Australia's energy infrastructure partner

Capital Expenditure

Roma Brisbane Pipeline

1 July 2026

Acknowledgement of Country

At APA, we acknowledge the Traditional Owners and Custodians of the lands on which we live and work throughout Australia.

We acknowledge their connections to land, sea and community.

We pay our respects to their Elders past and present, and commit to ensuring APA operates in a fair and ethical manner that respects First Nations peoples' rights and interests.

Contents

Introduction

The Roma to Brisbane Pipeline (RBP) was commissioned in 1969 and is a bi-directional transmission pipeline that consists of the:

- 438 km mainline pipeline from Wallumbilla (near Roma) to Brisbane and its associated facilities,
- lateral pipeline at Lytton known as the Lytton Lateral and
- 121 km Peat lateral pipeline which connects the Peat and Scotia gas fields to the RBP.

The RBP is owned by APT Petroleum Pipelines Pty Limited (ABN 39 009 737 393) (APTPPL).

The RBP is a scheme pipeline under the access regime of the National Gas Law (NGL) and National Gas Rules (NGR) and is required to submit a revised Access Arrangement proposal to the Australian Energy Regulator (AER) on 1 July 2026.

Actual and forecast capital expenditure is required to be consistent with Rule 79 of the National Gas Rules which requires that capital expenditure be 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 in a manner consistent with the achievement of the national gas objective; and

Roma Brisbane Pipeline is amongst the oldest Natural Gas Pipelines in Australia. It has been delivering natural gas to Queensland businesses and households since the late 1960s.

Over time the pipeline has been extended and expanded to include laterals to Scotia and expanded to include the DN400 pipeline and looping of parts of Metro Section of the pipeline.

The pipeline and its facilities are getting older, and the maintenance needs are rising. RBP is proactively managing these costs to minimise them in the long term. This includes undertaking a project to transfer connections from the DN250 pipeline to the DN400 so that the DN250 can be put into make safe mode and reducing the substantial expenditure required to maintain the DN250 in active service.

Our expenditure governance and procurement processes are aimed at ensuring long term value for money for customers and shippers on the RBP.

We are proposing total capital expenditure across the next Access Arrangement period (2027-32) of $87.8m (real 2026-27). This represents the best forecast of capital expenditure available currently. The largest category of expenditure relates to the pipeline integrity program, with the volume of dig ups increasing as the cyclical Inline Inspection program focuses on the older metro section of the pipeline.

The capital expenditure discussed in this document is consistent with delivering pipeline services into the future on a prudent and efficient basis.

We welcome feedback on our capital expenditure proposal or any other matters set out in this document

About the Roma Brisbane Pipeline

APT Petroleum Pipelines Pty Limited owns the Roma Brisbane Pipeline (RBP). APT Petroleum Pipelines Pty Limited is owned by APA.

The RBP plays a major role in energy supply and gas powered generation (**GPG**) in Southern Queensland. It currently receives gas from numerous receipt points and delivers gas to numerous delivery points including Brisbane and Toowoomba.

The RBP was commissioned in its original configuration in 1969. The pipeline was built from Wallumbilla to Bellbird Park and originally supplied the Brisbane area with gas from Surat Basin fields close to Roma.

Since that time, expansions have occurred and additional receipt and delivery points added, in response to market growth. Expenditure was undertaken in 2015 to allow bi—directional flows, with large quantities of gas now transported west to Wallumbilla. Each expansion was underpinned by negotiated contracts with third parties such as producers, power stations, gas utilities and major industrial customers. Additional coal seam methane field connections provide significant mid-line injections.

The RBP currently consists of a mainline, which is both compressed and looped, and four lateral pipelines:

