Essential Services Commission
Level 8, 570 Bourke Street
Melbourne VIC 3000

Lodged via email: engage@esc.vic.gov.au

24 February 2026

Dear Commissioners

Getting to Fair: Advancing Equity Consultation Paper

The Australian Energy Council (the **AEC**) welcomes the opportunity to make a submission to the Essential Services Commission (the **ESC**) in response to its *Getting to Fair: Advancing Equity* Consultation Paper.

The AEC the peak body for energy retailers and generators operating in competitive markets. Our members generate and sell energy to over 10 million homes and businesses and are committed to delivering a reliable, affordable and decarbonised energy system for consumers. The AEC supports net zero by 2050 and recognises the electricity sector's role in reducing Australia's emissions. Our members are major investors in renewables, firming and storage technologies that are critical to ensuring that customers continue to receive reliable and sustainable energy supply as we navigate the energy transition.

1. Strategic Overview

The AEC supports the ESC's broad goal of promoting just outcomes and equitable access to essential services for all Victorians. We acknowledge that as the energy sector undergoes significant transitions, including decarbonisation and increased digitalisation, the potential for inequitable impacts across different consumer groups is a challenge that requires a coordinated response. The AEC shares the ESC's commitment to ensuring that the benefits of the energy transition are shared broadly and that no consumer is left behind.

To ensure this strategy achieves its intended impact, the AEC believes that "fairness" is most effectively delivered when balanced with economic efficiency and market sustainability. A resilient market is the foundation upon which equity is built. It is vital that new interventions are grounded in data and rigorous cost-benefit analysis to ensure they deliver long-term value to all consumers. By ensuring that equity measures reflect the underlying cost stack (including wholesale energy, network, and environmental costs) the ESC can help maintain a stable investment environment while protecting the most vulnerable.

2. Industry Leadership: Proactive and Voluntary Support

The energy retail sector has not waited for regulatory mandates to address the needs of vulnerable consumers. Instead, major retail members have increasingly framed and resourced vulnerability support as an always-on business function, demonstrating a level of commitment that often exceeds regulatory minimums. Concrete examples of initiatives that retail members have shared with us include the following:

Level 13, 575 Bourke Street
Melbourne 3000
GPO Box 1823 Melbourne Victoria 3001

P +61 3 9205 3100
E info@energycouncil.com.au
W energycouncil.com.au

ABN 926 084 953 07
©Australian Energy Council 2022
All rights reserved.

- **Targeted Funding Packages:** Major industry participants have committed packages of up to $70 million for debt relief, bill credits, and no-cost solar installations for hardship customers.
- **Direct Debt Forgiveness:** Over a two-year period, individual members have forgiven over $21 million in debt for more than 14,000 customers to provide a fresh start" This includes discretionary debt-waiving assessed on a case-by-case basis by specialist teams, particularly in circumstances involving family and domestic violence.
- **Voluntary Payment-Matching**: Retailers have spearheaded initiatives that match customer repayments toward arrears, providing direct financial relief that exceeds regulated payment plan requirements.
- **Holistic and Proactive Support Models:** Retailers are moving beyond simple payment plans toward intensive case management and proactive identification of need:
- **Predictive Outreach:** Using data-informed early-warning systems, industry leaders engage with hundreds of thousands of customers before debt becomes severe.
- **Deep Efficiency Interventions:** Support now extends to physical interventions, such as no-cost in-home energy-efficiency visits and the replacement of inefficient appliances through community partnerships.
- **Enhanced Accessibility:** Significant investments have been made in no-cost interpreter services and "Easy English" policy documents in multiple languages, including Simplified Chinese, Vietnamese, and Arabic, to reduce barriers for culturally and linguistically diverse (CALD) customers.

3. Evolving the Strategy for Individual and System-Level Equity

In evolving the *Getting to Fair* strategy to encompass both individual and system-level equity, the AEC encourages the ESC to adopt a collaborative model of shared responsibility where retailers, consumers, and government each play their respective roles. While the market can sometimes exacerbate existing challenges, customer vulnerability primarily stems from broader personal and socioeconomic circumstances, such as low income or health factors, which are often outside the direct control of energy retailers.

