



Media Release

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Prices continue to fall but even more savings are available for consumers

Good news is on the way for more than 700,000 energy consumers after the Australian Energy Regulator today released its final Default Market Offer.

Reduced prices – totalling savings of \$65 million – will flow to consumers who are on a standing offer contract across New South Wales, South-East Queensland and South Australia.

“This further relief for some energy consumers shows that the protections and measures the AER has ushered in are flowing through in the form of lower prices,” Energy Consumers Australia Chief Executive Officer Lynne Gallagher said.

“That’s a very good thing but it’s also important that all consumers understand they can do better than these default market offer prices and that they know how to go about getting a better deal.”

Today’s determination will benefit 727,000 electricity customers on a standing offer and will take effect from 1 July 2021. Households currently on the DMO will save up to \$116 a year while small business annual savings will be up to \$441.

The news comes as a further boost for energy consumers, who have been subjected to historically-high prices for most of the past decade. It comes after the Australian Competition and Consumer Commission (ACCC) recently announced prices had dropped 9 per cent across the NEM since mid-2020 after a suite of measures were brought in aimed at making energy more affordable.

What is a Default Market Offer?

Among those changes is the requirement for retailers to provide a Default Market Offer to any consumer if the customer chooses it. The Default Market Offer price is capped by the AER each year and its terms and conditions are set. Today’s announcement sets that offer lower for the 2021-22 Financial Year, largely because of falls in wholesale energy prices as more renewable energy floods into the National Energy Market.

While the Default Market Offer protects consumers from paying excessive prices, it is usually not the best available offer for an individual household or small business. Retailers are free to offer deals and plans that improve upon the DMO and such plans are widely available.

In fact, today’s determination notes that the DMO price remains well above the median market offer, indicating that there are substantial savings to be made for consumers who are able to ‘shop around’.

How can consumers best benefit?

Probably the easiest way to obtain electricity that is cheaper than the DMO, and to make sure your retailer is offering you a plan that suits your individual needs, is to make a Powercall.

Consumer can visit the Energy Consumers Australia website to find our easy-to-use Powercall tool that walks them through how to have the right conversation with their energy retailer and make sure they receive the offer that best suits their needs.

The Australian Energy Regulator also runs a free service – Energy Made Easy – that allows consumers to compare competing offers for which they are eligible, all in one site.

About Energy Consumers Australia

Energy Consumers Australia is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard by the sector by working with other consumer groups to gather evidence-based research with a national perspective, distil it to key viewpoints, and feed it back to the market to influence outcomes.

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