

## **RESPONSE TO THE INDEPENDENT REVIEW OF SYNERGY'S ELECTRICITY RETAIL BILLING PRACTICES: FINAL REPORT**

**January 2026**

### **Introduction**

The State Government welcomes the Final Report of the Independent Review of Synergy's Electricity Retail Billing Practices (Final Report). The Final Report sets out nine recommendations that, when actioned, will deliver improvements in the way Synergy supports its customers and restore confidence.

### **Context**

In early 2025, Synergy identified customers were continuing to make payments to 2,845 closed Centrepay accounts with overpayments totaling nearly \$2.3 million. Later in the year, the Independent Review verified that a further 174,522 customers were affected by overpayments on closed accounts totalling just over \$40 million. The overpayments occurred between 2009 and 2025.

Synergy has over one million residential and business customers throughout the South West Interconnected System. The number of customers affected, the vulnerable nature of some of the cohorts impacted, and the 15-year period that the issue went unchecked are among the causes for concern. As a Government Trading Enterprise owned by the people of Western Australia, customers and the State Government hold Synergy to a high standard, which has not been met.

### **Background**

In July 2025, the Energy and Decarbonisation Minister – the Hon. Amber-Jade Sanderson MLA – commissioned an independent review (the Review) to investigate Synergy's electricity retail billing practices and identify any systemic issues that may have a detrimental impact on its customers or the public's confidence in Synergy.

The Review of Synergy's electricity retail billing practices was undertaken by a panel appointed by the Department of Energy and Economic Diversification (DEED) comprised of:

- Cara Graham
- Debra Zanella

Energy Policy WA (EPWA) within DEED managed the independent review process.

### ***Interim Report***

The Independent Reviewers prepared an Interim Report in September 2025.

The interim report verified Synergy's internal analysis which indicated 174,522 customers had continued to make payments to closed accounts totalling \$40,424,301.

Recommendations in the Interim Report focused on Synergy acting immediately to correct overpayment issues, which were endorsed by the State Government. A copy of the summary of the Interim Report can be found at:

[https://www.wa.gov.au/system/files/2025-10/summary\\_synergy-billing-system-review\\_interim-report.pdf](https://www.wa.gov.au/system/files/2025-10/summary_synergy-billing-system-review_interim-report.pdf)

### **Response to the Final Report**

The Final Report outlines findings and recommendations across a broader suite of Synergy's customer service practices. These recommendations are wide-ranging and, importantly, encompass changes to operational practices and culture that will improve customer-centricity at Synergy.

The Executive Summary of the Final Report is attached to this response and outlines:

- the topics of investigation reviewed, as outlined in the Review's terms of reference;
- the summary of the reviewer's findings; and
- the Final Report's nine recommendations.

Of the Final Report's nine recommendations, eight require implementation by Synergy (referred to as Synergy's recommendations). Recommendation 8 falls under the authority of the Economic Regulation Authority (ERA) which has accepted responsibility for undertaking this action.

Shortly after receiving the Final Report and being briefed by the Independent Reviewers, the Minister requested that Synergy:

- work with Government to develop an approach to fully implement all recommendations, with appropriate input from the Synergy Board;
- prepare a draft implementation plan covering all recommendations and provide this to Government for its consideration as soon as practicable; and
- commence timely implementation of recommendations so that benefits can be realised as soon as possible.

An Implementation Oversight Committee will be established in early 2026 to provide independent advice and oversight of Synergy's delivery against the recommendations and actions from the Final Report. Led by an Independent Chair and supported by a consumer representative and a representative from Synergy's Board, the Group will meet on a quarterly basis and report to the Minister.

Synergy has provided a draft implementation plan to the State Government, outlining its proposed approach for delivering each recommendation and action. This will be considered by the Implementation Oversight Committee at its first meeting.

The recommendations in the Final Report have been accepted by the Minister and have been cascaded into 18 actions for implementation by Synergy. Government's preliminary position regarding each recommendation and action follows. Details of each action will be further informed and subsequently monitored by the Implementation Oversight Committee.

### **Recommendations and Government's response**

**FINAL REPORT Recommendation 1:** Synergy should adopt a 'better offer' approach that involves proactively notifying customers, via their bills at least once per year if they would be better off on an alternative tariff or retail product.

