

# 2024-25 Victorian Default Offer: Final decision overview

22 May 2024



# Agenda

Agenda	Speaker
<b>Opening remarks</b> <ul style="list-style-type: none"><li>Acknowledgement of Country</li><li>2024-25 Victorian Default Offer review timeline</li></ul>	Sarah Sheppard, Chief Executive Officer
<b>Final decision</b> <ul style="list-style-type: none"><li>Overview</li><li>Key outcomes</li></ul>	Marcus Crudden, Executive Director of Price, Monitoring and Regulation
<b>Supporting consumers</b> <ul style="list-style-type: none"><li>Customer supports</li><li>Retailer obligations and compliance</li></ul>	Sarah Sheppard, Chief Executive Officer
<b>Closing remarks</b> <ul style="list-style-type: none"><li>Publication and supporting information</li><li>Key dates</li></ul>	Sarah Sheppard, Chief Executive Officer

# Acknowledgement of Country



Dill-ba-din Balluk Biik - Protect  
Community and Country by Wurundjeri,  
Yorta-Yorta artist Simone Thomson.

Reproduced with permission.

**CONFIDENTIAL AND EMBARGOED**

- Please note: information provided at this briefing is confidential and not for circulation or disclosure to other parties, until release by the commission.

# 2024-25 Victorian Default Offer review timeline

## Approach

- Request for comment paper: 2 November 2023
- Submissions closed: 14 December 2023

## Draft decision

- Draft decision paper: 19 March 2024
- Public forum: 28 March 2024
- Submissions closed: 19 April 2024

## Final decision

- Final decision: 23 May 2024

## 2024-25 Victorian Default Offer

- New prices in effect: 1 July 2024

# Victorian Default Offer lower

- Average annual bill for domestic customer down \$100 (-6%)
- Main reason for reduction is wholesale costs, offset partly by an increase in network costs which are based on AER approved tariffs

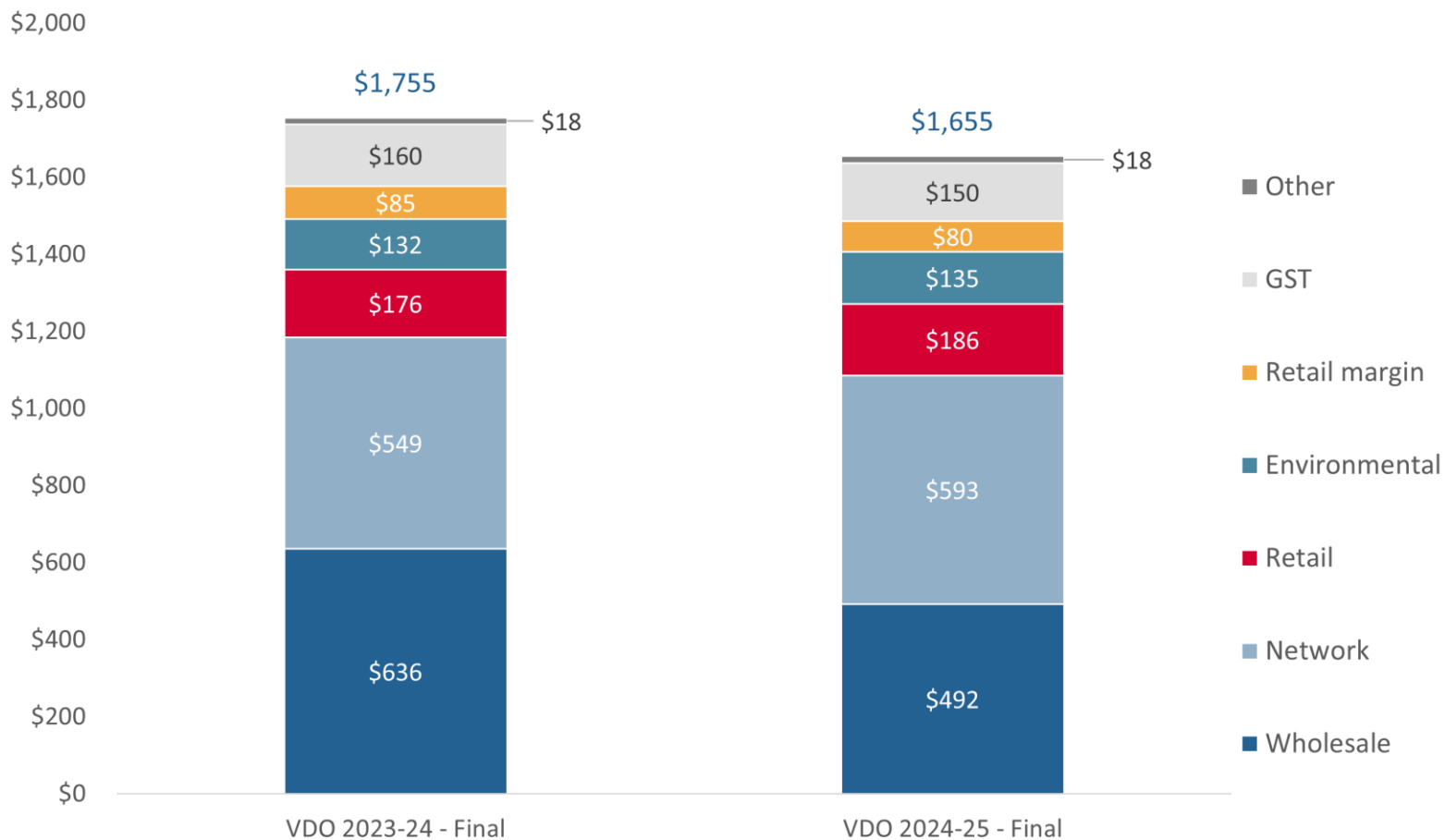
## Change by cost component – domestic customer

