ENERGY CONSUMERS AUSTRALIA

Essential Services Commission – *Getting to Fair: Advancing Equity* strategy

Submission to the Essential Services Commission (ESC) of Victoria.

Date: 17 February 2026

Energy Consumers Australia is the national voice for household and small business energy consumers. We advocate for a fair, affordable, and reliable energy system—one that meets everyone's needs and leaves no one behind on the journey to net zero.

Energy Consumers Australia (ECA) welcomes the opportunity to provide feedback on the Essential Services Commission's consultation paper *Getting to Fair: Advancing Equity – Just and equitable outcomes for all Victorians, Today and Tomorrow.*

We support the Commission's ambition to address inequity at a systems level to improve outcomes for Victorian energy consumers, particularly those experiencing vulnerability or hardship. We particularly welcome the Commission's commitment to:

- promoting just outcomes for consumers through principles-based, outcomes-focused regulation;
- explicitly aligning social and environmental equity with efficiency, a positive move from the narrow interpretation of efficiency set out in the National Electricity and Gas Objectives[1]; and
- adjusting reporting and measurement cadence to better respond to emerging needs.

To make the most of these ambitions, our key recommendation is that the Commission introduce a consumer duty as a central component of an outcomes-based regulatory framework (see action 1 below). ECA would be keen to continue to work with the Commission on how such a measure can deliver better outcomes for all households and small businesses in Victoria.

We have responded to the questions posed in the consultation paper below.

1. Are there matters we should consider in evolving our Getting to Fair strategy to encompass both individual and system-level equity?

The plan is a positive step in implementing system-level reform toward beneficial consumer outcomes, especially as more Victorians are falling into energy stress. In our 2025 *Consumer Energy Report Card*,[2] we found that 81% of Victorians believed their energy bills had increased in the past 12 months, that 77% are extremely or quite concerned about the cost of electricity, and 67% of Victorian households are as concerned about the cost of gas. These figures are alarmingly high.

In this environment, the ESC sits in a unique position as a potential integration point for initiatives that look not only at consumers experiencing vulnerability in energy, but also in other sectors such as water, housing, and health. A lack of coordination across essential service sectors put people with low incomes, insecure housing, and chronic health conditions further at risk. To address the root causes of energy stress we must look more broadly than the energy system itself, and the ESC can promote best practices within Victoria and with other jurisdictions on how to do this.

2. Do you think the priority themes are the right themes to help achieve our goal?

The three priority themes—business conduct, system-level responses, and regulatory inclusion—are broadly appropriate and align with ESC's regulatory remit. To maximise their impact on consumer outcomes, ECA suggests the following concrete actions:

- **ACTION 1. Introduce a consumer duty as a central component of an outcomes-based regulatory framework.** We welcome the ESC raising the possibility of a consumer duty of care

[1] National Energy Objectives | AEMC
[2] Consumer Energy Report Card data | Energy Consumers Australia

in the strategy (p. 10). ECA has been advocating for an overarching consumer duty to require energy providers to act to deliver fair outcomes.[3] Professor Jeannie Paterson from the University of Melbourne has prepared a series of reports for ECA highlighting the potential for a consumer duty.[4] In these reports, Paterson notes that a consumer duty for the energy market would require suppliers to aim for positive outcomes for consumers throughout their sales, billing, and service processes as well as to conduct regular testing to ensure they are meeting their obligations.[5] This would 'flip' the onus of responsibility for achieving fair outcomes to providers and away from consumers and therefore align with the objectives of *Getting to Fair*. ECA firmly believe that a consumer duty is the next best step in pushing energy service providers to provide more effective support for their role in the delivery of energy as an essential service.

- **ACTION 2. Better understand and measure energy vulnerability in Victoria.** In line with the recommendation to introduce a Consumer Duty, we would welcome working with ESC to develop a comprehensive measurement plan to provide a baseline position, and an ongoing evidence base of how the state is tracking toward justice and equity in energy access. In fact, 'track progress' could be a fourth priority theme. In the context of a cost-of-living crisis, with energy debt spiralling and disconnections for non-payment trending upwards, this issue is likely to continue to affect more consumers between now and the end of the decade. Measuring how we are advancing energy justice, affordability and equity in the energy transition is an essential success metric for the Commission.

