Attachment 9.7

IT Investment Plan

July 2025

PUBLIC

Australian Gas Networks

Contents

Executive summary

Australian Gas Networks (AGN) is one of Australia's largest natural gas distribution companies. We own approximately 27,000 kilometres of natural gas distribution networks and 1,300 kilometres of natural gas pipelines, serving over 1.3 million customers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory.

As a gas network service provider, we must understand and meet rapidly changing customer needs. This means building a flexible and responsive business that seeks to improve productivity and enhance the way we manage the vital community assets we own. To do this, we must invest in information technology (IT) that allows us manage and monitor our assets, meet our obligations and provide consistent and responsive customer service.

This plan outlines the key IT investments proposed for the next access arrangement (AA) period (July 2026 to June 2031). The plan covers traditional IT such as enterprise applications, IT hardware, corporate data and managed infrastructure, as well as the operational technology (OT) systems for our Supervisory Control and Data Acquisition (SCADA).

Our IT and OT systems provide the following functionality:

- managing market transactions;
- issuing and controlling field work;
- monitoring and recording gas deliveries to customer sites;
- facilitating emergency response services;
- monitoring network condition;
- analysing network capacity;
- recording the configuration and location of assets;
- providing information to our customers and the community;
- interacting with our customers; and
- performing associated business functions.

Combined, these functions allow us to provide a safe, reliable and affordable gas supply to our customers.

Like many utilities globally, we are responding to the challenges brought about by climate change and the need to reduce carbon emissions, changes in customer preferences, new technology, rising cyber threats, energy efficiency and the price competitiveness of energy resources.

In 2017, AGN, Dampier Bunbury Pipeline (DBP) and Multinet Gas Networks (MGN) came together to form Australian Gas Infrastructure Group (AGIG). AGIG operates across multiple Australian jurisdictions, bringing together a wealth of expertise and experience that allows its various businesses to share knowledge, information and resources for the benefit of customers.

AGIG's scale and breadth of resources presents opportunity to deliver benefits for AGN's customers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory. Not least, it allows us to review and rationalise our IT systems and infrastructure across the group, moving to shared platforms where practicable.

We are well progressed on the IT rationalisation journey. During the current AA period (July 2021 to June 2026) we completed a data centre consolidation, rationalisation of our IT managed service providers, Phase 1 of our OneERP program, uplift of our cyber security capabilities and implementation of our data analytics and visualisation platform. These were all key foundations of our AGIG IT Strategy, launched in 2019.

In the next AA period, we will build on this, with the largest program of work for AGN to transition key operational IT systems from AGN's current third-party operational partner (APA) to an in-house AGN Operations function.

Our aim is to develop a stable and aligned IT environment which will leverage economies of scale across all our entities. We will also continue to enhance the way we communicate and provide information to our customers, how we collaborate across the business, our utilisation of data analytics and visualisation to support reporting and decision making, and appropriately manage cyber risks.

By the end of the current AA period, we will have invested $37 million in capital expenditure on our IT systems, including:

- updates to our critical applications in line with accepted industry practice and manufacturer requirements;
- completion of our field mobility project for work planning and scheduling, process automation initiatives and new mobility applications such as mobile maps;
- continuing investment in our business intelligence reports;
- Phase 1 of our "One ERP" SAP project, and subsequent upgrade of the system and move to SAP's platform as a service;
- Customer Relationship Management system to support our Priority Services Programs, customer website improvements and automated SMS for some customer notifications;
- cyber security capability improvements; and
- a modern human capital management solution.

In the next AA period, we propose to invest $86 million in our IT systems. This is an uplift of $49 million compared to the $37 million we forecast to spend in the current AA period. The uplift is driven by a significant program of works required to transition and bring in-house several of our core IT systems at the cessation of a long-standing outsourcing arrangement, partially offset by reductions across Application Renewals and Cyber Security.

Of the $86 million proposed:

- $23 million is required to maintain currency and deliver ongoing system improvements for our existing IT systems, cyber security capabilities and to replace end-of-life IT devices and infrastructure;
- $5 million is required to deliver new capabilities to meet changing customer and business needs; and
- $58 million is required to transition and bring in-house several of our core IT systems at the cessation of a long-standing outsourcing arrangement.

The following table shows the split of recurrent and non-recurrent IT investment forecast for the next AA period, compared with the total investment expected to be undertaken by the end of the current AA period (July 2021 to June 2026).

Proposed IT investment $'000 January 2025

IT program of work	2026	2027	2028	2029	2030	Total next AA	Total current AA
Maintain current levels of IT services (recurrent)	5,123	2,468	3,762	5,487	6,266	23,106	13,346
Efficient and effective service delivery (non-recurrent)	5,929	33,078	7,425	14,333	1,859	62,624	23,827
Total	**11,052**	**35,546**	**11,187**	**19,819**	**8,125**	**85,730**	**37,173**

Tables may not sum due to rounding

The IT investments in this plan are designed to maintain the existing IT environment and services, transition a number of systems into the AGIG environment, ensure we remain safe and secure from cyber threats, and make incremental improvements to the efficiency of our operations and service experience of our customers.

We will take a risk-based approach to renewing our critical applications and IT infrastructure in line with vendor/manufacturer guidance and good industry practice. We will take opportunities to improve our operations by implementing system enhancements and further standardise our systems across AGIG where it is practical and cost-effective to do so for AGN.

A summary of key initiatives that are planned for next AA period include:

- maintaining currency of and delivering ongoing system improvements for our existing IT operational and corporate systems;
- delivering new system capabilities to support Health Safety and Environment, Contract management, Enterprise Portfolio and Program Management, Governance and Risk Management, Application Architecture and Data Archiving;
- maintaining currency of our cyber security capabilities and addressing key identified risks of Data privacy and security, and access control;
- Sustaining IT infrastructure including devices, network and currency and data centre infrastructure technology to support the AGN business and cater for the specific computing needs of our people; and
- Transitioning our IT operational applications in-house following the cessation of a long-standing outsourcing model for management and operations of our AGN networks.

These initiatives align with our strategic pillars of customer focussed, a leading employer, operational excellence and sustainable communities. Our proposed investments are also informed by and aligned with what our customers have told us through our extensive customer engagement.

The end-to-end program of work was developed and will be delivered using a formal governance framework consistent with our industry standard business and technology project management methodology. Excluding the Transition program, the overall program of work is similar to that undertaken over previous AA periods and has been staggered to balance the resource profile and allow for the most efficient and successful delivery as possible. A separate team, subject to the same formal governance framework, will be set up to deliver the Transition program.

This IT Investment Plan sets out the context for our IT investment (Section 1), our plan for the next AA period and summary of the current AA period (Section 2) and consistency with the National Gas Rules (Section 3).

1 Context

The efficient and reliable operation of AGN SA's gas network is underpinned by corporate and operational information technology (IT) systems. These IT systems are currently managed/housed/spread across the AGIG and APA environments. The IT systems in the AGIG environment are primarily corporate in nature and used across AGIG, with a small number dedicated directly to our AGN distribution businesses. The IT systems in the APA environment are primarily operational in nature and used nationally across the AGN distribution businesses, with a small number dedicated directly to the AGN South Australian network.

The AGIG IT systems are managed by AGIG and detailed further in the IT Corporate Applications and IT Infrastructure business cases.

The APA IT systems are managed by APA, with oversight from AGIG, and detailed further in the IT Operational Applications business case. During the next AA period, the outsourcing arrangements with APA that exist today will cease, and AGIG will need to bring the APA IT operational systems that support our network operations into the AGIG environment. This large program of work is detailed in the AGN Transition business case.

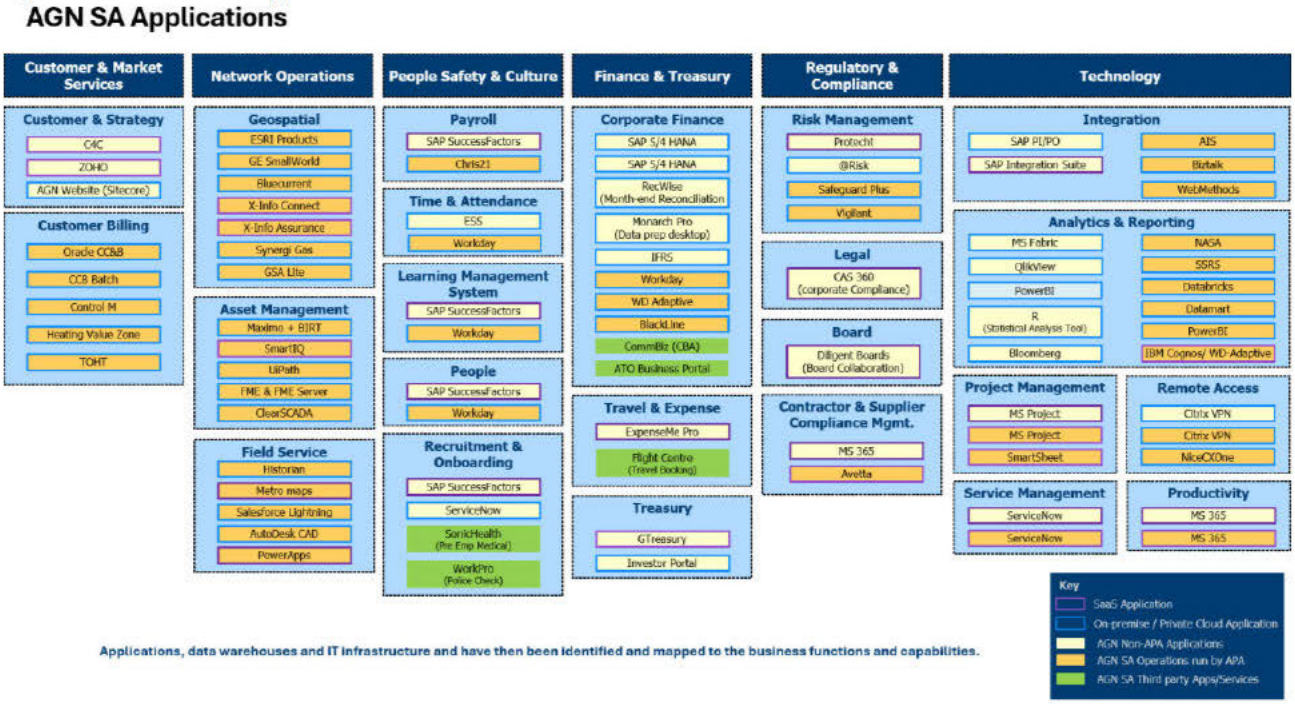
Cyber security activities are managed collaboratively by AGIG and APA, in line with AGIG's Cyber Security Strategy and Cyber Security Risk Management Program, and are detailed in the Cyber Security business case.

1.1 Core IT architecture

Our current application landscape is summarised below in Figure 3. Our IT systems provide the following functionality to support us to deliver a safe and reliable gas supply to our customers:

- managing market transactions;
- issuing and controlling field work;
- monitoring and recording gas deliveries to customer sites;
- facilitating emergency response services;
- monitoring network condition;
- analysing network capacity;
- recording the configuration and location of assets;
- providing information to our customers and the community;
- interacting with our customers; and
- undertaking corporate functions including payroll and human resources, finance and accounting, procurement and contract management.

Figure 3: Current functional application architecture



Our key business systems are outlined in Table 1.1.

Table 1.1: Overview of key business systems

System	Functionality
Enterprise resource planning (S4/HANA)R	Provides the platform for all accounting, budgeting and planning and tax functionality
PayGlobal	Provides payroll functionality and is integrated with S4/HANA (OneERP)
CRM	Customer Relationship Management and billing system
Enterprise asset management (IBM Maximo)	Provides planning, dispatching work, job completion details, delivery point status management, preventative maintenance, contractor payment and meter management services
Geospatial Information System (GE Smallworld, ArcGIS)	Provides management of map-based (Cadastre), delivery point lifecycles, pipeline configuration and connectivity, emergency response and pipeline integrity, extension and replacement planning
ExpenseMePro	Provides management of day-to-day expenses incurred by employees and via corporate credit cards
SuccessFactors	HR system
LMS	Learning Management Tool

System	Functionality
Protecht	Risk Management/GRC solution
Data Analytics Visualisation Platform	Provides the platform for data analytics and data visualisation.
PowerBI	Provides visualisation and reporting tools for data.
Health, Safety and Environment	Safety management system helping to streamline our safety management and risk management processes. Includes corrective actions, email notifications and escalations, risk and compliance management.
Mipela Before You Dig Australia (BYDA)	Provides asset location information to third parties who are looking to undertake excavation work.
Networks Interval Metering Data System (Historian OsiPi)	Provides storage of SCADA data and billing information.
Billing estimation model (APA custom)	Provides delivery point forward estimates, interval consumer management service and base load and TSF calculations
Mobile maps (LatLongGO)	Provides the capability to view GIS maps on mobile devices, enabling a geospatial understanding of asset locations in the field
Metering & billing system (Oracle CC&B)	Provides transaction workflows, meter readings and delivery point billing
FRC market gateway (Web Methods)	Sends and receives order requests, meter fixes and customer transfer requests
Telemetry system (Clear SCADA)	Provides real time data and alarms to enable effective remote monitoring of critical assets
Middleware (BizTalk)	Enables tightly controlled data integration between multiple enterprise applications
Field data/mobility systems (including GSA Lite, SmartIQ, SFS & PowerApps)	Provides capability for real time data capture in the field to drive business efficiency and provision of mobility applications improving safety, compliance and customer service outcomes

We have a national program to coordinate development and maintenance of our IT systems across all jurisdictions in which we operate. This achieves economies of scale through streamlined implementation and business processes, standardised data models and data migration techniques, and by utilising existing hardware platforms.

Given the national coordination approach, the majority of IT Capex required to deliver the program of work for South Australia over the next AA period has been estimated in total (across AGIG or across all AGN distribution businesses) and then allocated to the South Australian gas distribution business on the most appropriate basis. This is consistent with methods adopted in previous regulatory submissions and has previously been endorsed by the AER and is discussed further at 3.2 below. Successful and efficient delivery of the national program requires approval of this approach in all jurisdictions.

1.2 Vision objectives

Our vision is to provide infrastructure that is essential to a sustainable energy future. It is made up of four strategic pillars which are customer focussed, a leading employer, operational excellence and sustainable communities.

Enabling our people with innovative and timely technology solutions plays a big part in achieving our vision. IT systems support the day-to-day running of the business and allow us to operate our network and pipelines safely and reliably. The running costs of IT are also a direct contributor to our efficiency. Rapid growth in the IT landscape requires a vigilant, continuous improvement approach to ensure IT systems performance is 'fit-for-purpose', robust, resilient to external threats and delivered at the lowest possible cost.

