve the disputed invoice. Disputes are overseen by the Customer Advocacy team who will advise of the outcome of the dispute within 15 business days per the Complaints and Disputes Resolution Policy.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
171	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.17(2)	If a retailer proposes to recover an amount undercharged as a result of an error, defect or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must follow the procedure specified in clauses 4.17(2)(a)-(e)	4	<p>Through discussions with the Regulatory team, if an undercharge is found to be an error caused by Simply Energy, the customer is notified in a written document. If the undercharge was due to a customer dispute, it follows the dispute process and customer is notified upon the dispute being resolved by Simply Energy.</p> <p>Per inspection of documented rules in Panviva, when undercharge occurs, Simply Energy withdraws the bill and re-issues a new bill to the customer. The re-issued bill will contain a separate line to explain the amount undercharged and Simply Energy does not recover undercharge for bill issued past 12 months.</p> <p>We note Simply Energy does not charge late payment fee and accrue interest on the undercharged amount.</p> <p>If a residential customer has indicated payment difficulty or financial hardship, the customer will be assessed for financial hardship assistance in line with Simply Energy's hardship policy. If accepted onto the hardship/bill assist program, a payment instalment plan will be implemented.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
172	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.18(2) and 4.18(5)	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect or default for which a retailer or distributor is responsible (including where a meter has been	4	<p>Through discussions with the Regulatory team, if the overcharge is found to be an error caused by Simply Energy or the distributor, the customer is notified in a written document. If the overcharge was due to a customer dispute, it follows the dispute process and customer is notified upon the dispute is resolved by Simply Energy.</p> <p>Through discussion with the Regulatory team, If the customer owes payment to Simply Energy, then Simply Energy will automatically set off the overcharged amount against the debt owed by the customer within the system. Any remaining overcharged amount is automatically credited to customer's account. Per inspection of documented rules in Panviva, for overcharged amounts over \$50, Simply Energy issue a letter to customer to offer a refund. Simply Energy does not accrue</p>		N/P	1



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		found to be defective), the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the error, defect or default and, subject to clauses 4.18(6) and (7) ask the customer for instructions as to whether the amount should be credited to the customer's account; or repaid to the customer. No interest shall accrue to a credit or refund referred to in this clause.		interest on the credit/refund amount.  Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the reporting period.			
173	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.18(3)	If a retailer receives instructions under clause 4.18(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions	4	Through discussions with the Regulatory team, in an event of overcharge, Simply Energy automatically sets off the overcharged amount to customer's debt if applicable. Any remaining overcharged amount is automatically credited to customer's account. In addition, per inspection of documented rules in Panviva, for overcharged amounts over \$50, Simply Energy issue a letter to customer to offer a refund. Any EFT refunds will be processed within 5 business days from the request date. If the overcharge was due to an error made by Simply Energy, the refund would be pre-approved in the system. If the refund was due to a resolution of a customer dispute, the refund is approved in line with Simply Energy's Delegation of Authority policy.		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the reporting period.			
174	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.18(4)	If a retailer does not receive instructions under clause 4.18(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	4	<p>Through discussions with the Regulatory team, it was noted that in an event of overcharge, Simply Energy automatically sets off the overcharged amount to customer's debt if applicable. Any remaining overcharged amount is automatically credited to customer's account. For overcharged amounts greater than \$50, Simply Energy also would issue a letter to customer to offer a refund.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the reporting period.</p>		N/P	1
175	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.18(6)	If the overcharged amount is less than \$100, the retailer may notify a customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions under clause 4.18(2), or credit the amount to the customer's next bill	4	<p>Through discussions with the Regulatory team, it was noted that in an event of overcharge, Simply Energy withdraws and re-issues the bill to the customer immediately. In addition, Simply Energy automatically sets off the overcharged amount to customer's debt if applicable. Any remaining overcharged amount is automatically credited to customer's account and can be used to set off customer's next bill. Per inspection of documented rules in Panviva, for overcharged amounts over \$50, Simply Energy issue a letter to customer to offer a refund.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the reporting period.</p>		N/P	1
175A	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.18(7)	If a customer has been overcharged by the retailer, and the customer owes	5	Per enquiries with the Regulatory team, Simply Energy will offset the amount of an adjustment owed to the customer with the existing owed by the customer to Simply Energy. We understand that this is an automatic process within the billing system. The customer will be		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		<p>a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the overcharge to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.18(2); or 4.18(6) where the amount is less than \$100.</p>		<p>notified of the offset in the next issued bill, hence we note that written notice is provided. If there is a credit amount after the offset, then Simply Energy will organise a refund if instructed to do so. We performed a walkthrough of the process to check our understanding of the process and also assessed the refund process as part of obligation 178 and noted no issues.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
176	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(1)	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of the customer, the retailer must follow	4	Through discussions with the Regulatory team, if an adjustment is found to be an error caused by Simply Energy, the customer is notified via written document. If an adjustment is in relation to a customer dispute, it follows the dispute process and customer is notified upon the dispute resolution by Simply Energy. Through inspection of documented rules in Panviva, for an adjustment, Simply Energy withdraws and re-issues the bill to the customer. The adjustment amount (undercharge) is listed as a separate line item within the reissued bill. A bill is not reissued if past 12 months. Simply Energy		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		the procedure specified in clauses 4.19(1)(a)-(d).		<p>does not charge customer any late payment fee.</p> <p>If a residential customer has indicated payment difficulty or financial hardship, the customer will be assessed for financial hardship assistance in line with Simply Energy's hardship policy. If accepted onto the hardship/bill assist program, a payment instalment plan will be implemented.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
177	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(2) and 4.19(6)	If after the meter reading a retailer becomes aware of an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the adjustment and, subject to clauses 4.19(5) and 4.19(7), ask the customer for instructions as to whether the amount should be • credited to the customer's account; • repaid to the customer; or • included as a part of the new bill	5	<p>Per enquiries with the Regulatory team, if after a meter reading Simply Energy become aware of an amount owing to the customer, the bill will be withdrawn and reissued based on the results of the meter reading. We note that this may occur where a bill was based off estimated consumption and an actual meter reading was subsequently taken. Per inspection of documented rules around bill withdrawals in Parviva, it was noted that if the customer service agent is not speaking to the customer about the bill withdrawal, then a letter is required to be issued. Further if there is an overcharge of \$50 or greater, a letter is also required to be sent which will advise that the overcharged amount can be refunded.</p> <p>Management advised that Simply Energy do not have bill smoothing arrangements and does not accrue interest on any credit or refund amounts.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		smoothing arrangement if the adjustment arises under clauses 4.3(2)(a)-(b). No interest shall accrue to a credit or refund referred to in this clause					
178	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(3)	If a retailer received instructions under clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions	5	<p>Per discussions with the Senior Regulatory Analyst, it was noted that Simply Energy will process a refund for an amount owing to a customer due to an adjustment made to a bill within 10 business days. Customer Service agents are able to raise a request for a refund within the CStar system when instructed by a customer. The request for the refund will be reviewed by a team leader or manager and the refund will subsequently be processed together with other refunds by the finance team generally within 3 business days.</p> <p>Where the customer has requested for the amount owed to be credited to their account, it was noted that Simply Energy have a practice of re-issuing the bill based on actual results of the meter reading and will withdraw the previously estimated bill.</p> <p>Inspection of the Panviva system checked that Simply Energy have a documented process for managing refund processing. We performed a walkthrough of the process and note that it is in line with the obligation requirements.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
179	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(4)	If a retailer does not receive instructions under clause 4.19(2) within 5 business days of making the request, the retailer must use	4	Through discussions with the Regulatory team, it was noted that in an event of an overcharge adjustment, Simply Energy automatically sets off the overcharged amount to customer's debt if applicable. Any remaining overcharged amount is automatically credited to customer's account. For overcharged amounts greater than \$50, Simply Energy also would issue a letter to customer to offer a refund.		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		reasonable endeavours to credit the amount of the adjustment to the customer's account.		Based on enquiries, we can conclude that Simply Energy were compliant with the obligation during the reporting period.			
180	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(5)	If the adjustment amount owing to the customer is less than \$100, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and <ul style="list-style-type: none"> <li>ask the customer for instructions under clause 4.19(2); or</li> <li>credit the amount to the customer's next bill.</li> </ul>	4	Through discussions with the Regulatory team and inspection of the rules documented in Panviva, it was noted that in an event of overcharge, Simply Energy withdraws and re-issues the bill to the customer immediately. In addition, Simply Energy automatically sets off the overcharged amount to customer's debt if applicable. Any remaining overcharged amount is automatically credited to customer's account and can be used to set off customer's next bill. Per inspection of documented rules in Panviva, for overcharged amounts over \$50, Simply Energy issue a letter to customer to offer a refund.  Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the reporting period.		N/P	1
180A	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(7)	If the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial	4	Through discussions with the Regulatory team, it was noted that in an event of overcharge, Simply Energy withdraws and re-issues the bill to the customer immediately. In addition, Simply Energy automatically sets off the overcharged amount to customer's debt if applicable. Any remaining overcharged amount is automatically credited to customer's account and can be used to set off customer's next bill. This is notified to customer via the next bill. Per inspection of documented rules in Panviva, for overcharged amounts over \$50, Simply Energy issue a letter to customer to offer a refund.  Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the reporting period.		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		hardship, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.19(2); or 4.19(5) where the amount is less than \$100.					
181	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.1	The due date on the bill must be at least 12 business days from the date of that bill, unless otherwise agreed with the customer. The date of the dispatch is the date of the bill, unless the retailer specifies a later date.	4	<p>Through observation of the system configurations and enquiries with the Regulatory and Pricing team, we note that the HubPlus system is automatically set up to provide due dates on bills which are 12 business days from the date of issue of the bill. We performed a walkthrough of the system and inspected a sample bill to check that the due date was 12 business days from the date of the bill, taking into account a public holiday that occurred during the period. We have sighted the system configuration to observe the settings were consistent with the requirement of the obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
182	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.2	Unless otherwise agreed with a customer, a retailer must offer the customer at least	4	Per enquiries with the Regulatory team and inspection of a sample of bills and Simply Energy's website, we noted Simply Energy does offer customers with the minimum payment methods outlined in the Gas Compendium during the audit period. Simply Energy has merchant agreements with BPay, PayPal, Australia Post to ensure that it offers		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		<p>the following payment methods:</p> <ul style="list-style-type: none"> <li>• in person at 1 or more payment outlets located within the Local Government District of the customer's supply address;</li> <li>• by mail;</li> <li>• for residential customers, by Centrepay;</li> <li>• electronically by means of BPay or credit card; and</li> <li>• by telephone by means of credit card or debit card.</li> </ul>		<p>customers with the required payment methods.</p> <p>We note that all mandatory payment options are displayed on the following per our examination:</p> <ul style="list-style-type: none"> <li>- Welcome pack sent to a new customer</li> <li>- Gas bills</li> <li>- Hardship policy</li> </ul> <p>Furthermore, we also noted that call centre representatives are trained to provide customers with all payment options. As part of our audit procedures, we also reviewed the training material and the attendance records to assess the effectiveness of the training program.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>			
183	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.3	Prior to a direct debit facility commencing, a retailer must obtain the customer's verifiable consent and agree with the customer the date of commencement of the direct debit facility and the frequency of the direct debits	4	<p>Through discussions with the Regulatory and Pricing team, we note that Simply Energy will obtain a customer's verifiable consent prior to the commencement of a direct debit facility. Further, the frequency of the direct debit and commencement date will be agreed upon with the customer.</p> <p>From inspection of documented processes in Panviva, we checked that customer service agents are required to read a mandatory script which outlines the commencement date and frequency of the direct debit, which the customer is specifically asked if they agree to. Further, customers are provided with a direct debit request form upon signing onto a gas contract with Simply Energy which also specifies the requirements mentioned above. Simply Energy also has a Quality Assurance process to monitor whether or not the agents follow the required script.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
184	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.4	A retailer must accept payment in advance from a customer on request. The minimum amount a retailer will accept an advance payment is \$20, unless otherwise agreed with a customer.	4	<p>Through enquiries with the Regulations team, we note that Simply Energy does not prevent a customer from making payments in advance. Customers are provided with a bill which contains information on how customers can pay their bill. Simply Energy will accept any payment made by customers and payments will be applied against their gas account including any additional amount made by the customer. Customers are able to make payments to their account using the payment methods available and any payments will be applied to the customer's account.</p> <p>Based on enquiries, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
185	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.5	If a customer is unable to pay by way of the methods described in clause 5.2, due to illness or absence, a retailer must offer a residential customer a redirection of the customer's bill to a third person, at no charge.	4	<p>Through enquiries with the Regulatory team, we note that customer service representatives will offer a customer with the option to redirect a bill to a third person where the customer is unable to pay by the methods available due to illness or absence. We noted that customer service agents are able to update a customer's postal address to redirect the bill to a third person. From inspection of documented processes in Panviva, Simply Energy also have a documented process to update a customer's postal address when needed.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
190	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.7(1)	A retailer must not require a customer who has vacated a supply address, and who has given the retailer notice, to pay for gas consumed at the customer's supply address in the circumstances	4	<p>Through discussions with the Regulatory team, we note that when customers provide Simply Energy with notice that the supply address will be vacated, the customer service agent will raise a service order for a final read to be taken at the property by the distributor. Once the final read is received within 2-3 business days, a final bill will be issued and the account connected to the supply address will be closed. We note that an extra two days of charges may be applied to the account for the period taken for the final read and bill to be organised. Once the account is closed within HubPlus, we note that Simply Energy are not able to bill the account. We performed a walkthrough of the process and noted in the system that for customers with accounts closed, no</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		specified in clause 5.7(1), unless the retailer and the customer have agreed to an alternative date.		<p>bills can be issued by Simply Energy as the system is configured to ensure compliance with this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>			
191	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.7(2)	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require a customer to pay for gas consumed at the customer's supply address from the date the customer gave the retailer notice.	4	<p>Through enquiries with the Regulatory team, we note that where a customer has demonstrated that they were evicted or otherwise had to vacate the supply address, Simply Energy will commence the final billing process by raising a service order for a final read to be taken at the supply address. We note that this may take 2-3 business days and that once the results of the read are received, the results will be prorated based on when the customer left the property. Once the account is closed within HubPlus, we note that Simply Energy are not able to bill the account. We performed a walkthrough of the process and noted in the system that for customers with accounts closed, no bills can be issued by Simply Energy as the system is configured to ensure compliance with this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
192	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.7(3)	Notice is given if a customer informs a retailer of the date on which the customer intends to vacate, or has vacated the supply address, and gives the retailer a forwarding address to which a final bill may be sent.	4	<p>Through enquiries with the Regulatory team and a walkthrough of the process, we note that Simply Energy consider notice to be provided when the customer informs Simply Energy of the date they intend to vacate the supply address. The customer service representative will commence the final billing process which involves raising a service order for a final read to be taken and checking the forwarding address to which the final bill is to be sent.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
193	Trading Licence cl 2.1 and Sch 2	Notwithstanding clauses 5.7(1) and	4	Through enquiries with the Regulatory team, we note that Simply Energy will not bill a previous customer for gas consumed at the supply		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
	Compendium cl 5.7(4)	5.7(2), a retailer must not require a customer to pay for gas consumed at the customer's supply address in the circumstances specified in clauses 5.7(4)(a)-(c). In accordance with clause 5.7(5), notwithstanding clauses 5.7(1), 5.7(2) and 5.7(4), a retailer's right to payment does not terminate with regard to any payment that was due up until the termination of the contract.		<p>address from the date a new contract is effective. When the previous customer vacated the property, the account linked to the supply address is closed following Simply Energy's final billing process. From this point, the customer can no longer be billed for the supply address. Through a process walkthrough we observed that system controls exist within HubPlus that prevent a supply address from being linked to multiple active accounts, which prevents double billing for a supply address. Similarly, where a customer has transferred to another retailer who becomes responsible for the supply of gas to the supply address, Simply Energy will follow the final billing process and close the account so that no further billing can occur. We note that Simply Energy have a process for issuing a final bill which ensures that Simply Energy do not charge customers for the supply of gas in the circumstances outlined in clause 5.7(4) (a) and (b). This involves a final read of the supply address being organised after which a final bill is issued and the account under the customer's name is subsequently closed, after which the customer cannot be billed.</p> <p>Where the supply address has been disconnected, Simply Energy will not charge customers for the disconnection period as gas consumption would not be recorded. We checked that Simply Energy's process over final billing for a customer who vacates a property or transfers to another retailer, is located within Panviva. Further, we assessed that debt recovery for gas consumed up until the contract was terminated can take place even once the amount has been closed and Simply Energy will engage in debt recovery action for amounts due up until the termination of the contract.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>			
195	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.8(1)	A retailer must not commence proceedings for recovery of a debt from a residential customer who has informed a retailer	3	Through enquiries with the Senior Regulatory Analyst and Collections Manager, we noted that Simply Energy will not commence proceedings for recovery of a customer's debt, where the customer is experiencing financial hardship and is on an alternative payment plan under Simply Energy's Bill Assist Program. We note that this is stated within Simply Energy's hardship policy and is also communicated in the Welcome letter which is sent to customers who have been accepted		A	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		that the customer is experiencing payment difficulties or financial hardship; or while a residential customer continues to make payments under an alternative payment arrangement.		<p>under the Bill Assist Program. Proceedings for debt recovery will only commence when the customer has failed to make payments under the Bill Assist Program and where Simply Energy have been unsuccessful in making contact with the customer despite their best endeavours, which includes missed payment SMS, no contact letters and telephone calls.</p> <p>We note that a bill assist flag is entered into HubPlus when a customer has been referred to hardship and subsequently prevents the account from entering into collections activity, including disconnections. Any instances of debt recovery actions including disconnections will also be recorded within the events log of the customer's account within HubPlus. We therefore inspected the system notes and obtained evidence of the bill assist flag on the system for a sample of customers experiencing financial hardship who were under an alternative payment plan and checked that there were no instances of debt recoveries that was initiated while the customer was under a financial hardship alternative payment plan.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>			
196	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.8(2)	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of gas to that supply address.	4	<p>Based on enquiries with the Regulatory and Pricing team, we note that Simply Energy only recover debt from the customer who signed onto the contract for the supply of gas. When a contract has been established for the supply of gas to a supply address, an account is created in HubPlus under the customer's name. Hence, the system will automatically recover debt from the account holders and will therefore not permit a debt amount to be recovered from a person other than the customer/account holder. We note that compliance with this obligation when the customer is first set up with an account in the HubPlus system upon signing onto a contract for the supply of gas. All debt recovery activity will be directed to the customer whose account the supply of gas relates to.</p> <p>Hence, all notices, bills and phone calls will be addressed and directed</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>to the customer who signed the contract. We have inspected bills, notices and notes of customer conversations recorded within Hub for a gas customer and note that they were all directed to the account holder.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>			
196A	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.9	If a customer with a debt owing to a retailer requests the retailer to transfer the debt to another customer, the retailer must obtain the other customer's verifiable consent to the transfer of debt.	4	<p>Through enquiries with the Regulatory team, we note that Simply Energy do not facilitate transfers of debt between customers.</p> <p>Therefore, the obligation was not performed and cannot be rated for compliance.</p>		N/P	N/R
198	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(1)	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within 5 business days from when the residential customer informs the retailer about the payment problems. If the retailer cannot make the	3	<p>Our inquiries of the Regulatory and Compliance team noted that the contact centre, emails and web chat are the key methods used by Simply Energy staff to communicate with residential customers about payment problems. Through examination of the hardship policy we noted Simply Energy has a process in place to assess hardship requirements of customers within the mentioned period as per Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(1) and provide assistance to customers who are assessed as experiencing payment difficulties.</p> <p>Debt management staff are trained to determine the need for an assessment where a customer has advised of payment difficulties, and refer the customer to the hardship team for an assessment to be completed. Where customers cannot be immediately referred to a hardship agent for assessment, a call back will be scheduled and the customer will be contacted within 24-48 hours for an assessment to be completed. Simply Energy use a Customer database ("HubPlus") that also records and displays the status of pending hardship cases.</p>	<p><b>Recommendation 07/2020:</b> Simply Energy should enhance its process documentation to clearly define timelines of follow up activities where customer communication is not established. Further, Simply Energy should define specific timeframes and contact attempts after which a customer is removed from the hardship program to ensure audit</p>	B	3

