

2024-25 Victorian Default Offer: Final decision overview

22 May 2024



Agenda

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

Acknowledgement of Country



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

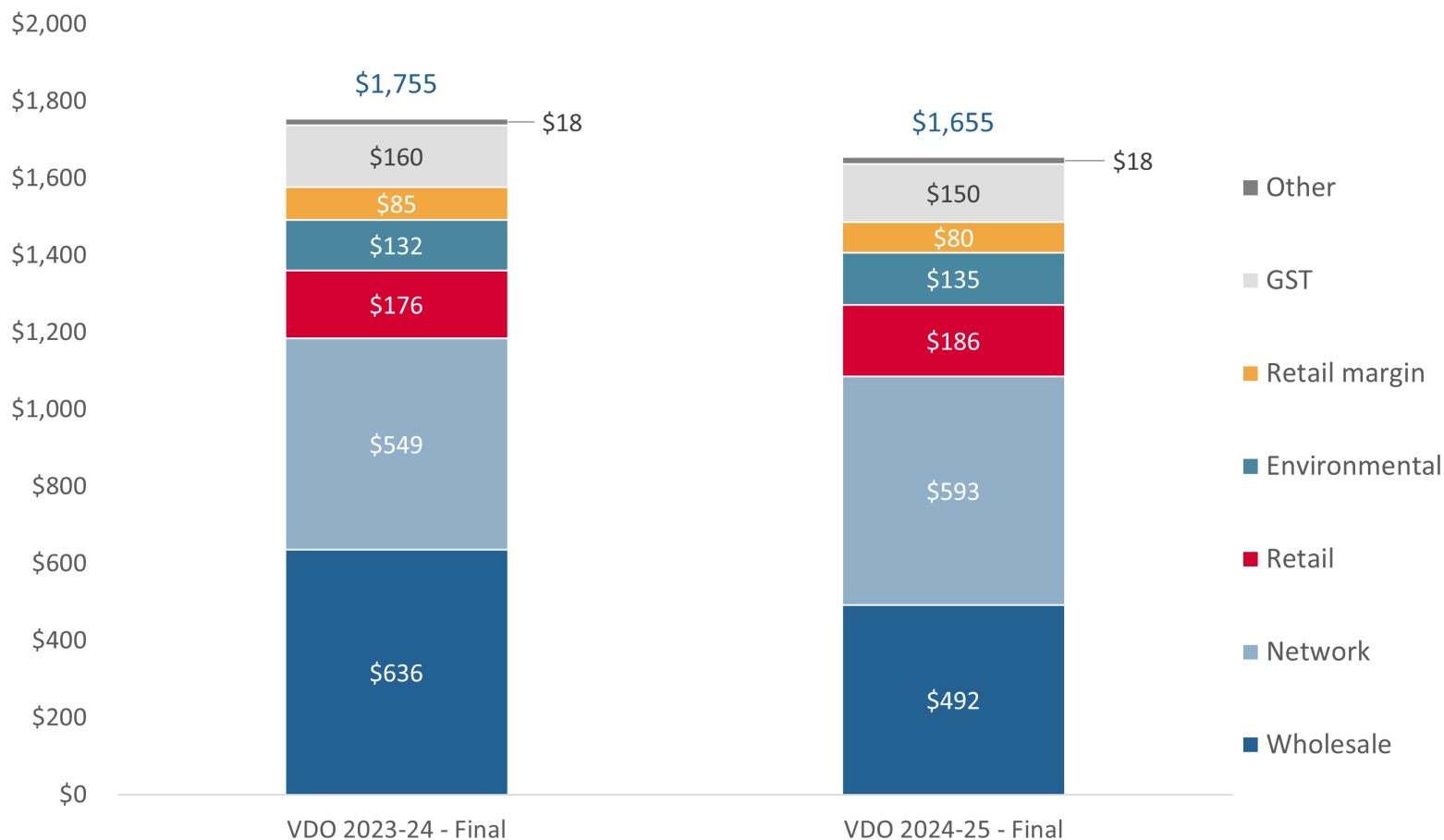
Change by cost component – domestic customer