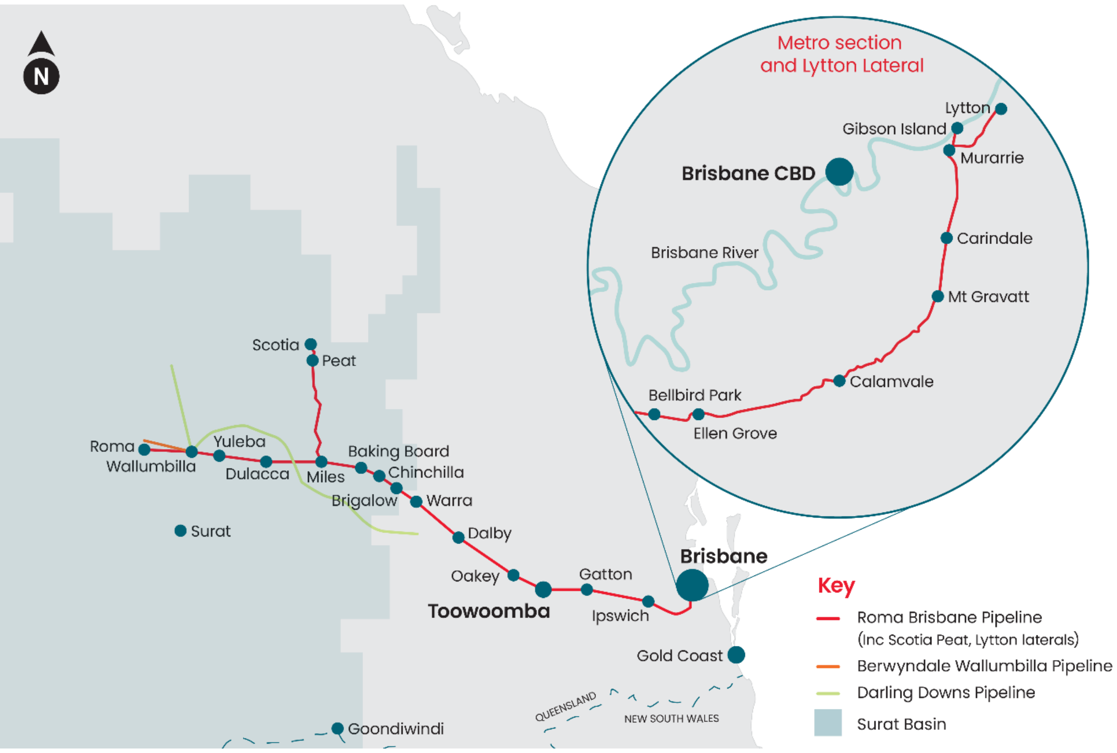
- Peat and Scotia laterals, built in 2001 and 2003 respectively and totalling 145 km in length, connecting the RBP to coal seam methane gas sources near Peat and Scotia
- Swanbank Lateral, 8 km in length and built in 2001, feeding into the Swanbank Power Station, and
- Lytton Lateral, 6 km in length and built in 2010, supplying the Ampol Refinery.

The RBP also connects with the Queensland Gas Pipeline, which runs from the Wallumbilla gas hub to Rockhampton (via Gladstone).

The mainline is approximately 440 km long with 46 km of pipeline running through metropolitan Brisbane to Murarrie and Gibson Island. The metro section serves several distribution system offtakes.

The pipeline has seven compressors installed across six station sites, though only one compressor, at Dalby, remains in active operation.

Geographic location and route of the RBP



The principal sections of the RBP are listed below.

Section	Length (km)	Diameter (mm)
Wallumbilla to Brisbane	414	406
Wallumbilla to Brisbane	397	273
Metro section	46	219 – 406
Peat/Scotia Lateral	121	273
Lytton Lateral	6	219

Key facts and figures

984 km

pipelines and laterals

167 TJ/d

eastern haul capacity

125 TJ/d

western haul capacity

582 km

easement length

1. Governance and Procurement

1.1 Governance

The governance framework for the RBP is embedded within APA's Asset Management and Operational Excellence framework. It is designed to ensure the pipeline is managed safely, reliably, compliantly, and cost-effectively across its lifecycle, with clear accountability and structured decision-making.

1.1.1 Risk-Based Project Identification

APA ensures projects are prudent by requiring that they originate from clearly defined, evidence-based drivers. Projects are identified through pipeline integrity assessments, field inspections, facilities reliability assessments, and operational performance data. These inputs link proposed projects directly to safety, reliability, compliance, or asset condition risks, ensuring that only necessary and justified work is put forward. Opportunities to improve performance or efficiency may also be identified, but they are assessed alongside risk-driven projects to ensure they deliver genuine value rather than discretionary expenditure.

