



Australia's energy  
infrastructure partner

# Reset RIN reporting – Amadeus Gas Pipeline

Basis of preparation: workbook 2  
2020 to 2024 historic expenditure

June 27, 2025



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## 1. Introduction

On 17 February 2025, the Australian Energy Regulator (“AER”) issued APT Pipelines (NT) Pty Limited (“Amadeus”), the Service provider for Amadeus Gas Pipeline, with a Reset Regulatory Information Notice (“RIN”) under Division 4 of Part 1 Chapter 2 of the National Gas Rules (Northern Territory) Law (NGL).

The RIN specifies information to be provided to the AER by Amadeus.

Data supplied in this RIN relates to the historical information and regulatory years defined in the Amadeus 2026-31 - Reset RIN – Workbook 2 – historical expenditure of Appendix A to the RIN, which relates to the fiscal years ended 30 June 2020 to 2024 (2020-2024).

This Basis of Preparation document applies to the RIN issued to Amadeus and the service provider is APT Pipelines (NT) Pty Limited.

### 1.1. Pipeline-specific information

#### 1.1.1. Amadeus Gas Pipeline

APA acquired the Amadeus Gas Pipeline (“AGP”) and associated infrastructure in June 2011.

The bi-directional Amadeus Gas Pipeline is a transmission pipeline extending from the Amadeus Basin in the southern Northern Territory to Darwin. The pipeline system comprises the mainline and four gas inlet stations (at Palm Valley, Mereenie, Ban Ban Springs and the Darwin City Gate inlet from the Wickham Point Pipeline). There is a compressor station (Warrego); one odorant station (Tylers Pass); 11 mainline valves; 11 scraper stations and 14 offtakes. The AGP and laterals subject to regulation are approximately 1,626 kilometres long, including the Mereenie spur line, Tennant Creek and Katherine laterals, and the Pine Creek outlet.

The AGP transports natural gas to Darwin, Alice Springs and regional centres, principally to fuel power generation.

### 1.2. How Amadeus’ response to each variable meets the requirements of the RIN

Amadeus has reported all information consistent with the requirements of the RIN:

- The reporting templates have been prepared in accordance with the requirements of the RIN and definitions as set out in Appendix B of the RIN.
- The basis of preparation which sets out the following:
  - The sources of the provided information.
  - The reporting methodology and assumptions.
  - Where adopted, the basis of estimates and assumption utilised.
- Relevant supporting information or documentation for meeting the RIN requirements.
- The audit report and this Basis of Preparation document are in accordance with the requirements of the RIN.

### 1.3. General methodology and principles

Methodologies used for the preparation of the Reset RIN historical numbers are identical to the methods used in the preparation of APA Group’s statutory financial accounts.

Financial information has for purposes of the Reset RIN has been derived from Amadeus’s Statutory Trial Balance which forms part of APA Group’s Consolidated Statutory Financial Statements.

The financial information reported in Workbook 2, covering 2020 to 2024, has been audited by APA Group's external auditor, Deloitte Touche Tohmatsu ("the Auditor"), in accordance with the Australia Auditing Standards and under the Reset RIN reporting obligation.

## **1.4. Amadeus audit records**

It is important to note that for the purposes of Amadeus's Annual Regulatory Information Notice, the underlying statutory trial balances as well as the Regulatory Reporting template for 2020 to 2024 have been audited.

## **1.5. Other information**

In the materials submitted to the AER, no material changes occurred in the capitalisation policy or the cost allocation methodologies for the periods reported. Policies are identical to the policies submitted as part of the Amadeus Annual RIN in November 2024.

## **1.6. Rounding**

Totals in the templates provided may not add due to rounding.

## **1.7. Nominal amounts**

All amounts are presented in nominal terms unless stated otherwise.

## 2. Definitions of actual, estimated and materiality

Actual financial information has been reported in the reporting template.

The assessment for an item to be reported as an “actual” or “estimate”, was based on the following definitions, obtained from Appendix B – Definitions, which accompanied the RIN.