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		assessment within 5 business days, it must refer the customer to a relevant consumer representative to make the assessment.		<p>Customers referred to the hardship team as a result of payment difficulties are able to be identified in the events log of HubPlus.</p> <p>Through our sample testing of the event logs within HubPlus we identified that 4 assessments were not completed within 5 business days of the referral.</p> <p>In each instance Simply Energy attempted to make initial contact with these customers within 24 to 48 hours of the customer's initial contact with the debt management team with no success. In each instance we sighted evidence that Simply Energy followed internal processes for making contact with these customers, which also included 'no contact letters' being sent. Hence, delays in providing an assessment was due to unsuccessful communication with the customer. While we note that there are specific processes agents are required to follow, the timeframes for follow up activities were not documented in the internal processes.</p> <p>Further, according to management, it is assumed that if a customer does not respond to successive contact attempts, agents are trained to remove the customer from the Hardship program and hence requirements for this obligation would no longer be applicable.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed and Simply Energy was not compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>	trail for future compliance.		
198A	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(2)	If a residential customer provides the retailer with an assessment from a relevant consumer representative, the retailer may adopt that assessment as its own assessment	3	Through enquiry with the Collections Manager, we note that Simply Energy may adopt the assessment of a consumer representative for a customer experiencing financial hardship as per their Hardship Procedure. We have sighted the hardship procedure and noted that it provides Simply Energy the option to adopt the assessment of a representative. However, Simply Energy is not able to track customers for which a consumer representative's hardship assessment is adopted on the HubPlus system and hence we were unable to test compliance with the obligation through assessing a sample.	<b>Recommendation 08/2020:</b> Simply Energy should implement controls to monitor its own compliance with obligation requirements and support an audit trail for future compliance	C	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		for the purposes of clause 6.1(1)(a).		<p>Our enquiries identified that under normal circumstances, it is Simply Energy's customer service representatives who perform an assessment for financial hardship and there is no documented policy around managing hardship customer accounts which are represented by consumer representatives. Hence, Simply Energy were not able to provide the necessary information to test compliance with this obligation.</p> <p>While management checked that there are no limitations to the use of assessments by consumer representatives and thus Simply Energy would be compliant with the obligation, we were unable to test the control environment or compliance.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were inadequate controls with significant improvement needed. We were unable to test the compliance due to lack of evidence. In line with Audit and Review guidelines, auditors should only rate a licence obligation non-compliant if there is supporting evidence. As a result, at request of ERA, we have rated the obligation as compliant and assessed the adequacy of the controls for the obligation.</p>	<p>review activities. For example, management can explore implementing a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.</p> <p>Further, internal procedures should be developed and documented to ensure that customers experiencing financial hardship who are represented by consumer representatives are managed in a consistent manner.</p>		
199	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(3)	When undertaking an assessment regarding payment difficulties or financial hardship, the retailer must, unless the retailer adopts an assessment from a relevant consumer representative, give reasonable consideration to the information given by the residential	3	Through enquiries with the Senior Regulatory Analyst and Collections Manager, we note that Simply Energy have procedures in place to assist in giving reasonable consideration to information provided by or requested from residential customers when undertaking a financial hardship assessment. Debt management and hardship officers are trained at induction on how to assess a customer's situation based on the information that has been requested or provided by the customer. We note that Simply Energy will usually accept an assessment from a relevant consumer representative which will be recorded in the events log of HubPlus, however this is not flagged within HubPlus. Hence, we could not readily identify customers which had a relevant consumer representative perform a financial hardship assessment. However, we understand that assessments will be conducted by Simply Energy in normal course of business.		A	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		customer and requested or held by the retailer; or advice given by a relevant consumer representative.		<p>We have inspected hardship policies and procedures and note that guidance is given on how debt management and hardship officers are to assess customers experiencing financial hardship, including the types of information that can be requested from customers. Reasonable consideration will be given to this information which thereby informs the outcome of the assessment. We note that the information collected from the customer which informs the outcome of the assessment will be recorded in the events log of the customer's account in HubPlus.</p> <p>We performed sample testing of residential customers through which we observed that a financial hardship assessment was documented in the events log in HubPlus, and thus that reasonable consideration was given to the information given to, requested and held by Simply Energy.</p> <p>Further, we note that Simply Energy performs quality assessments of a number of the calls of debt management and hardship officers to check that the calls meet a specified criteria. We inspected a sample of quality assessments and note that a consistent pro forma is used and all debt management and hardship officers are specifically assessed on whether they reasonably considered the customer's circumstances in undertaking an assessment for financial hardship. The results of quality assessments will also inform the need for refresher training if specific areas of non-compliance have been identified.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>			
200	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(4)	A retailer must advise a residential customer on request of the details of an assessment.	3	Through enquiries with the Senior Regulatory Analyst and Collections Manager, we note that hardship agents are trained to conduct assessments for financial hardship assistance and provide details and the outcome of the assessment over the phone. We have inspected procedures which agents refer to for the purposes of completing an assessment for financial hardship and note that agents are provided with appropriate scripts to read which advise customers of minimum payments amounts and whether the customer can be accepted onto		A	1



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>the hardship program based on the amounts offered under a payment plan.</p> <p>We understand that the relevant details of an assessment as well as the outcome of the hardship assessment are recorded within the events log of a customer's account in HubPlus, and furthermore, that customers are provided with a welcome letter and payment plan activation letter upon being accepted onto the hardship program. Upon inspection of the HubPlus system notes and Bill Assist payment plan activation letter for a sample of customers who had a hardship assessment completed, we checked that the details and outcome of the assessment were appropriately recorded within HubPlus and provided through a payment plan activation letter.</p> <p>Simply Energy also perform quality assessments through which agents are assessed on whether they read critical verbatim scripts and answered questions raised by customers. We inspected a sample of quality assessments and note that a consistent pro forma is used and all debt management and hardship officers are specifically assessed on whether they reasonably considered the customer's circumstances in undertaking an assessment for financial hardship. The results of quality assessments will also inform the need for refresher training if specific areas of non-compliance have been identified.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>			
200A	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(1)	If a retailer refers a residential customer to a relevant consumer representative under clause 6.1(1)(b), the retailer must grant the residential customer a	3	Per enquiries with the Collections Manager, we noted that Simply Energy does refer residential customers experiencing financial hardship to consumer representatives if the situation warrants it. Simply Energy subsequently grant a temporary suspension of actions, to allow for the residential customer to liaise with their consumer representation of completing a financial hardship assessment. However, the HubPlus system does not readily flag customers who have been granted a temporary suspension due to being referred to a consumer representative. Simply Energy is therefore unable to track customers who have been referred to a consumer representative and therefore	<p><b>Recommendation 08/2020:</b></p> <p>Simply Energy should implement controls to monitor its own compliance with obligation requirements and support an audit trail for future compliance review activities. For</p>	C	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		temporary suspension of actions.		<p>are not able to track whether temporary suspensions of actions were applied. Further, Simply Energy do not have a formally documented process in place for managing customers who are referred to a consumer representative. Hence, Simply Energy was unable to provide the necessary information to assess compliance with this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were inadequate controls with significant improvement needed. We were unable to test the compliance due to lack of evidence. In line with Audit and Review guidelines, auditors should only rate a licence obligation non-compliant if there is supporting evidence. As a result, at request of ERA, we have rated the obligation as compliant and assessed the adequacy of the controls for the obligation.</p>	<p>example, management can explore implementing a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.</p> <p>Further, internal procedures should be developed and documented to ensure that customers experiencing financial hardship who are represented by consumer representatives are managed in a consistent manner.</p>		
201	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(2)	If a residential customer informs a retailer that the customer is experiencing payment problems, the retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions, if the customer demonstrates to the retailer that the customer has an	3	<p>Through discussions with the Senior Regulatory Analyst and Collections Manager, we noted that Simply Energy generally does not deny a request for a temporary suspension of actions where a residential customer has an appointment with a relevant consumer representative to assess their capacity to pay. Requests for a temporary suspension of actions are assessed by debt management agents on a case-by-case basis and is actioned by organising a call back to the customer after one or two weeks, to allow time for a consumer representative to make an assessment. As such we note that there is no documented process that outlines how to manage requests for a temporary suspension of actions. Temporary suspensions may be in place for a maximum of one month, subject to manager approval.</p> <p>However, the HubPlus system does not readily flag customers who have been granted a temporary suspension due to a residential customer needing time for a consumer representative to make an assessment. Simply Energy is therefore unable to track accounts which</p>	<p><b>Recommendation 08/2020:</b> Simply Energy should implement controls to monitor its own compliance with obligation requirements and support an audit trail for future compliance review activities. For example, management can explore implementing a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.</p>	C	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		appointment with a relevant consumer representative to assess the customer's capacity to pay.		<p>are pending a consumer representative's assessment, and therefore are not able to track whether requests for temporary suspensions of actions were approved. Further, Simply Energy do not have a formally documented process in place for managing customers who are experiencing payment difficulties and are seeing a relevant consumer representative. Simply Energy was therefore unable to provide the necessary information to assess compliance with this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were inadequate controls with significant improvement needed and this obligation cannot be rated for compliance due to lack of evidence.</p>	Further, internal procedures should be developed and documented to ensure that customers experiencing financial hardship who are represented by consumer representatives are managed in a consistent manner.		
202	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(3)	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	3	<p>Through discussions with the Collections Manager we determined that Simply Energy do not have a formally documented process for actioning temporary suspensions to prevent debt recovery and disconnections. As such, the period of time for which a temporary suspension is active can vary between one week and one month (with manager approval) depending on the individual customer's circumstances, and therefore may not always adhere to the minimum 15 business day requirement under the obligation.</p> <p>Simply Energy is unable to identify the customers that have a temporary suspension actions on their account as the system does not flag these accounts. Hence, Simply Energy were unable to provide the necessary information to assess compliance with this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were inadequate controls with significant improvement needed and this obligation cannot be rated for compliance due to lack of evidence.</p>	<p><b>Recommendation 08/2020:</b></p> <p>Simply Energy should implement controls to monitor its own compliance with obligation requirements and support an audit trail for future compliance review activities. For example, management can explore implementing a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.</p> <p>Further, internal procedures should be developed and documented to ensure that customers experiencing financial</p>	C	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
					hardship who are represented by consumer representatives are managed in a consistent manner.		
203	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(4)	If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, a retailer must give reasonable consideration to the request.	3	<p>Through discussions with the Collections Manager, we note that Simply Energy customer representatives complete assessments within 24 to 48 hours and consumer representatives are therefore not often used to complete assessments. However, customer representatives are trained to give reasonable consideration to requests for additional time for consumer representatives to complete assessments when requested.</p> <p>We note that there is no formally documented policy around dealing with customer accounts that are managed by a consumer representative. Rather, it is determined on a case-by-case basis and the circumstances will be noted by customer representatives in the event logs on the HubPlus system. However, Simply Energy are unable to identify customers who had requested additional time for their relevant consumer representative to complete the assessment as the HubPlus system does not flag such customer accounts.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were inadequate controls with significant improvement needed. We were unable to test the compliance due to lack of evidence. In line with Audit and Review guidelines, auditors should only rate a licence obligation non-compliant if there is supporting evidence. As a result, at request of ERA, we have rated the obligation as compliant and assessed the adequacy of the controls for the obligation.</p>	<p><b>Recommendation 08/2020:</b> Simply Energy should implement controls to monitor its own compliance with obligation requirements and support an audit trail for future compliance review activities. For example, management can explore implementing a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.</p> <p>Further, internal procedures should be developed and documented to ensure that customers experiencing financial hardship who are represented by consumer representatives are managed in a consistent manner.</p>	C	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
204	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.3(1)	<p>If the assessment carried out under clause 6.1 indicates to the retailer that the residential customer is experiencing payment difficulties or financial hardship, the retailer must follow the procedure specified in clause 6.3(1).</p> <p>In accordance with clause 6.3(2), clause 6.3(1) does not apply if a retailer is unable to make an assessment under clause 6.1 as a result of an act or omission by a residential customer.</p>	3	<p>Through discussions with the Senior Regulatory Analyst and Collections Manager, we noted that Simply Energy offer and provide customers who have been assessed as experiencing payment difficulties and financial hardship with payment arrangements in the form of a fixed instalment plan. Debt management agents will generally be the first point of contact for a customer experiencing payment difficulties and will thereby make an assessment of a customer's capacity to pay where the customer has indicated that they have payment problems. Customers will then be referred to the Bill Assist team perform an assessment for financial hardship assistance and a fixed instalment plan is offered. Agents are specifically trained to identify indicators of financial hardship and provide instalment plans that are suited to the customer's circumstances. We have assessed the training material to check that it covers relevant topics.</p> <p>Further, Quality assessments are performed whereby calls made by agents are marked against a specific criteria, which includes ensuring that customers are provided with an affordable payment arrangement taking into account the customer's circumstances. We inspected a sample of quality assessments and note that a consistent pro forma is used and all debt management and hardship officers are specifically assessed on whether they reasonably considered the customer's circumstances in undertaking an assessment for financial hardship. The results of quality assessments will also inform the need for refresher training if specific areas of non-compliance have been identified.</p> <p>Further, Simply Energy's hardship policy and hardship procedures provide guidance on providing customers with instalment plans and indicate that Bill Assist customers are not charged late fees.</p> <p>We inspected the events log within HubPlus for a sample of customers who had experienced financial hardship as assessed whether an instalment plan was offered and provided to these customers in accordance with clause 6.3(1). As part of our testing, we also sighted the activation letters which are sent out to customers upon entering a fixed instalment plan. We note that the letter provides information on additional assistance that Simply Energy if customers are unable to</p>		A	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>make payments under the fixed instalment plan, including the hardship program.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>			
205	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.4(1)	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the payment arrangements that are specified in clauses 6.4(1)(a) and (b).	3	<p>Through enquiries with the Senior Regulatory Analyst and Collections Manager, we determined that Simply Energy offer and provide customers who have been assessed as experiencing payment difficulties and financial hardship with payment arrangements in the form of a fixed instalment plan. Debt management agents will generally be the first point of contact for a customer experiencing payment difficulties and will thereby make an assessment of a customer's capacity to pay where the customer has indicated that they have payment problems. Customers will then be referred to the Bill Assist team performing an assessment for financial hardship assistance and a fixed instalment plan is offered. Agents are specifically trained to identify indicators of financial hardship and provide instalment plans that are suited to the customer's circumstances. Simply Energy meets its obligation to provide customers with additional time to pay bills by providing tailored instalment plans to customers experiencing financial difficulties.</p> <p>Further, Quality assessments are performed whereby calls made by agents are marked against a specific criteria, which includes ensuring that customers are provided with an affordable payment arrangement taking into account the customer's circumstances. We inspected a sample of quality assessments and note that a consistent pro forma is used and all debt management and hardship officers are specifically assessed on whether they reasonably considered the customer's circumstances in undertaking an assessment for financial hardship. The results of quality assessments will also inform the need for refresher training if specific areas of non-compliance have been identified.</p> <p>We inspected the events log within HubPlus for a sample of customers who had experienced financial hardship as assessed whether an</p>		A	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>instalment plan was offered and provided to these customers in accordance with clause 6.4(1)(a) and (b). As part of our testing, we also sighted the activation letters which are sent out to customers upon entering a fixed instalment plan to check that an instalment plan was offered. The testing identified no instances of non compliance during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>			
206	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.4(2)	When offering or amending an instalment plan to a residential customer a retailer must ensure that the instalment plan is fair and reasonable taking into account the customer's capacity to pay and consumption history, and comply with clause 6.4(3).	3	<p>Through discussions with the Senior Regulatory Analyst and Collections Manager, we checked that prior to checking or amending an instalment plan for a residential customer, Simply Energy would determine whether the plan is fair and reasonable, taking in account the customer's capacity to pay and their consumption history.</p> <p>Debt management and hardship agents are specifically trained to enquire about a customer's capacity to pay and consider their consumption history when providing a suitable instalment plan for the residential customer. Simply Energy have developed a hardship policy and procedure as well as other internal process documents for its agents to refer to, which all provide guidance on taking into account a customer's capacity to pay and usage when offering or amending a payment plan.</p> <p>Simply Energy also perform quality assessments of agents' calls on a weekly basis. Calls are marked against a specific criteria which includes whether the agent enquired about the customer's capacity to pay and reviewed the consumption history as part of providing an instalment plan. We inspected a sample of quality assessments and note that a consistent pro forma is used and all debt management and hardship officers are specifically assessed on whether they reasonably considered the customer's circumstances in undertaking an assessment for financial hardship. The results of quality assessments will also inform the need for refresher training if specific areas of non-compliance have been identified.</p>		A	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>Further, we inspected the event logs in HubPlus for a sample of customers and checked that Simply Energy had taken into account the customer's capacity to pay and consumption history before agreeing to an instalment plan that is fair and reasonable for the residential customer.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>			
206A	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.4(3)	If the residential customer accepts an instalment plan offered by the retailer, the retailer must provide the information specified in clauses 6.4(3)(a)(i)-(iii) within 5 business days of the customer accepting the plan and notify the customer of any amendments to the instalment plan at least 5 business days before they come into effect (unless agreed otherwise with the customer) and provide the customer with information	3	<p>Through discussions with the Senior Regulatory Analyst and the Collections Manager, we noted that Simply Energy have a standardised activation letter which is provided to residential customers who have accepted an instalment plan offered by Simply Energy, as part of the Bill Assist hardship program. We note that the letter will be generated upon a payment plan being entered into HubPlus by a hardship agent, and is then mailed out the customers within five business days. We also determined that when a customer accepts an instalment plan offered by the hardship agent, this will entered into HubPlus and thus, the date of acceptance is recorded in the system.</p> <p>Upon examination of the activation letter, we checked that the letter provides customers with the following information as specified in clause 6.4(3)(a) (i) to (iii):</p> <ul style="list-style-type: none"> <li>- the terms of the instalment plan (including the number and amount of payments, the duration of payments and how the payments are calculated);</li> <li>- the consequences of not adhering to the payment plan; and</li> <li>- the importance of contacting Simply Energy for further assistance if the residential customer cannot meet or continue to meet the instalment plan terms.</li> </ul> <p>Further, we note that Simply Energy will also notify customers of any amendments to the instalment plan at least 5 business days before they come into effect. Amendments may be made to instalment plans where the customer has not complied with the terms of the instalment</p>		A	1