1.1.2 Structured Assessment and Approval

All projects must be formally documented using standardised proposal templates that capture scope, risk, cost, and expected benefits. Complex or material projects require supporting business cases. Assessment is undertaken within APA's Asset Risks and Opportunities and Lifecycle Management processes, ensuring consistent evaluation against safety outcomes, regulatory obligations, asset criticality, cost effectiveness, and alignment with APA's risk appetite. Where multiple technical or delivery options exist, alternatives are considered and the preferred option selected based on overall effectiveness and value, not solely on lowest cost.

1.1.3 Long-Term Prioritisation and Lifecycle Planning

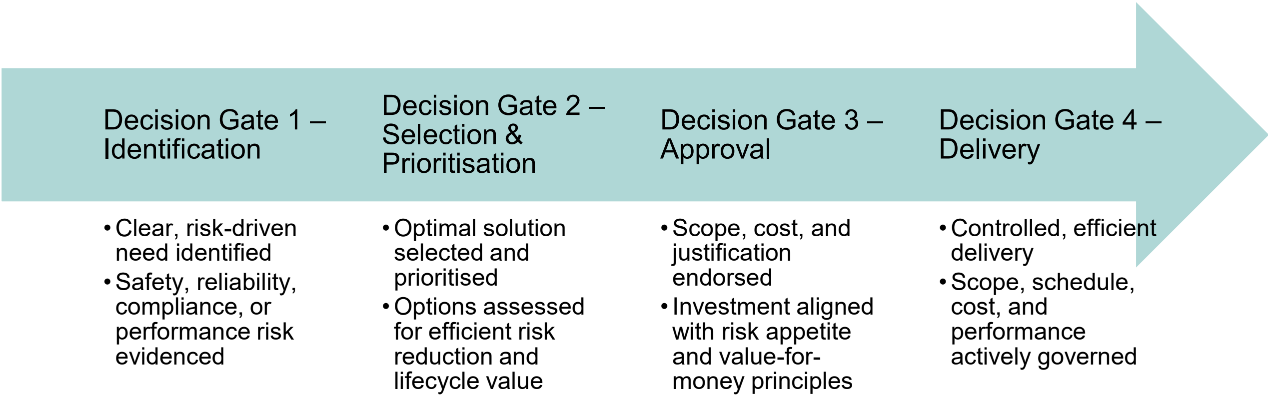
Approved projects are prioritised within a long-term lifecycle and Stay-in-Business capital planning framework, typically over a 20-year horizon. Prioritisation is driven by the severity and likelihood of risk, threats to safe and reliable operation, regulatory requirements, and asset criticality. This ensures limited capital is directed first to the projects that deliver the greatest risk reduction and operational benefit. Scope and timing can be optimised by grouping works or deferring lower-priority activities to improve delivery efficiency and avoid unnecessary expenditure.

1.1.4 Governance, Delivery, and Commercial Discipline

Strong governance ensures projects remain prudent through delivery. Project performance is monitored through regular governance reviews, with scope, schedule, and budget tracked and re-forecast throughout the year. The Lifecycle team retains flexibility to defer, re-scope, or reprioritise projects in response to changing conditions. In parallel, APA's procurement framework enforces value-for-money principles, compliance with delegations of authority, and formal approval of financial commitments. This commercial discipline reduces the risk of inefficient contracting or cost escalation and ensures approved projects are delivered efficiently and in line with their original justification.

More detail on the Asset Lifecycle Management Plan is available in Attachment 4.

Figure 1: Governance of Capital Projects – Decision Gates



1.2 Procurement

1.2.1 Driving Prudent and Efficient Expenditure

The Procurement Policy promotes prudent and efficient expenditure by embedding value-for-money and economic discipline into all procurement activities. It requires procurement decisions to maximise financial and operational value while ensuring goods, services, and works are fit for purpose. This ensures expenditure is assessed on a whole-of-life basis, considering safety, risk, reliability, and long-term outcomes rather than lowest initial cost alone, supporting defensible and efficient investment decisions across APA.

Efficiency is reinforced through mandated use of standardised procurement processes, systems, tools, and templates. These requirements minimise duplication, reduce rework, and create consistency in how procurement is undertaken across the organisation. By streamlining procurement execution while maintaining strong process discipline, the policy supports timely delivery of outcomes without compromising cost control or governance.