This IT investment plan is designed to support our vision. Our IT investments over the next AA period:

- Are customer focussed:
  - We will maintain and update our critical business systems in line with manufacturer requirements and further uplift our cyber capabilities to mitigate the substantial risks associated with IT failure or security breaches of our critical business systems. This in turn minimises safety risks to customers and employees, as well as unplanned outages and disruption of supply for customers.
  - We will maintain modernised customer services to meet the expectations of our customers, allowing them to interact with us in more ways and get timely access to information about their service and any activities that might impact them.
  - By taking a risk-based approach to maintaining and updating our critical business systems in line with manufacturer requirements we will avoid significantly higher overall lifecycle costs (e.g. needing to hire expensive IT specialists for urgent work to correct system issues) and reduce the potential for compliance breaches and the associated financial penalties and costs (e.g. related to compromised staff and customer data).
  - By maintaining and updating our critical business systems as part of a nationally coordinated program we will achieve economies of scale and scope.
  - By investing in system enhancement such as automating some currently manual processes, we will provide tangible economic benefits to customers including, for example, through process efficiencies (reducing time and effort) and increasing project optimisation.
- Support us to be a leading employer:
  - Our investments to upgrade and enhance our IT systems and infrastructure will ensure our employees continue to have access to the right tools and systems to undertake their work. Enhancements like Health, Safety and Environment (HSE) capabilities, Contract Management System, and Audit and Risk system replacement will provide access to more timely information, reduce employee frustration, minimise the potential for errors and support employee engagement and skills development.
- Deliver operational excellence

- We will continue to invest in digital experience, supporting our Digital CX Strategy efficient growth of our networks.
- We will continue to improve data capture, collation and analysis to ensure the visibility and mitigation of safety and reliability risks and better enable our business to manage assets in line with our agreed risk profile (e.g. more real time information on asset components identified as showing signs of deteriorating reliability will allow this information to be integrated into the maintenance/replacement prioritisation and scheduling processes).

- Achieve sustainable communities:
  - By enabling billing changes required under the renewable gas adaptation plan in support of the net zero transition.
  - We will continue to improve data capture, collation and analysis to ensure the visibility and mitigation of environmental, social governance risks and better enable our business to manage assets in line with our environmental and social targets.

1.3 Stakeholder engagement

We are customer focussed and put our customers at the centre of our plans. Our plans have been informed by our extensive customer and stakeholder engagement program, as well as ongoing regular customer engagement to understand and respond to the priorities of our customers and stakeholders. Feedback from customers and stakeholders is built into our asset management considerations and is an important input when developing and reviewing our expenditure programs.

Customer needs and preferences have been explored through iterative workshops with key customer groups, including residential, business, and culturally and linguistically diverse (CALD) customers. All documentation from this engagement is provided on our dedicated engagement website, Gas Matters[1].

Price and affordability is customers' number one priority. When customers interact with us, they expect efficient resolution to an issue. Customers were also satisfied with our proposal to continue our Priority Services Program. Customers often prefer interacting with real people, and having the option for online chat and SMS. They also value reliability and safety, and expect both to continue at high levels.

This plan, and the proposed IT projects outlined in it, are consistent with customer needs and preferences. By taking a risk-based approach to maintaining and updating our critical business systems we will keep costs down while still maintaining the existing IT environment and services at a high level. Our Priority Services Program and customer interactions are facilitated by our newly implemented CRM platform, website upgrades and digital experience initiatives. Our risk-based cyber security program will support ongoing compliance with the relevant legislation and industry frameworks, ensuring we can identify, protect, detect, respond to and recover from any potential cyberattacks, thereby limiting harmful impacts to our business operations and maintaining the reliability and safely our customers value.

Further information on our stakeholder engagement program is available in Chapter 5 of our Final Plan.

[1] https://gasmatters.agig.com.au/victorian-engagement-plan

1.4 Basis of cost estimates

Cost forecasts for IT programs have been developed using a bottom-up methodology utilising a combination of tenders, historical costs for similar programs of work delivered, vendor cost estimates or advice from independent expert consultants.

All costs presented in this plan are direct dollars of January 2025 unless otherwise labelled.

2 Our IT investment plan

2.1 Overview

The program of work planned for the next AA period is designed to:

- maintain the current levels of IT services; and
- enable efficient and effective delivery of services in line with our customers' expectations.

Much of our expenditure to maintain the current levels of IT services is recurrent in nature. This is because it involves updating/renewing existing software applications and infrastructure that retain substantially the same services, functionalities, capabilities and market benefits as existed prior to the updates. As we update and renew existing applications we will continue to seek opportunities for further alignment of our IT systems and infrastructure across AGIG. From time to time, large investment to replace or transition a core system/s is required.

In the next AA period, the largest IT investment we must make is to transition the AGN IT Systems from that support our network operations out of the APA environment and into the AGIG environment. This is a significant and complex one-off piece of work focussed on maintaining the current levels of IT services. A dedicated team will be stood up to deliver this.

We will also invest in some new capabilities to allow us to more effectively operate the network and the broader business. This includes investment in new systems/capabilities or enhancements to our existing application suite to meet changing business needs which may be driven by new regulatory requirements, changing customer expectations or changing external conditions. The key pieces of work to deliver new capabilities are Heating Value Zone Stage 2 in support of Renewable Gas Adaptation and Digital Metering, Health, Safety and Environment (HSE) capabilities, Contract Management System, Audit and Risk system replacement, Application Architecture Tool, Project Portfolio Management, Data Privacy & Security and Access Control capabilities.

An overview of our actual and forecast IT investment in the current and next AA periods (July 2021 to June 2031) is presented in Figure 2.1 and Table 2.1 below.

Figure 2.1: Summary of IT Investment in the current and next AA periods

OBJ

Table 2.1: IT program of work by business case $'000 January 2025 CAPEX

IT program of work	2026/27	2027/28	2028/29	2029/30	2030/31	Total next AA period
IT Operational Applications (SA217)	**4,404**	**1,743**	**2,717**	**4,331**	**5,560**	**18,755**
Recurrent	2,999	1,443	2,417	4,031	5,260	16,150
Non-recurrent	1,405	300	300	300	300	2,605
IT Corporate Applications (SA238)	**1,526**	**718**	**1,001**	**814**	**555**	**4,614**
Recurrent	673	472	832	814	555	3,347
Non-recurrent	853	245	169	-	-	1,267
IT Sustaining Infrastructure (SA239)	**1,112**	**552**	**497**	**641**	**400**	**3,203**

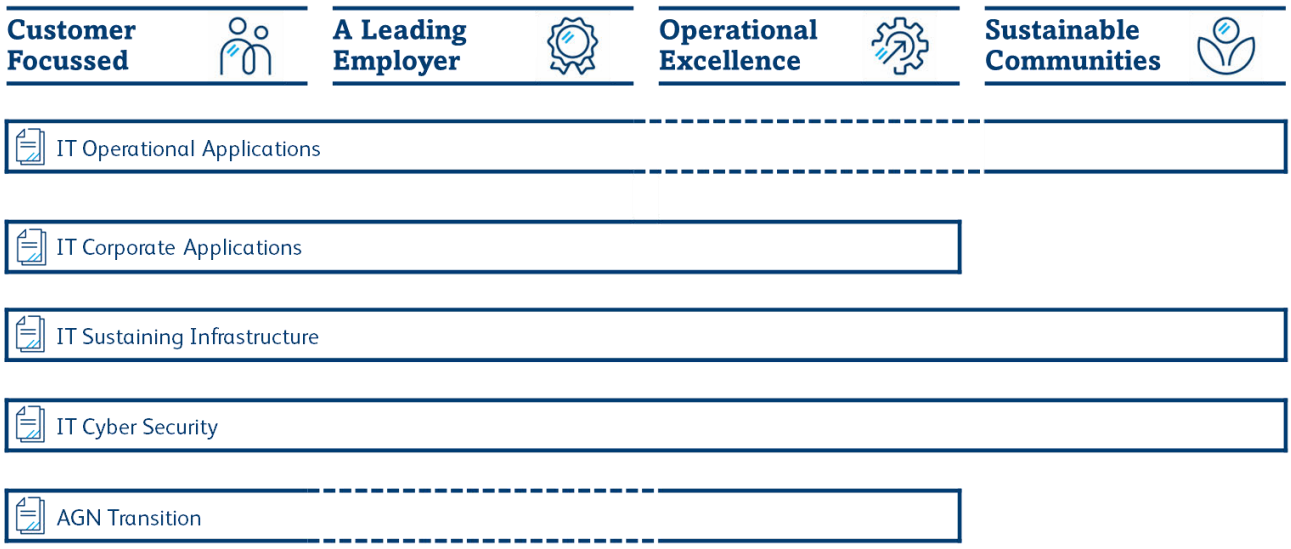
IT program of work	2026/27	2027/28	2028/29	2029/30	2030/31	Total next AA period
End-user devices – recurrent	411	156	156	156	156	1,037
Network and currency – recurrent	599	382	326	465	230	2,002
Network and currency – non-recurrent	49	-	-	-	-	49
Data centre - recurrent	52	14	14	20	14	115
Cyber Security (SA240)	**1,039**	**296**	**17**	**-**	**51**	**1,403**
Maintain cyber currency – recurrent	388	-	16	-	51	455
Uplift data privacy & security – non-recurrent	524	-	-	-	-	524
Uplift access control	127	296	2	-	-	424
APA IT Transition (SA241) – non-recurrent	**2,971**	**32,237**	**6,954**	**14,033**	**1,559**	**57,755**
Total Recurrent	5,123	2,468	3,762	5,487	6,266	23,106
Total Non-recurrent	5,929	33,078	7,425	14,333	1,859	62,624
Total	**11,052**	**35,546**	**11,187**	**19,819**	**8,125**	**85,730**

2.1.1 Strategic pillars

The projects and programs planned for the next five-year period are integral in delivering under our IT strategic pillars. Figure 2.2 sets out our IT strategic pillars and Figure 2.3 shows how the program is connected and targeted to delivering on our objectives. Further to this, Appendix A provides a visual summary of where each program is contributing to achieving our objectives.

Figure 2.2: Our strategic pillars

Figure 2.3: Summary of program by strategic pillars



2.1.2 Expenditure treatment

It is important to highlight that the way many vendors provide applications is changing. There is a trend across the IT sector that is moving away from providing on-premises solutions and ownership of software applications, and instead offering 'software as a service' (SaaS) and 'platform as a service' (PaaS):

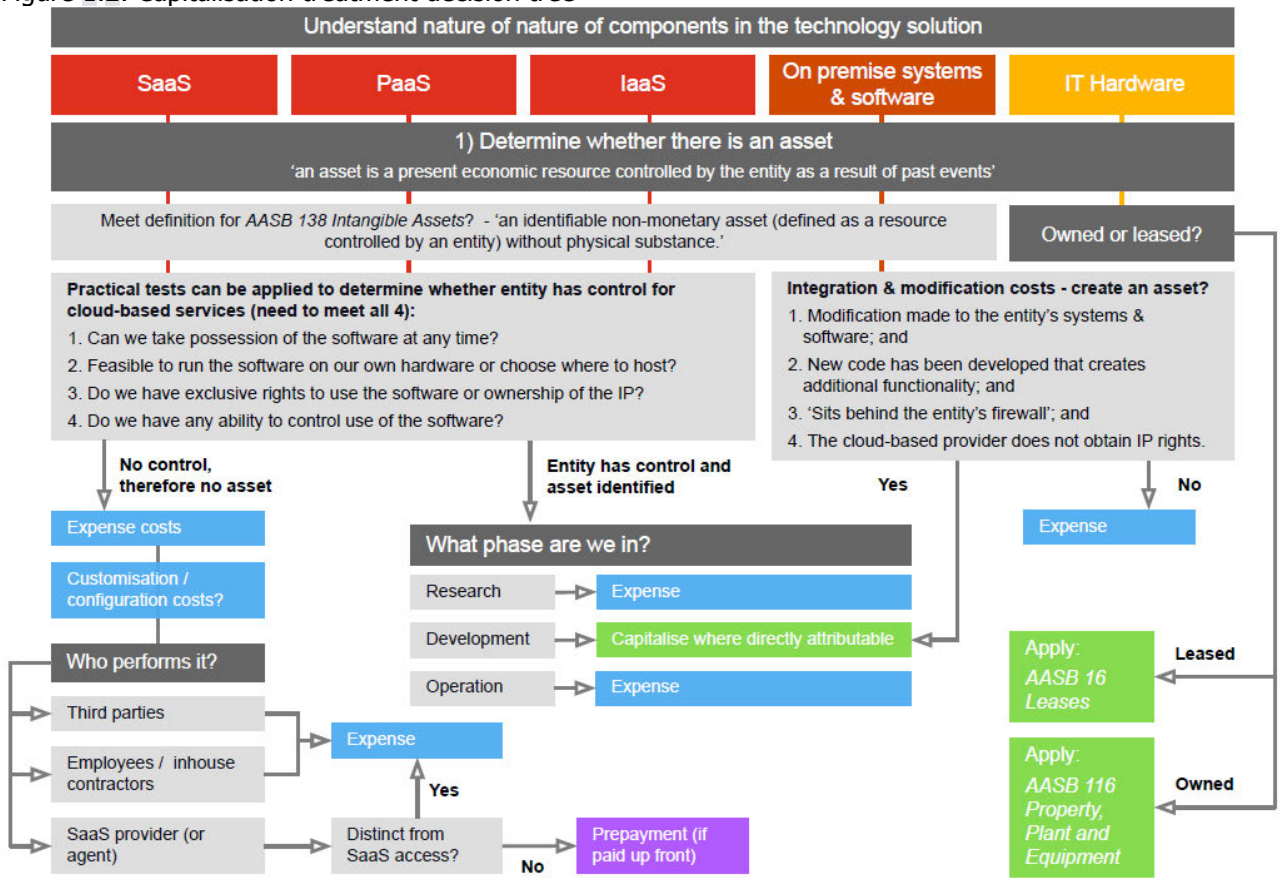
- SaaS is a cloud computing model where software applications are delivered over the internet as a service. Instead of installing and maintaining software on individual devices, users access these applications through a web browser.
- PaaS is a cloud computing model that provides a platform allowing customers to develop, run, and manage applications without the complexity of building and maintaining the underlying infrastructure.

The charging models for SaaS and PaaS are evolving, with software often provided via a subscription fee, which is expensed as Opex, rather than capitalised as an asset. Several vendors, such as SAP

and IBM are moving away from on-premises services or client-owned software completely and are ceasing technical support for non-SaaS and non-PaaS solutions (or charging a premium for maintaining them). As a result, many businesses have little option but to move to the more Opex-intensive SaaS and PaaS models.

As part of the move to SaaS and PaaS, we have considered the appropriate capitalisation treatment for each. Our capitalisation approaches are shown in Figure 1.2.