### 2.1. Actual information

The definition of actual information is in line with Appendix B and consistent with the definition in the RIN. Amadeus has applied the following definition of actual information in its response to the RIN:

*‘Information whose presentation is materially dependent on information recorded in historical accounting records or other records used in the normal course of business, and whose presentation is not contingent on judgments and assumptions for which there are valid alternatives, that could lead to a materially different presentation.*

*‘Accounting records’ include trial balances, the general ledger, subsidiary accounting ledgers, journal entries and documentation to support journal entries.*

*Actual financial information may include accounting estimates, such as accruals and provisions, and any adjustments made to the accounting records to populate its regulatory accounts.*

*‘Records used in the normal course of business’, for the purposes of non-financial information, includes asset registers, geographical information systems, outage analysis systems, and so on.*

*Information presented whose presentation is based on allocation method using judgments or assumptions, can be still reported as actual. The allocation method would be expected to be clearly documented by the Network Service Provider or Pipeline Service Provider and approved by senior management as either a regulatory statement accounting policy or regulated statement policy, with any judgments or assumptions used in the allocation remaining consistent between reporting years. The judgements or assumptions used are to be determined in accordance with the Order, notice or other purpose governing the preparation of the information.’*

### 2.2. Estimated information

The definition of estimated information is in line with Appendix B and consistent with the definition in the RIN. Amadeus has applied the following definition of estimated information in its response to the RIN:

*‘Information presented in response to the notice whose presentation is not materially dependent on information recorded in the network service provider’s or service provider’s historical accounting records or other records used in the normal course of business, and whose presentation for the purposes of the notice is contingent on judgments and assumptions for which there are valid alternatives, which could lead to a materially different presentation in the response to the notice.’*

### 2.3. Materiality

The definition of materiality is in line with Appendix B and consistent with the definition in the RIN.

Amadeus has applied the following definition of material, materiality in its response to the RIN:

*‘Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users (including the AER) taken on the basis of the information provided in accordance with the notice. This definition is based on the definition of materiality in the AASB conceptual framework which provides context for the interpretation of this definition of materiality.’*

## 3. Sources of information

The actual financial information reported in the reporting template has been sourced from the Enterprise Resource Planning system in use during the reporting periods and information from the current Access Arrangement period (2022 to 2026).

### 3.1. Enterprise Resource Planning

For the years being reported on, APA Group used the following Enterprise Resource Planning (ERP) systems:

- Oracle, from 1 July 2019 to 31 March 2024; and
- Workday, from 1 April 2024 to 30 June 2024.

Both systems are financial reporting systems which comprises modules or activities for managing the recording, processing, and reporting of all business transactions from initiation through to payment. These modules or activities include General Ledger, Projects, Fixed Assets, Payables, Receivables and Cash management. Operating and capital expenditure incurred are capture through cost centres and project reporting. The cost centre and project reporting provide details on the activity type of the costs, reflecting categories of capital, operating and maintenance activities and services.

These systems are the underlying source of financial information used to produce Amadeus's statutory trial balance. Amadeus's statutory trial balance is prepared in accordance with the requirements of the Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Financial information extracted from the ERP systems underpins the reported amounts in the reporting template.

'Shared' Corporate costs, sourced from the ERP, have been allocated to Amadeus based on a revenue allocation method. For further details on the methodology, refer to Section 4.4 Shared corporate cost allocation.

## 4. Methodologies applied

This section outlines the methodologies applied to the information reported in the reporting template.

It is important to note that these methodologies are consistent across the years reported, that is, there are no significant changes between each reporting period reported in the reporting template.

### 4.1. Accounting standards

The financial data presented in the reporting templates is derived from APA Group's ERP systems and prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards (AAS), and other relevant pronouncements issued by the Australian Accounting Standards Board (AASB). Additionally, the financial statements adhere to IFRS as issued by the International Accounting Standards Board (IASB).

The key accounting policies relevant to the financial information reported in the reporting template include:

- **Cost Recognition (AASB 101):**  
Costs are recognised on an accrual basis and reflect the costs incurred in delivering services. This includes operational costs such as maintenance, staffing, and overheads directly related to the operations of the pipeline.
- **Property, plant and equipment (AASB 116):**  
Property, plant, and equipment are initially recognised at cost, which includes the purchase price, directly attributable costs, and any costs required to bring the asset into operational condition.

Capital expenditure is only capitalised when it is expected to provide future economic benefits. This typically means that the asset will generate cash flows, either directly (through revenue) or indirectly (through cost savings, efficiency, etc.).