1.2.2 Governance, Accountability, and Control

Strong governance arrangements underpin prudent expenditure by clearly defining accountability and oversight. Ownership of the policy by the Chief Financial Officer, senior oversight by procurement leadership, and monitoring by procurement governance teams ensure procurement activities are conducted in line with policy intent and organisational objectives. Clear allocation of roles and responsibilities ensures spending decisions are properly managed, reviewed, and accountable.

Financial discipline is further supported through compliance with delegations of authority and formal approval pathways. Expenditure commitments must be made through approved procurement mechanisms, with the Document Execution Process ensuring decision-makers have sufficient information on cost, risk, and contractual obligations before APA enters binding commitments. This reduces the risk of unauthorised, premature, or poorly justified expenditure.

1.2.3 Transparency, Risk Management, and Flexibility

The policy's emphasis on transparency, probity, and ethical behaviour protects efficiency by reducing the risk of biased supplier selection, unmanaged conflicts of interest, or non-competitive outcomes that could inflate costs or diminish value. Active supplier management and a focus on value generation further ensure expenditure delivers sustained operational and financial benefits over time.

At the same time, the policy allows limited flexibility where necessary. Exemptions and emergency purchases are permitted only under defined conditions and require documented justification and senior approval. This ensures operational responsiveness is maintained while preserving financial discipline and preventing routine bypass of prudent procurement controls.

More detail on the procurement policy is available in Attachment 3: APA Procurement Policy.

2. Forecast Capital Expenditure

RBP forecasts its Stay-in- Business capital expenditure based on its Asset Lifecycle Management Plan. It is this expenditure that makes up the bulk of forecast capital expenditure. In the current Access Arrangement period it is 80% of total capital expenditure. In the forecast it is 85% of the total.

The Asset Lifecycle Management Plan takes information on asset management, asset condition and failures from APA, national and international data to identify the maintenance and replacement requirements of the assets that make up the RBP. It is this plan of projects that makes up the forecast stay in business capital expenditure for the RBP.

Identifying the total capital expenditure based on individual projects is referred to as bottom-up forecasting because you take the individual activities to make up the total. This contrasts with alternative approaches that are deemed to be top down, such as benchmarking, where an amount of expenditure is derived from high level data from a range of participants. Each approach has strengths and weaknesses – the circumstances in which they would be applied can exacerbate the weaknesses.

2.1 Top Down (Benchmarking)

Benchmarking requires a number of comparable entities and rigorous application of data standards to have any robustness in its results. Comparable in this context means similarity, in amongst other criteria age, size, geography, technology and legal frameworks

Top down capital expenditure forecasting can be a useful tool where the majority of augmentation capital expenditure is driven by organic growth in the system (say, expanding a distribution system to accommodate population growth), where replacement capital expenditure is undertaken on a statistical basis (for example, the AusGrid distribution network has 31,000 distribution substations), and where there are a multitude of like businesses to act as comparators.

In the absence of a number of like peers the data from benchmarking can be, and is likely to be, wildly inaccurate. What this means for forecasting capital expenditure is the benchmarking may suggest capital expenditure that is multiples or fractions of the prudent and efficient level.

These peers do not exist for the RBP. There are a limited number of transmission pipelines in Australia and even more limited number based on the age of the RBP and the part rural part metropolitan characteristics of the pipeline.

Benchmarking is also very poor at forecast expenditure, as a lot of capital expenditure on gas transmission pipelines, is lumpy, infrequent, and driven by a particular project requirement. Expenditure can also take place across different time periods, including across Access Arrangement periods.

These limitations are fatal to being able to use benchmarking as the primary source of forecasting capital expenditure on gas transmission pipelines consistent with the requirements of the National Gas Rules. In the language of statistics, it is unbiased estimator with very low predictive capability.

2.2 Bottom Up (Project forecasting)

This means that individual project forecasting is the most accurate method available to RBP and the AER for forecasting capital expenditure on the RBP.

However, the weakness in the bottom-up approach is it can only account for projects that are known at the time of the forecast. Any project that arises after the forecast period cannot be provided for under this methodology. At the time of the proposal the last year of forecast expenditure is 7 years in the future. Given the significant difference in timing between the preparation of the forecast and the actual expenditure it is highly likely that projects will arise that could not have been predicted at the time of the forecast.