Figure 1.2: Capitalisation treatment decision tree



Ongoing operating costs for SaaS, and technical support are increasing across the IT sector, resulting in higher ongoing IT Opex. While some of these Opex increases will be offset by reduced physical infrastructure costs and result in more efficient processes in the long term, we will continue to incur Opex step increases in the near term as the accounting treatment changes with the types of assets we are investing in.

To ensure the shift in applications-related Opex is captured, our IT business cases also show the incremental increases or decreases in ongoing Opex related to our applications being upgraded or new applications being implemented. These estimates are based on advice for ongoing SaaS, support and maintenance costs from vendors.

2.1.3 Summary of spend

2.1.3.1 IT Capex

IT Capex in the next AA period is forecast to be $86 million. This is $49 million higher than the expected actual expenditure of $37 million to be spent in the current AA period and $39 million higher than the $47 million approved for the current AA period.

The higher forecast for the next AA period is driven by the one-off AGN Transition program (+$58 million) and reductions across other programs (-$9 million).

Table 2.1 summarises the forecast IT investment for the next AA period by business case, and a comparison of the forecast total investment to be undertaken by the equivalent programs in the current AA period (July 2021 to June 2026).

Table 2.2: IT program of work by business case $'000 January 2025 CAPEX

IT program of work	2026/27	2027/28	2028/29	2029/30	2030/31	Total next AA period	Total current AA period
IT Operational Applications (SA217)	4,404	1,743	2,717	4,331	5,560	**18,755**	19,441[1]
IT Corporate Applications (SA238)	1,526	718	1,001	814	555	**4,614**	9,391[2]
IT Sustaining Infrastructure (SA239)	1,112	552	497	641	400	**3,203**	3,850[3]
IT Cyber Security (SA240)	1,039	296	17	-	51	**1,403**	4,490[4]
AGN Transition (SA241)	2,971	32,237	6,954	14,033	1,559	**57,755**	-
Total	**11,052**	**35,546**	**11,187**	**19,819**	**8,125**	**85,730**	**37,173**

[1] Includes SA117 Applications Renewal, SA58 GIS Upgrade, SA59 Mobility Integration, SA60 Business Intelligence and Life support data solution

[2] Includes SA137 Digital Customer Experience and a portion of SA138 AGIG IT Strategy & Roadmap

[3] Includes SA139 IT Infrastructure and a portion of SA138 AGIG IT Strategy & Roadmap

[4] Includes a portion of SA138 AGIG IT Strategy & Roadmap

Table 2.3 shows the split of recurrent and non-recurrent IT investment forecast for the next AA period, and a comparison of the total investment expected to be undertaken by the end of the current AA period.

Table 2.3: Proposed IT investment $'000 January 2025

IT program of work	2026	2027	2028	2029	2030	Total next AA	Total current AA
Maintain current levels of IT services (recurrent)	5,123	2,468	3,762	5,487	6,266	23,106	13,346
Efficient and effective service delivery (non-recurrent)	5,929	33,078	7,425	14,333	1,859	62,624	23,827
Total	**11,052**	**35,546**	**11,187**	**19,819**	**8,125**	**85,730**	**37,173**

Tables may not sum due to rounding

The IT program of work for the next AA period is discussed further by business case, and in terms of recurrent and non-recurrent investment, in the sections that follow.

A summary of forecast actual IT investment for the current AA period is discussed in more detail below at Section 2.5.

2.1.3.2 IT Opex

Total IT Opex for the next AA period is forecast to be $74 million. The additional IT Opex associated with the IT Investment Plan (IT Opex Step Changes) over the next AA period makes up $23 million (or 31%) of this forecast, as set out in Table 2.4 below.

The IT Opex Step Changes are largely driven by one-off operating costs to support the AGN transition ($18 million) and extended support for Operational Applications ($1 million) with small increases for new cloud data hosting costs ($1 million), and ongoing licencing and maintenance of new Cyber Security ($1 million) and Corporate Applications ($2 million) capabilities.

Table 2.4: Proposed IT Opex $'000 January 2025

IT Opex	2026/27	2027/28	2028/29	2029/30	2030/31	Total next AA
Base opex (including real cost escalation)	9,615	9,792	10,060	10,434	10,909	50,810
IT Opex Step Changes						
IT Operational Applications – non-recurrent extended support	247	247	247	123	-	863
IT Operational Applications – recurrent Digital Metering cloud data hosting	22	79	136	177	192	606
IT Corporate Applications – recurrent	403	416	430	461	493	2,203
IT Sustaining Infrastructure – recurrent	33	38	49	58	62	239
Cyber Security – recurrent	25	269	277	277	277	1,125
AGN Transition – non-recurrent	-	6,096	8,594	3,417	-117	17,990
Total IT Opex Step Changes	**730**	**7,145**	**9,733**	**4,513**	**907**	**23,026**

Total IT Opex	73,836

The proposed IT Opex step changes for the next AA period are outlined in more detail in the IT Business Cases referred below.

2.2 IT Operational Applications (SA217)

A suite of IT critical applications are used to operate the AGN South Australian network. These include our Enterprise Asset Management system Maximo, our metering & billing system (Oracle CC&B) and Geographic Information System (GIS). Like all applications, these are subject to periodic upgrade to ensure they are functional, cyber-secure, and supported by the vendor.

Under normal circumstances, the operational application upgrades would continue as per the usual n-1 upgrade cycle we adopt, with a new version becoming available every 3 to 5 years (depending on the app). However, in the next AA period, we need to transition these applications from the APA to AGIG IT environment (see Section 2.6 below).

The Transition program is scheduled to commence from 1 July 2027 and is expected to take around 18 months. Given the scale of the work involved and criticality of these operational apps, we are proposing a different upgrade cycle of operational applications based on an assessment of cost and risk of bringing forward upgrades to be completed prior to the start of transition, or deferring upgrades until after the transition.

Based on the outcomes of this assessment, we forecast $19 million in IT Operational Applications upgrades. This is $10 million higher than what we forecast for this period due to the requirement to complete major rather than minor upgrades of EAM and CC&B and new higher heating zone and Meter Data Management (MDM) activities to support accurate billing for distribution connected facilities and managing data from digital meters.

Table 2.5 shows the expenditure profile by application.

Table 2.5: Proposed IT Operational Applications major and minor upgrades program investment $'000 January 2025

IT Operational Applications	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
Enterprise asset management	-	-	440	2,114	352	2,907
FRC gateway	-	-	264	264	264	793
GIS	1,057	-	-	-	1,057	2,114
Metering & billing	35		687	687	1,374	2,784
Workday	35	35	35	-	-	107
Middleware	881	-	-	-	-	889
Mobility apps	747	747	747	747	747	3,735
Business intelligence	218	218	218	218	218	1,092
Call centre telephony	-	35	-	-	-	35
Historian update*	-	407	-	-	1,221	1,628
UiPath**	25	-	25	-	25	75

IT Operational Applications	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
Higher heating zone	300	300	300	300	300	1,500
MDM	1,105	-	-	-	-	1,105
Total capex	**4,404**	**1,743**	**2,717**	**4,331**	**5,560**	**18,755**

Totals may not sum due to rounding

* SA & QLD Only

** SA Only

We have also identified additional operational costs of $1 million over the next AA period related to digital metering data and cloud costs and extended support for critical applications where we are deferring upgrades post Transition. These additional operating costs are summarised in Table 2.6 below.

Table 2.6: Proposed IT Operational Applications additional opex $'000 January 2025

IT Operational Applications	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
Digital metering data and cloud costs	22	79	136	177	192	606
Enterprise asset management extended support	176	176	176	88	-	617
FRC gateway extended support	35	35	35	-	-	106
Metering & billing extended support	35	35	35	18	-	123
Total opex	**269**	**326**	**383**	**300**	**192**	**1,469**

Further detail is provided in the IT Operational Applications Business Case (SA217) provided in Attachment 9.9 Capex Business Cases.

2.3 IT Corporate Applications (SA238)

The IT Corporate Applications is a new program evolved from the AGIG IT Strategy & Roadmap from the previous AA period. It covers both recurrent maintenance and currency activities to ensure our suite of IT Corporate Applications is operationally functional, secure and kept 'in-support', as well as non-recurrent new/replacement application projects which respond to new or changing business needs.

In the next AA period, we are forecasting $5 million investment in our IT Corporate Applications to deliver a risk-based approach to recurrent maintenance and currency activities and non-recurrent business-driven enhancement projects. This expenditure is set out in Table 2.7 below.

Table 2.7: Proposed IT Corporate Applications investment $'000 January 2025

IT Corporate Applications	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
Recurrent maintenance and currency activities						
SAP S4/HANA	-	-	216	216	-	**433**
GTreasury	177	-	-	71	-	**248**
SAP SuccessFactors	17	17	17	17	17	**87**
Public websites	83	-	113	-	-	**196**
SAP S/4HANA incremental functionality	87	87	87	87	87	**433**
Digital Experience	248	192	213	232	225	**1,110**
Data, Analytics and Visualisation	61	115	101	92	93	**462**
AAT - periodic refresh	-	28	28	24	21	**102**
HSE - periodic refresh	-	33	-	33	-	**66**
GRC - periodic refresh	-	-	57	-	54	**111**
Data archiving - periodic refresh	-	-	-	40	59	**99**
Total recurrent	**673**	**472**	**832**	**814**	**555**	**3,347**
Non-recurrent new/replacement application projects						
HSE capability - INX	73	-	-	-	-	**73**
Data archiving	147	-	-	-	-	**147**
Protecht GRC	120	-	-	-	-	**120**
Application architecture tool	26	-	-	-	-	**26**
Project Portfolio Management Software (PPM)	63	59	-	-	-	**122**
Contract management system	423	186	169	-	-	**778**
Total non-recurrent	**853**	**245**	**169**	-	-	**1,267**
Total capex	**1,526**	**718**	**1,001**	**814**	**555**	**4,614**

We have also identified additional operational costs of $2 million over the next AA period related to the IT Corporate Applications program which are summarised in Table 2.8Table 2.8 below.

Table 2.8: Proposed IT Corporate Applications program additional opex $'000 January 2025

IT Corporate Applications	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
SAP S4/HANA	116	118	118	118	118	**590**
GTreasury	81	81	81	88	88	**419**
SAP SuccessFactors	30	30	30	30	30	**152**
Digital Experience	46	48	52	57	74	**277**
Data, Analytics and Visualisation	21	24	24	35	42	**147**
HSE capability - INX	17	20	20	27	30	**115**
Data archiving	13	13	13	13	13	**63**
Protecht GRC	34	34	37	37	41	**183**
Application architecture tool	10	13	19	21	22	**85**
Project Portfolio Management Software (PPM)	9	9	9	9	9	**45**
Contract management system	25	25	25	25	25	**127**
Total opex	**403**	**416**	**430**	**461**	**493**	**2,203**

More detail on our IT Corporate Applications enhancements initiatives can be found in the IT Corporate Applications business case (SA238) provided in Attachment 9.9 Capex Business Cases.

2.4 IT Sustaining Infrastructure (SA239)

IT sustaining infrastructure is a 'stay in business' program that involves periodic renewal of network, data centre and end-user devices such as laptops, audio/visual equipment, telephony, internet links and servers that underpin the delivery of all AGN services.

The network and currency and data centre activities are new to the next AA period, having evolved from the AGIG IT Strategy & Roadmap initiatives Rationalise and Consolidate Data Centre and Infrastructure Devices and Consolidate & Modernise Networks in the current AA period.

The refresh of infrastructure at the end of its useful life ensures we continue to maintain reliable, secure, compliant and efficient business processes, systems and services while keeping the risk of service interruptions, cyber breaches and degraded performance at an acceptable level.

In the current AA period, we moved AGN corporate applications from infrastructure as a service to the AGIG data centre and centralised end-user equipment management across AGIG realising benefits of consistent device management and more competitive pricing on higher volume orders. We are now seeing opportunities to leverage the industry trend of moving from company-owned infrastructure to cloud-based infrastructure hosting, which we have assessed in our business case for the next AA period.

The forecast cost of infrastructure refresh over the next AA period is $3 million. This investment provides for AGN's allocation of shared infrastructure and SA's allocation of direct costs of AGN specific infrastructure, office and end user equipment.

Forecast capex on infrastructure refresh is $2 million higher than in the current AA period. This uplift is due to more proactive lifecycle management better aligned to good industry practice (and minimising technical debt) and an increase in end user devices across our workforce, along with the new network and currency and data centre activities from the AGIG IT Strategy & Roadmap. We are also forecasting a small increase in opex associated with the data centre that were not incurred in our base year opex.

Table 2.9Table 2.9 shows the sustaining infrastructure investment by workstream, and Table 2.10Table 2.10 shows the sustaining infrastructure opex step change by workstream.

Table 2.9: Proposed sustaining infrastructure program investment $'000 January 2025

IT Sustaining Infrastructure	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
End User Devices	411	156	156	156	156	1,037
Network and currency	648	382	326	465	230	2,051
Data Centre	52	14	14	20	14	115
Total capex	**1,112**	**552**	**497**	**641**	**400**	**3,203**

Table 2.10: Proposed sustaining infrastructure opex step change $'000 January 2025

IT Sustaining Infrastructure	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
Data Centre	33	38	49	58	62	239
Total opex	**33**	**38**	**49**	**58**	**62**	**239**

Our IT sustaining infrastructure program is covered in more detail in the IT Sustaining Infrastructure business case (SA239) provided in Attachment 9.9 Capex Business Cases.

2.5 Cyber Security (SA240)

The Cyber Security program in the next AA period continues our work to ensure a secure and resilient AGIG by building robust cyber capabilities in people, processes and technology. As a responsible pipeline operator, we must ensure the ongoing security of our network assets, as well our data and our customers data. Not only is this activity necessary to mitigate risk, but it is required by our Foreign Investment Review Board (FIRB) licensing provisions, as well as Security of Critical Infrastructure (SOCI) and Privacy legislation.

In total, we forecast $2 million investment in the next AA period to maintain cyber currency and uplift maturity to address key identified risks related to [redacted] Our proposed investment is set out in Table 2.11 below.

Table 2.11: Proposed Cyber Security program investment $'000 January 2025

Cyber Security	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

We have also identified additional operational costs of $1 million over the next AA period related to the uplifts of data privacy and security and access control as set out in Table 2.12 below.

Table 2.12: Proposed Cyber Security program additional opex $'000 January 2025

Cyber Security	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total opex	**25**	**269**	**277**	**277**	**277**	**1,125**

Our Cyber Security cyber currency program is covered in more detail in the Cyber Security business case (SA240) provided in Attachment 9.9 Capex Business Cases.