Costs associated with routine repairs or maintenance are not capitalised, that is costs incurred in replacing parts to keep pipelines operating, without adding any new capability or extending its useful life. These costs are expensed when incurred.

- **Materiality (AASB 1031)**  
APA Group has applied the materiality standard as outlined in AASB 1031 when preparing its financial reporting templates. According to this standard, an item is considered material if its omission or misstatement could influence the economic decisions of users based on the financial statements.

APA Group ensures that all material items are disclosed in the financial reporting templates, while immaterial items may be aggregated or omitted without significantly affecting the overall fairness and accuracy of the financial reporting.

**It is important to note that unless specified otherwise in a pipeline's access arrangement, service providers must comply with AASB.**

### 4.2. Access Arrangement Determination

Access Arrangement Determinations are applicable to scheme pipelines under Australia's gas regulatory framework. Scheme pipelines are subject to full regulation under the NGL and NGR and the pipeline's service providers must submit their Access Arrangement Determination to the appropriate regulator based on a pipeline's location.

A significant amount of information is required to be reported by the service provider as part of a scheme pipeline's Access Arrangement, including historical financial information data on operating expenditure, capital expenditure and return of capital.



## Operating expenditure (opex) and capex

Financial data relating to opex and capex is prepared in accordance with the Corporations Act 2001, AAS, and other relevant standards issued by the AASB.

However, regulatory adjustments may be necessary to ensure alignment with the specific requirements of the scheme pipeline's Access Arrangement. Where such adjustments are required, the opex and capex figures reported, in the reporting template of scheme pipelines, will reflect these adjusted values in accordance with the relevant Access Arrangement Determination in operation at the time.

## Return of capital

Return of capital represents the annual depreciation of a pipeline's Regulated Asset Base and is a key component of the building block approach used by regulators to determine the revenue a pipeline service provider is allowed to earn over a regulatory period.

For regulatory purposes, the approved straight-line depreciation expense is calculated over the Regulated Asset Base's remaining life and is also adjusted for inflation (indexation) each year.

## 4.3. Cost allocation principles

The key cost allocation principles that APA Group applies are as follows:

- Costs are not allocated more than once;
- Costs cannot both be treated as a directly attributed cost and other directly attributable cost, and
- Costs are allocated on a causal basis, in instances where direct attribution is not possible.

When assessing APA Group's operating and capital costs, the majority of the APA Group's costs fall within two categories:

- Directly attributable costs to the pipeline service provider:  
Expenses that are clearly associated with a specific pipeline asset. Direct costs are coded to the asset or to a project relating to the asset, through creation of a purchase order at the time of purchase or direct employees charging their time to the asset or project, using an hourly rate derived from employee payroll costs.

For example, such costs include the pipeline and materials expenses directly attributed to repair and maintenance of a pipeline and the employees who are solely dedicated in providing field services to the pipeline.

- Other directly attributable costs:  
Other directly attributable expenses are costs directly attributable to the assets and are incurred by APA Group's Operations business. In order, to give a true reflection of the cost of running an asset, it is necessary to allocate a portion of APA Group's Operations costs to the asset. APA Group's Operations costs are reviewed periodically to determine the extent to which the business unit's function has a bearing on the assets.

Examples of such costs include the allocation of APA Group's Integrated Operations Centre (IOC) which manages APA Group's pipelines throughout Australia.

For other directly attributable costs, APA Group has utilised the following cost allocation methodologies:

- time/effort based - costs associated with operating and capital expenditure services are allocated to pipelines or business units based on time or effort spent.
- customer based - functions supporting commercial operations are allocated based on the number of customers or contracts managed.
- headcount based - support services are allocated based on the relative headcount of each business unit or cost centre.
- state based - national services are allocated to pipelines or business units, using a combination of the above allocators as appropriate.



## 4.4. Shared corporate costs allocation

Shared corporate costs are costs incurred at the corporate level and provide benefits across the entire APA Group business. These costs are reported at the consolidated level in APA Group's audited financial statements and are not allocated to individual assets within the Group's ERP system.

Shared corporate costs consist of two components, shared corporate expenditure and shared corporate assets.

As these costs support the broader APA Group portfolio, for regulatory purposes, a portion of these costs is reflected in the regulatory templates.