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		explaining the changes.		<p>plan (non-payment). From examining documented internal procedures, we note that where a customer fails to make payments under their instalment plan, Simply Energy will issue three letters to the customer at intervals of 6 business days as well as make phone calls to set up a new plan, prior to cancelling the existing instalment plan.</p> <p>We performed sample testing of customers who had accepted an instalment plan under the hardship program had been provided with the activation letter outlined above within five business days of accepting the instalment plan.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>			
208	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.6(1)	A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative, for a reduction of the customer's fees, charges, or debt.	3	<p>Through discussions with the Senior Regulatory Analyst and Collections Manager, we note that Simply Energy do not charge late fees and paper bill charges to customers experiencing financial hardship as part of the Bill Assist Program. Furthermore, per the Hardship procedure, Simply Energy may waive reconnection fees where a customer is being referred to the hardship program as a direct result of disconnection due to non-payment.</p> <p>Furthermore, we note that Simply Energy do not provide debt reductions to customers, except for Pay on time discounts. Customers who are on market contracts that contain the Pay on Time discount may receive the discount if they qualify, while actively participating on the Hardship program, irrespective of whether or not they pay in full on time.</p> <p>Where a customer does not qualify for a Pay on Time discount and has requested for a debt reduction, they will be referred to the Bill Assist team for a hardship assessment. We note that Bill Assist agents are trained to provide reasonable consideration to the information provided by customers about their financial situation in order to provide the customer with an affordable payment arrangement which is aimed at</p>	<p><b>Recommendation 08/2020:</b> Simply Energy should implement controls to monitor its own compliance with obligation requirements and support an audit trail for future compliance review activities. For example, management can explore implementing a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.</p> <p>Further, internal procedures should be developed and</p>	C	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>reducing the immediate amount payable by the customer.</p> <p>However, through our enquiries we note that the HubPlus system is not able to identify customers which have had reductions in charges and debts applied to their account, including the application of the Pay on Time discounts. As such, we are unable to assess whether reasonable consideration was given to requests for a reduction in fees, charges or debt. According to management, Simply Energy provides reasonable consideration as required by the obligation however we have been unable to test the compliance.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with minor improvements needed. We were unable to test the compliance due to lack of evidence. In line with Audit and Review guidelines, auditors should only rate a licence obligation non-compliant if there is supporting evidence. As a result, at request of ERA, we have rated the obligation as compliant and assessed the adequacy of the controls for the obligation.</p>	documented to ensure that customers experiencing financial hardship who are represented by consumer representatives are managed in a consistent manner.		
209	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.6(2)	In giving reasonable consideration under clause 6.6(1), a retailer should refer to the hardship procedures referred to in clause 6.10(3).	3	<p>From examination of documentation and discussions with the Senior Regulatory Analyst and Collections Manager, we determined that Simply Energy have in accordance with the Gas Compendium, developed a hardship procedure. We note that Simply Energy do not charge customers on its hardship program with late payment fees and paper bill charges. Further, collections agents have the authority to waive reconnections fees if requested, where the customer has been referred to the hardship program as a direct result of disconnection due to non-payment.</p> <p>We note that Simply Energy do not offer a reduction of debt, except for a Pay on Time discount, which hardship customers who are on markets contracts may have applied to their debt, regardless of whether or not they pay in full on time. Where a customer does not qualify for the discount and has requested for a reduction of debt, they will be referred to the bill assist team for a hardship assessment. We note that hardship agents are trained to refer to the hardship procedures when managing customers experiencing financial hardship. Agents have access to the Panviva system which acts a guide for agents to refer to</p>	<p><b>Recommendation 08/2020:</b> Simply Energy should implement controls to monitor its own compliance with obligation requirements and support an audit trail for future compliance review activities. For example, management can explore implementing a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.</p> <p>Further, internal</p>	C	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>for Simply Energy's policies, procedures and processes.</p> <p>We understand that a request for a reduction of fees, charges or debt would be noted in the events log within HubPlus, however, the system is unable to readily flag customer accounts which have had a debt reduction requested and applied, including the pay on time discount. As such Simply Energy were unable to verify whether agents referred to the hardship procedure when managing a request for a reduction of fees, charges or debts. According to management, Simply Energy provides reasonable consideration as required by the obligation however we have been unable to test the compliance.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with minor improvements needed. We were unable to test the compliance due to lack of evidence. In line with Audit and Review guidelines, auditors should only rate a licence obligation non-compliant if there is supporting evidence. As a result, at request of ERA, we have rated the obligation as compliant and assessed the adequacy of the controls for the obligation.</p>	<p>procedures should be developed and documented to ensure that customers experiencing financial hardship who are represented by consumer representatives are managed in a consistent manner.</p>		
210	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.7	If it is reasonably demonstrated to the retailer that the customer, experiencing financial hardship, is unable to meet the customer's obligations under the previously elected payment arrangement, a retailer must give reasonable consideration to offering the customer an instalment plan or	3	<p>Through enquiries with the Senior Regulatory Analyst and Collections Manager, we noted that if a customer experiencing financial hardship is unable to meet their obligations under the previously elected payment arrangement, Simply Energy will give reasonable consideration to offering the customer an instalment plan or offering to revise an existing instalment plan.</p> <p>We note from our discussions and from inspecting hardship procedures that:</p> <ul style="list-style-type: none"> <li>- Simply Energy regularly monitor payment plans of customers and will contact the customer if changes in the billing result in significant variances.</li> <li>- Customers on a payment plan are provided with a Welcome letter and Payment Plan Activation letter, both of which encourage the customer to contact Simply Energy if they are unable to meet the terms of the payment plan.</li> </ul> <p>We observed that Simply Energy will commonly offer an instalment</p>		A	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		offering to revise an existing instalment plan.		<p>plan or offer to revise an existing instalment plan where it has been demonstrated that a customer is experiencing financial hardship and is has failed to make the payments under the existing instalment plan. We note that Simply Energy will contact customers who have missed payments, or alternatively, the customer may contact Simply Energy to discuss the missing payments and subsequently to arrange to revise the existing instalment plan. Agents are trained to enquire about the reasons for non-payment and assess the customer's capacity to pay prior to offering a revised payment plan, thereby giving reasonable consideration. Simply Energy also perform weekly Quality Assessments of hardship agents' calls and we note that agents are specifically assessed on whether appropriate consideration was given when offering the customer an affordable payment arrangement.</p> <p>We have assessed the training content and the Quality Assessment process to check they specifically cover the requirements of the obligation.</p> <p>Evidence of reasonable consideration being given to offering an instalment plan or a revised instalment plan is noted within the events log of the customer's account within HubPlus. We performed sample testing of customers who were unable to meet their obligations under a previously elected payment arrangement checked that reasonable consideration was given in offering to revise an existing instalment plan.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>			
211	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.8	A retailer must advise a customer experiencing financial hardship of the options specified in clause 6.8.	3	<p>Through enquiries with the Regulatory and Collections Team, we note that Simply Energy will advise customers experiencing financial hardship of the following options as specified within the Gas Compendium where they are applicable and appropriate to the customers circumstances:</p> <ul style="list-style-type: none"> <li>• Customer's right to have the bill redirected at no charge to a third person;</li> </ul>	<p><b>Recommendation 11/2020:</b> Simply Energy should enhance the hardship process to ensure customers are advised of the right to redirect their</p>	B	2

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<ul style="list-style-type: none"> <li>• Payment methods available to the customer;</li> <li>• Concessions available to the customer and how to access them;</li> <li>• Different types of tariffs available to the customer;</li> <li>• Independent financial counselling services and relevant consumer representatives available to assist the customer; and</li> <li>• Availability of any other financial assistance and grants schemes that the retailer should reasonably be aware of and how to access them.</li> </ul> <p>However, through enquiries we noted that it is unlikely that a customer experiencing financial hardship will be informed of all six options. While Simply Energy is able to redirect the bill of a hardship customer to a third person, this may not be practical where a customer wishes to apply for a government grant, as having a customer's bill redirected to another address may not meet the eligibility criteria for the grant. This option is therefore not always provided to customers unless it is appropriate to the customer's circumstances and therefore varies on a case-by-case basis. There is also only one tariff available to residential customers, this being the residential tariff. Hence, the requirement for Simply Energy to advise customers experiencing financial hardship of the different types of tariffs available, may not be relevant to Simply Energy.</p> <p>Based on our testing, we note that Simply Energy have policies and controls in place to ensure that customers experiencing financial hardship are provided with information on payment methods, the availability of grants, concessions, independent financial counselling services and other general assistance. However, upon inspection of Simply Energy's hardship policy and procedures we note that customers experiencing financial hardship are not always advised of the right to redirect a bill to a third person. Further we note that information on redirecting bills is not disclosed on Welcome letters and Activation letters sent out to customers who have been accepted in Simply Energy's Bill Assist (Hardship) Program. We sampled a set of customers to assess whether that a welcome letter (which outlines the information noted above) was provided to the customer and noted no issues.</p>	<p>bill to a third party. This could be included as part of the Hardship assessment process to ensure the customer is aware of this option at the onset of the process.</p> <p>It is also recommended that the criteria used for quality assessments specifically include an assessment of whether the customer was advised of the option to have their bill redirected, in order to enable Simply Energy to monitor and assess compliance with the obligation.</p>		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>We note that Simply Energy perform weekly quality assessment reviews of hardship agents' calls whereby agents are assessed against a specific criteria, which includes whether the customer was provided with the best payment method for their situation and information on grants, concessions, financial counselling services and other general assistance available to the customer. This information is also noted within Simply Energy's hardship policy which agents are trained to comply with.</p> <p>Based on enquiries, examination of documentation and walkthroughs, it was concluded that there were inadequate controls with minor improvements needed, and Simply Energy was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>			
212	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.9(1)	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives.	3	<p>Through enquiries with the Senior Regulatory Analyst and Collections Manager we noted that Simply Energy do accept payments in advance for residential customers. However due to the nature of customers' financial situation when experiencing payment difficulties or financial hardship, it is unlikely that payments in advance would occur. If customers experiencing financial difficulties wish to make payment in advance, they could do so. We note that agents are trained to action instalment plans on a pay in advance basis. Where a customer is experiencing payment difficulties or financial hardship, debt management agents would refer the customer to the hardship team for an assessment. No minimum amount is required for payment in advance for customers experiencing financial difficulties as Simply Energy accepts any payment in advance amount.</p> <p>We understand that Simply Energy would perform the majority of the assessments for financial hardship and that consumer representatives are only used as a secondary source. Hence, we note that it is not usual business practice for Simply Energy to consult with consumer representatives. However, where Simply Energy have consulted with consumer representatives, agents will make note of this in the events log of the HubPlus.</p> <p>However, we note that HubPlus is unable to readily identify customers</p>	<p><b>Recommendation 08/2020:</b> Simply Energy should implement controls to monitor its own compliance with obligation requirements and support an audit trail for future compliance review activities. For example, management can explore implementing a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.</p> <p>Further, internal procedures should be developed and documented to ensure that customers</p>	C	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>experiencing payment difficulties or financial hardship who have made payments in advance and who have had consultations with consumer representatives.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with significant improvements needed. We have taken ERA's interpretation of the obligation that the fact Simply Energy does not set a minimum payment in advance indicates that Simply Energy has not set a different amount under clause 6.9. Therefore, we rated N/R for this obligation as no activity took place during the audit period.</p>	experiencing financial hardship who are represented by consumer representatives are managed in a consistent manner.		
214	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(1)	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer.	3	<p>Through enquiries with the Regulatory and Compliance team and examination of documents, we note that Simply Energy have developed a hardship policy and procedure to assist customers experiencing financial hardship. The hardship policy was last updated in November 2019 but became effective from 1 March 2020, which falls outside of the audit period. Hence, we have referred to the previous hardship policy updated in March 2018. Both the hardship policy and procedure were submitted to the ERA for review in May 2018 were effective from June 2018. The Hardship Policy was effective from June 2018 to 29 February 2020, therefore, applicable to the whole audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>		A	1
215	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(2)	A retailer must ensure that its hardship policy complies with the criteria specified in clause 6.10(2)	3	<p>Through enquiries with the Regulatory and Compliance team and examination of documentation we checked that Simply Energy have developed a hardship policy to assist customers experiencing financial hardship. The Policy was created in June 2018 before Simply Energy were registered with the Australian Energy Market Operation. The Hardship Policy is effective from June 2018 to 29 February 2020, therefore, applicable to the whole audit period.</p> <p>Simply Energy's Hardship Policy has been developed in consultation</p>		A	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>with relevant consumer representatives (community welfare groups, social services, and the Energy Ombudsman of Western Australia). The document is publicly available on their corporate website and available in large print copies upon request.</p> <p>Through our examination of the Hardship Policy (June 2018), we determined the policy includes statements referring to all the criteria specified within Clause 6.10(2) of the Gas Compendium effective 1 Jan 2017 including:</p> <ul style="list-style-type: none"> <li>- Encouraging customers to contact Simply Energy if they are having trouble paying a bill;</li> <li>- Advising customers that Simply Energy will treat all customers sensitively and respectfully;</li> <li>- Simply Energy may reduce or waive fees, charges and debt;</li> <li>- Providing a list of how Financial Hardship may be caused and financial hardship indicators;</li> <li>- Provided an overview of assistance available to the customer in financial hardship of payment difficulties;</li> <li>- Advising the customer of the right to pay via Centrepay;</li> <li>- Simply Energy can provide further details on request;</li> <li>- The Interpreter Services, including the National Interpreter Symbol, multi-lingual and TTY; and</li> <li>- Concessions available to the customer</li> </ul> <p>We also note the Gas Compendium was updated and effective 1 January 2020 in which we identified additional compliance requirements. We assessed Simply Energy's amended Hardship Policy in November 2019 (and effective 1 March 2020) and noted that it includes a statement specifying customer information will be treated as confidential and secured, complying with the updated requirement of Clause 6.10(2).</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>			