System-level solutions, therefore, provide a prime opportunity for multi-stakeholder collaboration involving government welfare, housing, and social agencies. The AEC suggests that the ESC focus its attention on system-level responses that empower customers to engage with the market and make informed choices. While well-intentioned, overarching measures like automated switching risk bypassing the principle of explicit informed consent and could inadvertently leave households worse off if they lose access to plans with specific non-price benefits. Instead, we support an approach which retains customer autonomy by providing them with options.

4. Human-Centered and Technical Safety Nets

A principles-based approach allows for greater innovation and more generous outcomes than a strictly prescriptive framework, as evidenced by several community-led initiatives spearheaded by the sector:

- **Human-Centered Engagement**: Through the *Knock to Stay Connected* Customer Code initiative (as promulgated via the Energy Charter), retailer signatories and networks provide hand-delivered information to customers who have been unresponsive to digital or mail-based communications. This human-first approach has been proven to avoid up to 80% of

Level 13, 575 Bourke Street
Melbourne 3000
GPO Box 1823 Melbourne Victoria 3001

P +61 3 9205 3100
E info@energycouncil.com.au
W energycouncil.com.au

ABN 926 084 953 07
©Australian Energy Council 2022
All rights reserved.

disconnections by facilitating face-to-face connections and immediate referrals to support services.

- **Technical System Overrides:** Leading retailers have implemented safety nets that override default market pricing for customers in difficulty. This includes switching customers with prolonged debt onto their best offer, to ensure they are on the most financially advantageous plan.
- **Specialised Support for Emerging Vulnerabilities:** Retailers are presently expanding internal capabilities to provide trauma-informed care for family violence survivors, ensuring secure account management that prevents energy accounts from being used as tools for abuse.
- **Cultural and Linguistic Specialist Teams:** Beyond standard interpreter services, leading retailers have established specialised phone lines and community liaison officers for First Nations and CALD communities to provide culturally safe assistance.
- **Digital and Energy Literacy:** Initiatives, such as Energy Care Hubs, provide community sector workers with direct portals to resolve complex customer issues immediately, while "usage alerts" help vulnerable customers identify high-consumption appliances before they result in bill shock.

5. Priority Themes: Business Conduct and System-Level Responses

The AEC broadly agrees that the priority themes of Business Conduct, System-level Responses, and Regulatory Inclusion are appropriate categories to achieve the ESC's goals. However, the effectiveness of these themes depends on a streamlined operational approach that avoids redundant regulatory burden.

Under the Business Conduct theme, the AEC supports the ESC's intention to influence conduct through regulatory stewardship rather than solely through prescriptive rules. To strengthen current progress, we suggest the ESC prioritise data-driven decision-making to assess the effectiveness of existing protections prior to introducing new obligations.

Regarding System-level Responses, we encourage the ESC to target systemic barriers that retailers alone cannot resolve. For example, working to integrate social policy mechanisms (such as Utility Relief Grants) with retail supports.

The AEC also suggests that the ESC consider a fourth theme: Regulatory Simplification. The cumulative impact of concurrent reforms since 2017 has put a strain on retailers' systems. We believe that ensuring that the cost of regulation itself does not increase energy costs for all consumers is key to promoting equitable outcomes.

6. Supporting Regulated Sectors to Embed Justice and Equity

Embedding considerations of justice and equity at both the individual and system level requires a transition away from rigid prescription toward principles-based guidance. This approach allows retailers to innovate and adapt their services to meet the needs of diverse consumer segments without the constraint of overly prescriptive rules. However, to support this, the AEC recommends that the ESC provide clear, consistent definitions of what "equitable outcomes" look like in practice.

A critical area where the ESC can support the sector is through enhanced data-sharing and cross-sector partnerships. For example, retailers frequently face challenges in identifying customers who are eligible for concessions or grants due to a lack of real-time data from government agencies. By championing data-linking projects with bodies like Services Australia, the ESC can enable a system-level fix that allows

Level 13, 575 Bourke Street
Melbourne 3000
GPO Box 1823 Melbourne Victoria 3001

P +61 3 9205 3100
E info@energycouncil.com.au
W energycouncil.com.au

ABN 926 084 953 07
©Australian Energy Council 2022
All rights reserved.

for accurate, automated identification of vulnerable households, ensuring support is both targeted and effective.

The AEC also supports the use of regulatory sandboxes and pilot programs. Piloting innovative equity measures (such as culturally safe engagement for First Nations communities or new digital inclusion tools) allows the industry and the ESC to test for unintended consequences before committing to statewide mandates. This flexible approach ensures that the strategy can respond effectively to emerging needs.