- **ACTION 3. Introduce measurable targets for businesses.** Principles-based, outcomes-focused regulation is best accompanied by clear definitions and expectations, suggested actions, and achievable timeframes. We encourage ESC to first clearly define the terms *energy justice, equity,* and *fairness* in business-applicable ways. This would include concrete examples, precedents, and guidance on the consumer outcomes it expects regulated entities to deliver against rather than leaving this to the market to interpret. The Commission might also consider how to use three of the four pillars from the strategy document—data and insights; consumer voice; collaboration—as the basis of measurement. For example, are retailers providing verifiable data to show they are working to address consumer hardship in sustainable and enduring ways? Is the Commission seeing evidence of retailers seeking consumer input into the design of new products and services? A consumer-centred approach, informed by consumer research and lived experience, will be critical to give effect to these principles in practice.

3. What can be done to support our regulated sectors embed considerations of justice and equity at both the individual and system level?

We would like to congratulate the Commission on the adoption of the term 'energy justice' and the work to develop an **Energy Justice Framework**. At the same time as energy becomes an ever-more present dimension of modern lives, data shows an increasing divide between those who have access to affordable, reliable and clean energy and those who do not. The pursuit of energy justice cannot but be synonymous with the overarching purpose of good public policy.

[3] Our 3-Year Plan | Energy Consumers Australia
[4] Exploring a consumer duty for Australia's energy market
[5] Ibid. page. 2.

The ESC will no doubt be familiar with the three tenets of energy justice—*procedural, distributional, recognition*.[6] Energy regulation must protect consumers from disproportionate cost burdens,[7] ensure easy access to timely support and sustainable assistance when needed and prevent avoidable harms (including from disconnections for non-payment due to hardship). This addresses the *procedural* and *distributional* tenets of energy justice. Just as important is *recognition justice* which is a helpful foundation for understanding and recognising the multifaceted dimensions of energy vulnerability.

Recognition justice prompts attention to how people's different capacities might affect their access to energy.[8] For example, the 'invisibly vulnerable' that don't show up in existing metrics of payment difficulty. This is because thousands of Victorians pay their bills on time but are nevertheless reducing their energy consumption to detrimental levels or foregoing other essentials (such as food or medication) to save money. In addition, many Victorians experiencing vulnerabilities are not being adequately identified by retailers and are therefore not being directed toward tailored hardship assistance and emergency support, such as Utility Relief Grants.[9] The question remains whether we are measuring for vulnerability in a broad enough fashion, and who is falling through the cracks because of narrow definitions of energy hardship.

To support the Commission's aim to embed justice, equity, and fairness into the system, we also welcome the idea of developing a targeted framework to support **First Nations' self-determination**. As part of this, the Commission should focus on creating mechanisms which encourage best practice and enabling reform toward First Nations' equity in renewable energy projects. For example, working toward First Nations' people being on a level footing with large scale operators when they enter complex negotiations around development of renewable energy assets, as noted by the *Victoria Policy Overview: First Peoples and Clean Energy*.[10]

4. What challenges or barriers might make it harder to deliver this strategy?

We agree with the Commission that efficiency is an important driver of system performance, yet efficiency alone can create and/or widen inequities. ECA suggests that creating a strong evidence base for reform—one conducted from the consumers' perspective and focused on outcomes—will be a crucial mechanism in maintaining an effective, efficient, yet far more equitable system. Without it, the case for reform outlined in this strategy may be hard to make to the public. A deeper understanding of the specific drivers of rising debt and disconnections in Victoria, as well as bold and holistic solutions that consider all system actors and their responsibilities, is critical in the development of a framework which reforms the system in ways that those at most risk are not left behind.

ECA looks forward to continued engagement with the Commission as the *Getting to Fair* strategy evolves. If you have any questions about this submission, please contact Kimberley Crofts [redacted]

Yours sincerely,
Kimberley Crofts – Manager, Consumer Advocacy

[6] Energy justice: Conceptual insights and practical applications.
[7] Exploring a consumer duty for Australia's energy market
[8] Advancing Energy Justice: The Triumvirate of Tenets and systems thinking.
[9] Consumer Action Law Centre: Energy Assistance Report
[10] Victoria - Policy Overview - First Peoples and Clean Energy