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
215A	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(3)	A retailer must ensure that its hardship procedures comply with the criteria specified in clause 6.10(3).	3	<p>Based on enquiries with the Regulatory and Compliance team and examination of documentation we note that Simply Energy have developed hardship procedures to assist customers experiencing financial hardship. The Procedures were developed in March 2018, submitted to the ERA for review in May 2018 were effective from June 2018.</p> <p>Through our examination of the Hardship Procedures (March 2018), we determined the procedures include statements referring to all the criteria specified with Clause 6.10(3) of the Gas Compendium effective 1 Jan 2017 and the updated version effective 1 Jan 2020, including:</p> <ul style="list-style-type: none"> <li>- Developed in consultation with relevant customer representatives;</li> <li>- Training of staff to engage with customers experiencing financial hardship and how to deal sensitively and respectfully with them;</li> <li>- Guidance that assist Simply Energy in identifying residential customers who are experiencing financial hardship;</li> <li>- Guidance that assist Simply Energy in determining a residential customer's usage needs and capacity to pay when determining the conditions of the instalment plan;</li> <li>- Guidance for suspension of disconnection and debt recovery procedures;</li> <li>- Guidance on the reduction and/or waiver of fees, charges, debt; and</li> <li>- Guidance on the recovery of debt</li> <li>- Simply Energy's credit management staff have a direct telephone number that is also provided to relevant consumer representatives</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>		A	1
216	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(4)	If requested, a retailer must give residential customers and relevant consumer representatives a	3	Per enquiries with the Senior Regulatory Analyst and Collections Manager and a process walkthrough we note that requests for hardship policies would be noted in the event log of the customer's account in the HubPlus system. However Simply Energy is unable to identify customer accounts which have been provided with the policy or have been referred to the policy on the website. According to management,	<b>Recommendation 08/2020:</b> Simply Energy should implement controls to monitor its own compliance with	C	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		copy of the hardship policy, including by post at no charge.		<p>Customer representatives are trained to provide a copy of the hardship policy and we have assessed the training material to check it covers the requirements of Obligation 216.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with minor improvements needed. We were unable to test the compliance due to lack of evidence. In line with Audit and Review guidelines, auditors should only rate a licence obligation non-compliant if there is supporting evidence. As a result, at request of ERA, we have rated the obligation as compliant and assessed the adequacy of the controls for the obligation.</p>	<p>obligation requirements and support an audit trail for future compliance review activities. For example, management can explore implementing a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.</p> <p>Further, internal procedures should be developed and documented to ensure that customers experiencing financial hardship who are represented by consumer representatives are managed in a consistent manner.</p>		
219	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(6)	If directed by the ERA, the retailer must review its hardship policy and hardship procedures and submit to the ERA the results of that review within 5 business days after it is completed.	3	<p>Through discussions with the Senior Regulatory Analyst and review of supporting documentation, we did not identify any instances where Simply Energy has not been directed by the ERA to review its hardship policy and procedures within the audit period. We note that Simply Energy is aware of this requirement.</p> <p>Simply Energy performed an internal review of the Hardship Policy in 2019 in light of the amended Compendium of Gas Customer Licence Obligations Guidelines ( November 19) and not under the direction of the ERA. As such, there was no instance identified of this obligation being performed during the audit period.</p> <p>Through enquiries with the Regulatory team and inspection of relevant</p>		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				documents, a control assessment for this obligation was not performed and cannot be rated for compliance.			
220	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(7)	A retailer must comply with the ERA's Financial Hardship Policy Guidelines.	3	<p>Through our inquiries of the Regulatory and Compliance team, examination of the ERA's Financial Hardship Policy Guidelines and Simply Energy's Hardship Policy and Procedures, we observed that Simply Energy:</p> <ul style="list-style-type: none"> <li>• are aware of the requirement that they must comply with the ERA's Financial Hardship Policy Guidelines;</li> <li>• last formally updated their Financial Hardship Policy in November 2019 and this is publicly available on their corporate website;</li> <li>• recently reviewed its Financial Hardship Policy in line with the amendments to the ERA Guidelines (August 2019). However, this policy did not come into effect until 1 March 2020, therefore it is not applicable to the audit period.</li> <li>• developed internal Financial Hardship Procedures to ensure that work practices align to the ERA's Guidelines;</li> <li>• developed a dedicated Bill Assist Team in 2018 that with the support of the Customer Resolution Team, oversee all financial hardship customers;</li> </ul> <p>The Hardship Policy and Procedure are developed and updated by the hardship team and/or Collections Manager. The Senior Regulatory Analyst is responsible for reviewing the policy and procedure and liaising with the ERA for approval.</p> <p>From our enquiries we noted that the hardship policy was updated in November 2019 following the AER's publication of requirements to simplify language in hardship policies. However, Simply Energy proactively made changes to the WA policy.</p> <p>To check compliance with the ERA's Financial Hardship Policy Guidelines, we compared Simply Energy's Hardship Policy and Procedure against each of the requirements outlined in the ERA's policy guidelines. Through this, we identified that Simply Energy's Hardship procedure was compliant with the ERA's requirements, but the Hardship Policy was not. Simply Energy's Hardship Policy did not have a statement that if a customer is experiencing payment problems,</p>		A	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>they can request for a temporary suspension of actions. However we noted that as per Simply Energy's policies no customer on a hardship plan is charged any action. This is described in clause 8.1 of the policy. The only situation where a customer can face action is when they cease to be Simply Energy customers and hence inherently Simply Energy will comply with ERA's Hardship Policy guidelines.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement needed, and Simply Energy has complied with the obligation during the audit period.</p>			
220A	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(8)	If a retailer makes a material amendment to its hardship policy, the retailer must submit a copy of the amended policy to the ERA within 5 business days of the amendment.	3	<p>Through discussions with the Senior Regulatory Analyst, we noted that:</p> <ul style="list-style-type: none"> <li>• Simply Energy is aware of the requirement that an amended policy must be submitted to the ERA within 5 business days of the amendment.</li> <li>• Any amendments and the submission of the policy would be dealt with by the Regulatory team, with the support of the Hardship team, specifically the Collections Manager.</li> </ul> <p>Simply Energy made a material amendment to its Hardship Policy in November 2019 due to the changes made to the ERA Guidelines, effective 1 March 2020. This process was overseen largely by the Senior Regulatory Analyst and involved consultations with members of the hardship team, marketing team as well as external parties including the Western Australia Council of Social Services (WACOSS). We understand that Simply Energy did not formally amend its hardship policy (by publishing it on the corporate website) until the ERA granted approval of the policy. From inspection of email correspondence between the ERA and Simply Energy, we checked that the ERA approved the Hardship policy on 9 December 2019, and Simply Energy subsequently amended its policy on the corporate website on the same day. Through examining the correspondence we note the amended policy was provided to the ERA within 5 business days as required by the obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were adequate controls with no improvement</p>		A	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				needed, and Simply Energy has complied with the obligation during the audit period.			
221	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.11	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	4	Through enquiries with the Regulatory team, we note that business customers experiencing payment difficulties would not be accepted into Simply Energy's financial hardship program. However we note that debt management agents are able to set up payment plans for business customers where a business customer is experiencing payment difficulties and has requested for alternative payment arrangements. Further, we note Simply Energy have a documented process within Panviva for activating payment plans for business customers. We assessed the process and performed a system walkthrough to check the above process. Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.		N/P	1
222	Trading Licence cl 2.1 and Sch 2 Compendium cl 7.1	A retailer must follow the procedures specified in clause 7.1(1) prior to arranging for disconnection of a customer's supply address for failure to pay a bill. A customer has failed to pay a bill in the circumstances specified in clause 7.1(2).	3	Through discussions with the Senior Regulatory Analyst and Collections Manager and from observation of the Hub system, we note that Simply Energy have treatment plans set up within the system which automatically issue reminder notices and disconnection warning notices for overdue customers. This system control ensures that these notifications are issued in the following timeframes and methods:  - A reminder notice is issued via post on day 16 (not less than 14 business days) from the date of dispatch of the bill. The reminder notice includes - i. the retailer's telephone number for billing and payment enquiries; ii. advice on how the retailer may assist in the event the customer is experiencing payment difficulties or financial hardship; and iii. requiring payment to be made 24 business days (not less than 20 business days) after the day on which the bill was issued;  - A disconnection warning notice is issued to customers via post, on day 28 (not less than 22 business days) from the date of dispatch of the bill. The disconnection warning notice advises: i. that the retailer may disconnect the customer within 11 business days (not less than 10 business days) after the day on which the		A	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>disconnection warning is given; and</p> <p>ii. of the existence and operation of complaint handling processes including the existence and operation of the gas ombudsman and the free-call telephone number of the gas ombudsman.</p> <p>Further, a disconnection checklist needs to be completed and all items are required to be passed before a disconnection service order can be raised. We note that the checklist requires Simply Energy to check that they have used their best endeavours to contact the customer in relation to the proposed disconnection.</p> <p>We performed sample testing to check that customers who had disconnections arranged due to failure to pay a bill were provided a reminder notice and disconnection warning. We compared the dates within the correspondence with check whether they were within timeframes that were compliant with the minimum requirements and noted no issues.</p> <p>Based on enquiries, examination of documentation and a walkthrough of systems, it was concluded that there are adequate controls in place and that Simply Energy complied with the licence obligation during the audit period.</p>			
223	Trading Licence cl 2.1 and Sch 2 Compendium cl 7.2(1)	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1).	3	<p>Per discussions with the Regulatory and Collections Team, we noted that Simply Energy will complete a checklist on its Billing system (Cstar) prior to arranging for a disconnection for a failure to pay a bill. We note that this checklist includes various items that need to be checked and passed, and a disconnection service order can only be raised if all items within the checklist have passed. We observed that the checklist requires the debt management agent to check that there is no bill assist flag on the account which indicates that the customer has been offered a hardship arrangement. The checklist also requires the agent to check that the account has an overdue balance greater than \$300. Hence, this control ensures that disconnections are not actioned under the circumstances outlined in the clause.</p> <p>Through observation of the HubPlus system, we note that treatment plans are set up within the Hub which automatically issues</p>	<p><b>Recommendation 09/2020:</b> Simply Energy should reinforce in training the importance of staff completing the checklist before disconnecting to ensure future compliance. Further, Simply Energy should investigate to identify any further breaches.</p>	B	2

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>disconnection warning notices for overdue customers which includes the date that the bill is required to be paid by to prevent disconnection.</p> <p>We checked that concessions are not available for gas customers in Western Australia (WA) and that Simply Energy only supply gas to customers in WA. Further, Simply Energy do not facilitate transfers of historical debt and thus, overdue bills only relate to the current supply address. Hence, subclauses 7.2(1) (d) to (g) are not applicable to Simply Energy.</p> <p>Sample testing checked that there was one instance of a disconnection being arranged which was not in accordance with the requirements under the clause. A disconnection service order was incorrectly raised a few days after the customer had settled the overdue balance on their account due, which was due to an agent omission.</p> <p>Based on enquiries and examination of documentation, we can conclude that there are generally adequate controls with some improvement needed and that Simply Energy were not compliant with the licence obligation, with a minor effect on customers or third parties, during the audit period.</p>			
225	Trading Licence cl 2.1 and Sch 2 Compendium cl 7.4	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified in clause 7.4(1) are satisfied. A retailer may arrange for a distributor to carry out 1 or more of the requirements referred to in clause	4	<p>Through enquiries with the Regulatory and Customer support team, we noted that Simply Energy does not arrange for disconnections for denial of access to the meter at a supply address. Where access to the meter has been denied, Simply Energy will attempt to contact the customer to arrange for a time for the meter to be read. We note that disconnections may be actioned for failure to bill as opposed to denying access to a meter. The customer service representatives are trained on the above requirements. We have assessed the training material and noted the material outlines the Clause 7.4 (1) from the Gas Compendium</p> <p>Based on enquiries and examination of documentation, it was concluded that no activity take place during the audit period and we have rated the obligation as not rated.</p>		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		7.4(1) on behalf of the retailer.					
227	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 7.6	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6.	2	<p>Through discussions with the Regulatory and Compliance Team and Collections Manager, we note that before a service order request for a disconnection is raised, a disconnection checklist is required to be completed within the Cstar system. The checklists consists of various items that need to be checked off and a disconnection should only be arranged where all items have been passed. We inspected the disconnection checklist and noted one of the items is whether an account has an Ombudsman flag active on the account due to there being an open complaint, hence, where the flag is present, a disconnection cannot be arranged. We understand that in addition to checking for an Ombudsman flag, a check of the complaints database will be performed to determine if there are any active complaints on the account.</p> <p>Our sample testing did not identify any instances of disconnections being arranged while there was an open complaint in the complaints database in relation to the proposed disconnection or where an ombudsman flag exist.</p> <p>Based on enquiries, sample testing and examination of documentation, we can conclude that there were adequate controls in place and that Simply Energy were compliant with the obligation during the audit period.</p>		A	1
228	Trading Licence cl 2.1 and Sch 2 Compendium cl 8.1(1)	In the circumstances specified in clause 8.1(1)(a)-(c), a retailer must arrange for reconnection of the customer's supply address if the customer makes a request for reconnection, and	4	Through enquiries with the Regulatory team, we noted that Simply Energy will reconnect a customer who was disconnected for failure to pay a bill, if they have subsequently paid their account or set up an instalment plan. Simply Energy will also reconnect a customer who was disconnected for illegal consumption of gas, if the breach has been remedied and it is safe to do so. There is a documented process that states that the customer service agent is able to raise a service order request for reconnection once the above has been demonstrated, and a reconnection fee will be charged. We note that Simply Energy do not disconnect supply for denying access to a meter, hence subclause 8.1(b) is not applicable. We inspected the process documentation and performed a walkthrough of the process to assess compliance with the		N/P	1



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		pays the retailer's reasonable charges for reconnection (if any) or accepts an offer of an instalment plan for the retailer's reasonable charges for reconnection.		obligation. On a sample basis we observed that for customers who paid the charges or accepted instalment plans, were reconnected.  Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.			
229	Trading Licence cl 2.1 and Sch 2 Compendium cl 8.1(2)	A retailer must forward the request for reconnection to the relevant distributor that same business day if the request is received before 3pm on a business day; or no later than 3pm on the next business day if the request is received after 3pm on a business day, or on the weekend or on a public holiday.	4	Through enquiries with the Regulatory team, we noted that customer service agents will arrange for a service order for reconnection to be raised when requested by the customer. Simply Energy have a documented process within Panviva that agents are required to adhere to, and are required to consider the cut off times if a connection is requested on the same day. Agents are trained to assess the cut off times that the request needs to be raised by- that is, if the request was received before 3pm WST, then the request needs to be raised on that same business day.  We performed a walkthrough of the process in Panviva and observed that customers are advised that a reconnection service order will be completed by ATCO within 2 business days if the request is processed prior to 3pm WST. This would be where the request was forwarded on the same business day as it was requested.  Once the service order is raised as the acknowledgment is received immediately hence supporting the monitoring of compliance.  Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.		N/P	1
231	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.1(1)	A retailer must give notice to each of its customers affected by a variation in its tariffs no later than the next bill in the	4	Through enquiries with the Regulatory, Pricing and Customer support team, we noted that Simply Energy will notify customers of a variation in their tariffs in the next bill in the customer's billing cycle. We inspected a bill issued to a customer that was affected by a variation in tariffs checked that a price change notice was provided to the customer on the next bill following the date the price changes became		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		customer's billing cycle.		effective.  Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.			
232	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.1(2)	A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including any alternative tariffs that may be available to the customer.	4	Through enquiries with the Regulatory, Pricing and Customer support team, we noted that Simply Energy will give customers, on request, information on tariffs at no charge. Simply Energy have published Energy Price Fact sheets on their website which contain information on tariffs that customers can be directed to. Customer service agents will also email or mail the information on tariffs as requested by the customer. Managing customer correspondence is a key aspect of the workflows within the customer service team and we note that there are dedicated processes for managing customer correspondence requests. We performed a walkthrough of the process to assess the above.  Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.		N/P	1
233	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.1(3)	A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt of the request and, if requested, a retailer must provide the information in writing.	4	Through enquiries with the Regulatory team, we noted that actioning customer requests for information on tariffs is managed by workflows set up within the customer service team. Customer service representatives are responsible to actioning requests to provide information on tariffs for requests they receive within the 8 business days. Where the information is provided via email, this will usually be actioned within the same business day. Alternatively, the customer service agent may direct the customer to Simply Energy's website for published information on tariffs. We performed a walkthrough of the process to assess the above.  We note that there is only one tariff for residential customers however in the instance of a request the escalation process is followed and the regulatory team provides customers with the requested information. Management advised that there were no such requests made during the audit period.		N/P	N/R

