## What is the Victorian Default Offer?

The Victorian Default Offer is a reasonably priced electricity option set by the Essential Services Commission. This offer is for consumers who don’t want to or are unable to engage in the market to find a competitive retail market offer.

All electricity retailers in Victoria must:

* offer **residential and small business customers** the current Victorian Default Offer
* use the default offer as a reference price when they advertise retail market offers to help Victorian consumers compare energy deals.

The default offer is not necessarily the lowest price in the market.

## What is the draft decision for the Victorian Default Offer 2024–25?

The Essential Services Commission has released a draft decision on the [Victorian Default offer to apply from 1 July 2024 until June 2025.](https://www.esc.vic.gov.au/electricity-and-gas/prices-tariffs-and-benchmarks/victorian-default-offer/victorian-default-offer-price-review-2024-25)

The Victorian Default Offer provides a safety net, ensuring those who don’t engage in the market still pay a fair price for their electricity usage. However, many retailers offer deals that are cheaper than the Victorian Default Offer, and we encourage all consumers to shop around.

The draft Victorian Default Offer 2024–25 represents an annual decrease of:

* $112 (or 6.4 %) for residential customers (assuming annual 4,000 kWh usage)
* $266 (or 7%) for small business customers (assuming annual 10,000kWh usage).[[1]](#footnote-2)

The change to the default offer price is primarily the result of lower wholesale energy market prices, partly offset by increased network and retail operating costs. Wholesale energy future prices have reduced by 22 per cent since last year’s final decision on the Victorian Default Offer.

The new prices will apply from 1 July 2024 to 30 June 2025. Prices across the state will vary due to the different network tariffs in each of Victoria’s five electricity distribution zones.

## How is the Victorian Default Offer set?

The Essential Services Commission (Victoria’s energy regulator) sets the default offer each year, based on an independent analysis of the efficient costs of buying and supplying electricity in Victoria. The commission also consults with the energy industry and the community through Engage Victoria submissions and a public forum.

## How many people are on the Victorian Default Offer?

Around 13 per cent Victorian residential customers and 20 per cent small businesses are currently on the Victorian Default Offer. The [Victorian Energy Compare website](http://www.compare.energy.vic.gov.au) is the free and independent Victorian Government online energy price comparison service. In a few simple steps, it can help consumers identify what offers are available and how much they are likely to cost based on previous usage.

## What’s the difference between the Victorian Default Offer and the Default Market Offer?

* The **Victorian Default Offer** is a price set by the Essential Services Commission, Victoria’s energy regulator.
* The **Default Market Offer** is a price set by the Australian Energy Regulator which applies in New South Wales, South Australia and south-east Queensland. It is the maximum total bill amount energy companies can charge for ‘standing offer’ prices.

The different prices reflect the different costs and policy approaches of the regions covered, but they are both designed to help consumers access a reasonable price and compare prices.

## Retailer obligations and customer support

Under Victoria’s robust energy consumer protection framework, electricity retailers are obliged to assist customers who are having trouble paying their electricity bill. This includes:

* payment plans
* help applying for Victorian Government energy concessions and utility relief grants
* advice about the retailer’s best electricity offer for each customer
* general electricity savings tips to help reduce electricity usage and bills.

If you have a complaint you are not able to resolve with your energy company, call the [Energy and Water Ombudsman (Victoria)](https://www.ewov.com.au/) on 1800 500 509.

## Got a question? Contact us

Follow us on [LinkedIn](https://www.linkedin.com/company/essential-services-commission), [X](http://X) or [Facebook](https://www.facebook.com/EssentialVic) or contact us: [www.esc.vic.gov.au/contact-us](http://www.esc.vic.gov.au/contact-us)

1. *The commission has historically reported Victorian Default Offer average annual bills for small business customers assuming an average annual usage of 20,000 kWh. We have quoted the 10,000 kWh figure in the draft decision to align with how small businesses prices are reported in default market offers in other states. If assuming an average annual usage of 20,000 kWh, the draft 2024–25 Victorian Default Offer represents an annual decrease of 8 per cent (around $569) for small business customers.* [↑](#footnote-ref-2)