



Australian Government



AUSTRALIAN
ENERGY
REGULATOR

Gas pipeline classification – Sturt Plateau Pipeline

Draft Decision

July 2026

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Inquiries about this publication should be addressed to:

Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601
Email: aerinquiry@aer.gov.au
Tel: 1300 585 165

AER reference: 31418605

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Contents

1	Summary	1
1.1	Next Steps	1
2	Application.....	3
3	Regulatory framework for classification decisions	4
3.1	What is a pipeline classification?	4
3.2	Assessment approach for classification applications	5
4	Assessment of the SPP classification application.....	7
4.1	Pipeline characteristics	7
4.2	Our assessment.....	7
4.3	Stakeholder consultation and views	11
4.4	Draft decision	12
	Glossary.....	13

1 Summary

The Australian Energy Regulator (AER) has made a draft decision to classify the Sturt Plateau Pipeline (SPP) as a transmission pipeline. A pipeline classification will take effect on the making of a classification final decision.¹

The SPP is a buried gas pipeline of approximately 37 km in length that will connect Tamboran Resources' Gas Production Facility to APA's Amadeus Gas Pipeline, in the Northern Territory. The SPP is located approximately 650km south of Darwin within the Roper Gulf Regional Council area.

Since the SPP's pipeline licence does not state its classification as a transmission or distribution pipeline, APA SPP Pty Ltd (APA), the service provider of the SPP, must apply to the AER for a pipeline classification. On 11 February 2026, APA submitted an application to the AER, seeking a transmission pipeline classification for the SPP.

In making this draft decision, we have had regard to the pipeline classification criterion, the characteristics of the pipeline outlined in section 13 of the National Gas Law (NGL) and the National Gas Objective (NGO).

We consider that the SPP has the characteristics of a transmission pipeline, with a primary function of conveying gas to a market. In addition, we consider the NGO is best promoted through the consistent regulatory treatment of pipelines and that a transmission classification for the SPP will support achievement of the NGO by allowing its registration to the Gas Bulletin Board (GBB). This will benefit consumers by facilitating increased transparency in the gas market through GBB reporting.

In making this draft decision, we have consulted with the following stakeholders: the Northern Territory Minister for Mining and Energy, the Northern Territory Department of Mining and Energy (DME), the Australian Energy Market Operator (AEMO) and the Australian Energy Market Commission (AEMC) in accordance with rule 29F(3) of the National Gas Rules (NGR).

1.1 Next Steps

Stakeholders are invited to provide written submissions in response to this draft decision until 5pm AEST on 17 August 2026. Following consideration of any issues raised in submissions, we will make a final decision by 14 September 2026.²

We ask that submissions are provided in an electronic format (.doc or other text-searchable document) and emailed to AERGasReform@aer.gov.au. The AER prefers that submissions are public and published on our website. This facilitates an informed, transparent, and robust consultation process. However, we will accept confidential submissions in some circumstances. If you wish to make a confidential submission, we ask that you contact us before making the submission to discuss whether we can treat your submission, or portions

¹ National Gas Law (NGL), s 120(b).

² National Gas Rules (NGR), rr 9(2) and 29F(1).

of it, as confidential. In doing so, we ask that you clearly identify the information that is the subject of the confidentiality claim and provide a non-confidential version of the submission in a form suitable for publication if possible.