This means that, even where the forecast for an individual project turns out to be fairly accurate, the forecast will usually be lower than the prudent and efficient level of capital expenditure. In the language of forecasting it is a biased estimator – it will produce under estimates far more often than it produces over estimates. However, despite its flaws it has a higher accuracy than any of the alternatives available to RBP and the AER.

2.3 Consequences of the forecasting approach

The consequence of the bottom up approach being the best available forecasting methodology is twofold.

- It is to be expected that actual capital expenditure is higher than forecast expenditure due to projects that were not forecast
- Capital expenditure efficiency incentive arrangement that are linked to the forecast like the Capital Expenditure Sharing Scheme don't work at incentivising improvements in capital expenditure efficiency as they continually penalise the business for unforeseen projects rather than inefficiency.

3. Historic Capital Expenditure

The actual capital expenditure undertaken by RBP in the current Access Arrangement Period is necessary to maintain the operation of the RBP. This capital expenditure is consistent with Rule 79(1)(a) because it reflects expenditure that a prudent service provider acting efficiently and in accordance with good industry practice would incur. The procurement is efficient as it is undertaken in accordance APA's procurement policy which is designed to maximise long term procurement efficiency.

3.1 Historic Expenditure vs AER Allowance

Table 1: RBP's actual and estimated capital expenditure for the current Access Arrangement period adjusted for inflation.

$m FY2027	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Actuals	15.0	15.4	11.7	11.8	15.9	**69.7**
Forecast	23.2	7.4	5.9	4.0	6.9	**47.4**
Difference	**– 8.2**	**8.0**	**5.8**	**7.8**	**9.0**	**22.3**

A regulatory forecast is a point in time estimate. As new information and risks arise it is expected that a regulated business will reprioritise projects to account for these changes. As the table below shows there were a number of projects that were not included in the forecast for the current period and some projects were deprioritised.

Table 2: Actual expenditure vs AER Forecast

Project Capital Expenditure ($m FY2027)	Difference from forecast ($m)
Pipeline Integrity	– 0.8
DN250 Supply Security Project	22.1
SCADA Hardware Lifecycle Management	– 0.9
Battery Charger Replacement	– 0.3
Liquids Removal	– 1.3
Valve Upgrade	– 0.1
Dalby Communication Relocation	– 0.0
Pipeline Relocation	– 0.3
Minor Projects	0.2
Group IT	– 1.6
Access Arrangement	– 0.5
Property Leases	0.1
Vehicle Leases	0.4
Not Included in AA Forecast	
Bulimba Creek Strain	0.5
Gowrie Creek	2.0
Corporate	0.3
Main Switchboard Replacement	1.0
Environment	0.3
PIG Trap	0.7
Ellengrove Safety	0.6
Total	**$22.3**

3.2 Difference

There was a material difference of $22.3m ($m Real 2026–27) between the AER's allowance and the Actual and estimated expenditure in the current Access Arrangement period.

The single biggest source of this difference relates to the DN250 Security of Supply Project with expenditure on projects where the need for the project only arose after the commencement of the Access Arrangement period Gowrie Creek and the Main Switchboard Replacement.

This additional expenditure was partially offset by underspend against the forecast on corporate expenditure on information technology systems (Group IT) and projects that were forecast but not undertaken/delayed (SCADA Hardware Lifecycle Management and Liquids Removal)

3.2.1 DN250 Supply Security Project

This is a project that has never been undertaken before in Australia which is to remove a major pipeline from service and transfer injection and withdrawal pints on that pipeline. The forecast, which was the best forecast available at the time, was provided 18 months prior to the project commencing and before a final investment decision on the first stage subsequently proved to be overly optimistic in terms of both timing and complexity of this process.

The DN250 Supply Security project was materially under-budgeted primarily due to limitations in the information reasonably available at the time the original forecast was prepared.

Early estimates were developed at a high level, prior to detailed investigations and before the full extent of asset condition risk, constructability constraints and operational interdependencies were observable. As the project progressed into detailed planning and execution, further information became available that materially changed delivery assumptions, including the complexity of transitioning customers on a live system, the extent of integrity risk requiring coordinated works, and the constrained ability to stage outages without compromising supply security.

