18th December 2025

TO WHOM IT CONCERNS

This feedback reflects a practical commercial perspective.

Submission on *Getting to Fair – Advancing Equity*

Essential Services Commission

1. Acknowledgement of intent

The objective of improving fairness and equity in essential services is supported. Access to reliable, affordable energy, water, transport and local government services is foundational to social and economic participation. A regulator that ignores distributional impacts risks losing legitimacy.

However, **intent alone is not a strategy**.

2. Absence of a diagnostic baseline

The paper does not clearly articulate:

- Where unfairness currently exists (pricing, access, service quality, enforcement, or information asymmetry)
- Whether the root causes are market failure, regulatory design, implementation failure, or broader policy settings
- What has been learned from past interventions, including unintended consequences

Without a baseline diagnosis, it is not possible to assess whether proposed actions are proportionate, effective, or even necessary.

3. Conflation of values with regulatory method

The document relies heavily on normative language (e.g. *fairness, lived experience, trust, inclusion*) but does not explain how these concepts will be **operationalised within an economic regulatory framework**.

There is a risk that:

- Moral framing substitutes for evidence-based analysis
- Trade-offs between affordability, investment certainty, service quality and long-term system resilience are under-acknowledged
- Regulatory discretion expands without corresponding accountability or transparency

Equity considerations should **inform** regulatory decisions, not replace rigorous economic reasoning.

4. Unclear prioritisation and trade-offs

Consumers are not a single homogeneous group. Measures that benefit one cohort may impose costs on:

- Other consumers (including future consumers)
- Taxpayers
- Service reliability or long-term investment

The paper does not explain how competing interests will be weighed, nor how distributional impacts will be assessed and disclosed.

5. Strategy versus positioning

A strategy would ordinarily include:

- Clear objectives linked to identified problems
- Defined regulatory levers and limits
- Metrics for success and review timeframes
- Transparency around risks and unintended consequences

As currently framed, *Getting to Fair* reads more as a **values and positioning statement** than a strategy capable of guiding consistent regulatory action.

6. Suggested next steps

To strengthen the document, consideration should be given to:

- Publishing a clear diagnostic of equity issues across ESC-regulated sectors
- Explaining how equity objectives will be integrated with economic regulation principles
- Articulating decision-making frameworks that manage trade-offs explicitly
- Defining how success will be measured and reviewed over time

7. Closing

Equity is an important consideration in essential services regulation. However, it must be pursued through **transparent, evidence-based and accountable regulatory practice**, not broad aspiration alone. Clarifying how fairness objectives translate into disciplined regulatory action would materially strengthen the Commission's approach.

Please acknowledge receipt of this feedback.

Kind Regards

David Hepworth