2 Application

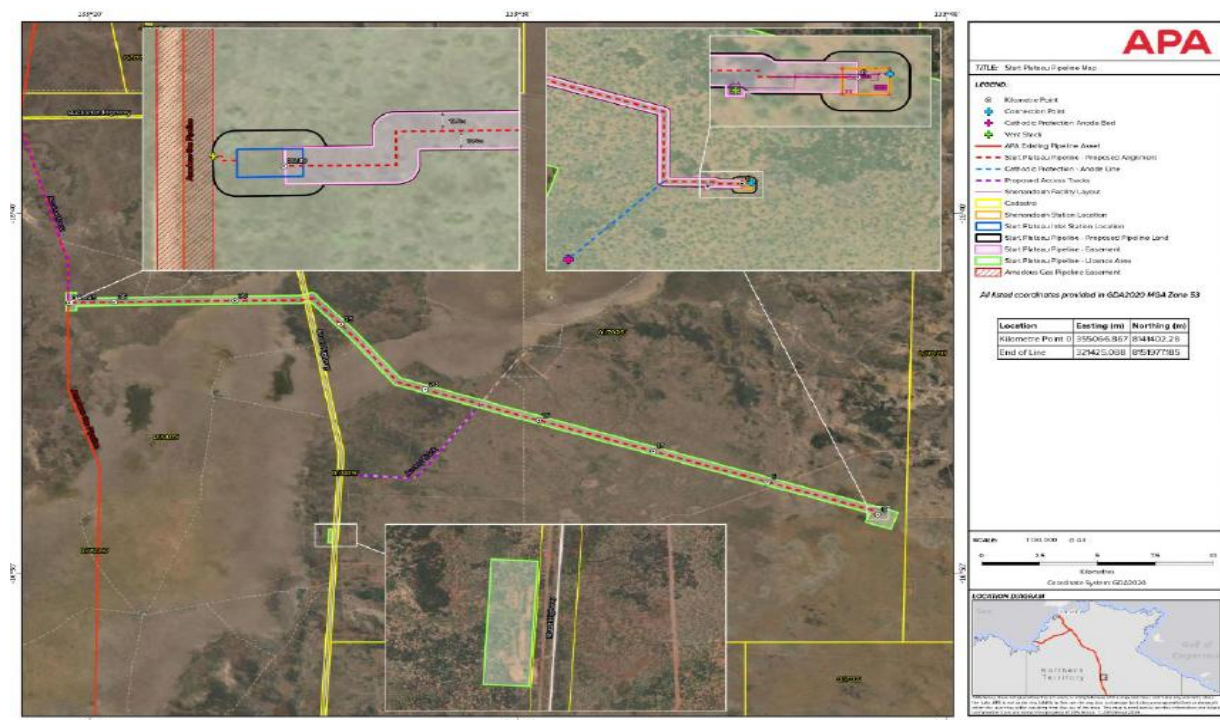
The SPP's jurisdictional pipeline licence does not state whether it is a transmission or distribution pipeline. Therefore, APA must apply to the AER for a pipeline classification as either a transmission or distribution pipeline.³ The classification application must be made in accordance with rule 29D of the NGR.

On 11 February 2026, APA submitted a pipeline classification application for the SPP to the AER in accordance with section 117 of the NGL. APA sought a transmission pipeline classification for the SPP.

APA describes the SPP as a buried gas pipeline of approximately 37 km in length that will connect the Tamboran Resources' Gas Production Facility to APA's Amadeus Gas Pipeline, in the Northern Territory. The SPP will be located approximately 650 km south of Darwin within the Roper Gulf Regional Council area (Figure 1).

APA states that the primary function of the SPP is to convey gas to a market. The SPP is a high-pressure pipeline operating at the Maximum Allowable Operating Pressure (MAOP) of 10.2 Megapascal gauge (MPa(g)) and has an outside diameter of 325 mm (nominally DN300). The pipeline has a linear configuration with one injection point.⁴ The SPP is expected to be commissioned later in 2026.

Figure 1 – SPP map



Source: APA's application.

³ NGL, s 117.

⁴ APA SPP Pty Ltd, *Application for a classification of Sturt Plateau Pipeline*, 11 February 2026 (APA's application).

3 Regulatory framework for classification decisions

3.1 What is a pipeline classification?

Under the NGL and NGR, all scheme and non-scheme pipelines must be classified as either a distribution or transmission pipeline. The primary function of a distribution pipeline is to reticulate gas within a market.⁵ The primary function of a transmission pipeline is to convey gas to a market.⁶

The NGL transitional provisions preserve existing pipeline classifications. Pipelines classified by the National Competition Council (NCC) before March 2023 continue to have that classification.⁷ For non-scheme pipelines that existed before March 2023 and were not classified through a relevant licence or authorisation under jurisdictional gas legislation, the classification recorded in the AEMC pipeline register applies.⁸ If a newly commissioned pipeline is not classified as a transmission or distribution pipeline under a licence or authorisation under jurisdictional gas legislation, the service provider must apply to the AER for the pipeline to be classified. This application must be made within 20 business days after the commissioning of the pipeline.⁹

Generally, transmission and distribution pipelines have similar reporting obligations under the NGL and NGR. However, there are different requirements for the types of information that a service provider must publish under Part 10 of the NGR.

Transmission pipelines (unlike distribution pipelines) located on Australia's east coast, are required to report information to the GBB and for the STTM, a wholesale gas market operated by AEMO. However, the SPP is located entirely within the Northern Territory, which is not linked to any of the STTM hubs (located in Sydney, Adelaide or Brisbane). As a result, the pipeline's operator, APA SPP Pty Ltd, is not required to be registered on the STTM. However, APA SPP Pty Ltd is required to register the SPP on AEMO's GBB as a BB reporting entity.