2.6 AGN Transition (SA241)

The longstanding contractual arrangement with APA to operate our AGN networks is coming to an end in 2027, after which we will commence operating the network ourself (or enter into alternative partnership arrangements). As part of this transition, the suite of operational apps required to run the AGN networks must transition from APA's IT environment to our AGIG IT environment.

The transition period is scheduled to commence from 1 July 2027 and is expected to take around 18 months. The scope of the transition covers software applications, infrastructure, security and connectivity arrangement and IT support model.

We forecast $58 million in capex will be required in AGN SA to complete the transition in the next AA period. This is set out in Table 2.13 below.

Table 2.13: Proposed Transition program investment $'000 January 2025

Transition	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
Solution delivery	1,798	18,868	5,000	9,999	-	35,665
Integration management office	1,173	3,409	1,624	3,248	-	9,454
Infrastructure delivery	-	9,960	330	785	1,559	12,635
Total capex	**2,971**	**32,237**	**6,954**	**14,033**	**1,559**	**57,755**

We have also identified additional operational costs of $18 million for IT (dollars June 2025) over the next AA period related to the Transition program which are summarised in Table 2.14 below.

Table 2.14: Proposed Transition program additional opex $'000 June 2025

Transition	2026/27	2027/28	2028/29	2029/30	2030/31	Total AA
Transitional services agreement	-	8,528	4,757	-	-	**13,285**
Application licencing and production support	-	529	3,848	3,848	2,309	**10,534**
Infrastructure, security and connectivity	-	1,912	1,912	1,912	1,147	**6,883**
IT support	-	3,268	6,618	6,618	5,829	**22,333**
Total opex	-	**14,237**	**17,135**	**12,378**	**9,285**	**53,035**
Minus Opex baseline	-	8,141	8,541	8,961	9,402	**35,045**
***Equals* Opex step change**	-	**6,096**	**8,594**	**3,417**	**-117**	**17,990**

Our Transition program is covered in more detail in the AGN Transition business case (SA241) provided in Attachment 9.9 Capex Business Cases.

2.7 Deliverability of the IT plan

The end-to-end portfolio of work was developed and will be delivered using a formal governance framework consistent with our industry standard IT project management methodology. The portfolio and project governance for technology IT projects provides a decision-making framework that is logical, robust and repeatable. This not only increases the opportunity for success but also allows us to prioritise (and reprioritise if necessary) projects to ensure prudent and efficient use of IT resources.

We have a successful track record of delivering large IT transformation projects across AGIG, such as the separation of Multinet Gas from United Energy, the AGIG Data Centre and the OneERP project.

The overall portfolio of work in the next AA period, excluding the Transition program of work is consistent with that undertaken over previous AA periods. We have key relationships with external vendors in place that will continue to support the delivery of our IT Strategy and works have been staged to ensure we have a well-balanced resource profile of internal resources to allow for the most efficient and successful delivery. We have robust controls and vendor arrangements in place to ensure successful delivery of the planned program in its entirety, including:

- executive leadership support and strong portfolio and project governance;
- a sound project management methodology including robust risk analyses which are revisited regularly throughout the life of the project;
- stakeholder engagement in planning phases; and
- internal and external capacity with the appropriate skills and experience.

The diagrams below depict the IT@AGIG teams, their functions and the delivery of IT services.

Figure 2.4: IT@AGIG team functions

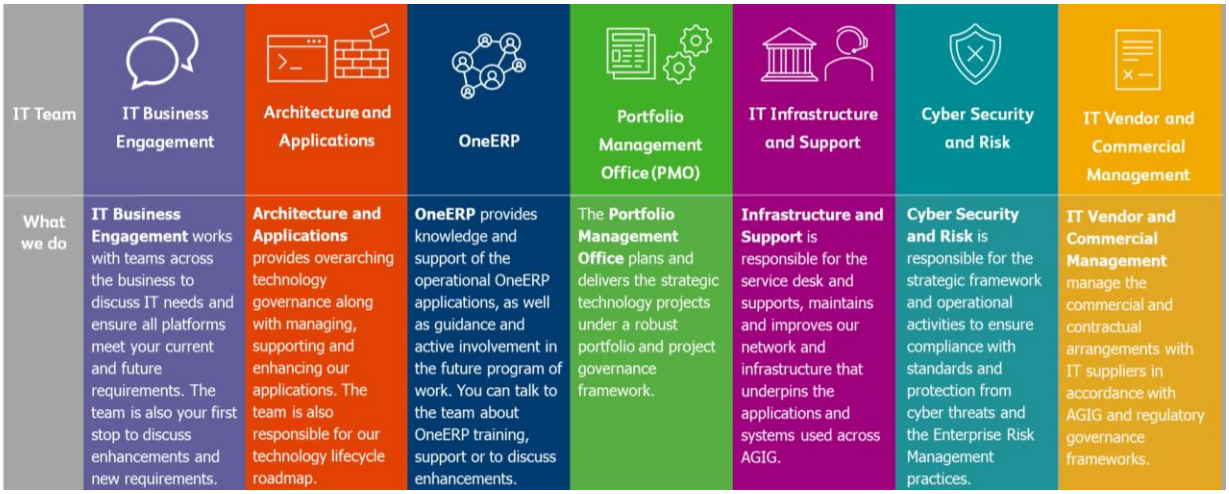
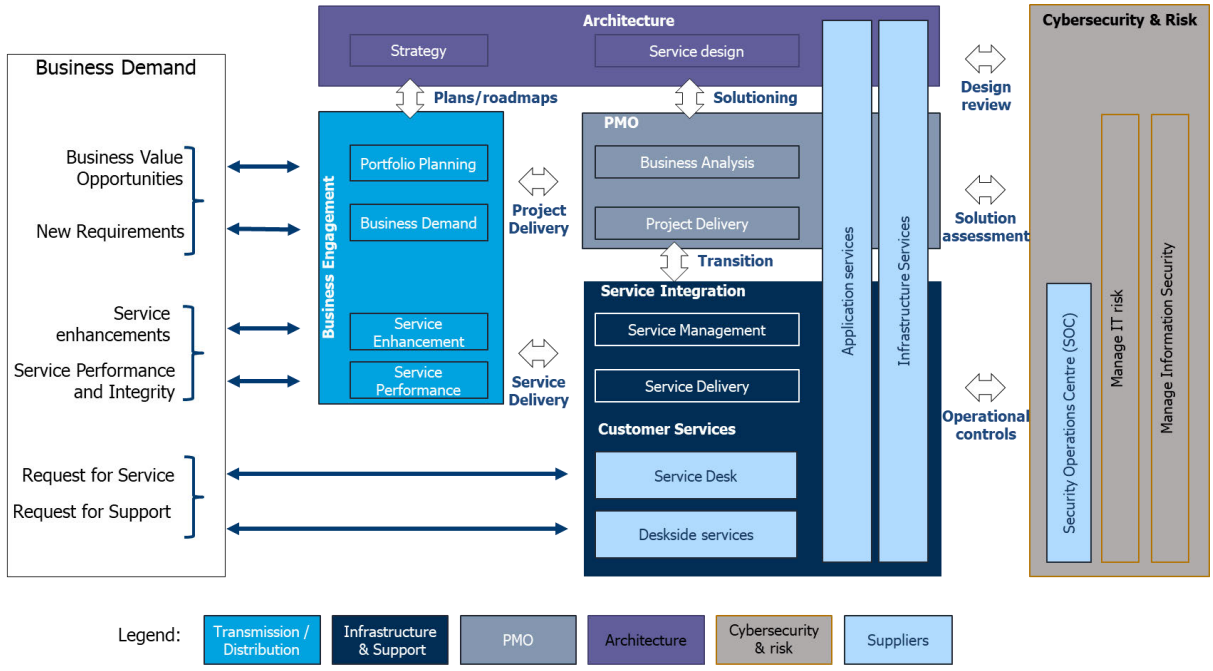


Figure 2.5: IT@AGIG delivery of IT services



Consistent with large transformational programs of work delivered in the past, we will stand up a separate program team and governance model to deliver the Transition program of work. We are currently taking advice on the proposed delivery and governance model for the AGN Transition to ensure deliverability and minimising impact to customers and other recurrent activities required over the period.

2.8 Summary of current AA period

In the current AA period we forecast we will invest $37 million in IT. This is around $10 million (21%) below our approved allowance of $47 million. As discussed in section 2.2 (and below), this lower-than-forecast expenditure is due to:

- Minor upgrades of GIS and CC&B (versus the major upgrades that were forecast) and deferral of EAM and Middleware upgrades (-$4 million);
- Not implementing the AIPM tool at this time as we were able to address current business requirements in this area through smaller works delivered under Mobility (Power Apps) and Business Intelligence (Power BI) (-$3 million);

- An upgrade of Salesforce Mobility was not required in the period, and we have seen slower than expected roll out of additional mobility (-$5 million);
- Minimising additional investment in the Business Intelligence platform ahead of Transition (-$1 million);
- Taking a national approach to digital customer experience initiatives, and therefore seeking input and ensuring needs of Victorian customers considered before moving ahead with CRM and website initiatives (-$1 million);
- Partially offset by, higher spend on the AGIG IT Strategy & Roadmap (+$5 million), made up of:
  - Less overall spend on the OneERP program made up of higher than forecast costs to deliver the first phase to replace the Business One system with SAP S/4HANA and new staged timing and approach for Phases 2 and 3 of the program compared to forecast (-$1 million);
  - Additional spend required to Uplift Cyber Security Technology & Capabilities in line with key gaps and risks identified against the Australian Energy Sector Cyber Security Framework (AESCSF) (+$4 million); and
  - New Human Capital Management program (+$2 million); and
- An increase in the number of end user devices corresponding with uplift in devices per employee as well as employee growth, and the need to refresh network and currency and data centre equipment to proactively deal with end of life and manage risk (+$1 million).

By the end of the current AA period we will have:

- Completed GIS consolidation, and a subsequent minor upgrade of the GIS solution;
- Completed minor upgrades of our national enterprise asset management (EAM) and customer billing systems;
- Upgraded other IT systems including Historian, Before You Dig Australia, Webmethods and Biztalk;
- Completed the Mobility Integration project for works planning and scheduling and rolled out process automation initiatives and additional mobility applications e.g. mobile maps, a number of new eForms and PowerApps for Capital PMO Project Lifecycle Checklist and Camera Inspection;
- ongoing system enhancements to meet changing regulatory (i.e. Life Support B2B) and business needs (i.e. implementation of changes to contracts and procurement business processes);
- delivered a CRM solution for our priority services program and commenced an upgrade/re-platform of our customer website;
- completed Phase 1 of the OneERP program establishing a functional, fully supported, industry-standard system, including required upgrades to linked systems such as travel and expense management;
- well underway on Phase 2 of the OneERP program, which for AGN has included subsequent upgrade of the OneERP solution and move to SAP's platform as a service to maintain support and deliver future cost avoidance, as well as improved access to new releases and platform support;
- transitioned our IT managed service providers and uplifted our IT operating model;
- replaced legacy payroll and related systems and manual processes with a modern, fit-for-purpose Human Capital Management solution that brings together training, performance and goals, employee central, payroll, recruitment and onboarding, succession and development, compensation management and offboarding;

- established and delivered key foundational initiatives of our Cyber Security program in line with gaps and risks identified against the AESCSF including:
  - implementation of Identity and Access Management (IAM), Privileged Accounts Management (PAM), Managed Detection and Response (MDR), SIEM/SOAR and Vulnerability Management Solutions;
  - internal capability development – building a Cyber Security and Risk team to deliver cyber security operations, compliance and projects delivery capabilities;
  - development of our third-party risk management framework; and
  - data privacy and security capability development.

Our IT investment by business case in the current AA period, is summarised in Table 2.15 below.

Table 2.15: Summary of IT investment in AA5 $'000 January 2025

Project	BC#	App-roved	Actual 2021/21	Actual 2022/23	Actual 2023/24	Forecast 2024/25	Forecast 2025/26	Total AA	Variance
Applications renewal	SA117	**13,321**	1,394	585	1,191	4,797	1,155	**9,121**	4,200
AIPM Tool	SA121	**2,859**	-	-	-	-	-	-	2,859
GIS Upgrade	SA58	**4,408**	2,761	357	-20	1	-	**3,099**	1,308
Mobility Integration	SA59	**11,171**	3,478	1,602	363	496	128	**6,068**	5,103
Business Intelligence	SA60	**1,313**	32	193	185	28	195	**633**	681
Life support data solution (inc other rule changes)	-	**698**	520	1	-	-	-	**520**	178
Digital customer experience	SA137	**2,611**	-	57	61	864	680	**1,661**	950
AGIG IT Strategy & Roadmap	SA138	**10,241**	1,971	2,873	953	4,462	4,686	**14,944**	(4,703)
IT Infrastructure	SA139	**179**	144	119	103	225	534	**1,126**	(947)
Total		**46,800**	**10,300**	**5,786**	**2,836**	**10,874**	**7,377**	**37,173**	**9,627**

The following sections outline actual performance versus allowance in the current AA period for each of the IT Business Cases.

2.8.1 Applications Renewals

In the current AA period, we have incurred lower costs in Applications Renewals than anticipated. We are forecasting to spend $9.1 million, which is $4.2 million below the allowance of $13.3 million.

The underspend is driven by the requirement for minor upgrades of GIS and CC&B (versus the major upgrades that were forecast) and deferral of EAM and Middleware upgrades. In summary, during the current AA period we have, or expect to have:

- upgraded Webmethods;
- upgraded to a cloud instance of Before You Dig Australia;
- completed a minor upgrade of our EAM;
- completed a minor upgrade of our customer billing system;
- completed a minor upgrade of our GIS;
- completed two upgrades of Historian;
- upgraded Biztalk; and,
- purchased additional licences for our customer billing system in line with business growth.

Table 2.16: Total Applications Renewals spend in the current AA period versus allowance ($'000 January 2025)

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Allowance	1,146	3,720	1,814	5,102	1,538	13,321
Actual	1,394	585	1,191	4,797	1,155	9,121
Variance	**-248**	**3,136**	**623**	**305**	**384**	**4,200**

2.8.2 AIPM Tool

We decided not to proceed with the proposed investment of $2.9 million in an AIPM Tool in the current AA period. Instead, we were able to address current business requirements in this area through smaller works such as Power Apps solutions delivered under the Mobility, Process Automation, stream and Power BI reports delivered under Business Intelligence.

Table 2.17: Total AIPM Tool spend in the current AA period versus allowance ($'000 January 2025)

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Allowance	-	-	2,859	-	-	2,859
Actual	-	-	-	-	-	-
Variance	**-**	**-**	**2,859**	**-**	**-**	**2,859**

2.8.3 GIS Upgrade

In the current AA period, we have incurred $3.1 million to complete the GIS Consolidation. This is $1.3 million below the $4.4 million forecast. The underspend is driven by a decision not to complete the GIS Conflation component of the project at this time.

