# Victorian Default Offer 2024-25

## Submission received via Engage Victoria on our consultation paper on Victorian Default Offer 2024-25

### Submission prepared by:

### Brian and Jill Golland

### Organisation (if applicable):

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### Please confirm which one of the following applies to your submission.

I agree to my submission (other than the information I have identified as confidential or commercially sensitive (if relevant)), and my name being published.

### Date submitted:

14 December 2023

**What new instruments and strategies are electricity retailers in Victoria using to manage peak wholesale price risk instead of peak swap contracts?**

The basic strategy is that the offered contract(?) based on a "one way street" is that the offer is only relevant for the shortest period of time and as the small print indicates...our company can change the pricing at anytime! and this happens within 60 days of the original offer. The consumer is the "Bunny"!! The benchmark should relate to how the market moved in the previous 12 months and not what is indicated as the companies see it with the futures in mind. The companies have for many years been able to use futures pricing as part of the own market pricing BUT they should not be using the market as the tool to price the consumer in that their understanding may not eventuate and therefore the consumer will pay the price no matter any outcome!

Companies have a responsibility to use whatever pricing available to them in the marketplace but this does not seem to provide any rationale in the submissions forwarded in this review!

**What alternative approaches to setting the retail operating margin should we consider?**

As already indicated prices should be set with a fixed margin on any wholesale price, mind you, there are instances in which, unfortunately, the companies control both the supply and wholesale and possibly the retail pricing.

**How would these approaches better meet the requirements and objectives of the Victorian default offer legislative framework compared to our current approach?**

The current legislative framework unfortunately does not provide adequate governance over companies either wholesale or retail in terms of the "quiet enjoyment" of any contract between the supplier and consumer!

**How would interested stakeholders replicate the results of these approaches?**

Not for us to comment!

**How would the commission collect the information required to undertake these approaches?**

This is a question that only insiders could answer.