Classifying a pipeline as a transmission pipeline can provide greater flexibility for future expansion to accommodate evolving market demands. For example, the services offered by transmission pipelines can be more easily adapted if users require additional capacity or if there is a need to facilitate additional transportation arrangements such as third-party access.

In contrast, distribution pipelines have slightly less regulatory and administrative requirements than transmission pipelines. Service providers of distribution pipelines are not obligated to report GBB and STTM information to AEMO and the services they

⁵ NGL, s 13(1)(a).

⁶ NGL, s 13(1)(b).

⁷ NGL, Sch 3 cl 110.

⁸ NGL, Sch 3 cl 111.

⁹ NGL, ss 117(1) and 117(2).

provide are generally standard services such as injecting gas into a pipeline, conveying gas to supply points and withdrawing gas from a pipeline.

Service providers of distribution pipelines are also subject to obligations under Part 12A (gas connection for retail customers) and Part 21 (retail support obligations between distributors and retailers) of the NGR.

Whether a pipeline is classified as a transmission or distribution pipeline does not impact on the form of regulation that applies to a pipeline (i.e. whether it is a scheme or non-scheme pipeline).

3.2 Assessment approach for classification applications

When making a classification decision under the NGL, we must have regard to:¹⁰

- the NGO, and
- the pipeline classification criterion.

The NGO is to promote efficient investment in, and efficient operation and use of, covered gas services for the long-term interests of consumers of covered gas with respect to—

- (a) the price, quality, safety, reliability and security of supply of covered gas; and
- (b) the achievement of targets set by a participating jurisdiction—
 - (i) for reducing Australia's greenhouse gas emissions; or
 - (ii) that are likely to contribute to reducing Australia's greenhouse gas emissions.¹¹

In making this draft classification decision, we have had regard to the NGO by considering how the classification is likely to affect the efficiency of pipeline access, the operation of gas markets, the rights of third parties and the achievement of relevant emissions reduction targets.

The pipeline classification criterion requires us to consider whether the primary function of a pipeline is to:

- reticulate gas within a market—which is the primary function of a distribution pipeline,¹² or
- convey gas to a market—which is the primary function of a transmission pipeline.¹³

¹⁰ NGL, s 119(1).

¹¹ NGL, s 23.

¹² NGL, s 13(1)(a).

¹³ NGL, s 13(1)(b).

When considering the primary function of the pipeline, we must also consider the characteristics of the pipeline. The characteristics of distribution and transmission pipelines are outlined in Table 1.1.¹⁴

Table 1.1 Characteristics of distribution and transmission pipelines

Characteristic	Distribution pipelines	Transmission pipelines
Pipeline diameter	Smaller diameter than transmission pipelines	Larger diameter, than distribution pipelines
Pipeline pressure	Lower pressure	Higher pressure to optimise shipping capacity
Area served	Operates in a network to deliver gas from points along transmission pipelines to industrial customers, and from gate stations to customers in cities and towns	Operates in one or more separate markets Gas is usually transported over long distances from processing or storage facilities to domestic markets
Pipeline configuration	Usually has more injection points Generally dendritic in nature	Usually has less injection points Injection points are discrete and serve a smaller area Generally linear in nature

In addition to the general characteristics set out in Table 1.1, we must also have regard to the characteristics and classification of old scheme pipelines,¹⁵ the characteristics of pipelines classified under the NGL or specified in the NGR, and the type of pipeline licence or authorisation granted to the pipeline.¹⁶

¹⁴ AER, *Pipeline Regulatory Determinations and Elections Guide: Final Guide*, July 2024, p 37 (Regulatory Determinations Guide). See also, NGL, ss 13(2)(c) to 13(2)(h).

¹⁵ That is, scheme pipelines under the *Gas Pipelines Access (South Australia) Act 1997*.

¹⁶ NGL, ss 13(2)(a), 13(2)(b), 13(2)(c) and 13(2)(i).

4 Assessment of the SPP classification application

4.1 Pipeline characteristics

APA states that the primary function of the SPP is to convey natural gas to a market.

In its application, APA notes that the SPP is a buried gas pipeline of approximately 37 km in length. The pipeline has a linear configuration, and it will connect the Tamboran Resources' Gas Production Facility to APA's Amadeus Gas Pipeline, in the Northern Territory. The SPP is a high-pressure pipeline operating at up to 10.2 MPa(g) and has an outside diameter of 325 mm (nominally DN300).