7. **Success Factors and Risk Mitigation**

The AEC considers that for the *Getting to Fair* strategy to succeed, it must remain grounded in the reality of market sustainability. We believe that a fair outcome is one where retailers can continue to invest in enhanced services and customer support mechanisms. As such, the AEC recommends the following success factors to ensure the ESC's strategy remains robust and effective:

- **Continuous Evaluation**: The strategy should include formal checkpoints and post-implementation reviews to measure whether actions are delivering the intended consumer benefits.
- **Collaborative Governance**: We suggest establishing a permanent Equity Advisory Committee comprising retailers, consumer advocates, and community groups to oversee the rollout of flagship frameworks.
- **Transparent Funding**: Equity measures that function as social welfare should be transparently funded via the state budget or regulated levies, rather than through hidden cross-subsidies within retail prices.
- **Evidence-Based Price Setting**: Any move toward fairness-based pricing must consider the underlying cost of supply to avoid distorting investment signals and reducing competition.

8. **Managing Implementation Risk and Operational Feasibility**

The AEC emphasises that the energy retail sector is currently navigating an unprecedented volume of regulatory change. For any equity strategy to be effective, it must be deliverable without compromising the stability of existing retail operations or the accuracy of consumer billing.

The technical complexity of modifying IT and billing systems is a significant factor in regulatory design. Major changes, such as automated plan assessments or new equity-based tariffs, require extensive lead times for design, build, and rigorous testing. Rushed implementations could increase the risk of system errors, which can result in bill shock or incorrect benefit applications, ultimately undermining the equity the ESC seeks to promote.

To mitigate these risks, the AEC recommends:

- **A Minimum 12-to-18-Month Implementation Window**: Any new strategy actions requiring significant system or process changes should provide at least 12 to 18 months from the date the final regulatory detail is confirmed.
- **Alignment with Industry Cycles**: Implementation dates should be synchronised with routine industry cycles (such as the 1 July price change cycle) to streamline processes and minimise administrative burden.

Level 13, 575 Bourke Street
Melbourne 3000
GPO Box 1823 Melbourne Victoria 3001

P +61 3 9205 3100
E info@energycouncil.com.au
W energycouncil.com.au

ABN 926 084 953 07
©Australian Energy Council 2022
All rights reserved.

- **Phased Rollouts and Trials**: The ESC should consider staged implementation or voluntary industry trials for the most complex system-level responses.

9. **Challenges and Barriers to Strategy Delivery**

The AEC has identified several critical barriers that may impact the successful delivery of the *Getting to Fair* strategy if not proactively managed.

- **Macroeconomic Pressures:** The current environment of persistent cost-of-living pressures and high inflation means that energy debt is often a symptom of broader financial hardship. There is a risk that focusing solely on retail-centric obligations may overlook the primary levers for relief, such as direct government income support or structural housing reform, which remain outside the scope of this strategy.
- **Regulatory Fragmentation:** As a national industry, AEC members benefit from consistent rules across jurisdictions. Victoria-specific mandates that differ significantly from the National Energy Customer Framework (NECF) can increase compliance costs and complexity. We urge the ESC to harmonise its equity initiatives with national frameworks wherever possible.
- **Consumer Disengagement:** Despite the best efforts of regulators and retailers, a cohort of "hard-to-reach" consumers remains disconnected from available supports. Overcoming this requires community-led outreach and culturally safe communication strategies that address non-financial barriers such as digital literacy or language differences.

10. **Conclusion and Recommendations**

The AEC supports the high-level intent of the *Getting to Fair* strategy and welcomes the opportunity to work collaboratively on the flagship frameworks. For this strategy to deliver meaningful benefits without harming market sustainability, it must remain pragmatic, data-led, and mindful of operational realities.

The AEC looks forward to continuing its engagement with the ESC as the strategy evolves. Please do not hesitate to contact me at [redacted] or by telephone on [redacted] if you wish to discuss this submission further.

Yours sincerely,

[redacted]

General Manager, Retail Policy

Level 13, 575 Bourke Street
Melbourne 3000
GPO Box 1823 Melbourne Victoria 3001

P +61 3 9205 3100
E info@energycouncil.com.au
W energycouncil.com.au

ABN 926 084 953 07
©Australian Energy Council 2022
All rights reserved.