Cost component	Annual change (\$)	Annual change (%)
Wholesale	-143	-23%
Network	44	8%
Retail	10	6%
Environmental costs	4	3%
Other costs (incl retail margin, GST)	-14	-6%
<b>Total</b>	<b>-100</b>	<b>-6%</b>

## Victorian Default Offer lower

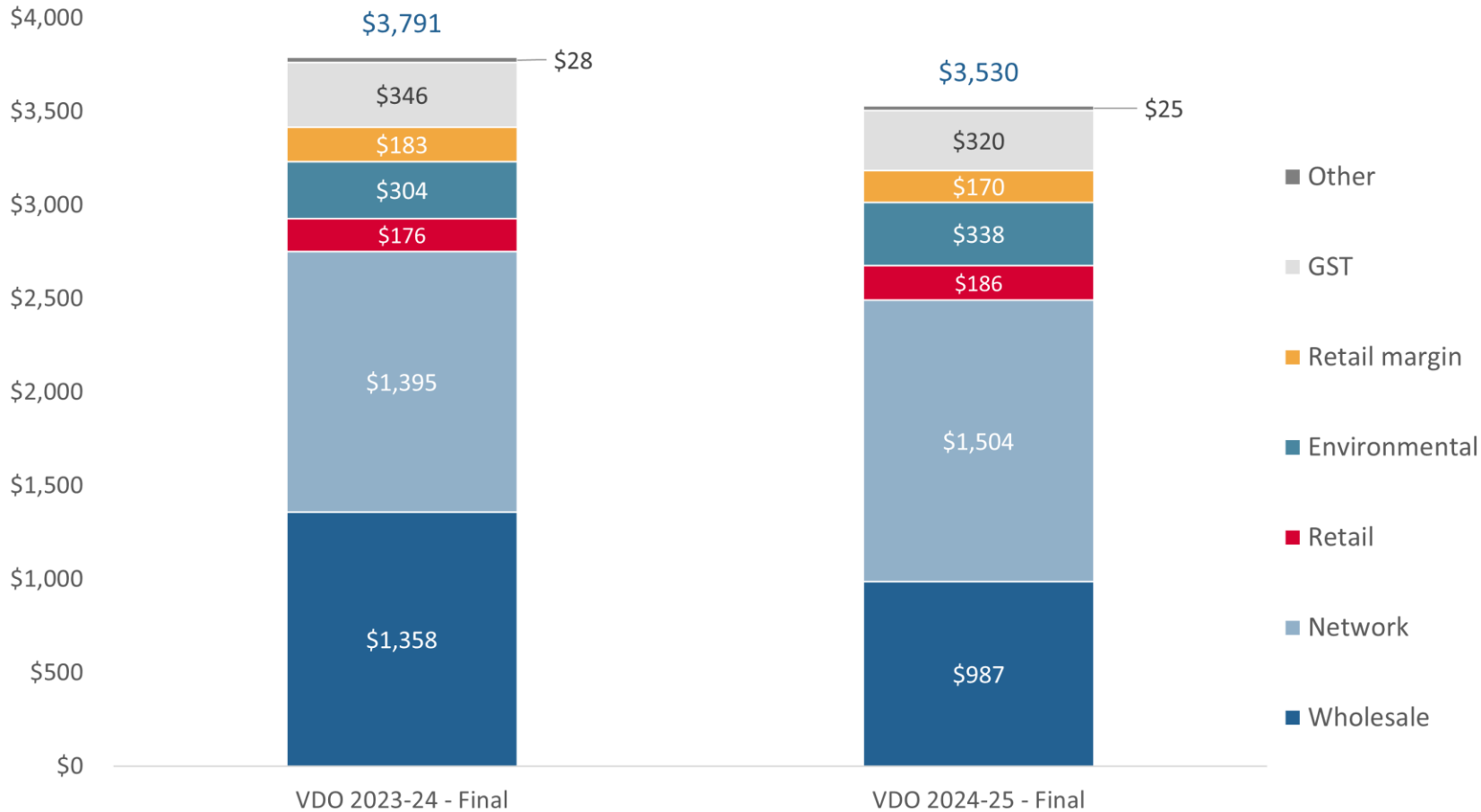
- On average, across all five Victorian distribution zones:
  - Typical annual **domestic** bills change from \$1,755 to \$1,655, down \$100 (-6%)
    - reduction can be up to \$124
  - Typical annual **small business** bills change from \$3,791 to \$3,530, down \$261 (-7%)
    - reduction can be up to \$386

# Impact on domestic users with average (4,000kWh) annual consumption





# Impact on small business users with average (10,000kWh) annual consumption



## Supporting customers

- While the Victorian Default Offer is reducing, we recognise the continued impact of prices amid broader cost-of-living concerns.
- Upholding the rights and protections of energy consumers remains front of mind to the commission.
- We encourage customers to compare energy offers via the Victoria Energy Compare website – many market offers are below Victorian Default Offer.
- We encourage customers to contact their retailer about payment plans, available concessions, and utility relief grants.
- Customers will receive electricity bill relief from Commonwealth Government

# Retailer obligations and compliance

- Obligations to support customers under the Energy Retail Code of Practice and payment difficulty framework.
- Best offer information on energy bill statements.
- Expectation that retailers work with customers to fulfill these obligations – uptake of concessions, help with utility relief grant obligations, referrals to other assistance.
- Tomorrow's final decision applies to Victorian Default Offer – changes in market offers should not be linked to the default offer.

## Next steps

Final decision available on commission website tomorrow:  
Victorian Default Offer price review 2024-25 | Essential Services Commission

Key dates:

- 23 May 2024 – Final decision and determination (6am)
- 1 July 2024 – new Victorian Default Offer in effect

# 2024-25 Victorian Default Offer: Final decision overview

**SESSION COMPLETE**

**THANK YOU FOR YOUR ATTENDANCE**