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				Based on enquiries and examination of documentation, it was concluded that no activity took place during the audit period and we have rated the obligation as not rated.			
234	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.2(1)	A retailer must, on request, give a customer their billing data.	4	<p>Through enquiries with the Regulatory and Customer support team, we note Simply Energy's customer service agents are able to provide customers with their billing data upon request. Billing data is stored within HubPlus and agents are able to run a report of the metering data and provide this to customers. We note that the data will generally be provided via email due to the format of files. Further, we checked that Simply Energy have a documented process for managing requests for metering data located on Panviva for agents to follow. We performed a walkthrough of the process to check the above.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
235	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.2(2)	A retailer must give the requested billing data at no charge if a customer requests their billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with the retailer.	4	<p>Through enquiries with the Regulatory team, we noted Simply Energy's customer service agents are able to provide customers with their billing data upon request at no charge, regardless of the period of time requested. Billing data is stored within HubPlus and agents are able to run a report of the metering data and provide this to customers. Further, we checked that Simply Energy have a documented process for managing requests for metering data located on Panviva for agents to follow. We performed a walkthrough of the process to check the above.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
236	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.2(3)	A retailer must give the requested billing data within 10 business days of the date of receipt of either the request, or payment of the retailer's	4	Through enquiries with the Regulatory and Customer support team, we noted Simply Energy's customer service agents are able to provide customers with their billing data upon request at no charge. Billing data is stored within Hub and agents are able to run a report of the metering data and provide this to customers. Customers will be advised that the data will be sent to them within 10 business days. We have checked that this process and the 10 business day timeframe are documented within Panviva. We performed a walkthrough of the process to check		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		reasonable charge for providing the billing data.		the above.  Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.			
237	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.2(4)	A retailer must keep a customer's billing data for 7 years.	4	Through enquiries with the Regulatory team, we note customers' billing data is stored in the HubPlus system. However as Simply Energy commenced gas operations in Western Australia in July 2018, it does not have seven years of billing data available. While we have inspected the agreement with the system provider to check data is stored for more than 7 years, given it has not been 7 years since Simply Energy began trading in WA, the obligation cannot be rated for compliance.		N/P	N/R
239	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.4	A retailer must give, or make available, to a customer on request and at no charge, general information on: cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances.	4	Through enquiries with Regulatory Team, inspection of relevant documents and Simply Energy's website, we determined that Simply Energy's website provides 'Energy Saving Tips' which include simple ideas customers can implement to save on household energy costs and is free of charge to customers. Furthermore, through sample testing we noted that information is also provided in bills and the welcome pack provided to all customers to ensure compliance with the obligation requirements.  Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.		N/P	1
240	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.5	If a customer asks for information relating to the distribution of gas, a retailer must give the information to the customer or refer the customer	4	Through enquiries with Regulatory Team and inspection of Simply Energy's website, we determined that: <ul style="list-style-type: none"> <li>• If a customer calls asking for information relating to the distribution of gas, Simply Energy can refer them directly to ATCO for 24-hour assistance. In this case, customers are referred to call 13 13 52.</li> <li>• Simply Energy makes all distributor contact details available on their website. This can be found at <a href="https://www.simplyenergy.com.au/home/electricity-and-gas/faults-and-">https://www.simplyenergy.com.au/home/electricity-and-gas/faults-and-</a></li> </ul>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		to the relevant distributor for a response.		<p>emergencies. The contact details include a contact number and website URL for ATCO.</p> <ul style="list-style-type: none"> <li>All Simply Energy Customer Bills have the 24-hour assistance number for the distributor in the local area provided at the top of the bill. We sighted a sample of bills and noted the information was provided.</li> </ul> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>			
241	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.5A(1)	A retailer must, within 3 months of being subject to the Compendium, lodge with the ERA, a gas customer safety awareness programme.	4	<p>Through enquiries with the Regulatory Team and inspection of relevant documents we noted that Simply Energy's Regulatory Team are responsible for creating the Gas Customer Safety Awareness Programme within 3 months of being subject to the Compendium. Simply Energy lodged a Gas Customer Safety Awareness Programme on 13 June 2018, and were subject to the Compendium on 14 June 2018. The ERA approved Simply Energy's Customer Safety Awareness Programme, through a letter dated 15 June 2018 stating the program meets the requirements of clause 10.5A of the Compendium of Gas Customer License Obligations.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
242	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.5A(2)	A retailer must consult with the ERA when preparing the gas customer safety awareness programme	4	<p>Through enquiries with Regulatory Team and examination of documents, we determined that Simply Energy consulted with the ERA when preparing the customer safety awareness programme.</p> <p>We inspected the formal letter from Simply Energy checking the approval of the programme from the ERA on 15 June 2018. In addition, consultation was also sighted by KPMG between the ERA and Simply Energy in regards to the programme. The communication occurred from 3 April 2018 to 18 June 2018.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
243	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.5A(3)	A gas customer safety awareness programme is to communicate information to customers regarding safety in the use of gas and must address, at a minimum, the information referred to in clause 10.5A(3)(a)-(e)	4	<p>Through enquiries with Simply Energy's Regulatory Team, we note that Simply Energy has a comprehensive safety awareness programme that is made available to customers via various outlets including the Welcome Pack to new customers and the Simply Energy website.</p> <p>The Gas Customer Safety Awareness Program found online discusses the following:</p> <ul style="list-style-type: none"> <li>• A notice of requirement to use only qualified trade persons for gas connection and appliance and equipment installation</li> <li>• Natural gas safety information</li> <li>• Safety precautions to follow in case of gas smell/leaks</li> <li>• Care of gas appliances</li> <li>• Useful links for further information</li> <li>• Phone numbers for emergency cases</li> </ul> <p>The Customer Safety Awareness Program was approved by the ERA on 15 June 2018, checking it meets the requirements of clause 10.5A of the Compendium of Gas Customer License Obligations.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
245	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.9	A retailer and distributor must, to the extent practicable, ensure that any written information that must be given to a customer by the retailer, distributor or gas marketing agent under the Gas Marketing Code and the Compendium is expressed in clear,	4	<p>Through enquires with Simply Energy's Regulatory Team we note that Simply Energy has a dedicated marketing team to produce and review all communications to ensure compliance with the obligation.</p> <p>We inspected Simply Energy's website and assessed a sample of customer communications to check if these materials were presented in clear, concise and simple language in a format that is easy to understand and noted no issues.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		simple and concise language and is in a format that makes it easy to understand.					
246	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.10(1)	A retailer must advise a customer on request how the customer can obtain a copy of the Gas Marketing Code and the Compendium; and make a copy of the Gas Marketing Code and the Compendium available on the retailer's website.	4	<p>Through enquires with Regulatory Team and examination of Simply Energy's website we note that Simply Energy have made available on their website the Gas Marketing Code and the Compendium. Furthermore, Customers without access to Simply Energy's website are able to obtain a written copy by mail if requested. Customer service staff are trained to direct customers upon request to the Simply Energy website where they have made the Code and Compendium available. We have assessed the training material and attendance records to check that the training adequately covers the requirements of the obligation.</p> <p>Based on enquiries and examination of documentation, we can conclude that Simply Energy were compliant with the obligation during the audit period.</p>		N/P	1
249	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.11(1)	A retailer and distributor must make available to a residential customer on request, at no charge, services that assist the residential customer in interpreting information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	4	<p>Through enquiries with Regulatory Team, examination of documents and Simply Energy's website, we note that Simply Energy is required to make available to residential customer on request, at no charge, services that assist the residential customer in interpreting information provided by the retailer or distributor.</p> <p>Simply Energy has made such service available to customer which is communicated to customer via multiple channels including Simply Energy's website and its bills to customers. Customer service staff are also guided to communicate to customer on such information being available. Customer service staff are trained to make available information regarding its TTY services, independent and multilingual services, interpreter services and large print copies. Through our observation we note that the correspondence sent by Simply Energy include interpreter service segments. We inspected the information provided in the bills and the effectiveness of the training program to check the above.</p> <p>Based on enquiries and examination of documentation, it was</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				concluded that Simply Energy has complied with the obligation during the audit period.			
250	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.11(2)	A retailer and, if appropriate, a distributor must include on a residential customer's bill and bill related information, reminder notice and disconnection warning the telephone numbers for: <ul style="list-style-type: none"> <li>• its TTY services;</li> <li>• independent multi-lingual services; and</li> <li>• Interpreter services with the National Interpreter Symbol and the words "Interpreter Services".</li> </ul>	4	From the examination of a sample of bills, reminder notices and disconnections warnings, we note that the telephone numbers of the TTY services and Interpreter Service, as well as the National Interpreter Symbol with the words 'Interpreter Service', are included in all three notices.  Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.		N/P	1
251	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	4	Through enquiries with the Regulatory team and Customer Relations team, we note that Simply Energy has a documented procedure for handling complaints and dispute resolution which is made available on the website. Furthermore, Simply Energy has a dedicated Customer Advocacy Team and Customer Relations team to oversee the complaints process. In addition, we have sighted the various processes that Simply Energy have for managing escalations and complaints within Panviva, which agents are directed to follow. Further, we note that Simply Energy have performed internal reviews of the complaints handling process. We have sighted internal correspondence of this and checked that Simply Energy were able to identify key controls and areas of improvement of its complaints management process, and		N/P	1



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>therefore ensure that the complaints procedures are being reviewed and maintained.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>			
252	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(2)	The complaints handling process under clause 12.1(1) must comply with AS/NZS 10002:2014 and address, at the least, the criteria specified in subclauses 12.1(2)(b)- (c). The complaints handling process must be available at no cost to customers.	4	<p>Through enquires with the Regulatory team, we note that Simply Energy has Complaints Handling and Disputes Resolution procedure which is available on Simply Energy's website.</p> <p>From examination of the procedure, we checked that the procedure:</p> <ul style="list-style-type: none"> <li>• Addresses the criteria set out in sub-clause 12.1(2)(b)-(c) of the Gas Compendium December 2016; and</li> <li>• States that the dispute resolution services are available to customers at no cost.</li> </ul> <p>We observed that the Complaints Handling and Dispute Resolution Procedure states that the process complies with AS ISO 10002-2006 as opposed to AS ISO 10002-2014. However, per enquiry of the Senior Regulatory Analyst we note that the complaints handling and dispute resolution process does comply with the ISO 10002-2014 standard and that the procedure was not updated to reflect this. Further, Simply Energy's Standard Form Contract, which was approved by the ERA, checks that its complaints procedure is in accordance with the AS ISO 10002-2014 standard.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
254	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(3)(a)	When responding to a complaint, a retailer or distributor must advise the customer that the customer has the right to have the complaint considered by a senior employee	4	<p>Through enquiries with the Regulatory team and Customer Relations team, we note that complaints may be escalated to a team leader within the Customer Advocacy team should the need arise. This is stated within Simply Energy's Dispute Resolution Procedure. Further, the process for escalating complaints to a team leader or the Customer Advocacy Team is documented within Panviva and is accessible to call centre agents as required.</p> <p>Based on enquiries and examination of documentation, it was</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
		within the retailer or distributor (in accordance with its complaints handling process).		concluded that Simply Energy has complied with the obligation during the audit period.			
255	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cluse 12.1(3)(b)	When a complaint has not been resolved internally in a manner acceptable to the customer, a retailer or distributor must advise the customer of the reasons for the outcome (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Freecall telephone number of the gas ombudsman	4	<p>Per discussions with the Senior Regulatory Analyst and Customer Relations Specialist, we note that where a complaint has been internally resolved but not to a manner acceptable by the customer, Customer Advocacy representatives are trained to address the customer's concerns and will advise of the reasons for the outcome. We note that requests for the information to be provided in writing will be actioned by the customer advocacy representative. This includes explaining to the customer the reasons for the outcome and providing the customer with further escalation options including raising the matter with the ombudsman. We note that Customer Advocacy agents are assessed against a quality framework which includes being assessed on relevant processes and actions and providing the customer with the best outcome.</p> <p>Customer Advocacy representatives are also trained to advise customers of further options and will inform the customer of the Gas Ombudsman and will provide the contact number, should the customer wish to raise the matter further. In addition, we observed that customer advocacy agents are assessed against a quality framework which includes providing customers with the best outcome and using relevant processes to meet the customer's needs.</p> <p>We have sighted the quality framework training pack administered to all customers and assessed the training provided to Customer Advocacy representatives to check that relevant training is provided to ensure compliance with the requirements of the obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
255A	Trading Licence cl 2.1 and Sch 2	A retailer or distributor must, on	4	Per enquiries with the Regulatory team and Customer Relations team we note that Simply Energy will acknowledge a written complaint		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
	Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(4)	receipt of a written complaint by a customer, acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.		<p>within three business days and will respond to the complaint within 15 business days.</p> <p>Where a customer lodges a complaint via email to the Simply Energy's dedicated information mailbox, an automatic reply will be generated and sent to the customer's email address to acknowledge receipt of the email. The emails will then be filtered out to the Customer Advocacy team who will investigate the complaint. Where a written complaint is received via post, it will be attached to an email to the Customer Advocacy team for review. Simply Energy maintain a complaints database to keep record of all details, including the correspondence received for particular complaint, which is also assigned a case number. We note that the database allows for the status of the case to be monitored.</p> <p>We performed a walkthrough of a written complaint received via email to check that Simply Energy acknowledged and responded to the complaint within the timeframes prescribed in the Complaints and Disputes Resolution policy.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>			
256	Trading Licence cl 2.1 and Sch 2 Compendium cl 12.2	A retailer must comply with any guideline developed by the ERA relating to distinguishing customer queries from customer complaints.	4	<p>Through enquiries with the Regulatory team and Customer Relations team, we note that Simply Energy developed its internal processes and procedures for managing customer complaints and enquiries based on Customer Complaint Guidelines: distinguishing customer queries from complaints December 2016. Specifically, Simply Energy customer service representatives are trained to distinguish and manage both customer queries and complaints. The customer service representatives also have access to Panviva which provides the definition of a complaint that is in line with the ERA's guideline. Panviva also provides the customer representatives the process around managing customer complaints. Hence, we note that Simply Energy have appropriately complied with guideline developed by ERA relating to distinguishing customer queries from customer complaints.</p> <p>Based on enquiries and examination of documentation, it was</p>		N/P	1

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				concluded that Simply Energy has complied with the obligation during the audit period.			
257	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.3	A retailer, distributor and gas marketing agent must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes.	4	<p>We note that Simply Energy has a complaints handling and dispute resolution procedure which contains information to assist customers in utilising the complaints handling process. Per discussions with the Regulatory team and Customer Relations team, we note that Simply Energy will provide customers with the Dispute Resolution Procedure on request, at no charge.</p> <p>The request will be forwarded to the Customer Advocacy Team who will subsequently action the request and issue the policy via mail. We note that customers may also be referred to the dispute resolution page on Simply Energy's website, which contains the procedure. Customer Service representatives are also trained to manage customer enquiries and upon request, are trained to provide information about the complaints process over the phone at no charge.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
258	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.4	When a retailer, distributor or gas marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known)	4	<p>Per enquiries with the Regulatory team we note that Simply Energy will advise a customer of the appropriate entity it considers reasonable where a complaint received does not relate to one of Simply Energy's functions. We note Simply Energy has a documented process within Panviva which agents have access to, which outlines the functions that relate to the distributor. Hence, agents are able to identify a customer complaint which relates to a distributor's functions and will subsequently advise the customer that the distributor will be notified and will direct the customer to the distributor to handle the complaint.</p> <p>Based on enquiries and examination of documentation, it was concluded that Simply Energy has complied with the obligation during the audit period.</p>		N/P	1
281	Trading Licence cl 2.1 and Sch 2	A retailer and a distributor must	3	Through discussion with the Regulatory Team, we noted that Simply Energy is required to annually prepare and submit a Performance	<b>Recommendation 10/2020:</b>	C	3

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
	Distribution Licence cl 2.1 and Sch 2 Compendium cl 13.1	prepare a report in respect of each reporting year setting out the information specified by the ERA.		<p>Report and a Compliance Report.</p> <p>Compliance Report The Compliance Report is updated throughout the reporting year as breaches are identified. This is compiled by the Manager Regulatory Compliance and contains the following information:</p> <ul style="list-style-type: none"> <li>• check that Simply Energy has complied with all applicable Type 1 and 2 licence obligations during the period, other than those specifically referred to in Schedule A;</li> <li>• Identified any Type 1 or Type 2 licence obligations that have been breached during the period and provided details of: <ul style="list-style-type: none"> <li>o the licence obligation that has been breached;</li> <li>o the nature and extent of the breach;</li> <li>o the impact of the breach including the number of customers and other licensees affected;</li> <li>o the reasons for the breach;</li> <li>o the actions that the licensee has taken to rectify the breach;</li> <li>o the actions taken by the licensee to prevent recurrence of the breach;</li> </ul> </li> <li>and</li> <li>o the date the licensee has, or expects to, comply again fully with the licence obligation that has been breached.</li> </ul> <p>We tested the population of two Compliance reports submitted during the audit period (in 2018 and 2019) and noted that they contained the information specified by the ERA in the GTL reporting manual.</p> <p>Performance Report Each year, the ERA will provide Simply Energy with a template GTL Performance Reporting Datasheet (the "Datasheet") which sets out the information required to be submitted. Guidance for completing the Datasheet is provided within the GTL Performance Reporting Handbook. We note that no data was reported in the Performance report submitted for the 2017-2018 report as Simply Energy began trading in WA in July 2018.</p> <p>Hence, we tested the accuracy of the Performance report for the 2018-19 financial year.</p>	<p>We recommend Simply Energy investigate the reason for the differences and subsequently enhance the robustness of the performance reporting process to improve completeness and accuracy of reporting. This could include:</p> <ul style="list-style-type: none"> <li>- divisional managers being involved in reviewing and validating the accuracy of the data being reported.</li> <li>- formal review and approval by appropriate levels of management with evidence of reviews documented and stored.</li> <li>- enhance process documentation used for KPI reporting to ensure that it captures all steps that need to be undertaken to extract and report the relevant data required under the obligation.</li> </ul>		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>We performed a walkthrough of systems with the Senior Regulatory Analyst and Data and Insights Analyst to understand how the data is sourced and populated into the report.</p> <p>We obtained the data used to compile the 2018-19 performance report and conducted sample testing over 14 indicators to test accuracy of the figure reported.</p> <p>We have observed the following:</p> <ul style="list-style-type: none"> <li>- the total reported number of residential customers as at 30 June could not be agreed to the data provided, with the reported number being higher by 0.01%.</li> <li>- the total number of direct debits cancelled during 2018-19 reported was higher than the number checked from the data by 67%.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there were inadequate controls in place to ensure that reporting deadlines were met, and Simply Energy has not complied with the licence condition resulting in a moderate impact on customers or third parties.</p>			
282	Trading Licence cl 2.1 and Sch 2 Compendium cl 13.2	A report referred to in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.	3	<p>Through inquiry we noted that the submission of annual performance reports is the responsibility of the Regulatory Compliance Manager and the required submission dates are tracked via a Reporting Calendar.</p> <p>GTL Compliance Report</p> <p>The ERA GTL Compliance Reporting Manual specifies within section 5.2.1 that reports must be submitted to the ERA by 31 August following the 30 June year end. Schedule 6 of the Manual provides the template for the report.</p> <p>Once the report is submitted, it is reviewed by the ERA who will subsequently provide a required publish date in writing. Simply Energy will then publish the report on its website.</p> <p>Our testing of the 2018 and 2019 GTL Compliance Reports and related correspondence between Simply Energy and the ERA identified that the Compliance report for 30 June 2018 was not provided by the due date (submitted one month late), but was presented in the manner and</p>	<p><b>Recommendation 02/2020:</b></p> <p>We consider the automated solution management is currently implementing will address the control deficiency. Simply Energy should review all obligations and reporting timelines to ensure the Risk Wizard system accurately describes requirements and timelines to ensure future compliance</p>	B	3

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>form specified by the ERA.</p> <p>GTL Performance Report The ERA GTL Performance Reporting Handbook outlines required performance indicators and how and when the data must be provided by a retailer to the ERA. The ERA provide a template GTL Performance Reporting Datasheet that is required to be used. When the Handbook is released, the Manager Regulatory Compliance updates the Register with the required date, ERA contact, and required submission address (email).</p> <p>For the applicable 30 June reporting years the following dates were prescribed by the ERA:</p> <ul style="list-style-type: none"> <li>• 1 October 2018 (For 30 June 2018 period)</li> <li>• 30 September 2019 (For 30 June 2019 period)</li> </ul> <p>Testing of the performance reports and correspondence between Simply Energy and the ERA checked that Simply Energy had submitted the performance report on time in both periods.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were inadequate controls in place to ensure that reporting deadlines were met, and Simply Energy has not complied with the licence condition, during the audit period.</p>			
283	Trading Licence cl 2.1 and Sch 2 Compendium cl 13.3	A report referred to in clause 13.1 must be published by the date specified by the ERA.	3	<p>The ERA will provide a date that Simply Energy are required to publish required reports on their website by. Through inquiry of Regulatory and Compliance Team, we noted that once a publish date is provided by the ERA, the Compliance Officer will request the Online Experience Specialist to publish the report on the website.</p> <p>Through testing of the GTL Performance reports for the periods ended 30 June 2018 (2017/18 report) and 30 June 2019 (2018/19 report) and related correspondence between Simply Energy and the ERA, we noted that the 2018/19 Performance Report was published on Simply Energy's website on 25 October 2019 even though the ERA required the report to be published by 16 October 2019 in its notification dated 9 October 2019. This non-compliance was identified by management in</p>	<p><b>Recommendation 02/2020:</b> We consider the automated solution management is currently implementing will address the control deficiency. Simply Energy should review all obligations and reporting timelines to ensure the Risk Wizard system accurately describes</p>	B	3

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Audit Priority	Auditor's observation	Auditor's recommendation	Control Rating	Compliance Rating
				<p>2019 and reported to the ERA and subsequent process improvements were implemented. We also note that Simply Energy is in process of implementing a new system "Risk Wizard" that will contain all obligation requirements and provided automated reminders to facilitate future compliance. Management advised that this system will be implemented by the end of 2020.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed and Simply Energy was not compliant with the obligation during the audit period, resulting in a moderate impact on customers or third parties.</p>	<p>requirements and timelines to ensure future compliance</p>		

Note: In accordance with 2019 Audit and Review Guidelines Electricity and Gas Licences 5.1.6.1, KPMG do not rate Simply Energy's licensee's control procedures and control environment for license obligations with an audit priority of 4 or 5 unless they have been assessed to be non-compliant in the audit.