Government endorses this recommendation and the following actions required for its delivery:

#### **Action 1 – Develop and implement a 'better-offer' pilot program in 2026.**

The State Government requires Synergy to develop and pilot a program that proactively matches customers' energy use with the lowest cost Synergy energy product. The pilot program will initially prioritise residential customers that are most impacted by cost-of-living pressures, and provide a strong focus on education.

The pilot program should be sufficient to assess whether Synergy's systems and processes are sufficiently robust to support a larger-scale rollout in the future, and to understand any cultural shifts required to ensure its success. More detail regarding the pilot program will be provided once the program is fully scoped and endorsed.

#### **Action 2 - Develop a better-offer approach for the broader customer cohort.**

Following completion of the pilot (Action 1), Synergy will inform the State Government of learnings from the pilot with a view to a broader implementation of the better offer program.

#### **Action 3 – Develop clearer communications for tariff settings**

Synergy will review and update how it communicates with customers about tariffs, delivering greater transparency and clarity in:

- which tariffs customers can access;
- the cost structure of each tariff will (including connection requirements); and
- how the tariff may best be optimised by the customer

to enable customers to easily become aware of their tariff options themselves (where available).

**FINAL REPORT Recommendation 2:** Broaden the scope of Synergy's end-to-end payment review to include all stages of the billing lifecycle. This should include enhancements to strengthen system controls and governance for unmatched payments.

Government endorses this recommendation and the following actions required for its delivery:

**Action 4 - Extend the scope of the end-to-end payment review.**

The State Government notes Synergy has already commenced an end-to-end payment review. This review focusses on payment processing, reconciliation and transfer of funds including overpayments, management of unclaimed monies and exception processing.

To deliver Action 4 Synergy will complete a review of all stages of the billing lifecycle as part of its end-to-end payment review and identify improvements that strengthen accuracy, customer experience, and overall payment integrity.

Upon conclusion of this review, Synergy will develop recommendations and actions, with associated timelines, intended to improve processes, governance and/or customer experience across relevant stages of the billing cycle for endorsement.

**FINAL REPORT Recommendation 3:** Establish and embed customer centred practices across Synergy to improve outcomes for customers by:

- Developing a customer safeguarding policy that mandates cross-functional accountability for customer outcomes;
- Aligning the operational definition of vulnerable customer with industry best practice;
- Reviewing the Case Management service model; and
- Improving Centrepay deduction controls and customer engagement.

Government endorses this recommendation and the following actions required for its delivery:

**Action 5 – Synergy will deliver a customer safeguarding policy that mandates cross-functional accountability for customer outcomes.**

To deliver Action 5, Synergy will develop a customer safeguarding policy that:

- Establishes customer safeguarding as an enterprise-wide obligation, embedding principles that anticipate and reduce customer harm, support equitable access and ensure services are designed with inclusivity and fairness in mind.
- Clarifies cross functional responsibilities and accountabilities, defining how all business units contribute to safeguarding customer outcomes, supported by appropriate governance and performance measures.

- Integrates the Voice of the Customer, setting out formal, evidence-based processes for incorporating customer insight, feedback, advocacy partner input and (where appropriate) codesign approaches into decision making for products, policies, systems and services.
- Aligns with broader regulatory and privacy obligations, ensuring the policy remains adaptable to evolving legal, technological and consumer protection requirements.

#### **Action 6a – Develop a new definition for vulnerable customers**

To deliver Action 6a Synergy will:

- Review its current definition of a vulnerable customer, which includes family and domestic violence (FDV) and financial hardship customers;
- Benchmark against industry best practice definitions used by leading regulators and service providers to ensure the definition reflects contemporary understanding of vulnerability; and
- Develop a revised definition for vulnerable customers.

#### **Action 6b - Operationalise the new definition of vulnerable customer**

To deliver Action 6b, Synergy will:

- Formally integrate the new definition into all relevant policies and framework documents including the Customer Charter.
- Develop new processes and system flags within Synergy’s internal systems to enhance earlier identification and flagging of customers that may require additional support.
- Design new or enhanced programs and supports specifically designed to address these broader barriers, moving beyond financial hardship and FDV and become a key feature of Synergy’s ongoing continuous improvement. These programs will be delivered in a staged approach to ensure collaborative community engagement and development.
- Implement mandatory training for all frontline and back-of-house teams on the new definition, suitable approaches to identify these new circumstances, and approaches to offer support.

