

Media Release

The Hon Lily D'Ambrosio MP
Minister for Climate Action
Minister for Energy and Resources
Minister for the State Electricity Commission



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LABOR DELIVERS LOWER POWER BILLS

More than half a million Victorian households and small businesses will see lower power prices from 1 July.

Today the Essential Services Commission delivered a further reduction in the Victorian Default Offer (VDO).

The final VDO for 2026–27 will be on average 5 per cent lower than last year for households, cutting \$84 off their annual electricity bill.

For small businesses the price is down on average 6 per cent, cutting \$241 off their annual electricity bill.

This represents an even greater reduction than initially projected in the draft VDO in March.

Around 512,000 households and 62,000 small businesses currently on the VDO will benefit directly from an immediate price cut when the new rates take effect.

The VDO also serves as a reference price for market electricity rates, putting the onus on private energy retailers to pass through the reductions to other customers from 1 August this year.

This year's VDO price drop is largely due to improvements in energy efficiency, led by nation-leading policies like the Victoria Energy Upgrades program which Jess Wilson's Liberals have repeatedly opposed.

The VDO is a regulated power price introduced by Victorian Labor in 2019, which cut standing offer power prices by 24 per cent in its first year.

This 2026-27 VDO is 14 per cent cheaper than the standing price it replaced in 2019.

Victoria's VDO is expected to remain much lower than the national Default Market Offer (DMO).

Victoria consistently has the lowest energy prices in the country, led by our record investment in renewables.

Jess Wilson's Liberals want to block renewable energy projects and extend the life of our ageing coal-fired power stations, causing blackouts and higher power prices.

Only Labor will build the critical energy infrastructure needed to deliver cheap power and keep the lights on.

Quotes attributable to Minister for Energy and Resources Lily D'Ambrosio

"Labor is investing in the efficient, renewable energy that Victoria needs to make life cheaper for Victorians."

"Jess Wilson's Liberals would send power prices skyrocketing by blocking renewable energy investment that will deliver replacement electricity."

Quote attributable to Member for Pasco Vale Anthony Cianfalone

"Over half a million Victorian households and small businesses will see an immediate cut in their power prices from 1 July, thanks to Labor's nation-leading Victorian Default Offer."