The project required reconfiguration of multiple geographically dispersed offtake points, many of which had differing existing connection arrangements, ownership boundaries, and incomplete or inconsistent metering and pressure regulation infrastructure. In many cases, new hot tap connections, pressure regulation skids, and metering interfaces were required, with final scope only confirmed following detailed site investigation and design. In addition, achieving compliant operating pressures and maintaining supply required pipeline slabbing, heating, and pressure control solutions that were highly dependent on site-specific conditions and evolving operating assumptions.

The need to maintain continuous gas supply to customers during transition further increased delivery complexity, requiring staged implementation, temporary configurations, and operational constraints that were not fully definable at the concept stage. These factors, combined with interdependencies between system capacity, pressure profiles, and customer demand, meant that scope and cost evolved as the project progressed. As such, a high degree of cost uncertainty at the outset was both expected and reasonable given the live system constraints and the bespoke engineering solutions required.

In addition, increased reliance on third-party infrastructure and specialist resources, together with heightened safety and assurance requirements, materially increased costs beyond those reflected in the initial forecast. The subsequent increase in costs reflects the progressive resolution of uncertainty rather than imprudent forecasting.

3.2.2 Gowrie Creek

Flooding and ongoing creek bed erosion at the Gowrie Creek crossing have resulted in loss of pipeline cover and exposure of the RBP400 below the waterline. Hydraulic turbulence, exacerbated by an upstream weir structure, has created a credible risk of pipeline undermining, free-spanning and debris impact. Temporary flood protection measures are currently in place but are subject to regulatory expiry and do not provide a permanent, compliant solution. The project seeks to implement permanent remediation to stabilise the crossing and mitigate integrity and safety risks in accordance with AS 2885.This project is ongoing and is forecast to continue in the next Access Arrangement period.

3.2.3 Main switchboard Replacement

The arc flash review was initiated through a staged, risk-based national program commencing with a pilot assessment of critical sites in late 2019, followed by a formal national risk assessment in 2021 that identified arc flash hazards at a subset of APA assets. In response, APA commenced the National Arc Flash Study and Mitigation Project from 2022, applying a structured process of data definition, site verification, power system modelling and prioritised mitigation. RBP assets were included within the initial transmission site cohort due to their operational criticality and the presence of high-energy electrical equipment. Studies were progressed in tranches to manage operational disruption and ensure efficient delivery, with early actions focused on low-cost, low-disruption controls such as labelling, exclusion zones and protection setting adjustments, and longer-term works identified only where justified by residual risk. This staged approach ensures arc flash risks at RBP sites are reduced to as low as reasonably practicable while spreading investment over time and aligning with prudent, efficient asset management principles.

3.2.4 Group IT

Group IT are those Information and Operational Technology projects that occur at the APA corporate level than cannot be attributed directly to one of APA's assets.

Overall, the Group IT expenditure is expected to cost $1.3m less than the value included in the AER's capital expenditure forecast.

APA Corporate Capital Expenditure that can't be attributed to specific assets, such as Group IT, is allocated to RBP based on the APA Cost Allocation methodology that has been approved by the AER.

After adjustments to remove costs not relevant to the RBP and revenue streams for assets not operated by APA, corporate capital are allocated based on the percentage of revenue that asset contributes to APA total revenue. This has been declining over the current Access Arrangement. The cost allocation percentage at the time of the Access Arrangement Decision was 4.79%. The table below sets out the allocators for each year of the current Access Arrangement and demonstrates that, as part of the APA portfolio of assets, RBP is benefiting from a reduction in Group IT costs.

	2022-23	2023-24	2024-25
Corporate Capital expenditure allocator	4.57%	3.13%	2.82%

3.2.5 SCADA Hardware Lifecycle Management and Liquids removal

Originally the Liquids Capture project was planned for FY2027. However, in the interim between the original forecast and the execution of this project it was identified that the SCADA Hardware Lifecycle Management Project was a higher priority than the Liquids Removal project.

Reallocation of projects within the capital expenditure forecast is prudent and efficient within the capital expenditure provisions of rule 79.

The SCADA Hardware Lifecycle Management Project was an APA wide project. The driver was to ensure that our communication services will be successfully migrated or upgraded prior to their End of Life date. This is so no adverse impact occurred to operations. This means RBP was unable to independently pursue the project on an alternate timeline.

