

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio

Competition and Consumer Amendment (Australian Energy Regulator Separation) Bill 2025

Agency: Australian Competition and Consumer Commission
Question No: [Click here to enter text.](#)
Topic: **Costs**
Reference: Spoken p.3 (12 August 2025)
Senator: Senator Dean Smith

Question:

- Senator DEAN SMITH: Thanks very much. What has been the total cost of the preparatory work for separation and the transition activities outlined on page 2 of your submission?
- Ms Proudfoot: There would be costs there associated with the individuals who've been employed to support the AER's finance, human resources, strategic comms and governance functions. As to the AER entering into the enterprise resource planning systems work, I'll leave it to them to answer that one, so I can't give you a specific quantity. As I mentioned, what we've been working to do is be in a position to effect separation in an efficient way but not spend too much money or go into a 'regrets' piece in the event that the legislation doesn't pass.
- Senator DEAN SMITH: So what you're saying is not to assume a legislative outcome before that outcome has been approved by the parliament.
- Ms Proudfoot: Yes, but to be ready, should parliament approve the legislation.
- Senator DEAN SMITH: I understand. Again, perhaps you could take that on notice and provide some information to the committee, where that's possible. What do you expect the total cost to the ACCC of providing property and ICT services to the AER will be? And how will the [inaudible]?
- Ms Proudfoot: It wouldn't be any greater than current costs, because we are already providing those services. We're co-located, and the AER IT network is the current network, so it will just be a matter of working through what that looks like under a shared-services arrangement, which, as I mentioned, we're still developing.
- Senator DEAN SMITH: That is everything from me. Thank you to the ACCC.

Answer:

What has been the total cost of the preparatory work for separation and the transition activities?

The ACCC and AER commenced preparatory separation work during FY2023-24 in an efficient approach with no regrets spending in the event legislation doesn't pass.

Preparatory separation work and activities have included:

- Drafting legal amendments
- Project Management Plan
- Communications and change management
- Development of an ACCC Corporate Services Catalogue

- Corporate Services Cost Model
- Financial analysis and implications to the ACCC and AER
- Contingency Planning
- MoU development
- AER TechnologyOne Enterprise Resource Planning software (ERP) contract

The estimated combined cost of separation work undertaken to prepare for the originally proposed 1 July 2025 commencement date, across FY2023-24 and FY2024-25, by the ACCC and AER was approximately \$3.5m to \$4.0m. These costs were met within existing budget envelopes.

Most of the separation cost relates to the to the internal staffing costs related to the activities referred to above, and a first-year licence fee for the AER TechnologyOne ERP. Early engagement of the ERP provider in January 2025 was required in order to have the system configured for use on commencement of the legislation (originally proposed as 1 July 2025).

Small groups of ACCC and AER staff have participated in separation related activities at various times to support preparations, this has been done as part of their normal course of business. Most activities are well progressed and will be completed ahead of the proposed 1 July 2026 go-live should legislation be approved. Activities have been paused or slowed as the result of the delayed progress of the legislation through Parliament in 2024 and 2025.

What do you expect the total cost to the ACCC of providing property and ICT services to the AER will be?

The AER will remain in ACCC office accommodation and will purchase ICT and Property shared services from the ACCC in the same way these services are provided to the AER now. The cost of these shared services is estimated to be around \$10.0m per annum. The ACCC and AER are working through these details to finalise service offering and costs which will be reflected in a Memorandum of Understanding for the service provision. This preparatory work is estimated to be 75% complete and will be finalised ahead of the go-live date once the passage of legislation is known.