APA Group has applied an allocation method consistent with the approach previously approved by the AER in previous VTS access arrangements and has been consistently applied to other pipelines.

The allocation methods, described in the following sections, consistently apply to APA Group's entire portfolio of assets, including pipelines assets.

### 4.4.1. Shared corporate expenditure

Shared corporate expenditure refers to operating costs incurred at the corporate level from corporate functions which support the operations of the APA Group business, such as:

- executive management and administration (including board of directors, chief executive officer, head office administration and people, safety and culture);
- legal and corporate affairs (including general counsel, company secretarial and risk management);
- finance (including treasury, general financial accounting, general management accounting, financial reporting, the provision of financial services such as accounts payable and accounts receivable, tax and investor relations);
- information and communications technology services (including the operation and maintenance of company-wide compatible IT and communications systems, and maintaining IT systems security); and
- external relations (including government relations, sustainability and corporate affairs, business strategy and planning) and contract management.

APA Group applies a revenue-based allocation method to allocate shared corporate expenditure across its portfolio of assets, based on the following process:

#### 1. Identification and exclusion of non-attributable expenditure

APA Group identifies components of shared corporate expenditure not deemed attributable to its portfolio of assets and excludes this expenditure from the total shared corporate expenditure. These include costs, due to their nature or function, that do not provide a benefit to the portfolio of existing assets.

#### 2. Allocation to Wallumbilla Gladstone Pipeline (WGP)

APA Group owns, but does not operate, the WGP. In recognition of this, the APA Group allocates only treasury, accounting-related, and other related expenditure to the WGP.

#### 3. Revenue-based allocation of residual shared corporate expenditure

The remaining shared corporate expenditure, after the exclusions made in Step 1 and allocations to WGP in step 2, is the "residual shared corporate expenditure" and is allocated to the other assets owned by APA Group (excluding WGP) using revenue as the basis of allocation.

The revenue used as a cost allocator is the revenue from contracts with customers of the energy infrastructure segment, excluding pass-through revenue, and a portion of the revenue from contracts with customers of the asset management segment, as reported in APA Group's financial statements.

The Cost Allocation Principles reported above are in accordance with the Regulatory Cost Allocation Methodology document (CAM).

## 4.4.2. Shared corporate assets

APA Group acquires assets (corporate assets) which support the operations of the APA pipelines and other businesses, such as:

- Information technology relating to the development and enhancement of finance systems, human resource systems and asset management systems; and
- Right of Use assets relating to motor vehicles and corporate premises.

For regulatory purposes, APA Group consistently allocates corporate assets to its portfolio of assets, on the basis of shared corporate expenditure, as detailed below:

$$SCA = ACA \times \frac{SCE}{ACE}$$

Where:

SCA: Service provider shared corporate assets

ACA: APA corporate assets which benefits APA's portfolio of assets

SCE: Service provider share of corporate expenditure<sup>1</sup>

ACE: APA total corporate expenditure

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<sup>1</sup> As discussed in section 4.4.1.

## 5. Workbooks

### 5.1. Entry of variables

#### 1. Variables in yellow cells

Yellow cells required input per the RIN. If a yellow cell is not applicable to Amadeus, the cell has been left blank as a “null” response with an explanation in this document. In those instances where Amadeus intends a zero value, the input is “0” which in the regulatory template format is presented as (“-”).

These cells have been subject to Audit in line with the RIN requirements.

#### 2. Variables in grey cells

Grey cells do not require input by Amadeus; or may contain formulas based on inputs from yellow cells. These cells have not been subject to any Audit or Review assurance as in line with the RIN.

#### 3. Numerical inputs

All amounts are unrounded and reported on a one-for-one basis.

