



Tips for small business electricity customers

- The Victorian Default Offer is a fair electricity price
- The new Victorian Default Offer will stop the price gouging of customers
- If you haven't reviewed your energy deal for 12 months, you're probably paying too much
- Not on a simple standing offer? You can opt in to the Victorian Default Offer
- You should check whether the Victorian Default Offer is the best electricity offer for you
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The Victorian Default Offer is a fair electricity price

The Victorian Government is making the upfront cost of energy prices fairer for Victorian households.

From 1 July 2019, if you are on a simple standing offer for your electricity, you will be rolled over to a better, fairer plan. It's called the Victorian Default Offer. It could save you hundreds of dollars.

The new Victorian Default Offer will stop the price gouging of customers

A typical small business using 20,000 kWh of electricity per year should expect to see its electricity bills reduce by between \$1,380 and \$2,050 each year on the Victorian Default Offer, when compared with the median standing offer in their distribution zone.

If you haven't reviewed your energy deal for 12 months, you're probably paying too much

Electricity customers who have never changed their energy provider nor reviewed their bill for more than 12 months may have been moved from a competitive deal to a costly 'simple standing offer' rate for electricity. Simple standing offers are set by the energy provider and are usually much higher than the energy provider's competitive market offers. In 2018, there were about 43,000 Victorian small businesses on these expensive simple standing offer deals.

Not on a simple standing offer? You can opt in to the Victorian Default Offer

Customers on a 'time of use' or 'flexible standing offer' will not automatically move onto the Victorian Default Offer until 1 January 2020. However, these customers can call their energy provider and ask to be put on the Victorian Default Offer from 1 July 2019.

All customers should check that the Victorian Default Offer is the best offer for them before opting in.

Victorian small businesses in shopping centres who are using an embedded network will not be able to access the Victorian Default Offer. The government is reviewing pricing arrangements in embedded networks. For more information on embedded networks, including how to find out if your business uses an embedded network, see our Tips for customers using embedded networks.

You should check whether the Victorian Default Offer is the best electricity offer for you

While the Victorian Default Offer will replace all simple standing offers, energy providers will continue to offer contracts with prices that are lower or higher than the Victorian Default Offer. The Victorian Default Offer will not necessarily be the best or cheapest offer available for your small business. Starting from 1 July 2019, all energy providers are required to inform you, on your electricity bill at least once every three months, whether you are on their 'best offer'. They are also required to use the Victorian Default

Offer as a reference price when advertising discounts, meaning Victorians can compare which electricity offer is best and fairest for their household.

What else can I do to pay the best energy price?

The Victorian Government encourages customers to shop around and find the best energy offers available that suit their circumstances. Victorian Energy Compare is a website that helps households and small businesses find and compare the best energy offers at <https://compare.energy.vic.gov.au>.

The Essential Services Commission will determine new Victorian Default Offer prices each year

The Victorian Government has provided the Essential Services Commission with the power to determine the VDO on an annual basis, starting from 1 January 2020. The Essential Services Commission will be tasked with ensuring the Victorian Default Offer reflects the reasonable efficient cost of operating a retail energy provider in Victoria.

Why is the Government implementing the Victorian Default Offer?

The Victorian Default Offer was introduced after the *Independent Review into Electricity and Gas Retail Markets in Victoria* found that Victorians were paying more than they should for electricity. The Victorian Default Offer is part of the government's Energy Fairness Plan, which aims to make the electricity market simpler and more affordable for all consumers.

Further questions?

We have answered common questions which small businesses may ask about the Victorian Default Offer. Visit energy.vic.gov.au/victoriandefaultoffer.

If we have not answered your question, or you would like further information on the Victorian Default Offer, contact the Department of Environment, Land, Water and Planning on 136 186 or email us at retailmarket.reform@delwp.vic.gov.au.

