

Powerlink 2027-32 Revenue Proposal

Appendix 4.05

Guide to Non-network Capital Expenditure



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Powerlink 2027-32 Revenue Proposal

January 2026

1. Purpose

This document is a guide to the forecast capital expenditure for our non-network assets in the 2027-32 regulatory period. Our non-network capital expenditure categories include business Information Technology (IT) and Support the Business (commercial buildings, motor vehicles and moveable plant).

This guide describes expenditure related to these assets and references the documentation provided in our 2027-32 Revenue Proposal to support this forecast expenditure.

2. Business IT

Business IT includes digital technology infrastructure and applications which support the operation of Powerlink's business. Business IT investments for the 2022-27 regulatory period are focused on maintaining business capability and are critical investments to ensure the reliable and secure delivery of transmission services to our customers. Assets delivered through business IT capital expenditure may include servers, workstations, networks, software, licences and printers.

These items are excluded from the scope of Business IT capital expenditure:

- telecommunications
- Intelligent Electronic Devices connected to the power network, and
- digital systems supporting our operational technology services.

2.1 Business IT supporting documents

We have provided a suite of documents to support our Business IT capital expenditure forecast in the 2027-32 Revenue Proposal. These documents describe our investment strategy and outline key investments proposed for the regulatory period.

2.1.1 IT Plan 2027-32

The IT Plan 2027-32 provides the planned investment roadmap covering key initiatives for forecast capital expenditure in the 2027-32 regulatory period. IT Plan is focussed on the following six priority areas:

- **Cyber Security** - Combat the growing cyber security threat, with an integrated cyber security program and targeted security uplift initiatives to address specific security related requirements.
- **Enterprise Asset Management** - Enable improved Enterprise Asset Management, using our foundational IT platforms (SAP, Digital Engineering and Strategic Data Management).
- **Health, Safety and Environment** - Consolidate Health, Safety and Environmental Management systems, leveraging our foundational IT platforms.
- **Support and Sustain** - Ensure the sustainability of our IT systems and services, with prudent IT asset lifecycle investments.
- **Recurrent** - Recurrent investments in core IT infrastructure and applications for resilience of services. Also, invest in efficient minor IT works to meet evolving business requirements.
- **Client Devices** - Cyclic renewals of our end-point devices (including laptops and desktop PCs), to support effective business operations.

2.1.2 2027-32 IT Investment Cases

IT Investment Cases describe the need, timing, options analysis and proposed cost for 2027-32 IT capital expenditure investments. IT investments proposed for the 2027-32 regulatory period are focused on expenditure for the following three purposes:

1. Combating the growing cyber security threat
2. Maintaining existing business operations across the application portfolio while rationalising the technologies in use, and
3. Recurrent investments aligned with asset management lifecycle renewals, updates or upgrades.

Our forecast capital expenditure for Business IT is summarised in Table 1, while our proposed investment cases are presented in Table 2. Forecast expenditure summarised in this document does not include the impact of real cost increases in labour. These increases are reflected in Chapter 4 Capital Expenditure of our Revenue Proposal.

It should be noted, due to the change in the accounting treatment of cloud services, a significant proportion of what would historically have been non-network capital expenditure on IT will be operating expenditure in the 2027-32 period and on-going.

Table 1 - Forecast Business IT capital expenditure (\$m real, 2026/27)

IT Investment Stream	2028	2029	2030	2031	2032	Total
Cyber Security	1.9	1.6	1.6	1.6	1.6	8.4
EAM	0.2	0.7	0.2	0.1	0.1	1.3
Safety and Environment	0.0	0.1	0.1	0.0	0.0	0.2
Support and Sustain	0.0	0.0	0.7	0.6	.01	1.3
Recurrent	1.9	2.9	2.7	1.5	2.3	11.3
Client Devices	1.0	0.6	1.2	1.4	0.7	4.8
TOTAL	\$4.9	\$5.9	\$6.4	\$5.3	\$4.9	\$27.4

Table 2 - Investment Cases

IT Investment Case	Non-Recurrent IT Sub-Category
Cyber Security	Comply
EAM	Maintain
Safety and Environment	Maintain
Support and sustain	Maintain
Recurrent	Maintain
Client Devices	Maintain

3. Support the Business

Support the Business capital expenditure includes all remaining non-network capital expenditure, which is broadly categorised by the following three areas:

1. **Commercial buildings** – this covers Powerlink's facilities at our Virginia complex, warehousing facilities and our regional offices.
2. **Motor vehicles** – our motor vehicle fleet includes both passenger and light commercial vehicles, as well as specialised service vehicles customised to carry out expert maintenance and construction works, such as modified trailers and cable brakes.
3. **Moveable plant** – this subcategory is comprised of predominantly hand-held devices required to maintain the in-service assets, plant and equipment. This may include infra-red cameras to detect hotspots to avoid catastrophic failures, electronic diagnostic equipment, and impedance meters.

2.2 Support the business supporting documents

We have provided a suite of documents to support our Support the Business forecast capital expenditure in our 2027-32 Revenue Proposal. These documents describe our investment management strategy and outline key investments proposed for the regulatory period:

2.2.1 Fleet Asset Management Plan 2027-32

This plan outlines our asset management approach to ensure safe, fit for purpose vehicles for drivers of the Powerlink fleet. It aims to ensure Powerlink receives optimal value from the provision of vehicles. The plan provides context for the procurement of an efficient fleet with a level of flexibility to balance safety, operational requirements, lifetime value and environmental considerations.

2.2.2 2027-32 Support the Business Investment Cases

Two investment cases have been included for the 2027-32 regulatory period for Support the Business capital expenditure.

- The Virginia Campus Uplift – Investment Case reviews investment alternatives for Powerlink's workplace accommodation strategy in relation our Virginia workplace.
- This investment has been deferred from the 2017-22 regulatory period and investigation works started in the 2022-27 period. The options analysis describes the inputs and outcomes for both cost and non-cost review criteria used to assess workplace investment options. We discuss the office refit and deferral further in Chapter 4 Capital Expenditure of our Revenue Proposal.
- The Gladstone Hub Project – Investment Case reviews investment alternatives for Powerlink's workplace strategy in relation our regional presence in Gladstone.

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Our forecast capital expenditure for the Support the Business categories is summarised in Table 3.

Table 3- Forecast Support the Business capital expenditure (\$m real, 2026/27)

Category	2027/28	2028/29	2029/30	2030/31	2031/32	Total
<i>Buildings (nett)</i>	53.7	84.0	41.2	6.2	7.3	192.5
Motor vehicles (nett)	3.9	5.6	6.7	5.5	5.3	27.0
Tools	2.2	2.3	2.4	2.8	2.6	12.4
Total	59.9	92.0	50.3	14.6	15.1	231.9