### 5.2. Historical financial information compliance

Compliance Requirement – Appendix A Regulatory templates instructions	Amadeus Compliance
<b>2.1 General</b> 2.1.1 The <i>financial information</i> must: (a) Be derived from the <i>audited statutory accounts</i> ;	Amadeus’ financial information is derived either from Amadeus’ statutory trial balance.  Amadeus has derived information from its audited statutory trial balance for the period 2020-2024.
(a) Be verifiable by reference to the <i>audited statutory accounts</i> ;	For the period reported 2020-2024 financial information was derived from the audited statutory trial balance.
(b) Be prepared using the accrual basis of accounting;	Amadeus has consistently used the accrual basis of accounting in line with AASB requirements for the regulatory year.
(c) Report the substance, over the form, of a transaction, taking into account all aspects, implications and expectations of and motivations for the transaction and that a group or series of transactions that achieves, or is designed to achieve, an overall commercial effect shall be viewed in aggregate;	Amadeus’ statutory trial balance is in line with the requirements of the Australian Accounting Standards. This covers underlying transactions for the financial information as reported in the RIN.
(d) Only include costs that are incurred in or relate to the provision of <i>pipeline services</i> ;	All costs reported as part of the financial information are either directly incurred by Amadeus or allocated to Amadeus and incurred in the provision of <i>pipeline services</i> .
(e) Be presented on a fair and consistent basis, from the <i>accounting records</i> that underlie the costs, revenue, assets employed and liabilities which may be reasonably attributed to the <i>pipeline service provider</i> ;	Amadeus has complied with this requirement throughout the RIN by ensuring a consistent application and fair basis of costs has been attributed to the service provider.
(f) In so far as is reasonably practicable, be prepared in accordance with the general rules and format and use the accounting principles and	Amadeus has derived information from its audited statutory trial balance for the period from 2020 to 2024. Amadeus has prepared the Regulatory

policies applicable to the <i>audited statutory accounts</i> except as otherwise required by this <i>notice</i> .	template in accordance with the general rules and format of the RIN. Accounting principles and policies have been applied consistently throughout the RIN as outlined in this document.
(g) Be presented in an understandable manner, without sacrificing relevance or reliability;	Amadeus has complied with this requirement by preparing this Basis of Preparation in an understandable manner without sacrificing relevance or reliability.
(h) State fairly the financial position of the <i>pipeline service provider</i> ; and	Financial information was derived from the audited statutory trial balance in line with the RIN requirements.  The reported financial information in the Regulatory template has been subject to an audit and review for the period from 2020 to 2024.
(i) Unless otherwise specified, not be adjusted for inflation.	Inflation has not been applied to any actual historical amounts. Inflation might have been applied in those instances as allowed under the RIN.
2.1.2 All financial information forecasts provided to the AER in response to this notice must be in real June 2026 dollars, unless specified otherwise.	N/a, as actual financial information, not forecasts, are required to be reported in Workbook 2 – Historical expenditure
2.1.3 All historical financial information provided to the AER in response to this notice must be in nominal dollars, unless specified otherwise.	All historical financial information provided in response to this notice are in nominal dollars.
2.1.4 All costs that relate to or are incurred in the provision of reference services in the audited statutory accounts must be allocated to the pipeline service provider in accordance with section 4.10 of the notice.	Refer to Sections 4.3. Cost allocation principles, of this report.
2.2 Reconciliation  2.2.1 Where historical information provided in the <i>regulatory templates</i> has previously been reported to the AER:  (a) This information must reconcile with the previously provided information; or	The reported information in Workbook 2 is identical to the Annual RIN information for Amadeus submitted to the AER for the Financial years from 2020 to 2024.
(b) The <i>pipeline service provider</i> must explain why the information does not reconcile with the previously provided information in its <i>basis of preparation</i> .	Amadeus has not identified instances where previously provided information does not reconcile.
2.2.2 Actual capital expenditure and operating expenditure must be reconciled to the pipeline service provider's audited statutory accounts. Where the pipeline service provider is part of a corporate group that reports this information at the corporate group level, the pipeline service provider must reconcile to the information reported at the corporate group level. Where reconciliation is at the corporate group level the pipeline service provider must:	The pipeline service provider has reconciled actual capital expenditure and operating expenditure to the audited statutory accounts of the corporate group, in accordance with these requirements.

(a) Allocate statutory reported expenditures to the pipeline service provider and indicate the method of allocation;	Refer to Section 4.3 Cost allocation principles and Section 4.4 Shared costs allocation.
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## 6. Capital expenditure

### 6.1. Capex

All costs (operating and capital expenditure) are captured in APA Group's ERP system through cost centre and project reporting. The cost centre and project reporting provide details on the activity type of the costs, reflecting categories of capital, operating & maintenance activities and services.