APA's SCADA and operational technology (OT) systems rely on third-party communication services to enable monitoring and control of geographically dispersed assets. At the time of delivery, several of these services were being decommissioned or had reached end of life, including Thaicom 4 satellite, Telstra 3G, ADSL (under NBN rollout), and Skywire gateways, collectively impacting a significant number of sites.

This project was undertaken as a technology asset lifecycle and life-extension activity in response to third-party communications obsolescence. Its delivery was critical to preventing service interruption across the SCADA WAN.

The program ensured the continued currency, reliability, and supportability of communications infrastructure across remote and accessible sites, enabling ongoing visibility and control of APA's assets.

If not undertaken RBP would have experienced loss of monitoring and control capability at affected sites, leading to material risks to safety, operational performance, and system reliability.

The completed project delivered the following benefits:

- Maintained continuity of SCADA monitoring and control
- Mitigated risks associated with service withdrawal and unsupported infrastructure
- Sustained safe and reliable operations
- Improved resilience through modern, supportable communication technologies

Accordingly, the project was necessary and prudent to address externally driven obsolescence risks and maintain the integrity of APA's operational capabilities.

3.3 Project Delivery

RBP has a history of delivery to budget for those projects that it is familiar with and undertakes on a regular basis.

We identified projects with budgets that were completed in the period 1 July 2022 to 30 June 2025. We then compared final expenditure for these projects on an as incurred basis with the budget for the project[1]. The DN50 Supply Security project is still ongoing and is not included in this analysis.

Overall actual costs incurred for these projects were within 4% of the budgeted amount. There was some variation on an individual project basis

The table below sets out the breakdown of complete single identifiable projects on the RBP between FY2022 and FY 2025

Range (% of budget)	Number of projects
<-40	1
-40% to -30%	2
-30% to -20%	1
-20% to -10%	4
-10% to 0%	6
0 to 10%	4
10% to 20%	2
Total	**20**

The three projects that fall outside 30% of the budget forecast are all where the expenditure was below the forecast amount. In all three cases the project was expected to cost $100,000 or less.

[1] For projects that spanned multiple years it was the first year budget that was used.

The budgeted amounts for the three projects with significant differences to the budget were (percentage away from budget):

- Condamine carport $40,000 (-46%)
- Piping in the Preston Rd Pit $10,000 (-37%)
- 2023 miscellaneous small projects $100,000 (-31%)

So, two of them were very small one off projects (Condamine Carport and Piping in the Preston Rd Pit) and the third was a bucket of funds for the year to cover very small projects, tools, equipment and materials.

There are four projects in the sample that had a budget of $500,000 or more. The actual expenditure on all 4 projects was within 10% of the budgeted amount.

This demonstrates on business as usual projects RBP has a history of project delivery on or near budget.

4. Forecast Capital Expenditure Projects

The forecast capital expenditure is project based and comprises a number of different programs. A summary of these programs is provided below.

4.1 Pipeline Integrity Program

This project is a comprehensive program to keep the Roma to Brisbane Pipeline operating safely and reliably as it continues to age. The pipeline system is over 800 kilometres long and includes sections that were built in the late 1960s, meaning parts of it now require increasing levels of maintenance to remain safe. Over time, underground pipelines naturally deteriorate due to corrosion, coating breakdown and ground movement. This program manages those risks through a structured set of activities including running specialised inspection tools inside the pipeline to detect defects, excavating sections to inspect and repair damage, upgrading protective coatings and corrosion protection systems, and improving equipment so the pipeline can continue to be inspected in the future. In addition to detecting and repairing physical defects, the program also introduces improved leak detection capability, including advanced methane monitoring to identify even small leaks early. It also ensures key systems such as cathodic protection continue to function effectively. The overall aim is to identify problems early, fix them before they become serious, and maintain the pipeline in a condition where it can safely transport gas over the long term.

4.1.1 Compliance with Rule 79

The Pipeline Integrity project meets the requirements of Rule 79 of the National Gas Rules because the proposed expenditure is necessary to maintain the safety, reliability and integrity of the Roma to Brisbane Pipeline system, which includes ageing DN200–DN400 pipelines constructed as early as 1968–69. The business case identifies known and foreseeable risks including coating deterioration, corrosion, cracking, weld defects and ground movement that could lead to pipeline failure if left unmanaged.