Note the subsequent minor upgrade of the consolidated GIS system and roll out of GIS Mobility Applications in the current AA period are each covered in the Applications Renewals and Mobility Integration business cases.

Table 2.18: Total GIS Upgrade spend in the current AA period versus allowance ($'000 January 2025)

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Allowance	2,742	1,666	-	-	-	4,408
Actual	2,761	357	-20	1	-	3,099
Variance	**-19**	**1,309**	**20**	**-1**	**0**	**1,308**

2.8.4 Mobility Integration

In the current AA period, we expect to incur $6.1 million to complete the Mobility Integration for works planning and scheduling, process automation and new mobility applications. This is $5.1 million below the $11.1 million allowance. The key driver of the underspend is that our forecast included around $3 million to complete an upgrade of Salesforce Lightning in this period, which has not been required.

Table 2.19: Total Mobility Integration spend in the current AA period versus allowance ($'000 January 2025)

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Allowance	4,721	4,271	726	726	726	11,171
Actual	3,478	1,602	363	496	127	6,067
Variance	**1,243**	**2,669**	**363**	**230**	**599**	**5,104**

2.8.5 Business Intelligence

In the current AA period, we expect to incur $0.6 million on Business Intelligence. This is $0.7 million below what was forecast as we have taken to approach to minimise additional investment ahead of the Transition project.

Table 2.20: Total Business Intelligence spend in the current AA period versus allowance ($'000 January 2025)

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Allowance	206	490	206	206	206	1,313
Actual	32	193	185	28	193	631
Variance	**174**	**298**	**20**	**178**	**12**	**682**

2.8.6 Life support data solution

In the current AA period, we have incurred $0.5 million on the Life support data solution and other required regulatory changes. This is around $0.2 million below the allowance due to lower effort actually required during implementation.

Table 2.21: Total Life support data solution spend in the current AA period versus allowance ($'000 January 2025)

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Allowance	698	-	-	-	-	698
Actual	520	1	-	-	-	520
Variance	**178**	**-1**	**-**	**-**	**-**	**178**

2.8.7 Digital customer experience

In the current AA period, we expect to incur $1.7 million on digital customer experience. This is $1.0 million below the allowance of $2.6 million.

We have taken a national approach to the digital customer experience program, particularly incorporating feedback and needs from our customers in Victoria, which has seen some initiatives start later than planned. Further, the policy changes proposed in the Victorian gas market has required additional focus. This reprioritisation of our efforts has seen lower investment against the initiatives we had planned to deliver across AGN and in South Australia.

By the end of the current AA period, we have implemented a CRM and webforms to support the delivery of our Priority Services Program (a new program introduced in this period), started the upgrade/re-platform of our customer website, and automated SMS notifications for new connection requests and meter change appointments.

Table 2.22: Total digital customer experience spend in the current AA period versus allowance ($'000 January 2025)

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Allowance	441	1,393	421	356	-	2,611
Actual	-	57	61	864	680	1,661
Variance	**441**	**1,336**	**360**	**-507**	**-680**	**950**

2.8.8 AGIG IT Strategy & Roadmap

In the current AA period, we expect to incur $14.9 million on the AGIG IT Strategy and Roadmap. This is $4.7 million higher than what was forecast due to:

- Less overall spend on the OneERP program made up of higher than forecast costs to deliver the first phase of the program to replace the Business One system with SAP S/4HANA and new staged timing and approach for Phases 2 and 3 of the program compared to forecast (-$1.4 million);
- Additional spend required to Uplift Cyber Security Technology & Capabilities in line with key gaps and risks identified against the Australian Energy Sector Cyber Security Framework (AESCSF) (+$3.6 million);
- New Human Capital Management program (+$2.2 million).

In summary, during the current AA period we have, or expect to have delivered:

- Phase 1 of our OneERP program for AGN, moving finance and procurement to SAP S/4 HANA, implementing significant procurement improvements and upgrading other interconnected systems, plus a subsequent version upgrade of the system into SAP Rise;
- The first two phases of our Data Analytics and Visualisation program, which has set the data foundation and automated our Environmental and Social Governance (ESG) reporting, corporate KPI reporting and Regulatory Information Notice reporting, among others;
- A new integrated HCM solution that brings together the entire employee lifecycle management from recruitment and onboarding, employee central, payroll, compensation management, through to performance and goals, succession and development and offboarding;
- Cyber security uplift including investment in cyber operations and key risk areas of identity access management, privileged access management, data privacy and security; and
- An uplift to our IT Operating Model and achieved efficiencies by transitioning to new and consolidating existing service providers for IT services across AGIG.

Table 2.23: Total AGIG IT Strategy & Roadmap spend in the current AA period versus allowance ($'000 January 2025)

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Allowance	884	1,026	1,350	2,092	4,889	10,241
Actual	1,971	2,873	953	4,462	4,686	14,944
Variance	**-1,087**	**-1,847**	**397**	**-2,370**	**203**	**-4,703**

2.8.9 IT Infrastructure

In the current AA period, we expect to incur $1.1 million in IT Infrastructure capex. This is $0.9 million higher than what was forecast due to growth in end users and a change in approach to own and share Infrastructure across AGIG (as compared to AGN's previous Infrastructure as a Service arrangements). This has seen AGN contribute to and benefit from infrastructure projects delivered during the period including Data Centre Refresh, Active Directory consolidation and Operating System currency.

Table 2.24: Total IT Infrastructure spend in the current AA period versus allowance ($'000 January 2025)

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Allowance	29	14	42	29	65	179
Actual	144	119	103	225	534	1,126
Variance	**-115**	**-106**	**-61**	**-196**	**-469**	**-947**

3 Consistency with the NGL and NGR

Our networks are operated in accordance with the National Gas Law (NGL) and NGR. The overarching objective of the NGL is set out in the National Gas Objective (NGO), which states that the objective of the NGL is to "*promote efficient investment in, and efficient operation and use of, natural gas services for the long term interests of consumers of natural gas with respect to price, quality, safety, reliability and security of supply*".

Our proposed investment in the next AA period is consistent with this objective because it will enable us to maintain and prudently extend our IT systems and business processes in a manner that will ensure the ongoing safety, reliability and security of supply is managed in a cost-effective way, which is in the long-term interests of consumers.

The proposed expenditure also complies with the NGR.

It is compliant with the new Capex criteria in rule 79 of the NGR because it is:

- such as would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice to achieve the lowest sustainable cost of providing services (rule 79(1)(a)); and
- Justifiable under rule because the proposed programs and projects are necessary to maintain and improve the safety of services, maintain the integrity of services or to comply with a regulatory obligation or requirement (rule 79(2)(c)(i)-(iv)) as described in the table below.

Table 3.1: Consistency of the proposed IT program with rule 79(2)(c) of the NGR

#	NGR criteria	Justification of the proposed expenditure
79(2)(c)	**The capital expenditure is necessary:**	
(ii)	to maintain the integrity of services	IT Operational and Corporate Applications – The proposed expenditure on our IT Operational applications project is required to maintain the integrity of services through current, supported and fit for purpose IT applications, managing technology risks and preventing material outages that impact the ability of the business to function (including tracking and reporting of business information to meet our regulatory obligations and requirements). This expenditure is therefore consistent with NGR 79(2)(c)(ii) and (iii). IT Sustaining Infrastructure – The proposed expenditure on our IT sustaining infrastructure project is required to maintain the integrity of services through current, supported and fit for purpose IT infrastructure, managing technology risks and preventing material outages that impact the ability of the business to function (including tracking and reporting of business information to meet our regulatory obligations and requirements). Therefore this expenditure is consistent with NGR 79(2)(c)(ii) and (iii). Cyber Security – The proposed expenditure on Cyber Security is required to maintain the integrity of services through Cyber Security controls commensurate with the cyber risk we face and is therefore consistent with NGR 79(2)(c)(ii). All IT systems and technology infrastructure are exposed to cyber threats. The confidentiality, integrity and availability of information and information technology systems is critical to ensure the business is able to deliver its services effectively and in line with its various regulatory obligations and requirements, such as Critical Infrastructure Act, Privacy Act and FIRB reporting obligations. This requires

#	NGR criteria	Justification of the proposed expenditure
79(2)(c)	The capital expenditure is necessary:	
		investment to ensure our systems are secure and remain resilient to external threats. AGN Transition – The proposed expenditure is required to maintain integrity of services by ensuring operational IT systems are available to AGIG staff. This expenditure is therefore consistent with NGR 79(2)(c)(ii).
(iii)	to comply with a regulatory obligation or requirement	IT Operational and Corporate Applications – The proposed expenditure on our IT applications project is required to maintain the integrity of services through current, supported and fit for purpose IT applications, managing technology risks and preventing material outages that impact the ability of the business to function (including tracking and reporting of business information to meet our regulatory obligations and requirements). This expenditure is therefore consistent with NGR 79(2)(c)(ii) and (iii). IT Sustaining Infrastructure – The proposed expenditure on our IT sustaining infrastructure project is required to maintain the integrity of services through current, supported and fit for purpose IT infrastructure, managing technology risks and preventing material outages that impact the ability of the business to function (including tracking and reporting of business information to meet our regulatory obligations and requirements). This expenditure is therefore consistent with NGR 79(2)(c)(ii) and (iii).

Forecast costs are based on the latest market rate testing and reflect the lifecycle management and estimation approach described in the following sections. The estimate has therefore been arrived at on a reasonable basis and represents the best estimate possible in the circumstances.

3.1 Project management and application lifecycle methodologies

We utilise an industry standard business and technology project management methodology, which is managed through formal governance. This methodology divides the projects into key stages – concept, develop, plan, deliver and close. Each stage consists of key tasks and activities to ensure consistency and standardisation across projects. The project methodology provides a consistent, standard and quality assured project implementation framework, ensuring that the work is carried out in a prudent and efficient manner.

The IT project management methodology is provided in Appendix B.

We also follow an industry standard application lifecycle framework to manage applications through the implementation, operations, optimisation and retirement phases of their lifecycle. This framework provides an efficient and effective approach to maintaining the security and stability of the applications while optimising lifecycle stages. This framework includes the project management methodologies to implement the applications, and ongoing lifecycle activities to operate and optimise the applications - including upgrade cycles.

The application lifecycle management framework is provided in Appendix C.

3.2 Estimation approach and cost allocation

To ensure project estimates are developed in a consistent manner, we use an estimation tool (aligned with the project methodology) to forecast the work effort and cost estimates for all projects

included in this IT investment plan. The tool uses actual values from recent years for resource work effort estimates, with all actual values used being sanity checked to ensure any changes to the way historical projects were carried out are considered.

The material and direct labour costs, and applicable planning, design and implementation charges, are based on historical actual costs of similar projects and on vendor quotes that are subject to a competitive tendering process[2]. This assumes the use of an efficient combination of internal and external resources to deliver each project.

The historical values and work effort estimates are then used as inputs into the final estimates, which are subject to stringent review and endorsement by members of the Portfolio Management Office and Portfolio Governance Committee. The work effort, cost and timing of projects are monitored throughout the project lifecycle to ensure on time and on budget delivery. Further information on this governance process is provided in Appendix B.

For AGIG wide projects, once the total project cost has been determined, the forecast costs are then allocated to the businesses that use/benefit from each system on the most appropriate basis available, typically revenue or FTEs. Shared costs across the AGN business are then allocated to each network based on customer numbers.

The cost allocators applicable to each of the IT initiatives are summarised in Table 3.2 below.

Table 3.2: Summary of cost allocation basis by Business Case and Project

Business Case	Project Name	AGIG Cost Allocation Basis	AGN SA Cost Allocation Basis
IT Operational Applications	Enterprise Asset Management	Direct (AGN-owned)	Customer numbers
	FRC Gateway	Direct (AGN-owned)	Customer numbers
	Geospatial Information System Upgrade	Direct (AGN-owned)	Customer numbers
	Meter & Billing	Direct (AGN-owned)	Customer numbers
	Workday release management	Direct (AGN-owned)	Customer numbers
	Middleware	Direct (AGN-owned)	Customer numbers
	Mobility Applications	Direct (AGN-owned)	Customer numbers
	Business Intelligence	Direct (AGN-owned)	Customer numbers
	Call Centre Telephony	Direct (AGN-owned)	Customer numbers
	Historian	Direct (AGN-owned ex Vic)	Customer numbers (ex Vic)
	UiPath	Direct (AGN SA-owned)	Direct
	HVZ Stage 2	Direct (AGN SA-owned)	Direct
	Digital metering	Direct (AGN SA-owned)	Direct
	SAP S4/HANA	FTE	Customer numbers

[2] in accordance with the AGIG Procurement policy and guidelines - available upon request.