#### 6.1.1 Definition of capex in the RIN

Relevant definitions for the reporting of Capex in Workbook 2 – Historical expenditure are:

Capital expenditure ("Capex") is defined as any expenditure that has been included in the capital base of the pipeline service provider that:

- Relates to the purchase or construction of a new asset; or
- Increases the functionality of the asset; or
- Extends the service life of the asset.

Capital expenditure ("purposes") is defined in accordance with the AASB definition of an asset plus regulatory adjustments and is reported under the following categories:

- Replacement capital expenditure;
- Expansion capital expenditure;
- Non-system (non-network) capital expenditure;
- Capitalised network overheads; and
- Other capital expenditure.

Table E.2. Repex, E3. Expansion, E6. Non-network and E13. Other capex E2.1 in Workbook 2 required the capital expenditure to be reported in the categories detailed above. Amadeus has applied the definitions as reported in the RIN Appendix B.

Directly attributable expenses can be defined as:

- Capital expenditure that is directly related to a work activity, project or work order;
- In-house costs of direct labour, direct contract costs; and
- Other directly attributable costs (refer to Section 4.3); and
- Directly attributable costs exclude any overheads unless the expenditure relates to capitalised corporate overheads or capitalised network overheads.

Amadeus has applied the definition of "directly attributable costs" from Appendix B to this RIN. In particular, this definition provides that "Directly attributable costs include in-house costs of direct labour, direct contract costs, and other attributable costs. Directly attributable costs excludes any overheads, unless the expenditure relates to capitalised corporate overheads or capitalised network overheads".

#### 6.1.2. Capex by driver - split

In Workbook 2 Historical expenditure, the RIN requires Amadeus to report the net "as-incurred" capital expenditure split by driver (direct labour, direct material, direct contractor, other direct expenditure and overheads) based on the categories for each capital expenditure purpose (Replacement capex, expansion and non-network overheads and other capex).

Definitions for the capex driver are in line with the definition in Appendix B to the RIN or as otherwise specified:

Labour expenditure	No specific definition in appendix B, however Amadeus has included all expenditure used to deliver reference services and other services provided as a covered pipeline that is associated with people. Labour expenditure relates to:
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	<ul style="list-style-type: none"> <li>• full time, part time and casual employees;</li> <li>• ongoing and temporary employment contracts; and</li> <li>• labour hire contracts.</li> </ul>
	Labour expenditure includes wages, salaries, overtime payments, bonuses, allowances, incentive payments, superannuation contributions, taxes (e.g. payroll and fringe benefits taxes), termination and redundancy payments, workers compensation, training and study assistance, purchases made on behalf of employees (e.g. protective clothing).
Direct labour	No specific definition in appendix B, however Amadeus has interpreted it as any labour expenditure that can be directly attributable to Amadeus by project or work order.
Directly attributable	Directly attributable costs include in-house costs of direct labour.
Direct materials	<p>Materials are the raw materials, standard parts, specialised parts and sub-assemblies required to assemble or manufacture a network/non-network asset or to provide a network/non-network service. Direct materials costs are attributable to a specific asset or service, cost centre, or work order, and exclude materials provided under external-party contracts. Includes:</p> <ul style="list-style-type: none"> <li>• the cost of scrap;</li> <li>• normally anticipated defective units that occur in the ordinary course of the production process;</li> <li>• routine quality assurance samples that are tested to destruction; and</li> <li>• the net invoice price paid to vendors to deliver the material quantity to the production facility or to a point of free deliver</li> </ul>
Direct contractor	Contractor expenditure attributable to a specific asset or service, cost centre, work activity, project or work order.
Other direct expenditure	Anything that does not fit the category direct labour, direct material or direct contractor

Direct labour costs include all cost associated with people such as labour and on costs, temporary staff, and training costs. It is noted that the service provider is not the employing entity. Salaries and wages are incurred by another APA entity and are directly attributed and allocated to Amadeus in accordance with methods described in section 4.3. Cost allocation principles. Based on discussions with the AER in preparation for the Annual RIN reporting process, it was agreed that labour costs incurred by another APA entity will be reported as direct labour expenditure despite Amadeus not directly employing its own workforce.

Direct materials are costs for materials, tools, parts any other material related expenditure directly relating to the Amadeus.