## Appendix 3: ERA approved Audit Priority matrix

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
1	Distribution Licence cl 4.1 Trading Licence cl 4.1	A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 & 5)	2	C	Medium	Strong				✓			
2	Trading Licence cl 12.1	A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract.	2	B	Medium	Strong				✓			
3	Trading Licence cl 13.1	A licensee must comply with a direction given to the licensee under section 11WI.	2	C	Medium	Strong				✓			
4	Trading Licence cl 5.1	Gas is deemed to be supplied under the standard form contract if a customer commences to take a supply of gas at premises without entering into a contract with the holder of a trading licence.	1	C	Low	Strong					✓		
5	Trading Licence cl 5.1	A standard form contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier.	1	C	Low	Strong					✓		
6	Trading Licence cl 5.1, Distribution Licence cl 5.1	A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident,	1	C	Low	Strong					✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		emergency, potential danger or other unavoidable cause.											
7	Distribution Licence cl 14.1	A licensee must provide for an asset management system in respect of its assets within 2 business days from the commencement date, or from the completion of construction of the distribution system, whichever is later.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
8	Distribution Licence cl 14.1 and 14.2	A licensee must notify details of the asset management system and any substantial changes to it to the ERA within 10 business days.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
9	Distribution Licence cl 14.3	A licensee must provide the ERA with a report by an independent expert acceptable to the ERA within 24 months of commencement and every 24 months thereafter (or longer if the ERA allows) as to the effectiveness of the asset management system.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
10	Distribution Licence cl 15.1 Trading Licence cl 16.1	A licensee must provide the ERA with a performance audit by an independent expert acceptable to the ERA within 24 months of commencement and every 24 months thereafter (or longer if the ERA allows).	2	C	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
11	Trading Licence cl 14.1	A licensee must submit a draft last resort supply plan to the ERA within 3 months (or longer if the ERA allows) of being designated with that role.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is not a designated retailer of last resort, therefore, the obligation is not applicable to Simply Energy.
12	Trading Licence cl 14.1	A licensee must consult with the ERA with a view to obtaining approval of its draft last resort supply plan.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is not a designated retailer of last resort, therefore, the obligation is not applicable to Simply Energy.
13	Trading Licence cl 14.1	A licensee must carry out the arrangements and other provisions in the approved last resort supply plan if it comes into operation.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is not a designated retailer of last resort, therefore, the obligation is not applicable to Simply Energy.
14	Trading Licence cl 14.1	A licensee must submit any proposed amendment to its last resort supply plan to the ERA for approval.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is not a designated retailer of last resort, therefore, the obligation is not applicable to Simply Energy.
15	Trading Licence cl 14.1	A licensee, who is designated as a supplier of last resort, must perform the functions of the supplier of last resort and carry out the arrangements and provisions of the last resort supply plan if it comes into operation.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is not a designated retailer of last resort, therefore, the obligation is not applicable to Simply Energy.
16	Trading Licence cl 14.1	A licensee, (supplier of last resort) must supply a transferred customer for at least 3 months after the date of transfer unless the transferred customer terminates the contract.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is not a designated retailer of last resort, therefore, the obligation is not applicable to Simply Energy.

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
17	Trading Licence cl 5.1, Distribution Licence cl 5.1	A licensee must pay the costs and expenses incurred in the taking of an interest or easement in respect of land held by a public authority.	Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Simply Energy is not a network provider, therefore, does not have interest in any lands. As a result, the obligation is not applicable to Simply Energy.
18	Distribution Licence cl 17.1	A licensee that transports gas through a distribution system must be a member of an approved retail market scheme if a scheme is in force.	Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
19	Trading Licence cl 18.1	A licensee that sells gas that is transported through a distribution system must be a member of an approved retail market scheme if a scheme is in force.	2	B	Medium	Strong				✓				
20	Distribution Licence cl 5.1 Trading Licence cl 5.1	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme.	2	C	Medium	Strong				✓				
21	Distribution Licence cl 5.1 Trading Licence cl 5.1	A licensee must not assist another party to engage in prohibited conduct relating to the operation of a retail market scheme.	2	C	Medium	Strong				✓				
22	Distribution Licence cl 5.1 Trading Licence cl 5.1	A licensee, as a member of a retail scheme, must comply with a direction given to it by the ERA to amend the scheme, and to do so within a specified time.	2	C	Medium	Strong				✓				
23	Distribution Licence cl 5.1	A licensee, as the operator of a supply system, must notify the Minister if a state of emergency exists in relation to a supply	Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Simply Energy is a trading business, therefore, Distribution obligations are

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		system as soon as practicable after becoming aware of it.											not applicable to Simply Energy.
24	Distribution Licence cl 17, Trading Licence cl 18.1	The licensee must not supply gas to customers unless the licensee is a member of an approved Gas Industry Ombudsman Scheme and is bound by any decision or direction of the ombudsman under the Scheme.	2	C	Medium	Strong				✓			
25	Trading Licence cl 5.1, Distribution Licence cl 5.1	A licensee must comply with the applicable standards of the Gas Standards Act 1972.	1	C	Low	Strong					✓		
26	Distribution Licence cl 5.1	A licensee must not supply gas at less than the relevant approved minimum heating value.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
27	Distribution Licence cl 5.1	A licensee shall not cause or permit any alteration to be made in the specific gravity, flame, speed or other prescribed characteristic of gas supplied by him unless he has first applied for, and obtained, the written approval of the Minister.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
28	Distribution Licence cl 5.1	A licensee shall not commence to supply gas to a customer's gas installation unless that installation meets the requirements prescribed in respect of that installation.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
29	Trading Licence cl 5.1	A licensee supplying gas in an area referred to in Regulation 3(a), (b), or (c) is required to have at least one capped tariff for any supply of gas in that area.	2	C	Medium	Strong				✓			
30	Trading Licence cl 5.1	A licensee is required to offer to supply gas to each of its existing standard contract customers under the terms of the customer's existing contract but at a capped tariff unless the existing contract already entitles the customer to be supplied at a capped tariff.	2	C	Medium	Strong				✓			
31	Trading Licence cl 5.1	When offering to supply gas to a new customer under a standard form contract, a licensee is to offer to supply gas at a capped tariff.	2	C	Medium	Strong				✓			
32	Trading Licence cl 5.1	Except in prescribed circumstances, a licensee must not disconnect or cause disconnection to occur if — (a) a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to protect the health of a person who lives at the customer's supply address; and (b) the customer has entered into arrangements acceptable to the licensee in relation to payment for gas supplied.	1	B	Low	Strong					✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
33	Trading Licence cl 5.1	Before disconnecting supply for non-payment of a bill, a licensee must give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day).	1	B	Low	Strong						✓	
34	Trading Licence cl 5.1	Before disconnecting supply for non-payment of a bill, a licensee must give a disconnection warning to a customer not less than 22 business days after the billing day advising the customer that disconnection will occur unless payment is made on or before the day specified in the disconnection warning (being a day not less than 10 business days after the day on which the disconnection warning is given).	1	B	Low	Strong						✓	
35	Trading Licence cl 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for non-payment of a bill if the customer pays the overdue amount or makes an arrangement for its payment and the customer has paid any applicable reconnection fee.	1	B	Low	Strong						✓	

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
36	Trading Licence cl 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for denial of access to a meter, if the customer provides access to the meter and the customer has paid any applicable reconnection fee.	1	B	Low	Strong						✓		
37	Trading Licence cl 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for unlawful consumption of gas, if the customer pays for the gas consumed and the customer has paid any applicable reconnection fee.	1	B	Low	Strong						✓		
38	Trading Licence cl 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for refusal to pay a refundable advance, if the customer pays the refundable advance and the customer has paid any applicable reconnection fee.	1	C	Low	Strong						✓		
39	Trading Licence cl 5.1	A licensee must reconnect supply to a customer within 20 business days after disconnection in an emergency situation or for health, safety or maintenance reasons, if the situation or problem giving rise to the need for disconnection has been rectified, and if the customer has paid any applicable reconnection fee.	1	C	Low	Strong						✓		



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
40	Trading Licence cl 5.1	A licensee must not disconnect supply to a customer who is unable to pay until: alternative payment options have been offered to the customer; the customer is given information on government funded concessions; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.	1	A	Medium	Strong				✓			
41	Trading Licence cl 5.1	A licensee must not disconnect supply to a business customer until: it has used its best endeavours to contact the customer; it has offered the customer an extension of time to pay the bill; and it has provided the customer a written notice of its intention to disconnect at least 5 business days' notice prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.	1	B	Low	Strong					✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
42	Trading Licence cl 5.1	A licensee must not disconnect supply to a customer who denies access to a meter until: the customer has refused access on at least 3 concurrent billing cycles, the customer is given the option to offer alternative access arrangements; the customer is provided written advice on each occasion access was denied; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date.	1	B	Low	Strong						✓		
43	Trading Licence cl 5.1	A licensee who disconnects in the event of an emergency must provide a 24 hour information service, estimate the time when gas supply will be restored and use best endeavours to restore supply when the emergency is over.	1	B	Low	Strong						✓		
44	Trading Licence cl 5.1	A licensee who disconnects supply for health and safety reasons must provide the customer written notice of the reason; allow the customer 5 business days to remove the reason where the customer is able to; and after the 5 business days issued a notice to the customer of its intention to	1	B	Low	Strong						✓		

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							1	2	3	4	5	NA	
		disconnect supply at least 5 business days' notice prior to the disconnection date.											
45	Trading Licence cl 5.1	A licensee who disconnects supply for planned maintenance must provide the customer 4 days written notice; and used best endeavours to minimise disruption and restore supply.	1	B	Low	Strong					✓		
46	Trading Licence cl 5.1	A licensee must not disconnect supply for failure by a customer to pay a refundable advance without giving a written notice to the customer of its intention to disconnect at least 5 business days prior to the disconnection date.	1	B	Low	Strong					✓		
47	Trading Licence cl 5.1	A licensee must not disconnect supply where the bill owing is less than the average bill over the past 12 months and the customer has agreed to pay.	1	B	Low	Strong					✓		
48	Trading Licence cl 5.1	A licensee must not disconnect supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved.	1	B	Low	Strong					✓		
49	Trading Licence cl 5.1	A licensee must not disconnect supply where an application for a	1	B	Low	Strong					✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		government concession has not been decided.											
50	Trading Licence cl 5.1	A licensee must not disconnect supply where a customer has failed to pay a debt that is not a direct service charge.	1	B	Low	Strong					✓		
51	Trading Licence cl 5.1	A licensee must not disconnect supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption.	1	B	Low	Strong					✓		
52	Trading Licence cl 5.1	If a licensee is under an obligation to reconnect supply and the customer makes a request for reconnection after 3pm on a business day, the licensee shall use best endeavours to reconnect the customer as soon as possible on the next business day.	1	A	Medium	Strong				✓			
53	Trading Licence cl 5.1	If a licensee uses a refundable advance to offset an amount owed, it must provide to the customer an account of its use and pay any balance within 10 business days to the customer.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy does not collect security deposits or refundable advances as part of the offers available in either standard or non-standard form contracts.
54	Trading Licence cl 5.1	A licensee must place refundable advances in separate trust accounts and separately identify the amounts in its accounting records.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy does not collect security deposits or refundable advances as part of the offers available in either standard or non-standard form contracts.

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
55	Trading Licence cl 5.1	A licensee must return interest earned on refundable advances accounts to customers.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy does not collect security deposits or refundable advances as part of the offers available in either standard or non-standard form contracts.
56	Trading Licence cl 5.1	A licensee must inform customers that the supply charge is either for residential or non residential supply; includes a specified fixed component and specified usage component; and describes the circumstances a customer needs to meet to qualify for residential tariffs.	1	C	Low	Strong					✓		
57	Trading Licence cl 5.1	A licensee must give notice of the tariffs charged and provide these notices to customers without charge upon request.	1	B	Low	Strong					✓		
58	Trading Licence cl 5.1	A licensee must give notice of a variation in tariffs charged and provide these notices to customers affected by the change no later than the next bill.	1	B	Low	Strong					✓		
59	Trading Licence cl 5.1	A licensee must issue a bill to a customer at least once every 3 months, unless agreed otherwise.	1	A	Medium	Strong			✓				
60	Trading Licence cl 5.1	A licensee must prepare a bill in accordance with the terms specified in the AGA code, including the inclusion of any refundable advance.	1	B	Low	Strong					✓		
61	Trading Licence cl 5.1	A licensee must apply payments received from a customer as	1	B	Low	Strong					✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		directed by the customers (if the bill includes charges for other goods and services).											
62	Trading Licence cl 5.1	If a customer does not direct how a payment is to be allocated, a licensee must apply the payment —  (i) to charges for the supply of gas before applying any portion of it to such goods or services; or (ii) if such goods or services include electricity, to the charges for gas and the charges for electricity in equal proportion before applying any portion of it to any other such goods or services.	1	B	Low	Strong					✓		
63	Trading Licence cl 5.1	A licensee must provide available bill data to customers upon request free of charge subject to clause 47 (2) and (4) of the Energy Coordination (Customer Contracts) Regulations 2004.	1	C	Low	Strong					✓		
64	Trading Licence cl 5.1	A licensee must base a customer’s bill on a meter reading and meters must be read at least once per year.	1	B	Low	Strong					✓		
65	Trading Licence cl 5.1	A licensee, who accepts a customer reading of the meter, must not adjust the bill in favour of the licensee if the licensee subsequently discovers the reading was incorrect in favour of the customer.	1	B	Low	Strong					✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
66	Trading Licence cl 5.1	A licensee, who provides a customer with an estimated bill and is subsequently able to read the meter, must adjust the estimated bill in accordance with the meter reading.	1	B	Low	Strong						✓		
67	Trading Licence cl 5.1	A licensee must read a customer's meter upon request and may impose a fee for doing so.	1	B	Low	Strong						✓		
68	Trading Licence cl 5.1	A licensee must offer payment in person and payment by mail.	1	C	Low	Strong						✓		
69	Trading Licence cl 5.1	A licensee must offer customers who are absent for a long period, payment in advance facilities and the option of redirecting the bill.	1	B	Low	Strong						✓		
70	Trading Licence cl 5.1	A licensee must not terminate a contract if a customer commits a breach of the contract (other than a substantial breach) unless — (a) the licensee has a right to disconnect supply under the contract, a written law or a relevant code; and (b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract.	1	B	Low	Strong						✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
71	Trading Licence cl 5.1	A licensee must provide a customer (a) a copy of their customer service charter; (Please note that the format and contents of the Customer Service Charter is not defined in the Energy Coordination (Customer Contracts) Regulations 2004) (b) copies of regulations or any relevant code; (c) information about fees and charges payable under the contract; (d) with information on energy efficiency; (e) billing data; and (f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer.	1	B	Low	Strong						✓		
72	Trading Licence cl 5.1	A licensee must offer a customer who is experiencing payment difficulties: instalment plan options; right to have bill redirected to third person; information or referral on government assistance programs; and information on independent financial counselling services.	1	B	Low	Strong						✓		
73	Trading Licence cl 5.1	A licensee must not supply gas to the customer under a door to door contract during the cooling-off period unless the customer requests supply.	1	C	Low	Strong						✓		



