

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: **Appropriations and timeframe**
Reference: Spoken p.2-3 (12 August 2025)
Senator: Senator Dean Smith

Question:

- Senator DEAN SMITH: Yes. I'm sure that they're listening, so they'll be prepared. My next question is: has any agreement been made on how the appropriations within the existing government funding envelope will be shared between the ACCC and the AER?
- Ms Proudfoot: Currently, the appropriations are divided into two programs, one being the program for the ACCC and one being the program for the AER, and those are what we report against in our annual report. Upon separation, the AER will take its full program budget, and the ACCC budget will decrease due to reduced corporate contributions. Currently, the AER pays for its employees and also a particular proportion of IT and other things. The ACCC will make savings to realign our budget.
- Senator DEAN SMITH: Are you able to quantify those savings or those shifts between resources?
- Ms Proudfoot: We are still working through those details, Senator. For example, we're currently working towards having the AER remain on ACCC property, maintaining a presence in our buildings, and also our IT network, but it will separate and have its own HR functions. We're just working through the detail of how that all will work from a corporate perspective.
- Senator DEAN SMITH: What's the timeframe on that work? When is it expected to be completed?
- Ms Proudfoot: Very shortly, Senator. Obviously, we've been preparing for separation at different points and at different positions, where the legislation has been implemented and not implemented. We've been looking to work on a 'no regrets' basis: not to go too far and invest too heavily but to be ready for separation when it occurs. We would be hopeful that in the coming months, particularly if we have the passage of the bill, we can land that. It's been the subject of some discussion already.
- Senator DEAN SMITH: Are you able to give the committee a sense of what quanta are involved, without it being the final outcome?
- Ms Proudfoot: I would prefer to take that on notice, Senator. I'll speak to our CFO and get something helpful for you.

Answer:

The ACCC's appropriation funding is separated and reported as two programs within the Portfolio Budget Statements as follows:

- Program 1.1: ACCC
- Program 1.2: AER

The departmental appropriations split as per the 2025-26 PBS, March 2025 is in Table 1.

Table 1

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Departmental appropriation					
Program 1.1: ACCC	304,276	275,784	232,171	227,346	219,349
Program 1.2: AER	100,143	95,725	93,295	94,164	93,283
Total expenses	404,419	371,509	325,466	321,510	312,632

In 2024-25, the AER's program budget of \$100.143m was split \$81.5m (81%) to AER's direct cost budget and \$18.6m (19%) was contributed to the provision of ACCC corporate services to support the AER. These services covered human resources, finance, procurement, property and facilities, ICT and information management, governance, communications, and legal support.

It is anticipated that the AER's contribution towards the provision of ACCC corporate services in 2025-26 will be similar to 2024-25 however adjusted in-line with the Consumer Price Index and APS pay increases.

From the date of legal separation, proposed to be 1 July 2026, Program 1.2 AER funding will be transferred in full to the independent AER entity. The AER program budget will continue to fund a reduced subset of corporate shared services from the ACCC.

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.

The ACCC will need to adjust its budget and make savings to absorb the impact of a reduced corporate services provision to the AER. As a result, it is anticipated the ACCC will need to utilise its cash reserves over the forward estimates to manage this transition.