

Media Release

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



Thursday, 2 July 2026

VICTORIA TO BAN ENERGY RIP-OFF TAX

Victoria will be the first state in the country to ban the energy retailer loyalty tax.

From today, energy retailers will be required to offer fairer prices on old, high-priced deals that prey on vulnerable customers.

The 'energy retailer loyalty tax' business model is when energy companies lure customers in with low-priced offers.

But often over time, these prices are increased by energy retailers hoping you won't notice.

It's a predatory business model that hits some households harder than others.

Too often, busy working families, older people, migrants, people without the time or ability to check they're on the best deal are worse off.

To stop this, we're introducing reasonable price caps on energy offers that are more than four years old.

From 1 July 2026, retailers will be required to switch any customer they are aware of on this offer to a lower rate.

For electricity this rate will be set at the Victorian Default Offer (VDO), which is the lowest default market offer in the country for 2026-27.

For gas, this rate will be based on the median market offer.

This is expected to save between 27,000 and 53,000 customers up to \$258 annually, delivering up to \$12.2 million in total savings.

The retailers have until 30 June 2027 to change their customers on these offers over to the lower rate.

Victorians can also get in touch with their energy retailer anytime from today and let them know they're stuck on a loyalty offer, and retailers must switch them over.

Energy retailers who don't comply could face penalties of up to \$244,212 per breach.

Labor will always put Victorian families first when it comes to cost of living relief, and isn't afraid to take on big corporations.

Jess Wilson's Liberal One Nation coalition will always look after their private, for-profit mates first, not Victorians.

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

"We can't let private energy companies prey on vulnerable people. We're ending the energy retailer loyalty tax and putting money back into people's pockets."

"We're taking on the big energy companies to make bills cheaper and fairer."

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