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%
Total	-100	-6%

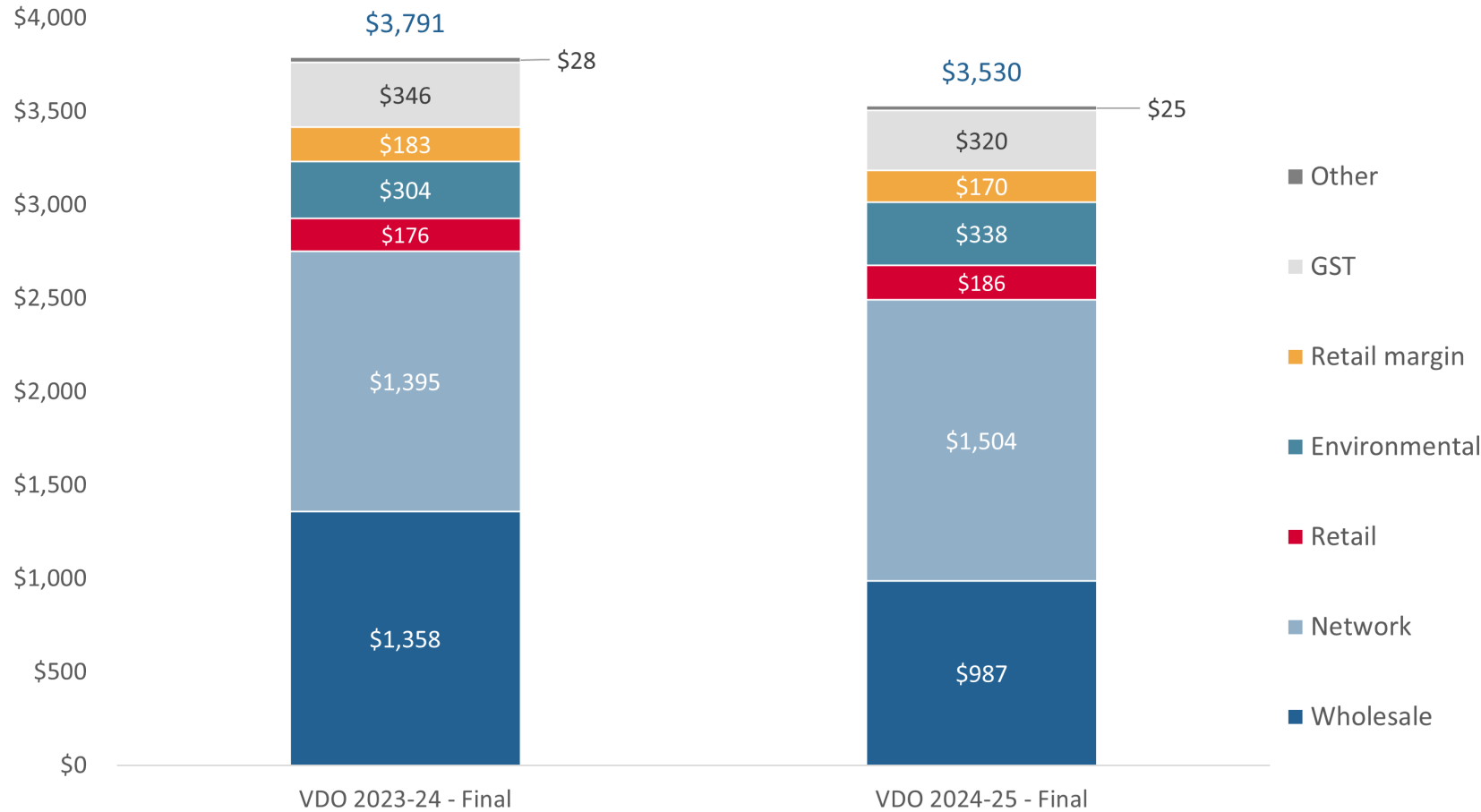
Victorian Default Offer lower

- 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

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SESSION COMPLETE

THANK YOU FOR YOUR ATTENDANCE