On 31 March 2026, the AER granted APA a statutory Category 2 exemption under Part 10 of the NGR in respect of the SPP, on a basis that it is a single user pipeline, until 31 March 2031. This means that APA is exempt from the requirement to publish information under rule 101(D) of Part 10 of the NGR in relation to the SPP. This includes financial information, historical demand information and a cost allocation methodology. This exemption does not impact this classification decision but provides some context on the pipeline's expected usage.

4.2 Our assessment

4.2.1 Reasons for decision

Pipeline classification criterion under section 13 of the NGL

We have considered the pipeline classification criterion and the characteristics outlined in section 13 of the NGL in making our decision. Our view is that the SPP's characteristics are consistent with the characteristics of a transmission pipeline and its primary function is to convey gas to a market.

Table 2 outlines APA's views and our assessment against the classification criterion and pipeline characteristics that are relevant to this classification decision.¹⁷

In its application, APA did not address each pipeline characteristic set out in section 13(2) of the NGL. However, we consider the information provided was sufficient to make our draft decision.

Table 2.2 The AER's assessment against the pipeline classification criterion

NGL section 13 criterion	APA's views	Summary of the AER's assessment
Section 13(1) <i>The pipeline classification criterion</i>	The SPP's primary purpose is to receive gas from Tamboran Resources' Gas Production Facility and	We consider that the SPP's primary function is to convey gas to a market because it transports gas from the processing facility to

¹⁷ As outlined in APA's application.

transport it to APA's Amadeus Gas Pipeline, which is a transmission pipeline. The SPP's primary function therefore aligns with conveying gas to a market rather than reticulating gas within a market.

a transmission pipeline that in turn conveys gas to a gas market.

Section 13(2)

*Without limiting section 13(1), in determining the primary function of the pipeline, regard must also be had to whether the characteristics of the pipeline are those of a transmission pipeline or distribution pipeline, having regard to:*¹⁸

Section 13(2)(a):
the characteristics and classification of, as the case requires, an old scheme transmission pipeline or an old scheme distribution pipeline

APA submitted that as a new pipeline, the SPP has never been classified as an old scheme transmission or an old scheme distribution pipeline.

We identified one classification decision made under the former Gas Code, which was referred to in the NCC's Eastern Gas Pipeline (EGP) final coverage decision.¹⁹ Any classification decisions under the former Gas Code were based on a classification criterion and characteristics that were largely similar to the current criterion in section 13 of the NGL.

The EGP, a transmission pipeline, operates at pressures between 3 and 16.55 MPa, and has a diameter ranging from 209 mm to 457 mm. In comparison, the SPP has a diameter of 325 mm (nominally DN300) and operates at the MAOP of 10.2 MPa(g).

Based on these observations, we consider that the SPP's characteristics best align with the characteristics and classification of old scheme transmission pipelines.

Section 13(2)(b):
the characteristics of, as the case requires, a transmission pipeline or a distribution pipeline

APA outlined the definitions of a distribution pipeline transmission pipeline under the NGL.²⁰
APA noted that the NGL definitions were not helpful

We have considered the characteristics of:

- existing distribution and transmission pipelines
- the NCC's reclassification of the Northern Trunk and Southern Trunk pipelines²¹

¹⁸ In 2010, the National Competition Council (NCC) provided clarification on the phrase 'without limiting section 13(1)' in section 13(2) of the NGL. The NCC's view was that this phrase indicates that the primary function test is the main basis for making a classification decision. The factors in section 13(2) are informative, but not determinative, for the classification test. See NCC, [Coverage, revocation and classification of pipelines guide](#), February 2010. The NGL was introduced in 2008.

¹⁹ NCC, [Final Recommendation. Application for Coverage of Eastern Gas Pipeline \(Longford to Sydney\)](#), June 2000.

²⁰ NGL, s 2.

²¹ NCC, [Jemena Pipeline Reclassification—final decision](#), June 2009.