Business Case	Project Name	AGIG Cost Allocation Basis	AGN SA Cost Allocation Basis
IT Corporate Applications	HSE capability - INX	Revenue	Customer numbers
	Data archiving	Revenue	Customer numbers
	GTreasury	Direct (AGN-owned)	Customer numbers
	Protecht GRC	Revenue	Customer numbers
	SAP SuccessFactors	FTE	Customer numbers
	Public websites	Revenue	Customer numbers
	Application architecture tool	Revenue	Customer numbers
	Project Portfolio Management Software (PPM)	User count	Customer numbers
	Digital Experience	Distribution customer numbers	Customer numbers
	Contract management system	Revenue	Customer numbers
	Data, Analytics and Visualisation	Revenue	Customer numbers
IT Sustaining Infrastructure	End user devices, Network (excl. firewalls)	Direct (AGN SA-owned)	Direct
	Citrix Virtual Servers	Direct (AGN-owned)	Customer numbers
	AD consolidation, SOE	User count	Customer numbers
	OS currency, SNOW upgrades, Collaboration, Citrix Farm (incl. netscalers)	Revenue	Customer numbers
	SQL currency	SQL bottom-up	Customer numbers
	Data Centre and SD-WAN	Number of servers	Customer numbers
Cyber Security	All	Revenue	Customer numbers

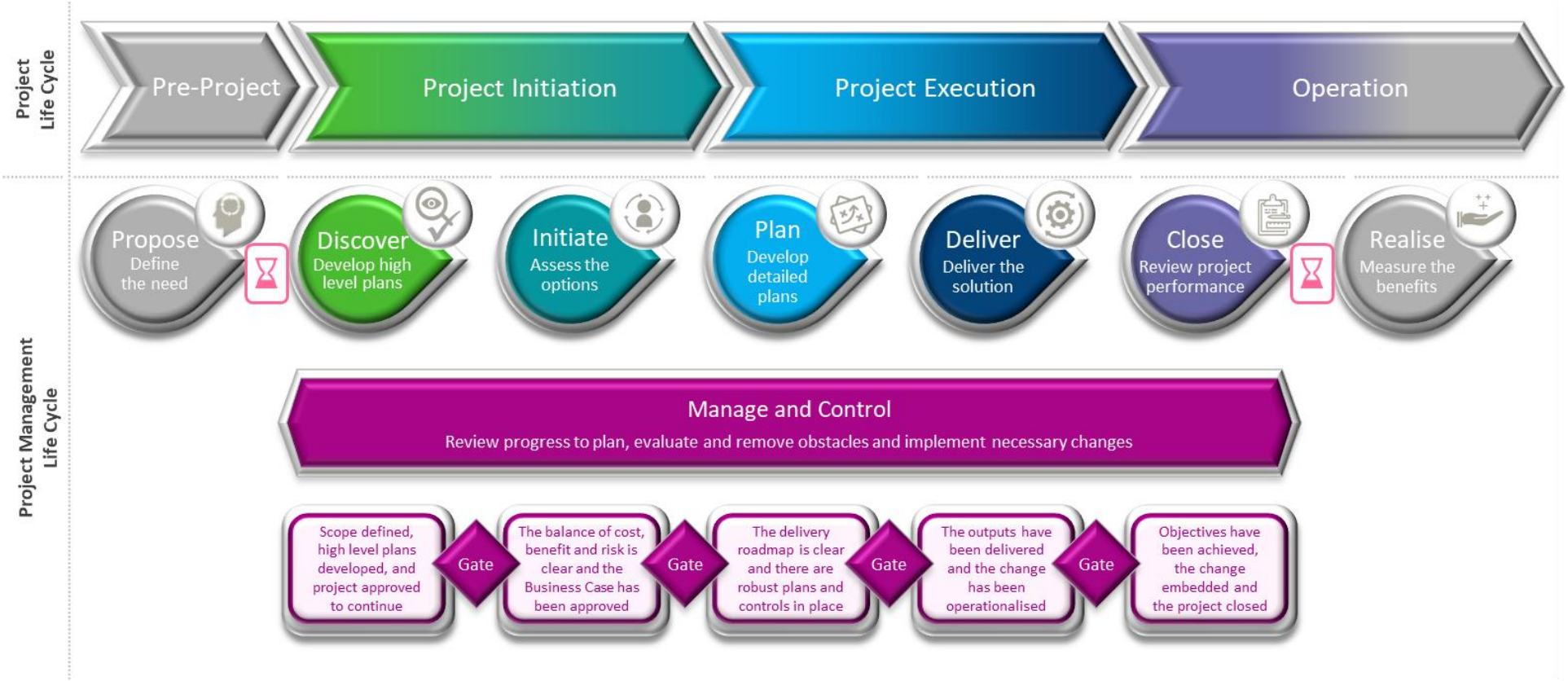
Appendix A: Strategic pillars by project

		IT Operational Applications	IT Corporate Applications	IT Sustaining Infrastructure	Cyber Security	AGN Transition
Customer focussed 	Public safety	-	-	Y	Y	-
	Customer Experience	Y	Y	Y	-	-
	Cost Efficient	Y	Y	Y	-	Y
A leading employer 	Health and Safety	-	Y	Y	Y	-
	Employee Experience	Y	-	Y	-	-
	Skills Development	-	-	Y	Y	-
Operational excellence 	Profitable Growth	-	Y	Y	-	-
	Benchmark Performance	-	Y	Y	Y	Y
	Reliability	-	Y	Y	Y	Y
Sustainable communities 	Enabling Net Zero	Y	-	Y	-	-
	Environmentally Focussed	-	-	Y	-	-
	Socially Responsible	-	-	Y	Y	-

Appendix B: IT project management methodology

B1: Project Management Methodology

To manage all its IT projects, AGIG utilises an industry standard business and technology project management methodology, which is managed through formal governance. The project management methodology covers the full project lifecycle. The interaction between the project and project management lifecycle is illustrated in the figure below.



The key aspects of the project management methodology are outlined in the diagrams below. Projects are classified as Tier 1, 2, 3 or 4, depending on their size, risk and complexity (Tier 1 being large, complex and high risk projects through to Tier 4 which are small, simple and low risk projects).

The project management methodology applied to the project varies according to its classification. This ensures the level of structure and discipline applied to the project is fit for purpose (i.e. complex, high risk and expensive projects require strong levels of discipline and rigour to ensure project success, whereas less complex projects can scale back the level of structure to align to their the size, complexity and risk).

The delivery, governance and approvals for Tier 1 Complex Projects is depicted below. Tier 2, 3 and 4 projects adopt all relevant delivery, governance and approval steps from Tier 1 as is appropriate for their size, risk and complexity. i.e. Tier 2 has slightly less requirements than Tier 1, Tier 3 less again and so on.

IT PMO | Tier 1 Complex Projects - Delivery

Project Category		All Tiers	Tier 1 (Complex)					All Tiers
Responsible		Bus Engagement / Sponsor	PMO / Embedded Project Managers					Project Sponsor
Stage	Project Life Cyde	Pre-Project	Project Start Up		Project Execution			Post-Project
Phase	Project Management Life Cyde	**Propose** Define the need and validate and prioritise the project	**Discover** Define the scope, develop high level plans and seek approval to continue	**Initiate** Identify, assess and select solutions and seek approval to commence	**Plan** Define the detailed solution and develop robust plans to deliver	**Deliver (Iterative)** Develop, accept and deploy the solution and complete warranty period	**Close** Hand over benefits, finalise project activities and disband the team	**Realise** Embed the change, utilise the capability and measure the benefits
Project Delivery	Project Management	Project Classification Tool Develop Indicative Resource Plan Develop Indicative Estimate Develop BNS	Project Management Plan (Initial) High Level Project Requirements Specification High Level Project Scope Statement Establish Steering Committee Establish Working Group Create Project Register Commence Project Reporting Create Project Deliverables Register *Where Initiate requires 3rd party input:* *- Detailed Scope Statement for Initiate* *- Select 3rd party* Detailed Estimate for Initiate High Level Schedule High Level Resource Plan High Level Estimate for Execution Develop & Approve Preliminary Business Case Create project budget Complete Discover Stage Gate Assessment	*Where Initiate requires 3rd party input:* *- Appoint 3rd party* *- Kick-off* *- Create Vendor Deliverables Register* *- Manage 3rd Party* Detailed Scope Statement Detailed Requirements Specification High Level Design & Approval High Level Business Process Design Risk Workshop Stakeholder Assessment Change Impact & Complexity Assessment Define the Change Project Management Plan (Revised) Refined Schedule Refined Resource Plan Detailed Benefits Plan Detailed Estimate for Execution *Where Execution requires a Partner:* *- Select Execution partner* Develop & Approve Detailed Business Case Update project budget Complete Initiate Stage Gate Assessment	Baseline the Project *Where Execution requires a partner:* *- Appoint partner* *- Establish Joint Governance Forum* *- Create Vendor Deliverables Register* *- Manage Vendor* Project Kick-off (including partner) Detailed Design & Approval Requirements Traceability Matrix Detailed Business Process Design Project Management Plan (Revised) Draft Change and Comms Plan Master Training Plan Master Test Plan Implementation Plan Transition Plan Detailed Schedule Detailed Resource Plan Detailed Quote Validate the Business Case Re-baseline the Project (if required) Complete Plan Stage Gate Assessment	Manage Project to Baseline Manage Risks and Issues Manage Stakeholders Project Management Plan (Revised) Detailed Change and Comms Plan Detailed Training Plan Detailed Test Plan Detailed Implementation Plan Detailed Transition Plan Develop and Deliver Training Material Test Reports Readiness Assessment Report Approvals / Go No-go Report Transition to Support Docs Business Process Documents Develop & Approve Project Chg Req (as applic) Complete / Exit Hypercare Complete Deliver Stage Gate Assessment	Post Implementation Review Identify Lessons Learnt Hand over benefits tracking Finalise / Archive Documentation Reconcile and Finalise Financials Close GL / Project Code Close / Transfer Risks and Issues Develop & Approve PIR & Closure Report Release Resources Complete Close Stage Gate Assessment	
		Report project progress (Project Status Report) Manage Project Management Deliverables (Project Deliverables Register) Log actions, decision, lessons, risks, issues, assumptions, dependencies etc. (Project Register) Manage Initiate and Execute partner/s if applicable (Vendor Deliverables Reg)						

Australian Gas Networks

IT PMO | Tier 1 Complex Projects – Governance and Approvals

Project Category		All Tiers	Tier 1 (Complex)					All Tiers
Responsible		Bus Engagement / Sponsor	PMO / Embedded Project Managers					Project Sponsor
Stage	Project Life Cyde	Pre-Project	Project Start Up		Project Execution			Post-Project
Phase	Project Management Life Cyde	**Propose** Define the need and validate and prioritise the project	**Discover** Define the scope, develop high level plans and seek approval to continue	**Initiate** Identify, assess and select solutions and seek approval to commence	**Plan** Define the detailed solution and develop robust plans to deliver	**Deliver (Iterative)** Develop, accept and deploy the solution and complete warranty period	**Close** Hand over benefits, finalise project activities and disband the team	**Realise** Embed the change, utilise the capability and measure the benefits
Approvals	Approval Artefact	**Business Need Statement**	**Preliminary Business Case**	**Detailed Business Case**	**Business Case Validation (if applicable)**	**Project Change Request (as applicable)**	**Closure Report**	**Benefits Realisation Report**
	Stage Seeking Funding	Discover (inc funding for Discover partner if app)	Initiate	Execute (Plan, Deliver, Close)	Execute (Plan, Deliver Close)	Execute (Plan, Deliver Close)	N/A	N/A
	Artefact Review	N/A	Stakeholders, Steering Committee	Stakeholders, Steering Committee	Stakeholders, Steering Committee	Stakeholders, Steering Committee	Stakeholders, Steering Committee	N/A
	Artefact Approval	Project Sponsor (Bus) / CIO (IT)	CIO and Exec Sponsor	CIO, Exec Sponsor and ELT	CIO, Exec Sponsor and ELT	CIO, Exec Sponsor and ELT	CIO and Exec Sponsor	Exec Sponsor
	Financial Execution	Per DFA	Per DFA	Per DFA	Per DFA	Per DFA	N/A	N/A
Governance	PMO Oversight		Required					
	Methodology		Tier 1					
	Project Sponsor		ELT or SLT Member					
	Project Governance		Steering Committee and Joint Governance Committee (for 3rd Party Implementation Partners)					
	Project Manager		Required (PMO or Embedded PM)					
	Working Group		Required					
	Work Stream Leads		Required					
	Project Team		Required					
	Project Reporting		Required Monthly					

B2: Project approvals

Executive management support and program and project governance

As will be seen from the composition of the various governance forums below, the most senior people in DBP, from Board members to the CEO to Executive Leadership Team members, are involved in approving and monitoring IT projects.

The following mandatory review and assessment points exist within the governance framework:

Formal approval by an independent governance forum, e.g. the DBP Board or the Portfolio Governance Committee, depending on the size of the project.

Stage gate assessment of key deliverables, schedules and processes.

Risk assessment in each stage.

Progress review by Project Steering Committee (at least monthly).

Ongoing review of business case, to ensure benefits are still attainable.

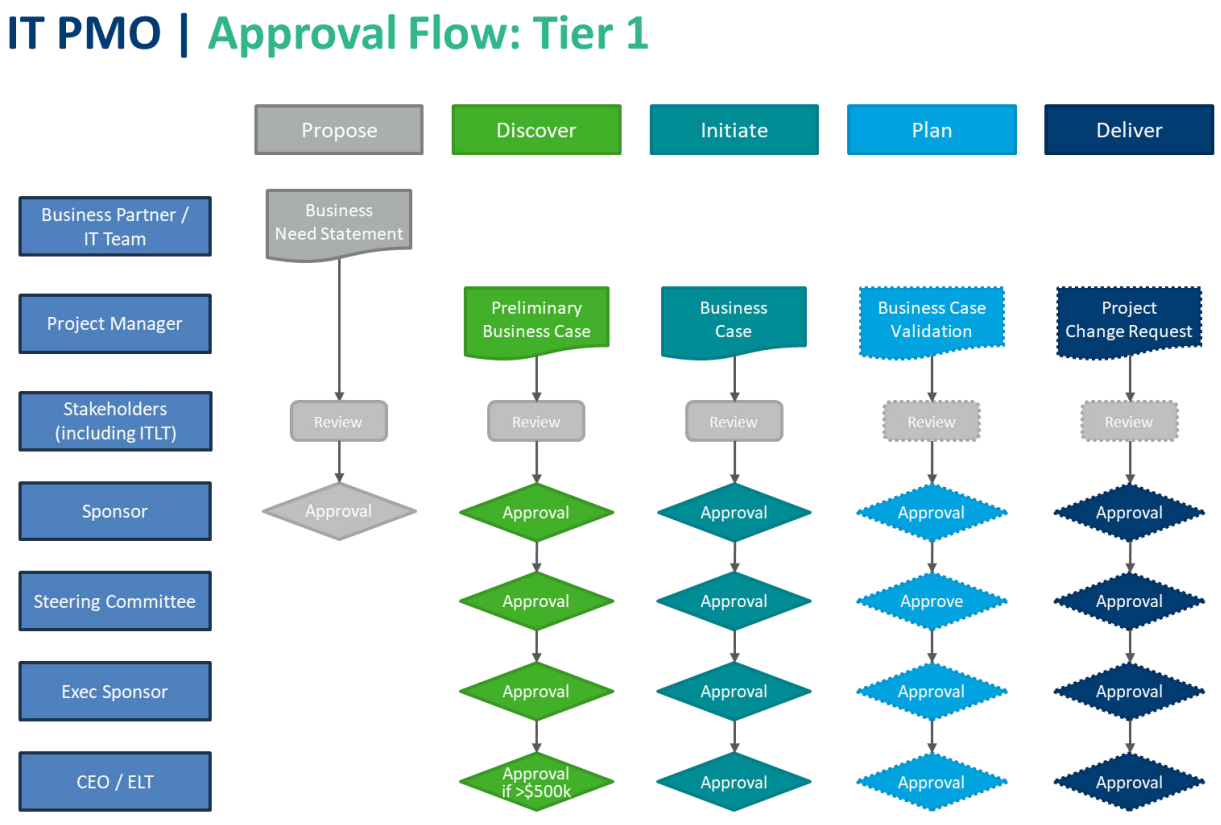
Spot-check quality assurance assessments.

Formal user acceptance testing and sign-off.

Closure reports

Post implementation reviews identifying lessons learned and enhancing the corporate methodology.

The approval flow for a Tier 1 project is depicted below.