Contractor costs reflect the total contractor expenditure that includes part material and part labour due to lack of a visibility on the components from contractors.

In certain circumstances where Amadeus was unable to determine the incurred capex as direct labour, direct material or direct contractor, the expenditure was categorised as other direct expenditure such as plant and equipment hire, travel, motor vehicle expenditures and other expenditure.

### 6.1.3 Compliance with requirements of notice

Amadeus has derived information from net as-incurred capital expenditure reports from its ERP system for each regulatory year. All information has been reconciled to audited statutory trial balance for years 2020 to 2024.

For the year ending 30 June 2020 to 2024, the financial information was derived from the audited statutory accounts.

All costs that relate to or are incurred in the provision of pipeline services in the audited statutory accounts, must be allocated to the pipeline service provider in accordance with the following cost allocation principles: Costs that are directly attributable to the pipeline service provider, must be allocated on that basis. Refer to section 4.3. Cost allocation principles.



Any capital work in progress at period end has in all instances been reported as capital expenditure. No separate work in progress heading is being reported.

For reporting purposes for this requirement, Amadeus has reported the capital expenditure on an “as-incurred” basis in this Table. The information has been sourced from the capital work in progress reports each year.

#### 6.1.4. Sources of information

The amounts for these tables were sourced from APA Group’s ERP systems for the regulatory periods and represent actuals.

#### 6.1.5. Methodology and assumptions - capex

Amadeus capital expenditure is captured in the ERP systems through cost centre and project reporting. Capital costs are recognised in accordance with *AASB 116 Property, Plant and Equipment* (“AASB 116”). Once it has been determined that it is appropriate to capitalise the costs, they have been attributed directly to the pipeline via the cost allocation drivers described in Section 4.3. Cost allocation principles.

Construction, acquisition, major maintenance, and asset replacement costs are capitalised in accordance with *AASB 116 Property Plant and Equipment* in the Amadeus trial balance. For statutory reporting, for the purposes of constructing property, plant and equipment, an asset is capitalised as capital work in progress when incurred. When the asset is commissioned, it is reclassified in the fixed asset register and statutory depreciation commences. For these reporting purposes Amadeus has added capital work in progress to the relevant capital expenditure categories. In compliance with this RIN, Amadeus has reported the capital expenditure on an “as-incurred” basis. The information has been sourced from capital work in progress reported for the relevant regulatory year.

The following costs associated with routine maintenance and repairs are expense as incurred in accordance with Capitalisation policy and AASB 116:

- Administration and general overhead costs;
- Labour and consumables; and
- Staff training costs.

#### 6.1.6. Methodology and assumptions – shared corporate assets

In addition to directly attributed capital expenditure and other attributable costs, each pipeline has been allocated a portion of the shared corporate assets using a revenue-based allocator, consistent with the categorisations in the access arrangement determinations. For further please refer to section 4.4.2. Shared corporate assets. The proportion of shared corporate assets attributable to the service provider is included in the directly attributable capital expenditure amounts and is reported in the Non-network category.

Please refer to section 4. Methodologies applied for further information.

#### 6.1.7. Use of estimated information

There are no estimates applied in the reported tables. All other amounts presented in these tables are actuals for the years as this information was sourced from APA Group’s ERP system.

#### 6.1.8. Material accounting policy changes or changes of allocation

For the reporting years presented, shared cost allocation methodologies have remained consistent.

### 6.2. Capitalised overheads

#### 6.2.1. Definition of directly attributable expenses

Directly attributable expenses can be defined as:

- Capital expenditure that is directly related to a work activity, project or work order;

- On-house costs of directly labour, direct contract costs;
- Other directly attributable costs; and
- Directly attributable costs excluding any overheads unless the expenditure relates to capitalised corporate overheads or capitalised network overheads.

Based on discussions with the AER during the Annual RIN process, Amadeus has continued to apply the definition of “directly attributable costs” from the Appendix B to this Reset Reporting RIN for the historical information. In particular, this definition provides that “directly attributable costs exclude any overheads, unless the expenditure relates to capitalised corporate overheads or capitalised network overheads”.