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
74	Trading Licence cl 5.1	A licensee must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.	1	B	Low	Strong					✓		
75	Trading Licence cl 5.1	A licensee must only provide a credit reporting agency with default information relevant to one of their bills.	1	B	Low	Strong					✓		
76	Trading Licence cl 5.1	A licensee must notify a credit reporting agency immediately if a customer has cleared their debt.	1	B	Low	Strong					✓		
77	Trading Licence cl 5.1	If a customer remedies a default and demonstrates extenuating circumstances, a licensee must request the credit reporting agency to remove the default record.	1	B	Low	Strong					✓		
78	Trading Licence cl 5.1	A licensee must not refer a default to a credit reporting agency that is the subject of a complaint or matter of review.	1	B	Low	Strong					✓		
79	Trading Licence cl 5.1	A licensee must include information about its complaint handling process and contact details of the energy ombudsman on any disconnection warning given to a customer.	1	C	Low	Strong					✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
80	Trading Licence cl 5.1	When a non-standard contract is due to expire, a licensee must issue a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (or at the commencement of the contract if the contract is less than 1 month) with information about: the expiry date; alternative supply options, and the terms and conditions for continued supply post contract expiry.	1	C	Low	Moderate						✓		
81	Trading Licence cl 5.1	Upon request, a licensee must provide a customer free of charge with a copy of its customer service charter within 2 business days of the request. (Please note that the format and content of the Customer Service Charter is not defined in the Energy Coordination (Customer Contracts Regulations 2004).	1	B	Low	Moderate						✓		
82	Trading Licence cl 5.1	A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.	1	B	Low	Moderate						✓		
83	Trading Licence cl 5.1	Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code.	1	C	Low	Moderate						✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
84	Trading Licence cl 5.1	A licensee must ensure that a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available for inspection at its offices at no charge.	1	C	Low	Moderate						✓	
85	Trading Licence cl 5.1	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain equipment for the supply of gas up to the point of supply.	1	C	Low	Strong						✓	
86	Trading Licence cl 5.1	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain metering and necessary equipment at the supply address.	1	C	Low	Strong						✓	
87	Distribution Licence cl 5.1	The licensee must re-connect to a supply address (subject to supply, available gas installations, adherence to regulatory requirements and a meter) within 1 business day or period agreed with the customer from the date of the application and subject to the customer meeting the requirements in clause 3.1.2.2 of the AGA code.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
88	Distribution Licence cl 5.1, Distribution Licence Sch 3 cl 2	A licensee must connect a new supply address (subject to supply, available gas installations, adherence to regulatory requirements and a meter) within an agreed date, or where no date	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		is agreed then within 20 business days from the date of the application											
89	Distribution Licence cl 5.1	A licensee must give at least four days notice to a customer of its intentions to undertake inspections, repairs, testing or maintenance at the customer's supply address.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
90	Trading Licence cl 5.1, Distribution Licence cl 5.1	A licensee must ensure that any representatives seeking access to the supply address on its behalf wear, carry and show official identification.	1	B	Low	Moderate						✓	
91	Trading Licence cl 5.1	A licensee must notify a customer of any amendment to a non-standard contract.	1	B	Low	Moderate						✓	
92	Distribution Licence cl 12	A licensee must continuously operate those parts of the distribution system required to meet its obligations to supply gas, except to the extent necessary for compliance with the Gas Standards (Gas Supply and System Safety) Regulations 2000.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
93	Distribution Licence cl 13	A licensee must give the ERA written notice where it proposes to permanently cease or substantially decrease its activities under the licence 6 months before the cessation or decrease	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		or, if this is not practicable, as soon as possible.											
94	Distribution Licence cl 14.4	A licensee must comply and require its expert to comply with the ERA's standard guidelines dealing with the asset management review.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
95	Distribution Licence cl 14.6	A licensee's independent expert must be approved by the ERA prior to reviewing the effectiveness of the asset management system.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
96	Distribution Licence cl 15.2 Trading Licence cl 16.2	A licensee must comply and require its expert to comply with the ERA's standard guidelines dealing with the performance audit.	2	C	Medium	Strong				✓			
97	Distribution Licence cl 15.4 Trading Licence cl 16.4	A licensee's independent auditor must be approved by the ERA prior to the audit.	2	C	Medium	Strong				✓			
98	Distribution Licence cl 16 Trading Licence cl 17	A licensee may be subject to individual performance standards.	1	C	Low	Strong					✓		
99	Distribution Licence cl 18 Trading Licence cl 20	Unless otherwise specified, all notices must be in writing and will be regarded as having been sent and received in accordance with defined parameters.	1	C	Low	Strong					✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
100	Distribution Licence cl 19.1 Trading Licence cl 21.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards.	2	C	Medium	Strong				✓			
101	Distribution Licence cl 20 Trading Licence cl 22.1	A licensee must report to the ERA if the licensee is under external administration or experiences a significant change in its corporate, financial or technical circumstances that may affect the licensee's ability to meet its obligations under this licence within 10 business days of the change occurring.	2	C	Medium	Strong				✓			
102	Distribution Licence cl 21.1 Trading Licence cl 23.1	A licensee must provide to the ERA any information that the ERA may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the ERA.	3	B	High	Moderate		✓					Allocated priority 2 in accordance with correspondence with ERA
103	Distribution Licence cl 22, Trading Licence cl 24	A licensee must publish any information it is directed by the ERA to publish, within the timeframes specified.	2	B	Medium	Moderate				✓			
104	Distribution Licence Sch 3 cl 1	A licensee must, in relation to pipelines not covered by the National Access Code, exchange information with a trading licensee under section 5.9 of the National Access Code as if they were covered pipelines.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
105	Distribution Licence Sch 3 cl 2	A licensee must offer to connect residential premises located within the licence area to the distribution system if requested by a trader, subject to certain defined conditions.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
106	Trading Licence cl 12.2	A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified by the ERA.	2	C	Medium	Moderate				✓			
107	Trading Licence cl 12.3	A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review.	2	C	Medium	Strong				✓			
108	Trading Licence cl 13.1	A licensee must only amend the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations.	2	C	Medium	Moderate				✓			
109	Trading Licence cl15.1 and 15.2	A licensee must maintain supply to a customer if it supplies, or within the last 12 months supplied, gas to that customer's premises unless another supplier starts supplying the customer.	2	C	Medium	Moderate				✓			
110	Trading Licence Sch 3 cl 1.5	A licensee must provide the ERA within 3 business days of a request by the ERA with reasons for refusing to commence supply to a customer if requested by the ERA.	2	C	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
111	Trading Licence Sch 3 cl 1.7	A licensee must comply with a direction from the ERA to supply a customer, subject to specified conditions.	2	C	Medium	Strong				✓			
112	Trading Licence Sch 3 cl 2.1 to 2.2	A licensee must provide reasonable information relating to its activities under the licence as requested by the holder of a distribution licence to enable for the safe and efficient operation of the relevant distribution system, provided such disclosure does not prejudice the commercial interests of the licensee.	2	C	Medium	Strong				✓			
113	Trading Licence Sch 3 cl 3.1	A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect.	2	B	Medium	Moderate				✓			
114	Trading Licence cl 19.1	A licensee must comply with the Gas Marketing Code of Conduct.	2	A	High	Moderate		✓					
115	Trading Licence cl 19.2	A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct.	2	A	High	Moderate		✓					
116	Trading Licence cl 19.1	A retailer must ensure that its gas marketing agents comply with Part 2 of the Code of Conduct.	2	A	High	Moderate		✓					
117	Trading Licence cl 19	A retailer or gas marketing agent must ensure that standard form contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	2	A	High	Moderate		✓					



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
118	Trading Licence cl 19	A retailer or gas marketing agent must ensure that the information specified in clause 2.2(2) is given to the customer no later than on or with the customer's first bill, unless the retailer or gas marketing agent has provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer has requested to receive the information).	2	A	High	Strong		✓						
119	Trading Licence cl 19	A retailer or gas marketing agent must ensure that non- standard contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	2	B	Medium	Moderate				✓				
120	Trading Licence cl 19	A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.	2	C	Medium	Strong				✓				
121	Trading Licence cl 19	A retailer or gas marketing agent must obtain a customer's verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer	2	B	Medium	Strong				✓				

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		requested to receive the information).											
122	Trading Licence cl 19	A retailer or gas marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	There is no concession available in Western Australia, therefore, the obligation is not applicable to Simply Energy which operates in WA market.
123	Trading Licence cl 19	A retailer or gas marketing agent must ensure that a customer is able to contact the retailer or gas marketing agent on the retailer's or gas marketing agent's telephone number during the normal business hours of the retailer or gas marketing agent for the purposes of enquiries, verifications and complaints.	1	B	Low	Strong					✓		
124	Trading Licence cl 19	A retailer or gas marketing agent who contacts a customer for the purposes of marketing must, on request, provide the customer with the retailer's complaints telephone number, the gas ombudsman's telephone number and, for contact by a gas marketing agent, the gas marketing agent's marketing identification number.	1	B	Low	Strong					✓		

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
125	Trading Licence cl 19	A retailer or gas marketing agent who meets with a customer face to face for the purposes of marketing must: <ul style="list-style-type: none"> <li>· wear a clearly visible and legible identity card showing the information specified; and</li> <li>· as soon as practicable provide the customer, in writing, the information specified.</li> </ul>	1	B	Low	Strong						✓	
126	Trading Licence cl 19	A retailer or gas marketing agent who visits a person's premises for the purposes of marketing, must comply with any clearly visible signs at the premises indicating that canvassing is not permitted or no advertising material is to be left at the premises.	1	B	Low	Strong						✓	
127	Trading Licence cl 19	A person who carries out any marketing activity in the name of or for the benefit of a retailer or a gas marketing agent is to be taken to have been employed or authorised by the retailer or gas marketing agent to carry out that activity, unless the contrary is proved.	1	B	Low	Strong						✓	

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
128	Trading Licence cl 19	A gas marketing agent must: · keep a record of each complaint made by a customer, or person contacted for the purposes of marketing, about the marketing carried out by or on behalf of the gas marketing agent; and · on request by the gas ombudsman in relation to a particular complaint, give to the gas ombudsman all information that the gas marketing agent has relating to the complaint within 28 days of receiving the request.	2	B	Medium	Moderate				✓			
129	Trading Licence cl 19	Any record that a gas marketing agent is required to keep by the Code of Conduct, must be kept for at least 2 years after the last time the person to whom the information relates was contacted by or on behalf of the gas marketing agent.	2	B	Medium	Strong				✓			
130			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
131			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
132			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
133			Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
134	Trading Licence cl 2.1 and Sch 2 Compendium cl 3.1(1)	If a retailer agrees to sell gas to a customer or arrange for the connection of the customer's supply address, the retailer must forward the customer's request for the connection to the relevant distributor.	2	B	Medium	Strong				✓				
135	Trading Licence cl 2.1 and Sch 2 Compendium cl 3.1(2)	Unless the customer agrees otherwise, a retailer must forward the customer's request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day, if the request is received after 3pm or on a weekend or public holiday.	2	A	High	Strong		✓						
136	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.1(a)	A retailer must issue a bill no more than once a month unless the conditions specified in 4.1(a)(i)-(iii) apply.	2	C	Medium	Strong				✓				
137	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.1(b)	A retailer must issue a bill at least every 105 days unless the conditions specified are met.	2	C	Medium	Strong				✓				
138	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.2(1)	Prior to placing the customer on a shortened billing cycle, a retailer is considered to have given a customer notice if the retailer has advised the customer of the	Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Simply Energy do not provide shortened billing cycle, therefore, the obligation is not applicable to Simply Energy.

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		information specified in clauses 4.2(1)(a)-(d).											
139	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.2(2)	Notwithstanding clause 4.1(a)(ii), a retailer must not place a residential customer on a shortened billing cycle without the customer's verifiable consent in circumstances specified in clauses 4.2(2)(a)-(b).	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy do not provide shortened billing cycle, therefore, the obligation is not applicable to Simply Energy.
140	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.2(3)	A retailer must give the customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy do not provide shortened billing cycle, therefore, the obligation is not applicable to Simply Energy.
141	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.2(4)	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business day	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy do not provide shortened billing cycle, therefore, the obligation is not applicable to Simply Energy.
142	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.2(5)	Upon request, a retailer must return a customer who is subject to a shortened billing cycle and has paid 3 consecutive bills by the due date, to the billing cycle that previously applied to the customer	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy do not provide shortened billing cycle, therefore, the obligation is not applicable to Simply Energy.
143	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.2(6)	At least once every 3 months, a retailer must inform a customer who is subject to a shortened billing cycle of the conditions upon which a customer can be returned to the customer's previous billing cycle.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy do not provide shortened billing cycle, therefore, the obligation is not applicable to Simply Energy.

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3 = major)	Likelihood (A = likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
144	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.3(1)	In respect of any 12 month period, on receipt of a request by a customer, a retailer may provide the customer with estimated bills under a bill smoothing arrangement.	Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Simply Energy do not provide bill smoothing arrangement, therefore, such obligation is not applicable to Simply Energy.
145	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.3(2)	If a retailer provides a customer with a bill under a bill-smoothing arrangement pursuant to clause 4.3(1), the retailer must ensure that the conditions specified in clauses 4.3(2)(a)-(e) are met.	Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Simply Energy do not provide bill smoothing arrangement, therefore, such obligation is not applicable to Simply Energy.
146	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.4	A retailer must issue a bill to a customer at the address nominated by the customer, which may be an email address.	2	B	Medium	Strong				✓				
147	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.5(1)	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in clauses 4.5(1)(a)-(cc) on the customer's bill.	2	B	Medium	Strong				✓				
148	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.5(2)	Notwithstanding clause 4.5(1)(bb), a retailer is not obliged to include a graph or bar chart on the bill, if the bill meets the criteria specified in clauses 4.5(2)(a)-(c).	2	B	Medium	Strong				✓				
149	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.5(3)	If a retailer identifies and wishes to bill a customer for an historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with or on the customer's next bill.	2	B	Medium	Weak			✓					

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
150	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.6(1)	A retailer must base a customer's bill on the distributor's or metering agent's reading of the meter at the customer's supply address, or the customer's reading of the meter provided the retailer and the customer agreed that the customer will read the meter.	2	B	Medium	Strong				✓			
151			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
152	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.7(1)	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills.	2	B	Medium	Strong				✓			
153	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.7(2)	A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1)(a)	2	B	Medium	Strong				✓			
154	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.8(1)	A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.	2	B	Medium	Strong				✓			
155	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.8(2)	Where the customer's bill is estimated, a retailer must clearly specify on the customer's bill the information prescribed in clauses 4.8(2)(a)-(c).	2	B	Medium	Strong				✓			
156	Trading Licence cl 2.1 and Sch 2	Upon request, a retailer must inform a customer of the basis and the reason for the estimation.	2	B	Medium	Strong				✓			



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
	Compendium cl 4.8(3)												
157	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.9	If a retailer gives a customer an estimated bill, and the meter is subsequently read, the retailer must include an adjustment on the next bill to take account of the actual meter reading.	2	B	Medium	Strong				✓			
158	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.10	If a retailer has based a bill upon an estimation because the customer failed to provide access to the meter, and the customer subsequently requests the retailer to provide a bill based on a reading of the meter and provides access to the meter, and pays the retailer's reasonable charge for reading the meter (if any), the retailer must do so.	1	B	Low	Strong					✓		
159	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.11(1)	If a customer requests the meter to be tested and pays a retailer's reasonable charge (if any) for doing so, a retailer must request the distributor or metering agent to do so.	2	B	Medium	Strong				✓			
160	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.11(2)	If the meter is tested and found to be defective, the retailer's reasonable charge for testing the meter (if any) is to be refunded to the customer.	2	B	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3 = major)	Likelihood (A = likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
161	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.12(1)	If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff (and demonstrates to the retailer that they satisfy the conditions of eligibility), a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.	2	C	Medium	Strong				✓			
162	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.12(2)	For the purpose of clause 4.12(1), the effective date of change in the tariff will be the date on which the last meter reading at the previous tariff was obtained; or, if the change requires an adjustment to the meter at the customer's supply address, the date the meter adjustment is completed.	2	C	Medium	Strong				✓			
163	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.13	If a customer's gas use changes and the customer is no longer eligible to continue to receive an existing, more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.	2	C	Medium	Strong				✓			
164	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.14(1)	If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.	1	A	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
165	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.14(2)	If the customer's account is in credit at the time of account closure, the retailer must, subject to clause 4.14(3), at the time of the final bill ask the customer for instructions on where to transfer the amount of credit (based on clauses 4.14(2)(a) or (b)), and pay the credit in accordance with the customer's instructions within 12 business days or another time agreed with the customer.	2	B	Medium	Strong				✓			
165A.	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.14(3)	If the customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt. If after the set off, there remains an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2).	2	B	Medium	Strong				✓			
166	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.15	A retailer must review the customer's bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer's bill over the previous 12 months, and paying any future bills that are properly due.	2	B	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
167	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.16(1)(a)	If a retailer is satisfied after conducting a review of a bill that the bill is correct, the retailer <ul style="list-style-type: none"> <li>• may require a customer to pay the unpaid amount;</li> <li>• must advise the customer that the customer may request the retailer to arrange a meter test in accordance with applicable law; and</li> <li>• must advise the customer of the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.</li> </ul>	2	B	Medium	Strong				✓			
168	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.16(1)(b)	If a retailer is satisfied after conducting a review of a bill that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.	2	B	Medium	Strong				✓			
169	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.16(2)	The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable.	2	B	Medium	Strong				✓			
170	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.16(3)	If the retailer has not informed a customer of the outcome of the review within 20 business days from the date of receipt of the request for review under clause 4.15, the retailer must provide the customer with notification of the status of the review as soon as practicable.	2	B	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
171	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.17(2)	If a retailer proposes to recover an amount undercharged as a result of an error, defect or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must follow the procedure specified in clauses 4.17(2)(a)-(e)	2	B	Medium	Strong				✓			
171A	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.17(3)	A retailer may charge the customer interest or require the customer to pay a late payment fee only if, after notifying a customer of the amount to be recovered under subclause (2)(c), the customer has failed to pay the amount and has not entered into an instalment plan under subclause (2)(e).	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy do not charge late payment fee, therefore, such obligation is not applicable to Simply Energy.
172	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.18(2) and 4.18(5)	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the error, defect or default and, subject to clauses 4.18(6) and (7) ask the customer for instructions as to	1	A	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		whether the amount should be credited to the customer's account; or repaid to the customer. No interest shall accrue to a credit or refund referred to in this clause.											
173	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.18(3)	If a retailer receives instructions under clause 4.18(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions	2	B	Medium	Strong				✓			
174	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.18(4)	If a retailer does not receive instructions under clause 4.18(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	1	A	Medium	Strong				✓			
175	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.18(6)	If the overcharged amount is less than \$100, the retailer may notify a customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions under clause 4.18(2), or credit the amount to the customer's next bill	1	A	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
175A	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.18(7)	If a customer has been overcharged by the retailer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the overcharge to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.18(2); or 4.18(6) where the amount is less than \$100.	1	B	Low	Weak						✓		
176	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(1)	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of the customer, the retailer must follow the procedure specified in clauses 4.19(1)(a)-(d).	2	B	Medium	Strong				✓				
177	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(2) and 4.19(6)	If after the meter reading a retailer becomes aware of an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the adjustment and, subject to clauses 4.19(5) and 4.19(7), ask the customer for instructions as to whether the amount should be •	1	B	Low	Strong					✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		credited to the customer's account; • repaid to the customer; or • included as a part of the new bill smoothing arrangement if the adjustment arises under clauses 4.3(2)(a)-(b). No interest shall accrue to a credit or refund referred to in this clause											
178	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(3)	If a retailer received instructions under clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions	1	B	Low	Strong					✓		
179	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(4)	If a retailer does not receive instructions under clause 4.19(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account.	1	A	Medium	Strong				✓			
180	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(5)	If the adjustment amount owing to the customer is less than \$100, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and • ask the customer for instructions under clause 4.19(2); or	1	A	Medium	Strong				✓			



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		<ul style="list-style-type: none"> <li>credit the amount to the customer's next bill.</li> </ul>											
180A	Trading Licence cl 2.1 and Sch 2 Compendium cl 4.19(7)	If the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.19(2); or 4.19(5) where the amount is less than \$100.	1	A	Medium	Strong				✓			
181	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.1	The due date on the bill must be at least 12 business days from the date of that bill, unless otherwise agreed with the customer. The date of the dispatch is the date of the bill, unless the retailer specifies a later date.	2	B	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
182	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.2	Unless otherwise agreed with a customer, a retailer must offer the customer at least the following payment methods: <ul style="list-style-type: none"> <li>• in person at 1 or more payment outlets located within the Local Government District of the customer's supply address;</li> <li>• by mail;</li> <li>• for residential customers, by Centrepay;</li> <li>• electronically by means of BPay or credit card; and</li> <li>• by telephone by means of credit card or debit card.</li> </ul>	2	B	Medium	Strong				✓			
183	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.3	Prior to a direct debit facility commencing, a retailer must obtain the customer's verifiable consent and agree with the customer the date of commencement of the direct debit facility and the frequency of the direct debits	2	B	Medium	Strong				✓			
184	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.4	A retailer must accept payment in advance from a customer on request. The minimum amount a retailer will accept an advance payment is \$20, unless otherwise agreed with a customer.	2	B	Medium	Strong				✓			
185	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.5	If a customer is unable to pay by way of the methods described in clause 5.2, due to illness or absence, a retailer must offer a residential customer a redirection	2	C	Medium	Moderate				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		of the customer's bill to a third person, at no charge.											
186	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.6(1)	A retailer must not charge a residential customer a late payment fee in the circumstances specified in clauses 5.6(1)(a)-(d).	2	C	Medium	Strong				✓			
186A	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.6(2)	If a retailer has charged a late payment fee in the circumstances set out in clause 5.6(1)(c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer's next bill.	2	C	Medium	Strong				✓			
187	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.6(3)	If a retailer has charged a residential customer a late fee, a retailer must not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice.	2	C	Medium	Strong				✓			
188	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.6(4)	A retailer must not charge a residential customer more than 3 late payment fees in relation to the same bill, or more than 12 late payment fees in a year	2	C	Medium	Strong				✓			
189	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.6(5)	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to the residential customer's last bill	2	C	Medium	Weak			✓				