<i>classified under the NGL</i>	to its application as the SPP's pipeline licence does not classify the pipeline as a transmission or distribution pipeline and because the AER has not yet made a decision on classification (the subject of APA's classification application for the SPP).	- the AER's classification of Kurri Kurri Lateral the Pipeline²² - the AER's classification of the Atlas to Reedy Creek Pipeline.²³ - the AER's classification of the Roma North (Mimas) Gas Pipeline.²⁴ We consider that the SPP's characteristics are more closely aligned with pipelines that are classified as transmission pipelines. In particular, the SPP is a high pressure and larger diameter pipeline and it has a linear configuration.
Section 13(2)(c): <i>the characteristics and classification of pipelines specified in the NGR (if any)</i>	APA stated that the NGR did not appear to provide any characteristics that assist in determining the pipeline classification.	The NGR do not provide such specifications.
Section 13(2)(d): <i>the diameter of the pipeline</i>	The SPP has an outside diameter of 325 mm (nominally DN300). In APA's view, this diameter characteristic is more consistent with a transmission pipeline than a distribution pipeline.	Transmission pipelines generally have larger diameters (from approximately 150 mm and above) than distribution pipelines (typically less than 150 mm). The diameter of the SPP (325 mm, nominally DN300) is more consistent with the characteristics of a transmission pipeline.
Section 13(2)(e): <i>the pressure at which the pipeline is, or will be, designed to operate</i>	The SPP is a transmission pipeline operating under the MAOP of 10.2 MPa(g). In APA's view, this pressure characteristic is more consistent with a transmission pipeline than a distribution pipeline.	Transmission pipelines typically operate at higher pressures from 1.75 MPa to up to 15 MPa or more. The Queensland Gas Pipeline (QGP), the South East South Australia (SESA) pipeline and the GLNG pipeline are comparable to the SPP as they all operate at the MAOP of up to 10.2 MPa(g). Distribution pipelines typically have lower pressures, other than some distribution mains, which range from 0.14 MPa to 0.35 MPa. For these reasons, we consider that the SPP's pressure characteristics are more consistent with those of a transmission pipeline.

²² AER, [Gas pipeline classification decision—Kurri Kurri Lateral Pipeline—final decision](#), May 2025

²³ AER, [Gas pipeline classification decision—Atlas to Reedy Creek Pipeline—final decision](#), August 2025.

²⁴ AER, [Gas pipeline classification decision—Roma North \(Mimas\) Gas Pipeline—final decision](#), February 2026.

Section 13(2)(f): <i>the number of points at which gas can, or will be, injected into the pipeline</i>	Gas is injected into the SPP at a single point at the Tamboran Resources' Gas Production Facility.	Transmission pipelines usually have fewer injection points than distribution pipelines. The SPP has one injection point, which is consistent with the conveying of gas to a market, rather than its reticulation within a market.
Section 13(2)(g): <i>the extent of the area served or to be served by the pipeline</i>	The SPP will connect the Tamboran Resources' Gas Production Facility to APA's AGP.	Transmission pipelines are generally long pipelines that cover a narrow area with a small number of discrete points. Conversely, distribution pipelines usually cover a broader area. The SPP is designed to receive gas from the Tamboran Gas Production Facility and transport it to APA's transmission pipeline (the AGP). This configuration is more consistent with a transmission pipeline that conveys gas from an injection point to a point of delivery.
Section 13(2)(h): <i>the pipeline's linear or dendritic configuration</i>	The SPP has a linear configuration and is approximately 37 km in length.	Transmission pipelines generally have a linear configuration unlike distribution pipelines that have a dendritic configuration. The SPP has a linear configuration and operates in a linear manner that is consistent with a transmission pipeline.
Section 13(2)(i): <i>the type of pipeline licence or authorisation that has been obtained in respect of the pipeline under jurisdictional gas legislation</i>	The SPP's jurisdictional licence does not include a pipeline classification.	Since the SPP's pipeline licence issued under the <i>Energy Pipelines Act 1981 (NT)</i> does not state the pipeline's classification as either a transmission or distribution pipeline, we are required to determine whether the SPP is a transmission or distribution pipeline.

Consideration of the NGO

In making our classification decision, we must also have regard to the NGO and consider whether making the decision will align with it. As outlined in our [Regulatory Determinations Guide](#), we will consider whether making the classification decision is likely to impact the efficiency of pipeline access, the operation of gas markets, the rights of third parties and the achievement of relevant emissions reduction targets.

Classifying the SPP as a transmission pipeline would ensure its alignment from commencement with the appropriate regulatory frameworks.²⁵ We consider that the pipeline's registration on, for example, AEMO's GBB can potentially facilitate access for pipeline users

²⁵ AEMO, *Submission to the AER to the AER's draft classification decision for the SPP*, 3 March 2026.

and improve the operation of gas markets by providing additional capacity to bring gas to a market or to trade gas. This, in turn, will improve decision-making and efficiency in the market and promote the long-term interests of consumers.

