

Southwest Pipeline (SWP) Expansion Proposal

Fact Sheet

In February 2025, APA announced a five-year expansion plan for the East Coast Gas Grid to support increased capacity through to Victoria. As part of this, APA is seeking a Rule 80 determination from the Australian Energy Regulator to support investment in expanding the Southwest Pipeline (SWP). APA's proposed investment in the Victorian Transmission System (VTS) is being done in consultation with stakeholders and in a way that will allow further incremental expansion in the future as required by the market.

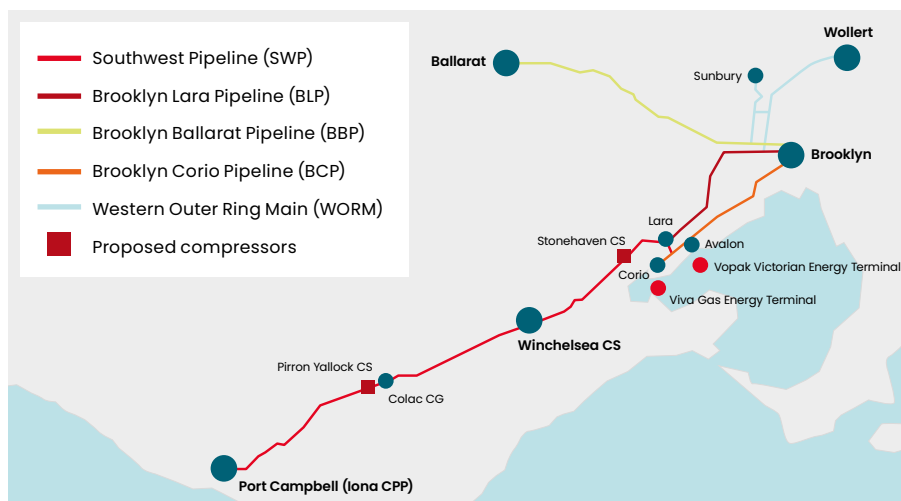
About the SWP

Part of the **Victorian Transmission System**

Bi-directional pipeline

144km pipeline from Port Campbell to Lara

Transports gas to fill **storage facilities** near Melbourne

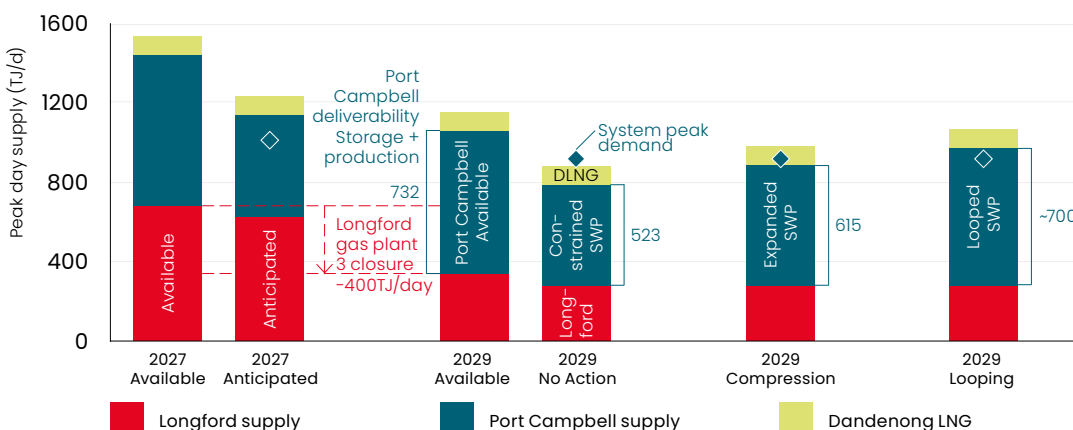


What problems are we trying to solve?

Gas supply from Longford is falling which means we cannot meet system demand without augmenting the SWP[^]. Three options have been proposed to increase the capacity of the SWP and enable us to meet system demand.[†]

[^] Excludes GPG. [†] The proposed options will meet system demand by varying amounts.

Forecast peak day supply and DTS adequacy, 2027 & 2029 (TJ/d)*



* Source AEMO GSOO 2025.



**Secure reliable
gas supply**
during peak demand periods



**Enable full
utilisation**
of Iona gas storage and
Otway Basin production

What are the expansion options?

We have assessed three options, including compression based and pipeline looping solutions. We are confident that all three options will deliver significant benefits, particularly considering potential growth in gas-powered generation. The estimated costs for these options ranges from **\$195 million** to around **\$500 million**.

What is the preferred solution?

We are proposing a compression-based expansion of the SWP, including:

Two new compressor stations
at Pirron Yallock (Irrewillipe) and Stonehaven

Reconfiguration of existing compressors
at Winchelsea to operate in parallel

This approach is preferred over pipeline looping due to:



Faster delivery
timeline
(operational by winter 2028)



Lower capital
cost & complexity



Availability
of compressor
equipment

APA VTS is proposing a staged approach to expanding SWP capacity, beginning with two new compressor stations to deliver earlier benefits by winter 2028, while also preparing for potential future pipeline looping by progressing land access and environmental approvals.

While this application proposes a lower-cost compression solution to expand SWP capacity by 2028, it recognises the potential long-term benefits of pipeline looping, particularly for future gas-powered generation, and supports early planning to enable a timely response if future supply sources emerge.

Consideration of further pipeline looping will be included in the 2028–32 access arrangement process.

What are the estimated bill impacts for customers?

\$3.28

PER ANNUM FOR A TYPICAL
RESIDENTIAL CUSTOMER

\$30.18

PER ANNUM FOR A TYPICAL
SMALL BUSINESS CUSTOMER

What is the proposed investment?

\$195m

CAPITAL EXPENDITURE
TO EXPAND THE SWP

What are the benefits?

Improved peak day
supply adequacy



Helps meet firm
demand from Iona storage
and Otway Basin before
winter 2028

Enhanced system
resilience



Supports stable gas
flows and reduces risk
of shortfalls

Cost efficiency
for consumers



Maintains access
to lower-cost domestic
gas that's already
within Victoria

Supports long-term
planning



Promotes efficient
investment and operation
in the interests of
consumers



Want to know more?

Contact us

To ensure transparency, APA welcomes further stakeholder engagement in evaluating this essential infrastructure investment. For more information email yoursay@apa.com.au