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		prior to the assessment being made.											
190	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.7(1)	A retailer must not require a customer who has vacated a supply address, and who has given the retailer notice, to pay for gas consumed at the customer's supply address in the circumstances specified in clause 5.7(1), unless the retailer and the customer have agreed to an alternative date.	2	C	Medium	Strong				✓			
191	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.7(2)	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require a customer to pay for gas consumed at the customer's supply address from the date the customer gave the retailer notice.	2	C	Medium	Strong				✓			
192	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.7(3)	Notice is given if a customer informs a retailer of the date on which the customer intends to vacate, or has vacated the supply address, and gives the retailer a forwarding address to which a final bill may be sent.	2	C	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
193	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.7(4)	Notwithstanding clauses 5.7(1) and 5.7(2), a retailer must not require a customer to pay for gas consumed at the customer's supply address in the circumstances specified in clauses 5.7(4)(a)-(c). In accordance with clause 5.7(5), notwithstanding clauses 5.7(1), 5.7(2) and 5.7(4), a retailer's right to payment does not terminate with regard to any payment that was due up until the termination of the contract.	2	C	Medium	Strong				✓			
194			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
195	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.8(1)	A retailer must not commence proceedings for recovery of a debt from a residential customer who has informed a retailer that the customer is experiencing payment difficulties or financial hardship; or while a residential customer continues to make payments under an alternative payment arrangement.	2	B	Medium	Weak			✓				
196	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.8(2)	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the	2	C	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		supply of gas to that supply address.											
196A	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.9	If a customer with a debt owing to a retailer requests the retailer to transfer the debt to another customer, the retailer must obtain the other customer's verifiable consent to the transfer of debt.	2	C	Medium	Strong				✓			
197	Trading Licence cl 2.1 and Sch 2 Compendium cl 5.10	Where a retailer and residential customer have entered into a dual fuel contract, or separate contracts for the supply of electricity and gas, the retailer must apply a payment received from a residential customer for charges for the supply of electricity or gas in the circumstances specified in clause 5.9.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy do not provide dual fuel contract, therefore, obligation is not applicable to Simply Energy.
198	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(1)	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within 5 business days from when the residential customer informs the retailer about the payment problems. If the retailer cannot make the assessment within 5 business days, it must refer the customer to a relevant consumer representative to make the assessment.	2	B	Medium	Weak			✓				

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
198A	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(2)	If a residential customer provides the retailer with an assessment from a relevant consumer representative, the retailer may adopt that assessment as its own assessment for the purposes of clause 6.1(1)(a).	2	B	Medium	Weak			✓				
199	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(3)	When undertaking an assessment regarding payment difficulties or financial hardship, the retailer must, unless the retailer adopts an assessment from a relevant consumer representative, give reasonable consideration to the information given by the residential customer and requested or held by the retailer; or advice given by a relevant consumer representative.	2	B	Medium	Weak			✓				
200	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(4)	A retailer must advise a residential customer on request of the details of an assessment.	2	B	Medium	Weak			✓				
200A	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(1)	If a retailer refers a residential customer to a relevant consumer representative under clause 6.1(1)(b), the retailer must grant the residential customer a temporary suspension of actions.	2	B	Medium	Weak			✓				

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
201	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(2)	If a residential customer informs a retailer that the customer is experiencing payment problems, the retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions, if the customer demonstrates to the retailer that the customer has an appointment with a relevant consumer representative to assess the customer's capacity to pay.	2	B	Medium	Weak			✓				
202	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(3)	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	2	B	Medium	Weak			✓				
203	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(4)	If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, a retailer must give reasonable consideration to the request.	2	B	Medium	Weak			✓				
204	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.3(1)	If the assessment carried out under clause 6.1 indicates to the retailer that the residential customer is experiencing payment difficulties or financial hardship, the retailer must follow the procedure specified in clause 6.3(1). In accordance with clause 6.3(2), clause 6.3(1) does not apply if a	2	B	Medium	Weak			✓				



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		retailer is unable to make an assessment under clause 6.1 as a result of an act or omission by a residential customer.											
205	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.4(1)	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the payment arrangements that are specified in clauses 6.4(1)(a) and (b).	2	B	Medium	Weak			✓				
206	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.4(2)	When offering or amending an instalment plan to a residential customer a retailer must ensure that the instalment plan is fair and reasonable taking into account the customer's capacity to pay and consumption history, and comply with clause 6.4(3).	2	B	Medium	Weak			✓				
206A	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.4(3)	If the residential customer accepts an instalment plan offered by the retailer, the retailer must provide the information specified in clauses 6.4(3)(a)(i)-(iii) within 5 business days of the customer accepting the plan and notify the customer of any amendments to the instalment plan at least 5 business days before they come into effect (unless agreed otherwise with the customer) and	2	B	Medium	Weak			✓				

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		provide the customer with information explaining the changes.											
207	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.4(4)	If a residential customer has in the previous 12 months had 2 instalment plans cancelled due to non-payment, a retailer does not have to offer that residential customer another instalment plan, unless the retailer is satisfied that the residential customer will comply with the proposed plan.	2	B	Medium	Weak			✓				
208	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.6(1)	A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative, for a reduction of the customer's fees, charges, or debt.	2	B	Medium	Weak			✓				
209	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.6(2)	In giving reasonable consideration under clause 6.6(1), a retailer should refer to the hardship procedures referred to in clause 6.10(3).	2	B	Medium	Weak			✓				

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
210	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.7	If it is reasonably demonstrated to the retailer that the customer, experiencing financial hardship, is unable to meet the customer's obligations under the previously elected payment arrangement, a retailer must give reasonable consideration to offering the customer an instalment plan or offering to revise an existing instalment plan.	2	B	Medium	Weak			✓				
211	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.8	A retailer must advise a customer experiencing financial hardship of the options specified in clause 6.8.	2	B	Medium	Weak			✓				
212	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.9(1)	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives.	2	B	Medium	Weak			✓				
213	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.9(2)	A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers.	2	B	Medium	Weak			✓				
214	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(1)	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer.	2	B	Medium	Weak			✓				

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
215	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(2)	A retailer must ensure that its hardship policy complies with the criteria specified in clause 6.10(2)	2	B	Medium	Weak			✓				
215A	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(3)	A retailer must ensure that its hardship procedures comply with the criteria specified in clause 6.10(3).	2	B	Medium	Weak			✓				
216	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(4)	If requested, a retailer must give residential customers and relevant consumer representatives a copy of the hardship policy, including by post at no charge.	2	B	Medium	Weak			✓				
217			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
218			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
219	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(6)	If directed by the ERA, the retailer must review its hardship policy and hardship procedures and submit to the ERA the results of that review within 5 business days after it is completed.	2	B	Medium	Weak			✓				
220	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(7)	A retailer must comply with the ERA's Financial Hardship Policy Guidelines.	2	B	Medium	Weak			✓				
220A	Trading Licence cl 2.1 and Sch 2	If a retailer makes a material amendment to its hardship policy, the retailer must submit a copy of	2	B	Medium	Weak			✓				

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
	Compendium cl 6.10(8)	the amended policy to the ERA within 5 business days of the amendment.											
221	Trading Licence cl 2.1 and Sch 2 Compendium cl 6.11	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	2	B	Medium	Strong				✓			
222	Trading Licence cl 2.1 and Sch 2 Compendium cl 7.1	A retailer must follow the procedures specified in clause 7.1(1) prior to arranging for disconnection of a customer's supply address for failure to pay a bill. A customer has failed to pay a bill in the circumstances specified in clause 7.1(2).	2	B	Medium	Weak			✓				
223	Trading Licence cl 2.1 and Sch 2 Compendium cl 7.2(1)	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1).	2	B	Medium	Weak			✓				
224	Trading Licence cl 2.1 and Sch 2 Compendium cl 7.3	In relation to dual fuel contracts or separate contracts for the supply of electricity and gas (under which a single bill for energy, or separate simultaneous bills for electricity and gas are issued to the customer), if a retailer is permitted to and wishes to arrange for disconnection of the supply of electricity and gas to the residential customer's supply address for failure to pay a bill, the retailer must arrange for	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy do not provide dual fuel contract, therefore, obligation is not applicable to Simply Energy.

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		disconnection of the supply of gas in priority to the disconnection of the supply of electricity.											
225	Trading Licence cl 2.1 and Sch 2 Compendium cl 7.4	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified in clause 7.4(1) are satisfied. A retailer may arrange for a distributor to carry out 1 or more of the requirements referred to in clause 7.4(1) on behalf of the retailer.	2	C	Medium	Strong				✓			
226	Distribution Licence cl 2.1 and Sch 2 Compendium cl 7.5	A distributor who disconnects a customer's supply address for emergency reasons must provide a 24 hour emergency line and use its best endeavours to restore supply as soon as possible.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
227	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 7.6	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6.	2	B	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
228	Trading Licence cl 2.1 and Sch 2 Compendium cl 8.1(1)	In the circumstances specified in clause 8.1(1)(a)-(c), a retailer must arrange for reconnection of the customer's supply address if the customer makes a request for reconnection, and pays the retailer's reasonable charges for reconnection (if any) or accepts an offer of an instalment plan for the retailer's reasonable charges for reconnection.	2	B	Medium	Strong				✓			
229	Trading Licence cl 2.1 and Sch 2 Compendium cl 8.1(2)	A retailer must forward the request for reconnection to the relevant distributor that same business day if the request is received before 3pm on a business day; or no later than 3pm on the next business day if the request is received after 3pm on a business day, or on the weekend or on a public holiday.	2	B	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
230	Distribution Licence cl 2.1 and Sch 2 Compendium cls 8.2(1)-(3)	<p>A distributor must reconnect the customer's supply address upon the request of a retailer and subject to the retailer complying with the retail market rules, within 2 business days of receipt of the request, or where the retailer has notified the distributor of a later date for reconnection, within 2 business days of that later date.</p> <p>In the event of an emergency or where access to the customer's supply address has been restricted or where it is unsafe to reconnect the customer's supply address, the distributor must reconnect the customer's supply address within 2 business days from becoming aware that the relevant issue has been resolved. Where reconnection requires excavation, the distributor must reconnect the customer's supply address within 10 business days of receipt of the request to reconnect.</p>	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
230 A	Distribution Licence cl 2.1 and Sch 2 Compendium cl 8.2(4)	If any of the circumstances described in clauses 8.2(3)(b)-(e) apply, the distributor must notify the retailer of the relevant circumstance within 2 business days of receipt of the	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		reconnection request made under clause 8.2(1).											
230 B	Distribution Licence cl 2.1 and Sch 2 Compendium cl 8.2(5)	Notwithstanding clause 8.2(1), if a distributor becomes aware that there has been an unauthorised utilisation of gas at the customer's supply address, the distributor must notify the retailer as soon as practicable, and is not obliged to reconnect the supply address until the issue is resolved.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
231	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.1(1)	A retailer must give notice to each of its customers affected by a variation in its tariffs no later than the next bill in the customer's billing cycle.	2	C	Medium	Strong				✓			
232	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.1(2)	A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including any alternative tariffs that may be available to the customer.	2	C	Medium	Strong				✓			
233	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.1(3)	A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt of the request and, if requested, a retailer must provide the information in writing.	2	C	Medium	Strong				✓			
234	Trading Licence cl 2.1 and Sch 2	A retailer must, on request, give a customer their billing data.	2	C	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
	Compendium cl 10.2(1)												
235	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.2(2)	A retailer must give the requested billing data at no charge if a customer requests their billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with the retailer.	2	C	Medium	Strong				✓			
236	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.2(3)	A retailer must give the requested billing data within 10 business days of the date of receipt of either the request, or payment of the retailer's reasonable charge for providing the billing data.	2	C	Medium	Strong				✓			
237	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.2(4)	A retailer must keep a customer's billing data for 7 years.	2	C	Medium	Strong				✓			
238	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.3	A retailer must give a residential customer on request, at no charge, information on the types of concessions available to the customer, and the names and contact details of the organisation responsible for administering those concessions (if not the retailer).	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	There is no concession available in Western Australia, therefore, the obligation is not applicable to Simply Energy which operates in WA market.
239	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.4	A retailer must give, or make available, to a customer on request and at no charge, general information on: cost-effective and efficient ways to utilise gas (including referring a customer to	2	C	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		a relevant information source) and the typical running costs of major domestic appliances.											
240	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.5	If a customer asks for information relating to the distribution of gas, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	2	C	Medium	Strong				✓			
241	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.5A(1)	A retailer must, within 3 months of being subject to the Compendium, lodge with the ERA, a gas customer safety awareness programme.	2	C	Medium	Strong				✓			
242	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.5A(2)	A retailer must consult with the ERA when preparing the gas customer safety awareness programme	2	C	Medium	Strong				✓			
243	Trading Licence cl 2.1 and Sch 2 Compendium cl 10.5A(3)	A gas customer safety awareness programme is to communicate information to customers regarding safety in the use of gas and must address, at a minimum, the information referred to in clause 10.5A(3)(a)-(e)	2	C	Medium	Strong				✓			
244	Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.6	A distributor must give a customer on request, at no charge, or direct the customer to a person or class of persons who can provide, the information specified in clause 10.6(c)-(i).	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
245	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.9	A retailer and distributor must, to the extent practicable, ensure that any written information that must be given to a customer by the retailer, distributor or gas marketing agent under the Gas Marketing Code and the Compendium is expressed in clear, simple and concise language and is in a format that makes it easy to understand.	2	C	Medium	Strong				✓			
246	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.10(1)	A retailer must advise a customer on request how the customer can obtain a copy of the Gas Marketing Code and the Compendium; and make a copy of the Gas Marketing Code and the Compendium available on the retailer's website.	2	C	Medium	Strong				✓			
247	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.10(2)	A distributor must advise a customer on request how the customer can obtain a copy of the Compendium; and make a copy of the Compendium available on the distributor's website.	Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Simply Energy is a trading business, therefore, Distribution obligations are not applicable to Simply Energy.
248			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
249	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.11(1)	A retailer and distributor must make available to a residential customer on request, at no charge, services that assist the residential customer in interpreting information provided	2	C	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).											
250	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.11(2)	A retailer and, if appropriate, a distributor must include on a residential customer's bill and bill related information, reminder notice and disconnection warning the telephone numbers for: <ul style="list-style-type: none"> <li>• its TTY services;</li> <li>• independent multi-lingual services; and</li> <li>• Interpreter services with the National Interpreter Symbol and the words "Interpreter Services".</li> </ul>	2	C	Medium	Strong				✓			
251	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	2	C	Medium	Strong				✓			
252	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(2)	The complaints handling process under clause 12.1(1) must comply with AS/NZS 10002:2014 and address, at the least, the criteria specified in subclauses 12.1(2)(b)-(c). The complaints handling process must be available at no cost to customers.	2	C	Medium	Strong				✓			
253			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
													Manual, therefore, not applicable to Simply Energy
254	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(3)(a)	When responding to a complaint, a retailer or distributor must advise the customer that the customer has the right to have the complaint considered by a senior employee within the retailer or distributor (in accordance with its complaints handling process).	2	C	Medium	Strong				✓			
255	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cluse 12.1(3)(b)	When a complaint has not been resolved internally in a manner acceptable to the customer, a retailer or distributor must advise the customer of the reasons for the outcome (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Freecall telephone number of the gas ombudsman	2	C	Medium	Strong				✓			
255A	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(4)	A retailer or distributor must, on receipt of a written complaint by a customer, acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	2	C	Medium	Strong				✓			
256	Trading Licence cl 2.1 and Sch 2 Compendium cl 12.2	A retailer must comply with any guideline developed by the ERA relating to distinguishing customer	2	C	Medium	Strong				✓			

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
		queries from customer complaints.											
257	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.3	A retailer, distributor and gas marketing agent must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes.	2	C	Medium	Strong				✓			
258	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.4	When a retailer, distributor or gas marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known)	2	C	Medium	Strong				✓			
259			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
260			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
261			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
262			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy

No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment	
							1	2	3	4	5	NA		
263			Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
264			Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
265			Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
266			Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
267			Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
268			Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
269			Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
270			Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
271			Not Applicable	Not Applicable	Not Applicable	Not Applicable							✓	Obligation not used per Gas Compliance Reporting



No.	Licence Obligation (cl = clause, Sch = Schedule)	Description	Consequence (1 = minor, 2 = moderate, 3= major)	Likelihood (A= likely, B = probable, C = unlikely)	Inherent Risk (low, medium, high)	Adequacy of existing controls (strong, moderate, weak)	Audit Priority						Comment
							1	2	3	4	5	NA	
													Manual, therefore, not applicable to Simply Energy
272			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
273			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
274			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
275			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
276			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
277			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
278			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
279			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy

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							1	2	3	4	5	NA	
280			Not Applicable	Not Applicable	Not Applicable	Not Applicable						✓	Obligation not used per Gas Compliance Reporting Manual, therefore, not applicable to Simply Energy
281	Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 13.1	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	2	B	Medium	Weak			✓				
282	Trading Licence cl 2.1 and Sch 2 Compendium cl 13.2	A report referred to in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.	2	B	Medium	Weak			✓				
283	Trading Licence cl 2.1 and Sch 2 Compendium cl 13.3	A report referred to in clause 13.1 must be published by the date specified by the ERA.	2	B	Medium	Weak			✓				



## Contact us

**Vicky Carlson**

**Partner**

(03) 9838 4027

[vcarlson@kpmg.com.au](mailto:vcarlson@kpmg.com.au)

[kpmg.com.au](https://www.kpmg.com.au)

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