

# 2024-25 Victorian Default Offer: draft decision overview

19 March 2024



# Agenda

Agenda	Speaker
<p><b>Opening remarks</b></p> <ul style="list-style-type: none"> <li>Acknowledgement of Country</li> <li>2024-25 Victorian Default Offer review timeline</li> </ul>	<p>Kate Symons, Commissioner and Chairperson</p>
<p><b>Draft decision</b></p> <ul style="list-style-type: none"> <li>Overview</li> <li>Key outcomes</li> </ul>	<p>Marcus Crudden, Executive Director – Price, Monitoring and Regulation</p>
<p><b>Supporting consumers</b></p> <ul style="list-style-type: none"> <li>Customer supports</li> <li>Retailer obligations and compliance</li> </ul>	<p>Kate Symons, Commissioner and Chairperson</p>
<p><b>Closing remarks</b></p> <ul style="list-style-type: none"> <li>Publication and supporting information</li> <li>Next steps</li> </ul>	<p>Kate Symons, Commissioner and Chairperson</p>

# Acknowledgement of Country



Dill-ba-din Balluk Biik - Protect  
Community and Country by Wurundjeri,  
Yorta-Yorta artist Simone Thomson.  
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# 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 close: 19 April 2024

## Final decision

- Final decision: By 24 May 2024

## 2024-25 Victorian Default Offer

- New prices in effect: 1 July 2024



# Victorian Default Offer lower under draft decision

- Average annual bill for domestic customer down \$112 (-6.4%)
- Main reason for reduction is wholesale costs, partly offset by increases in other costs such as network and retail operating costs
- Methodology applied consistent with last year's decision

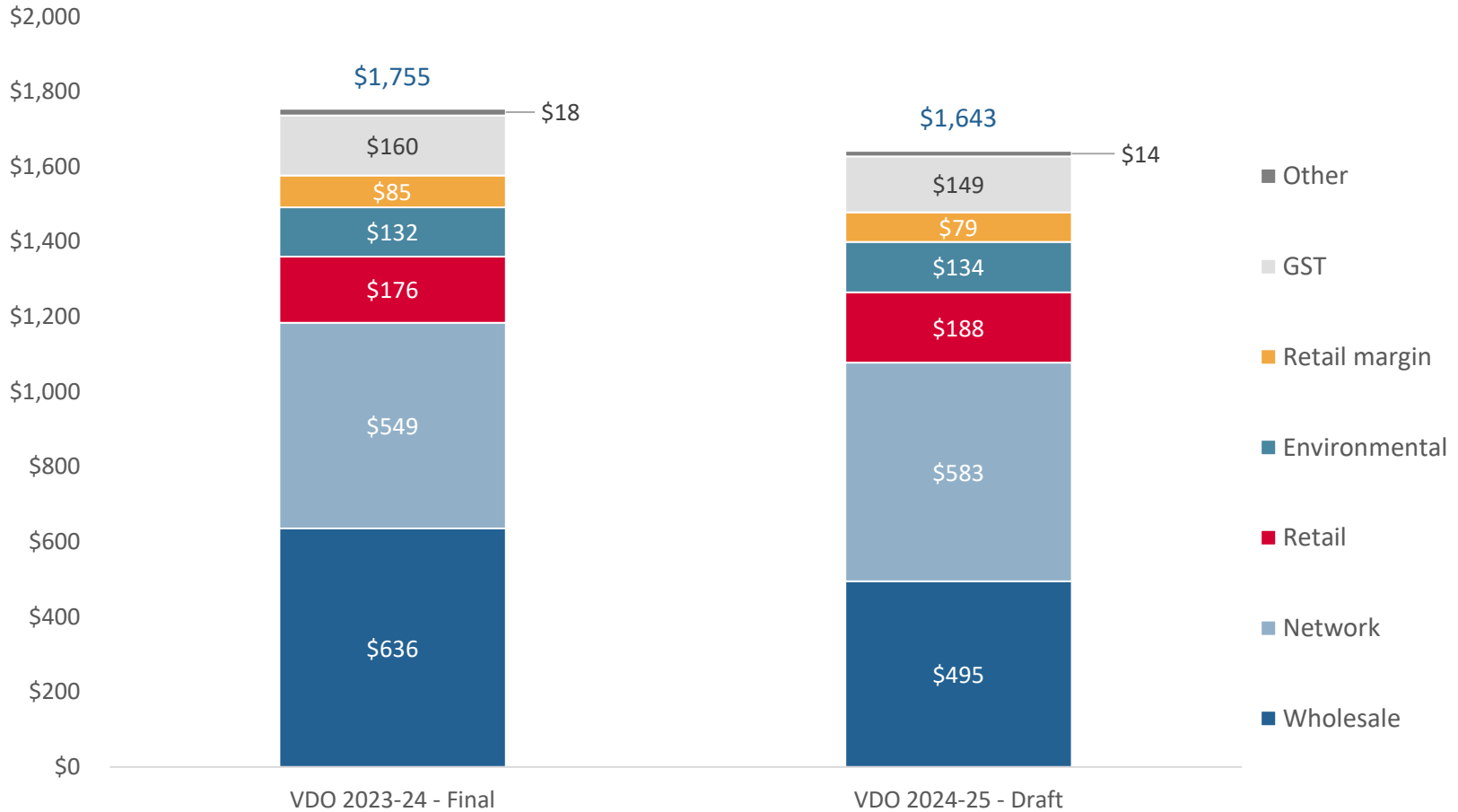
## Change by cost component – domestic customer