We consider that the classification of the SPP as either a transmission or distribution pipeline is unlikely to have an impact on the achievement of jurisdictional emissions reduction targets. This is because the classification decision is not expected to significantly impact the use of the SPP's services. Therefore, we do not consider the emissions element in the NGO to be material to this draft decision.

4.3 Stakeholder consultation and views

4.3.1 Submissions received prior to publishing our draft decision

Under rule 29F(3) of the NGR, the AER must consult with certain stakeholders prior to making a classification decision.

In making our draft classification decision, we have consulted with the Northern Territory Minister for Mining and Energy (being the relevant Minister of the participating jurisdiction), the DME (being the jurisdictional safety and technical regulator), AEMO and the AEMC.

A summary of stakeholders' views is set out below.

The Northern Territory Minister for Mining and Energy, who administers the *Energy Pipelines Act 1981 (NT)*, considers the SPP should be classified as a transmission pipeline due to its primary function of conveying gas over a short distance to the AGP and in turn to various markets and other pipeline networks.²⁶ The Minister observes that the SPP is 37 kilometres long and will be able to transmit up to 50 Terajoule per day from the Shenandoah Processing and Compression Facility in the Beetaloo Sub-basin's appraisal development field, to the AGP.

The Minister further notes that the SPP is a critical part of infrastructure that, once operational, will enable the transmission of the first Beetaloo Sub-basin gas to market to enable electricity generation in the Northern Territory.

DME's also supported the SPP being classified as a transmission pipeline.²⁷ DME submitted that the SPP conveys gas from the Sturt Plateau Compression Facility to the AGP (rather than reticulating gas within a market), which in turn conveys gas to market. DME further noted that the SPP's pipeline licence is issued under the *Energy Pipelines Act 1981 (NT)*, which is only applies to high-pressure pipelines.

The AEMC considers that the SPP appears to have features consistent with transmission pipelines, and this would be the preferable classification. In forming this view, the AEMC observed several characteristics including the applicant's consideration of the SPP being a transmission pipeline, the pipeline's capacity, diameter and the MAOP, its primary purpose of conveying gas from the Tamboran Resources' Production Facility to APA's AGP, being a

²⁶ Northern Territory Minister for Mining and Energy, *Submission to the AER on the AER's draft classification decision for the SPP*, 14 April 2026.

²⁷ DME, *Submission to the AER on the AER's draft classification decision for the SPP*, 10 June 2026.

pipeline with a single large customer, and that the SPP does not reticulate gas within a market.²⁸

AEMO also considers that the SPP has features consistent with transmission pipelines, including that it:

- would function as a high-pressure pipeline transporting gas from Tamboran Resources' Gas Production Facility to the transmission network
- its pressure and diameter characteristics are more consistent with those of a transmission pipeline
- is not intended to provide direct supply to small customers or distribution customers.

AEMO further submits that a classification as a transmission pipeline will ensure immediate alignment with the appropriate regulatory frameworks.²⁹

4.4 Draft decision

Our draft decision to classify the SPP as a transmission pipeline. We consider the SPP has the characteristics of a transmission pipeline and that its primary function is to convey gas to a market. In coming to this position, we have had regard to the pipeline classification criterion, the characteristics of the pipeline outlined in section 13 of the NGL, the NGO and stakeholders' views.

²⁸ AEMC, *Submission to the AER on the AER's draft classification decision for the SPP*, 1 April 2026.

²⁹ AEMO, *Submission to the AER on the AER's draft classification decision for the SPP*, 3 March 2026.

Glossary

Term	Definition
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
AEST	Australian Eastern Standard Time
AGP	Amadeus Gas Pipeline
APA	APA SPP Pty Ltd
APA's application	APA SPP Pty Ltd, <i>Application for a classification of Sturt Plateau Pipeline</i> , 11 February 2026
DME	The Northern Territory Department of Mining and Energy
EGP	Eastern Gas Pipeline
GBB	Gas Bulletin Board
MAOP	Maximum Allowable Operating Pressure
MPa	Megapascals
MPa(g)	Megapascals (gauge) relative to atmospheric pressure
NCC	National Competition Council
NGL	National Gas Law
NGO	National Gas Objective
NGR	National Gas Rules
SPP	Sturt Plateau Pipeline
STTM	Short-Term Trading Market