



Privatisation of our electricity system has failed. When Kennett handed over our power to private corporations to make a profit, it made electricity more expensive, less reliable and kept it dirty. The Greens have a plan to create Power Victoria, a public electricity retailer, providing cheap, clean and reliable electricity to all Victorians.

Since Victoria's electricity system was privatised in 1995, prices have increased by 170%.ⁱ According to the Grattan Institute, Victorian private electricity retailers make over \$400 million a year selling us overpriced electricity.

Electricity is an essential service we all need to live a good life. It shouldn't be left to private corporations to make a huge profit, while holding back the transition to clean renewable energy.

OUR PLAN

The Greens will save the average Victorian \$320 a year by bringing our electricity retail system back into public hands to ensure it is run for people, not corporate profit.

The Greens will:

- Establish a single public retailer, Power Victoria, as a government entity, designed to run at-cost.
- Save every Victorian an average of \$320 a year on their electricity bills.
- Push out private electricity retailers, unless they can significantly lower their bills and stop price-gouging Victorians.

HOW WILL IT WORK?

The Greens will establish Power Victoria as a publicly owned electricity provider, operating as a public retailer. Due to Power Victoria providing a lower-cost service, private electricity retailers will likely phase out of the market.

Power Victoria won't make a profit. Instead, it will run 'at-cost', ensuring cheap, clean and reliable electricity for every Victorian.

HOW MUCH WILL YOU SAVE?

Around 30% of an average electricity bill in Victoria is the retail component, equating to around \$437 per year. Of this, the Grattan institute estimated that the retail profit margin is around 17%.

An Independent Review into Victoria's electricity and gas retail market suggested up to 39% of the operating cost of existing private retailers is for marketing and advertising.

Because Power Victoria would run as a non-for-profit retailer, without excessive and misleading marketing, it would save the average Victorian approximately \$320 a year on their bill, as outlined in Table 1.



Table 1: Costs in a Victorian electricity bill

Component	Amount
Average Victorian bill	\$1457 ⁱⁱ ⁱⁱⁱ
Retail component	\$437.1 ^{iv}
Average retail profit	\$247.7 ^v
Current retailer costs of customer retention, marketing and advertising	\$73.9 ^{vi}
Saving by switching to Power Victoria	\$321.6 ^{vii}

HOW MUCH WILL IT COST?

Establishing Power Victoria will be cost neutral because it will be run to cover the cost of operations - with the main priority being to provide cheap, reliable and clean electricity to every Victorian.

OLD PARTIES IN THE POCKETS OF ENERGY COMPANIES

The Labor and Liberal Parties are addicted to privatisation and the corporate donations they receive from private retailers.

Since 2010 AGL, Energy Australia and Origin have donated over \$350,000 to Victorian Labor, Liberals and the Nationals.

With these donations, it is little wonder the old parties continue to support toxic coal power stations and gas drilling in our state.

RELATED CLIMATE AND ENERGY POLICIES

In addition to our plan for Power Victoria, the Greens have a bold set of policies to transition Victoria out of dangerous fossil fuels and to 100% renewable energy. For further information, visit:

- **100% Renewable Victoria and Beyond Gas** – Our plans for publicly owned renewables generation, storage and network upgrades, and to phase out coal and gas by 2030.
- **Solar for Everyone, Solar for Schools and Solar for Public Housing** – Our plans to ensure all Victorians can benefit from clean, renewable solar energy.
- **A Victorian Climate Commissioner** – Our plan to safeguard communities and the environment from climate change.

References

- ⁱ Price Shock. Is the retail electricity market failing consumers? Grattan Institute, March 2017. <https://grattan.edu.au/wpcontent/uploads/2017/03/Price-shock-is-the-retail-marketfailing-consumers.pdf>
- ⁱⁱ Retail Electricity Pricing Inquiry 2017, ACCC, 2017 <https://www.accc.gov.au/publications/accc-retail-electricity-pricing-inquiry-preliminary-report>
- ⁱⁱⁱ Average Victorian Bill for 2017/18 based on ACCC estimated numbers for 2016-17, using the ACCC methodology outlined in the Retail Electricity Pricing Inquiry Report, as well as the actual data provided by retailers for the period from 2007-08 to 2015-16
- ^{iv} Independent Review Into the Electricity and Gas Retail Markets in Victoria, August 2017. https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.vicengage.files/7415/0267/4425/Retail_Energy_Review_-_Final_Report.pdf
- ^v Fair Pricing for Power, Grattan Institute, July 2014
- ^{vi} Independent Review Into the Electricity and Gas Retail Markets in Victoria
- ^{vii} Calculated by combining the profit and marketing costs of current retail, which would not be charged by Power Victoria.