Note: All approvals are subject to AGIG's DFA process to execute financial expenditure

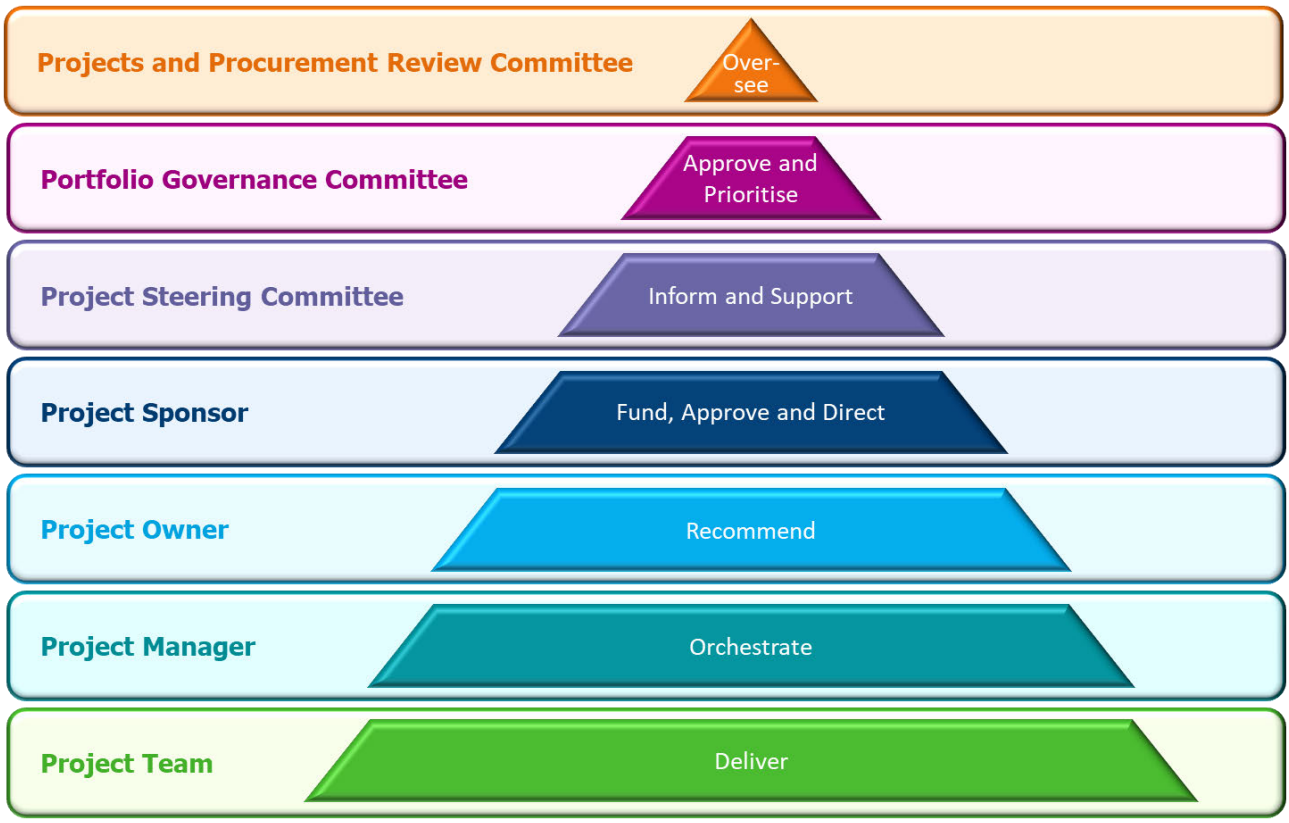
IT project governance structure

The IT project governance structure ensures the projects undertaken are the most appropriate, support the business and IT strategy and provide business benefits and risk mitigation.

The governance structure is scaled to ensure approvals occur at the right level of the organisation, and smaller projects are not unnecessarily burdened with onerous governance processes.

Progress against the IT portfolio of projects is reported monthly to the Projects and Portfolio Review Committee.

The Portfolio Governance Structure and Key Roles are depicted below.



B3: Project governance

Any projects that have an expected end-to-end budget of over a policy-agreed amount must be approved at DBP Board level.

Executive Leadership Team

The Executive Leadership Team consists of the executives and the chief executive officer. The ELT provides strategic direction and facilitates decision making regarding IT. All large, complex and high value IT projects must be approved by the ELT.

Project and Procurement Review Committee

The Project and Procurement Review Committee provides oversight on all ongoing capital projects including IT projects.

IT Portfolio Governance Committee

The IT Portfolio Governance Committee provides the framework, functions and processes that guide IT's portfolio management activities. The committee seeks to optimise investments and meet organisational strategic and operational goals with an acceptable level of risk.

The committee acts as the progress review committee for IT projects approved to be delivered in the current budget period and are responsible for:

- endorsing all new projects;
- endorsing all requests to the Executive Leadership Team;
- ensuring project alignment with strategic objectives;
- the governance of all projects and initiatives; monitoring overall spend/savings, benefits, project health and dependencies;
- monitoring overall risks;
- starting and stopping projects/initiatives; and
- identifying productivity and business improvement opportunities, including the leverage of initiatives across the business, and drives out best practice initiatives

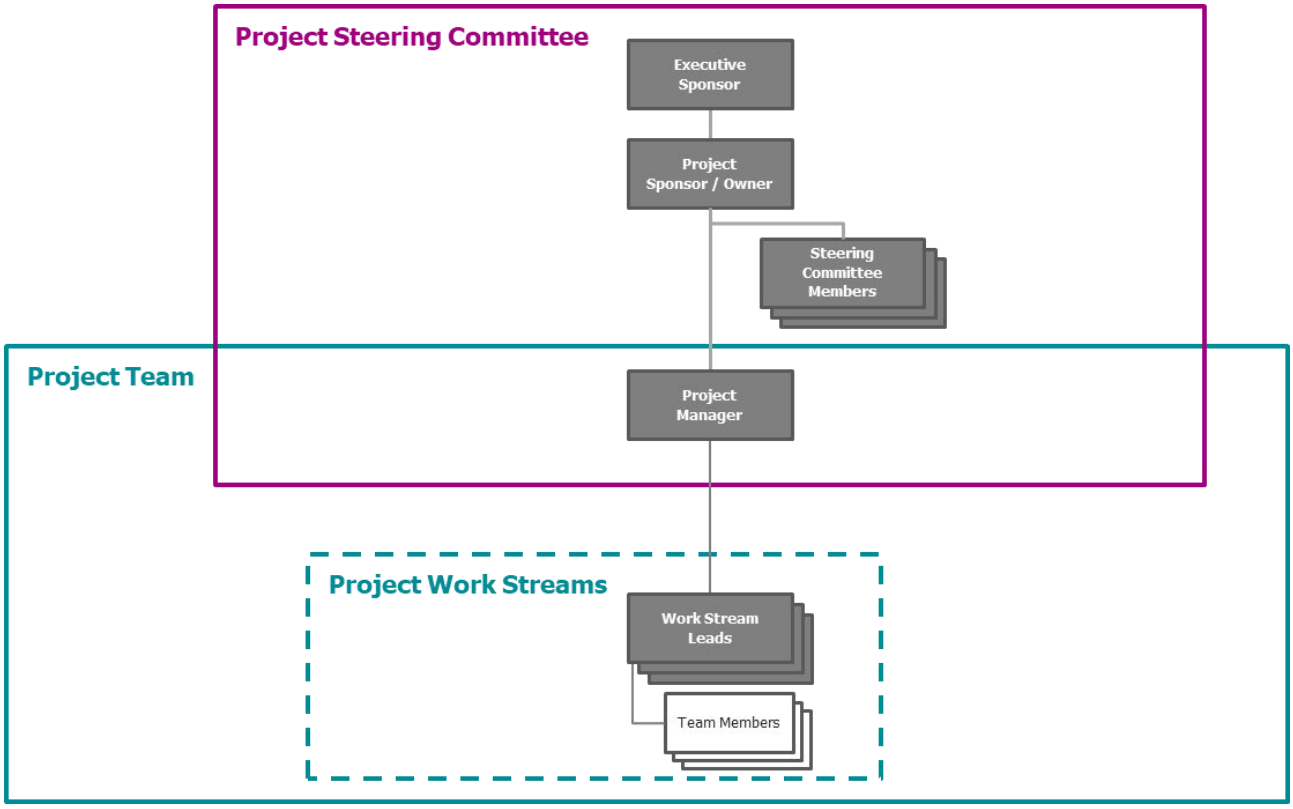
Project Steering Committee

The Project Steering Committee (PSC) comprises relevant senior stakeholders from DBP/AGIG who oversee delivery of a single, specific project. The PSC tracks the project's progress and guide its direction, to ensure it is in line with strategic objectives and is delivering according to agreed business need, priority, objectives, benefits and success criteria.

The Committee:

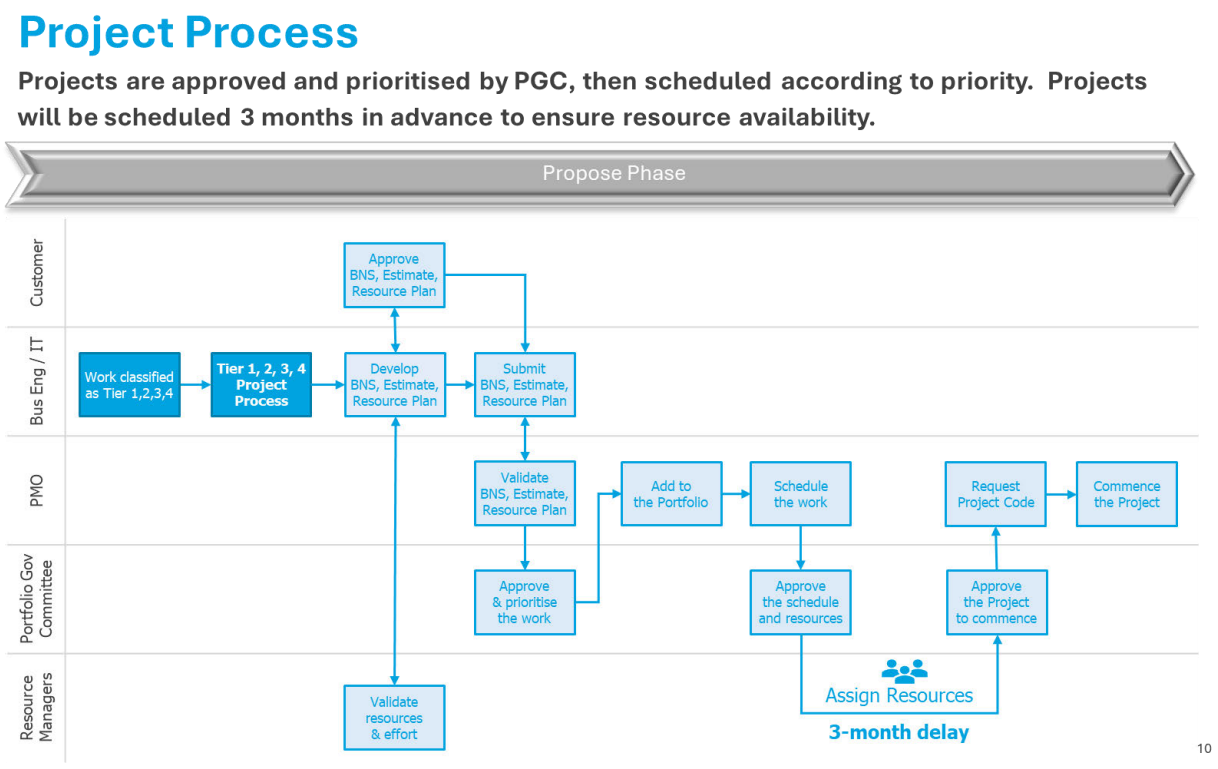
- Provide steerage, consider alternatives and make recommendations as appropriate on behalf of their business
- Approve recommendations that impact project implementation, obtaining approval from portfolio delivery Governance (if required)
- Provide strategic guidance on all key project deliverables
- Resolve key risks and issues escalated by the project working group
- Ensure lessons learned form previous relevant programs are applied to scoping of current program any new lessons are shared at the end of program
- Provide regular updates on the project to their respective Leadership Team member
- Support updates to the IT Portfolio Governance Committee and Project and Procurement Review Committee as necessary

The relationship between the Project Steering Committee and the Project Team is depicted below:



Project initiation and approval

The following diagram illustrates the project initiation and approval process.



B4: Good industry practice project management methodology

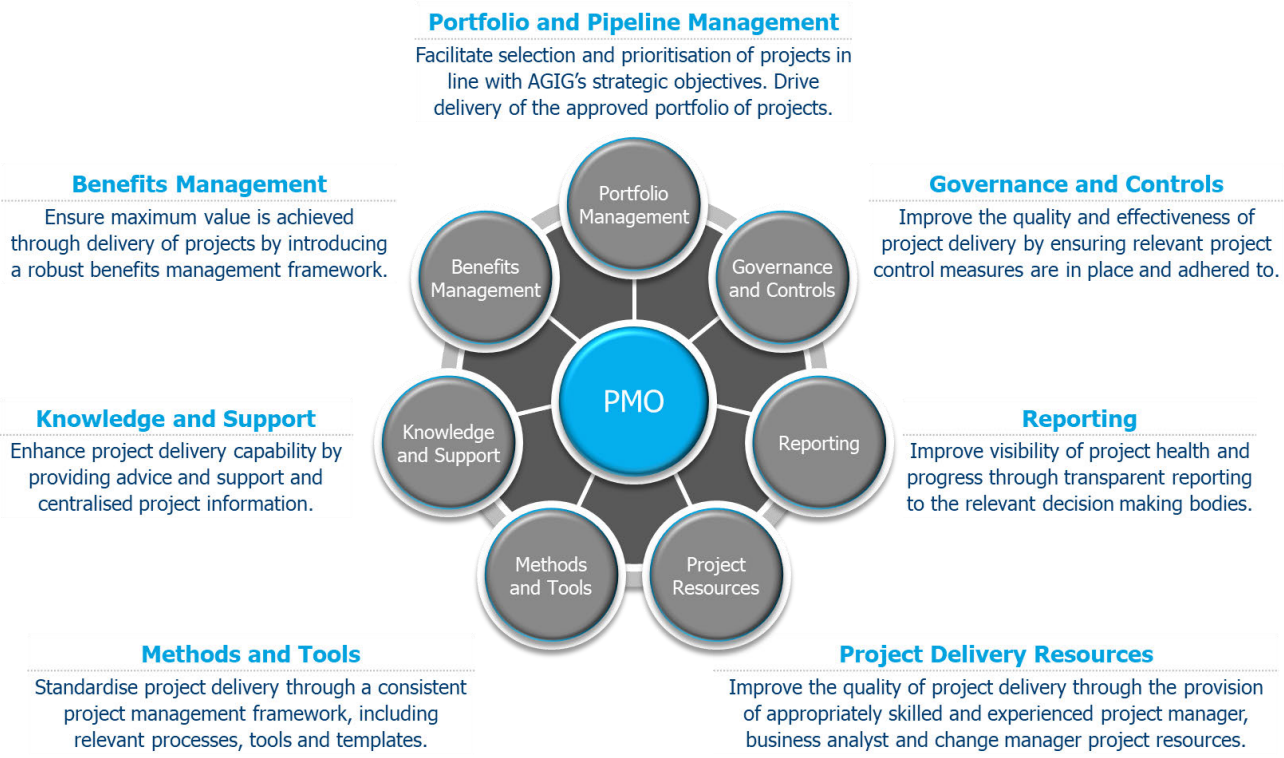
An organisational-wide project management framework underpins the program delivery. Risk assessments are required as part of the business case development and are revisited at each stage of the project to ensure changes in the project, the business operating environment and/or the regulatory environment are always considered and addressed. This overall approach is supported by three core frameworks:

- The Project Management Framework (PMF) - providing a consistent and scalable approach to project management including artefacts and processes.
- The Change Management Framework (CMF) – providing guidance for the activities and artefacts required for change at each stage of the project lifecycle.
- The Project Assurance Framework (PAF) - providing guidance for health checks, stage gate reviews and post implementations reviews.
- The Portfolio Management Office (PMO) – facilitating delivery of the right projects with material technology impact, at the right time, in the right way.
- The Project team roles and responsibilities -

Portfolio Management Office (PMO)

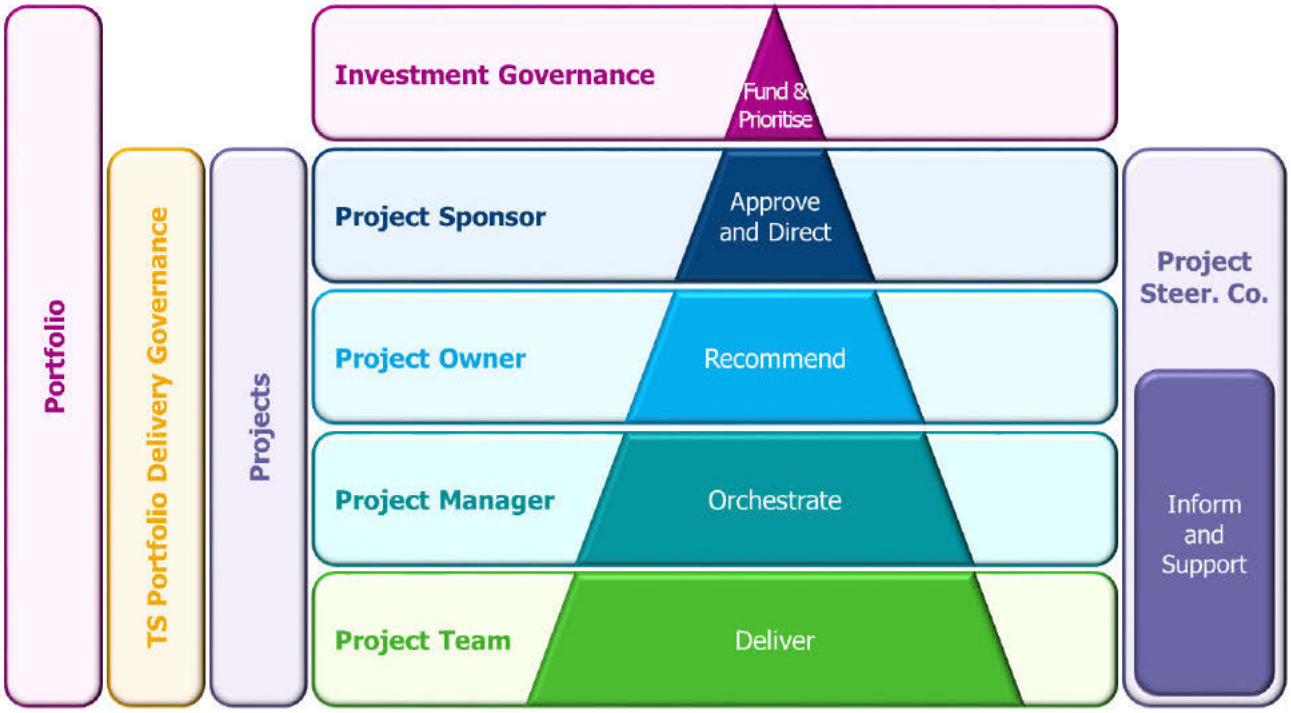
The PMO exists to enable AGIG to achieve its strategic vision to deliver infrastructure essential to a sustainable energy future. It does this by facilitating delivery of the right projects with material technology impact, at the right time, in the right way.

A summary of the PMO's functions and responsibilities is provided in the diagram below:



Project team roles and responsibilities

The project team roles and responsibilities are clearly defined and can be summarised as follows:



Role	Purpose	Key responsibilities
Project Sponsor	Accountability for, and senior leadership of, the project	• One and one only per project • Accountable for project success • Creates the vision • Defines success • Owns the Business Case • Advocates the change • Makes strategic decisions* • Provides strategic direction • Removes escalated obstacles • Reviews progress • Sells the idea • Enforces project management principles and methodologies • Owns project performance

Role	Purpose	Key responsibilities
Project Owner	Prime responsibility for project success	• One per project • Responsible for benefits delivery • Defines the business objectives • Defines the business outcomes • Owns the outcomes and benefits • Leads the change • Makes tactical decisions* • Drives project success • Escalates items for Sponsor decision • Monitors progress • Engages stakeholders • Reinforces project management principles and methodologies • Communicates project performance
Project Manager	Orchestrates all aspects of end to end project delivery	• One per project • Orchestrates project delivery • Translates objectives into deliverables • Defines the deliverables • Orchestrates outcomes delivery • Plans the change • Actions Sponsor and Owner decisions • Coordinates the project team • Identifies, tracks, reports threats • Tracks delivery and reports progress • Facilitates stakeholder engagement • Applies project management principles and methodologies • Reports project performance

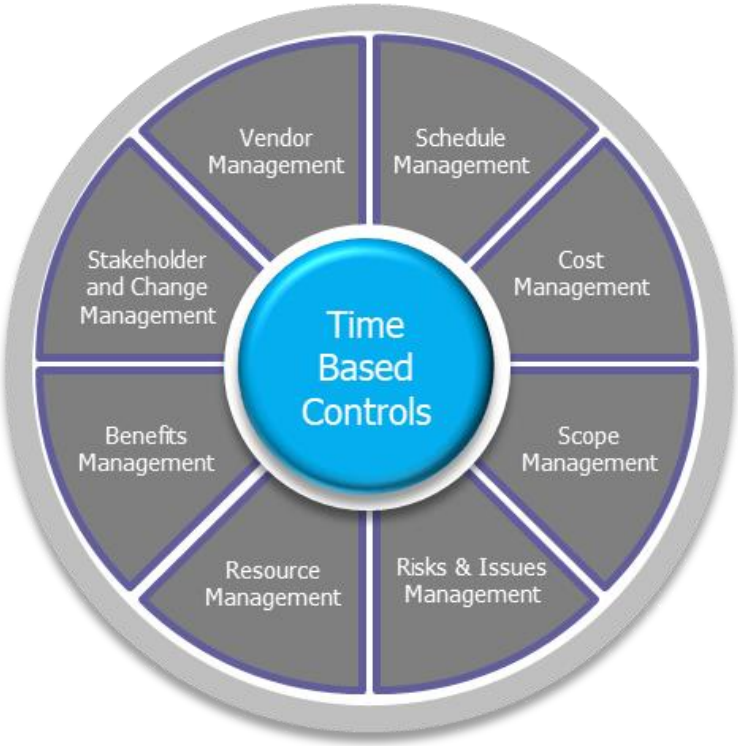
Project Management Framework (PMF)

The PMF is made up of five project management stages following proposal for a new project:

IT Project Controls

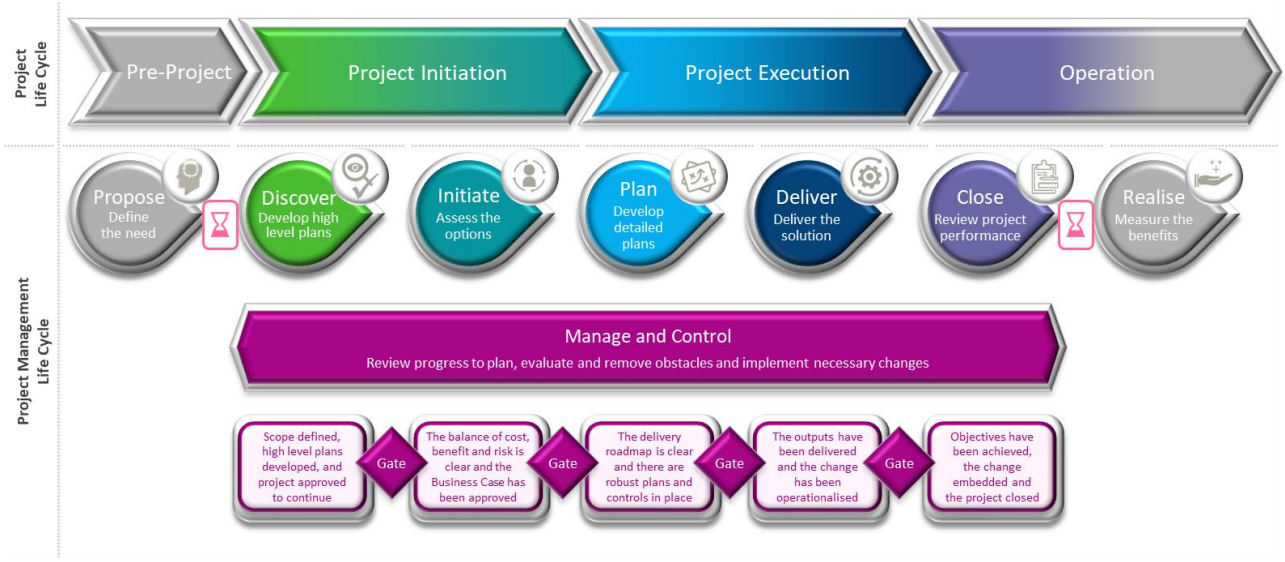
All IT projects are monitored, assessed and controlled using both time-based controls and event-based controls.

Time-based controls involve routine tracking of progress and performance and assessing the impact of any proposed deviations from the baseline position. These controls are depicted in the diagram below:



Event-based controls include formal check point reviews which are embedded into the project lifecycle, triggered by events such as stage completion. Each stage has distinct areas of focus and key artefacts for completion. To exit each stage, stage gate criteria must be met to ensure key deliverables and processes within a stage are completed satisfactorily before the next stage can commence, and to ensure the project is still viable.

These controls are depicted in the diagram below.



Change Management Framework (CMF)

The CMF is a structured approach to transitioning individuals, teams and the organisation from the current state to the desired future state and aims to maximise the value and likelihood of achieving business outcomes and minimising disruption for our people and customers.

Similar to the PMF, it is a disciplined methodology which is scaled according to its Tier classification (Tier 1 being large, complex and high risk projects through to Tier 4 which are small, simple and low risk projects) and follows a staged approach

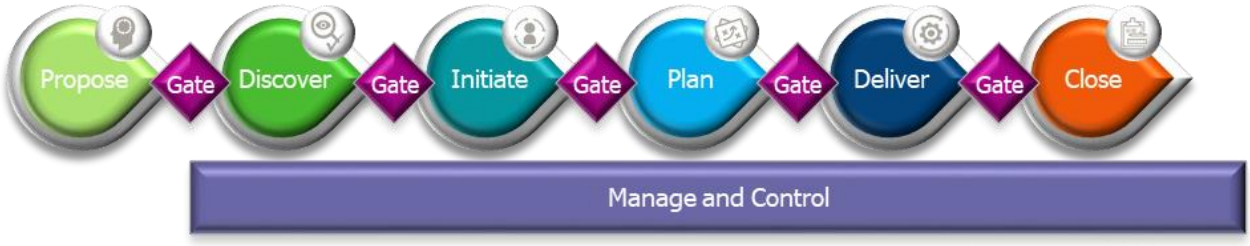
as per the diagram below:

The CMF Tier 1 Complex Projects is depicted below. Tier 2, 3 and 4 projects adopt all relevant steps from Tier 1 as is appropriate for their size, risk and complexity. i.e. Tier 2 has slightly less requirements than Tier 1, Tier 3 less again and so on.

Project Class		All Tiers	Tier 1 Complex Projects					All Tiers
Phase	Project Management Life Cycle	Propose	Discover	Initiate	Plan	Deliver	Close	Realise
		Define the need. Validate and prioritise the project.	Define the scope, develop high level plans & seek approval to continue.	Identify, assess & select solutions. Seek approval to commence	Define the detailed solution. Develop robust plans to deliver.	Develop and deploy the solution. Complete the warranty period.	Hand over benefits, finalise project activities and disband the team.	Embed the change, utilise the capability and measure the benefits.
	Change Management		Define		Design	Deploy	Sustain	Measure
Objective		Identify the need for change	Build a compelling case for change		Prepare for the change	Ready the business for the change	Embed the change	Measure actual vs expected results
Activities			• Define the change • Identify the change complexity • Identify high level impacts • Identify critical success factors • Identify key stakeholders and the sponsorship model • Input into the Business case and Project Management Plan document (PMP)	• Assess the change readiness of the business • Design the change approach • Input into the Business case and Project Management Plan document (PMP)	• Develop the detailed change plans • Commence Awareness activities	• Execute the change plans • Gain business approval for the launch/go live • Gather stakeholder feedback	• Execute the Sustainability Plan • Transfer ownership to the business • Input into Lessons Learned Review • Gather stakeholder feedback • Conduct the change audit • Input into Post Implementation Review	
Deliverables			Stakeholder Map	*Refine Stakeholder Map* Change Impact Assessment Change Complexity Assessment 4 Ps	*Refine Stakeholder Map* Change and Comms Plan Training Needs Analysis (CM Toolkit)	Change Readiness Assessment	Lessons Learnt Agenda	Benefits Realisation Report

The Project Assurance Framework (PAF)

The PAF ensures consistent application of the project management governance, artefacts and methodologies required to progress a project from stage to stage.



In addition to providing the basis for progression of a project, the Project Assurance Framework will guide

- Stage-gate assessments between each phase
- Quality Assurance assessments mid-phase, for all post-Propose phases
- Internal and external audits
- Post implementation reviews.

Appendix C: Application lifecycle management

We utilise an industry-standard application lifecycle management methodology and a practical framework to determine upgrade timelines and priorities. The diagram below outlines the key aspects of this framework.