#### **Action 7 - Improve the Case Management service model**

To deliver Action 7, Synergy will:

- Reconsider its current definition of Case Management: Conduct a review of Synergy’s Case Management model against best practice standards to either restructure the program to deliver holistic support in line with best practice definition, or rename the service to accurately reflect its function (e.g. Hardship Payment Program) to manage customer and stakeholder expectations;

- Ensure an appropriate caseload for Case Management Team: Synergy to consider its current approach towards caseload management to drive proactive, in-depth and holistic support. Synergy to review and increase the existing staffing levels where necessary aligned to the updated design or enhanced programs.
- Improve the customer referral pathway: Reduce the number of employees a customer needs to speak to in order to access case management and improve customer experience by reducing the need to retell their circumstances.
- Improve Customer engagement: Review the requirement for a mandatory phone engagement with customers at every bill cycle and implement a multi-channel communication approach to allow for more flexible and customer-centric engagement.

#### **Action 8 - Improve Centrepay deduction controls and customer engagement**

To deliver Action 8, Synergy will:

- Leverage Technology to Automate Payment Controls: Enhance control environment to automate the cancellation of Centrepay deductions when an inactive account has a zero balance or credit balance.
- Enhance customer support: Ensure that frontline staff are trained to proactively discuss Centrepay (as well as any other ongoing payments) with customers who are closing their accounts. Explore implementation of reminders built into online self-service systems for customers closing accounts online.
- Share best practices: Engage with Services Australia to share insights and best practices on how to best support vulnerable customers who use Centrepay, building on learnings from the Centrepay overpayment issue.

**FINAL REPORT Recommendation 4:** Update Synergy's next Statement of Expectations to include a clear statement of expectations about customer-centricity and agree an enhanced set of customer KPIs as part of Synergy's refreshed strategy.

Government endorses this recommendation and the following actions required for its delivery:

#### **Action 9 - Synergy to include strong commitment to customer-centricity in its Statement of Expectations.**

To deliver Action 9 Synergy will update its Statement of Expectations to include a commitment to recognising its role as a Government Trading Enterprise and its position as the sole service provider for most residential customers in Western Australia. The revised Statement of Expectations should include a commitment to customer centricity, particularly meeting the needs of vulnerable customers.

**Action 10 - Synergy to outline an enhanced set of customer KPIs in its Annual Performance Statement.**

To deliver Action 10, Synergy will:

- Develop an enhanced set of customer-centric KPIs to be included in future Annual Performance Statements, reflecting the refreshed strategic direction and expectations.
- Commence a phased program of work to operationalise, embed and continuously refine these metrics across the organisation. This will include establishing data requirements, governance arrangements, and reporting processes.
- Undertake ongoing review and refinement of the KPI suite to ensure the measures remain appropriate, achievable and effective for assessing Synergy's long-term customer performance.

**FINAL REPORT Recommendation 5:** Enhance customer focus and capability of the Synergy Board by:

- Updating the directors' skills matrix; and
- Appointing a new Board member with strong customer capability should a gap be identified when an assessment is undertaken against the updated skills matrix.

Government endorses this recommendation and the following actions required for its delivery:

**Action 11 – Improve the Synergy Board directors' skills matrix**

To deliver Action 11, Synergy will update the directors' skills matrix to include a dedicated 'Customer' competency, including vulnerable customers, for the Minister's approval. This will ensure that the Board has the necessary expertise to guide the organisation on matters of customer advocacy and social responsibility. This competency should include:

- Experience utilising data and customer insight to understand diverse customer needs, including customers experiencing vulnerability;
- Ability to balance commercial needs with customer outcomes;
- Foresight to anticipate and mitigate major regulatory and social risks stemming from poor customer experience or system/policy inequity; and
- Deep understanding of regulatory and social policy, including consumer protection law and cross-sector best practice

## **Action 12 – Ensure Synergy has a suitable Board member with strong customer capability.**

To deliver Action 12, Synergy will:

- Conduct an assessment of current directors' skills against the newly defined 'Customer' competency.
- Advise Government on the findings of the assessment to support future decisions on Synergy's Board member composition.

**FINAL REPORT Recommendation 6:** Synergy to report to the Retail Credit Committee (RCC) on the amount held as 'payments in advance' on customers' active accounts. If the total payments in advance held exceeds a value determined by Synergy, a maximum credit amount for advanced payments should be implemented.