Amadeus reported capitalised corporate overheads and capitalised network overheads as per the definition of directly attributable expenses in Appendix B to the RIN. Capitalised corporate overhead amounts have been attributed onto the capital expenditure purposes in the tables based on the asset classification – Replacement, Expansion or Non-network as directly attributable expenses since it relates to capitalised corporate overheads.

The capitalised overhead was attributed to each of the three capex expenditure purposes (Replacement; Expansion and Non-network, where applicable) in the table E2, E3 and E6 as directly attributable expenses in line with Amadeus’s interpretation of the definition of directly attributable expenses,

## 7. Overheads

### 7.1. Overheads

All costs (operating and capital expenditure) are captured in APA Group's ERP systems through cost centre and project reporting. The cost centre and project reporting provide details on the activity type of the costs, reflecting categories of capital, operating & maintenance activities and services.

#### 7.1.1. Definition of overheads in the RIN

In the RIN, Appendix B – Definitions, overheads are defined as:

*“Expenditure not directly attributable to a work activity, project or work order and can include, labour, materials, contractor costs and other costs. The term ‘overheads’ includes both corporate overheads and network overheads.*

*Note: Overheads can also be referred to as ‘shared costs’.*

#### 7.1.2. Definition of capitalised corporate overheads

As defined in the RIN, Appendix B – Definitions, capitalised corporate overheads are:

*“Corporate overhead is recognised as part of the cost of an asset (i.e. as capital expenditure). This expenditure refers to the provision of corporate support and management services by the corporate office that cannot be directly identified with a specific capital expenditure purpose.*

*Capitalised corporate overhead costs typically include those for executive management, legal and secretariat, human resources, finance, and other corporate head office activities or departments.”*

### 7.2. Network

The RIN requires Amadeus to report overheads attributable to the network. However, Amadeus does not distinguish between network overheads and corporate overheads. Instead, it classifies all overheads as:

- Capitalised corporate overheads when the expenditure relates to an item of a capital nature, and
- Shared corporate expenditure when the expenditure relates to an item of an expense nature.

As a result, no amounts have been reported in Table E10.1 – Networks.

### 7.3. Corporate

The RIN requires Amadeus to report overheads attributable to corporate activities.

As Amadeus does not distinguish between network overheads and corporate overheads all overheads have been reported in table 10.2 – Corporate.

#### 7.3.1. Operating expenditure (Opex)

Shared corporate expenditure, representing corporate functions, incurred at the APA Group corporate level is allocated across the APA Group's pipelines and asset portfolio for regulatory purposes using a revenue-based methodology. For further details refer to section 4.4.1 Shared corporate expenditure.

The expenditure reported in table 10.2.1 – Opex, represents Amadeus share of corporate expenditure, notionally allocated to Amadeus.

#### 7.3.2. Capital expenditure (Capex)

In accordance with the AASB 116 - Property, plant and equipment, APA Group capitalises relevant corporate overheads. Costs that meet the RIN definition of capitalised corporate overheads, are reported in table 10.2.2 – Capex.

### 7.3.3. Reference services – classification

Amadeus is primarily contracted to a single user under a long-term firm service agreement. This contracted service aligns with the reference service and is treated as demand for the reference service under the Access Arrangement.

All capital and operating expenditure incurred to support this firm service is considered necessary for providing the reference service, even if no other shippers are using it. These expenditures are reported in accordance with the methodologies and definitions set out in the Access Arrangement and are classified as reference service information.

Accordingly, the corporate overheads reported in Tables E10.2.1 – Opex and E10.2.2 – Capex are included under the "reference services" category.

### 7.3.4. Sources of information

The amounts for this worksheet are sourced from APA Group's ERP systems for the regulatory periods reported and represent actuals.

### 7.3.5. Methodology and assumptions

Amadeus expenditure is captured in APA Group's ERP systems through cost centre and project reporting. Capital costs are recognised in accordance with AASB 116 Property, Plant and Equipment and costs are recognised in accordance with AASB 101 Cost Recognition.

Please refer to section 4. Methodologies applied for further information.

### 7.3.6. Use of estimated information

There are no estimates applied in the reported tables. All other amounts presented in these tables are actuals as this information was sourced from APA Group's ERP system.

### 7.3.7 Material accounting policy changes or changes of allocation

For the reporting years presented, shared cost allocation methodologies have remained consistent.