Cost component	Annual change (\$)	Annual change (%)
Wholesale	-141	-22%
Network	34	6%
Retail operating costs	11	8%
Customer acquisition	1	3%
Environment	2	2%
Other costs (incl margin, GST)	-20	-33%
<b>Total</b>	<b>-112</b>	<b>-6.4%</b>

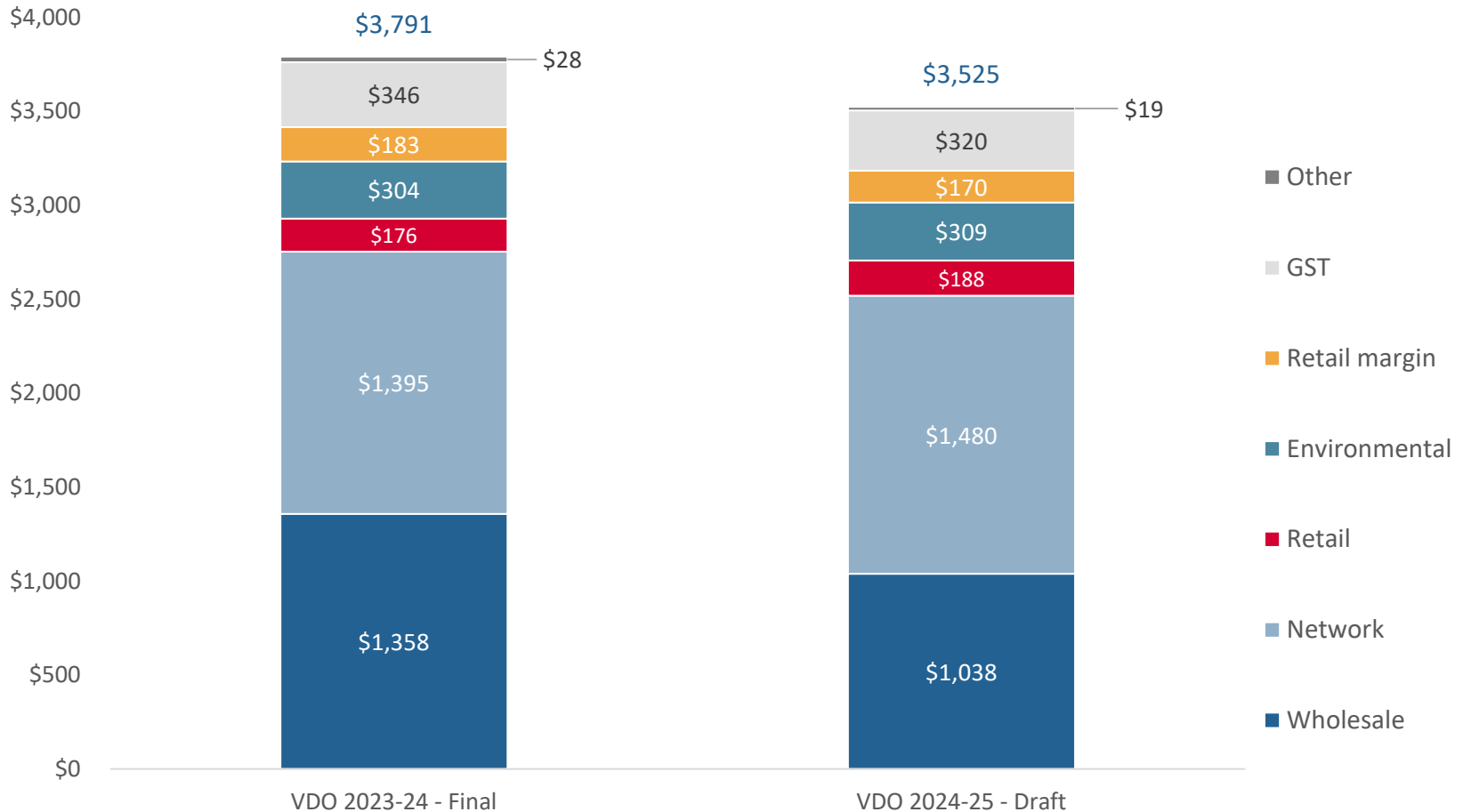
# Proposed decreases to 2024-25 Victorian Default Offer

- On average, across all five Victorian distribution zones:
  - Typical annual domestic bills would decrease from \$1,755 to \$1,643, a decrease of \$112 (-6.4%)
  - Typical annual small business bills would decrease from \$3,791 to \$3,525, a decrease of \$266 (-7.0%)

# 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 lower under the draft decision, we recognise the continued impact of prices amid broader cost-of-living concerns.
- Uphold the rights and protections of energy consumers as the impacts of higher wholesale energy front of mind as market prices begin to flow through to retail markets and consumer energy bills.
- Encourage customers to compare energy offers via the Victoria Energy Compare website – majority of market offers are below Victorian Default Offer.
- Encourage customers to contact their retailer about payment plans, available concessions, rebates, grants.

# 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.
- Today's draft decision applies to Victorian Default Offer – changes in market offers should not be linked to the default offer.

## Next steps

Draft decision paper available on commission website:  
[Victorian Default Offer price review 2024-25 | Essential Services Commission](#)

Consultation information and updates via [the Engage Victoria website](#)

Next steps:

- 28 March 2024 – public forum (online)
- 19 April 2024 – submissions on draft decision close
- By 24 May 2024 – final decision and determination
- 1 July 2024 – new Victorian Default Offer in effect

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**SESSION COMPLETE**

**THANK YOU FOR YOUR ATTENDANCE**