Government endorses this recommendation and the following actions required for its delivery:

## **Action 13 – report to the RCC on payments in advance**

To deliver Action 13, Synergy will:

- Determine a formal position based on Action 14, then:
- Develop and Test System Functionality to implement 'payments in advance' thresholds and establish processes and procedures for managing such overpayment.
- Design and Implement Reporting Framework to provide visibility of customer payments and credit balances.
- Establish Monitoring and Control Processes to monitor, report and action 'payments in advance' balances on an ongoing basis.

## **Action 14 – Determine whether a maximum credit amount should apply**

To deliver Action 14, Synergy will:

- Develop an Options Paper outlining approaches for establishing 'payments in advance' thresholds on active customer accounts. This will include:
  - Assessment of regulatory obligations and requirements for setting 'payments in advance' thresholds.
  - A detailed discovery phase exercise to identify technology requirements, system functionality and dependencies, including privacy considerations when obtaining customer consent for refund payment channels.

- If a maximum credit amount is set, Synergy will:
  - Update its internal governance documents, including the Customer Payment Policy, to reflect the changes in customer payments and credits.
  - Prepare customer information materials outlining rules and obligations for ‘payments in advance’ and pathways for accessing customer account credit balances.
  - Develop and execute a communication plan to inform all customer cohorts of the new ‘payments in advance’ rules, including publishing information details of the maximum credit amount on Synergy’s website.

**Action 15 – Develop and promote streamlined pathways for customers to access payments in advance**

To deliver Action 15, Synergy will:

- Improve information so customers are aware of advanced payments and their eligibility for the return of funds, including information on the Synergy website.
- Leverage the annual bill insert to include information on advance payments, helping customers understand their options and where to access pathways for requesting returned funds.
- Improve the accessibility of existing pathways for customers to request the return of advance payments, ensuring they are clear, user-friendly and easy to follow.
- Use proactive, multi-channel communication approaches to help customers understand their options and how to access support.

**Recommendation 7:** Amend the ‘Reputation & Customer Confidence’ consequence category in Synergy’s enterprise risk management framework to explicitly include examples related to customer impact.

Government endorses this recommendation and the following actions required for its delivery:

**Action 16 - Amend Synergy’s enterprise risk management framework to include customer impact**

To deliver Action 16, Synergy will:

- Review its current enterprise risk management framework which contains a ‘Reputation & Customer Confidence’ consequence category. The criteria for this category (which are used to determine the severity of the consequence) are predominantly based on
  - Reputational impacts to Synergy; or
  - Broad community impacts.

- Review customer risk consequence criteria: Consider examples of customer risk consequence criteria from other retail-focussed energy businesses' risk frameworks under a 'customer experience' or 'customer impact' consequence category such as:
  - Negative movement in customer KPIs;
  - Number and type of customer categories impacted (i.e. including vulnerable customers)
  - Number of customer complaints received;
  - Customer and community feedback;
  - Government or regulator intervention; and
  - Public focussed health and safety consequence category, which includes both physical and psychological injury or illness impacts.
- Amend the 'Reputation & Customer Confidence' consequence category in the enterprise risk management framework to include more focussed customer impact criteria, such as:
  - Customer financial impact: The financial consequences to customers resulting from Synergy's internal policies and operations, which may include separate consequence thresholds for vulnerable customers; and
  - Customer experience and satisfaction: The potential for a decline in customer satisfaction and/or trust due to poor customer service or service delivery, which could include reference to customer KPIs.

**Recommendation 8:** The Economic Regulation Authority (ERA) amends the classification of clause 30(1) of Code of Conduct to be a type 2 breach.

Government endorses this recommendation and the actions required for its delivery. This matter is for the consideration of the ERA.

**Action 17 - The ERA should consider amending the classification of clause 30(1) of Code of Conduct to be a type 2 breach. This may include an amendment in the upcoming 2026 Review of the Electricity Code of Conduct for the Supply of Electricity to Small Use Customers.**

**Recommendation 9:** Include a billing process focussed review of critical business processes and controls in the FY27 internal audit plan

Government endorses this recommendation and the following actions required for its delivery:

**Action 18 - Synergy's FY27 internal audit will include a billing process focussed review of critical business processes and controls**

Synergy will complete the internal audit for FY26 in line with the current plan which includes a review of the payment remediation processes and controls that are being delivered as part of the Payment Remediation Program and end-to-end payment review.

To deliver Action 18, Synergy will prepare its FY27 internal audit plan that provides for a focussed review of its billing lifecycle controls, conduct an internal audit of the effectiveness of its billing lifecycle controls and present the outcomes of the internal audit to the Implementation Oversight Committee and Board.

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