APA considered a range of options, including doing nothing, proactive integrity management, and full pipeline replacement. The “do nothing” option was rejected because it would increase the likelihood of corrosion, gas leaks, rupture, supply interruption, regulatory breaches and safety incidents. Full replacement was also rejected as cost prohibitive and inefficient. The preferred option — ongoing integrity management through inline inspection, validation digs, safety digs, cathodic protection and related upgrades — was assessed as the most prudent and efficient approach.

The business case demonstrates that the proposed expenditure is consistent with Rule 79(1)(a) because it reflects expenditure that a prudent service provider acting efficiently and in accordance with good industry practice would incur. The cost forecasts are based on inspection schedules, asset condition information, historical delivery experience and market-tested contractor rates. The expenditure is also consistent with Rule 79(2)(c)(i) and (ii) because it is necessary to maintain and improve the safety and integrity of services and avoid more costly reactive maintenance or catastrophic failure events.

More detail on this program is available in Business Case

Table 3: Forecast Capital expenditure – Pipeline Integrity ($000’s Real 30 June 2026)

Category	FY28	FY29	FY30	FY31	FY32	Total
ILI	2,103	1,271	93	1,658	877	**6,002**
Validation dig	2,768	1,964	3,013	1,978	525	**10,248**
CP	2,652	2,657	2,665	2,676	2,683	**13,334**
Safety Digs	721	2,686	1,246	2,182	729	**7,563**
ILI upgrade	-	2,114	-	-	-	**2,114**
Total	**8,243**	**10,693**	**7,017**	**8,494**	**4,814**	**39,261**

4.2 DN250 Supply Security Project

This project addresses an ageing section of the pipeline network known as the DN250 pipeline, which runs alongside a newer and more robust pipeline called the DN400. The DN250 pipeline is becoming increasingly difficult and expensive to maintain due to corrosion and the location of defects in complex environments such as under roads and in flood-prone areas. Rather than continuing to the high cost of maintaining this asset, the project involves progressively transferring all customers supplied by the DN250 pipeline onto the newer DN400 pipeline, which has sufficient capacity to meet demand. Once customers have been safely transitioned, the DN250 pipeline will be made safe and its associated above-ground facilities that are no longer usable are removed or rationalised so that only necessary infrastructure remains in operation. The project also includes targeted works to manage electrical interference along the pipeline corridor, where nearby high-voltage powerlines can induce currents in the pipeline. These works involve testing and installing equipment at selected locations to control these effects. Overall, the project replaces reliance on an ageing and increasingly inefficient pipeline with a modern alternative already in place, while safely removing infrastructure that is no longer required.

4.2.1 Compliance with Rule 79

The DN250 Supply Security project satisfies Rule 79 because it addresses increasing integrity risks associated with the ageing DN250 pipeline while maintaining secure and reliable gas supply to customers. The business case explains that the remaining defects on the DN250 are increasingly located in constrained and high-cost excavation environments, making continued operation and repair progressively less prudent and efficient.

Several options were assessed, including continued integrity digs, deferral of works, replacement of the DN250 pipeline and transition of supply to the DN400 pipeline. APA concluded that transitioning customers to the DN400 and suspending the DN250 represented the lowest sustainable lifecycle cost. Continuing to operate the DN250 would require extensive future dig programs and escalating maintenance expenditure, while a full replacement pipeline would duplicate existing DN400 capacity at a materially higher cost.

The preferred option meets Rule 79(1)(a) because it represents prudent and efficient expenditure that reduces long-term integrity, operational and maintenance costs while maintaining supply reliability. It also satisfies Rule 79(2)(c)(i) and (ii) because the project is necessary to maintain safe and reliable service delivery and ensure ongoing compliance with AS 2885.3 and associated pipeline licence obligations.

The AC Mitigation component of the business case also aligns with Rule 79 by adopting a targeted and risk-based mitigation approach rather than expensive corridor-wide treatment. The preferred option achieves compliance and risk reduction at the lowest efficient cost while addressing safety, corrosion and regulatory risks.

More detail on this program is available in Business Case

Table 4: Forecast Capital expenditure – DN250 Security of Supply($000's Real 30 June 2026)

Description	FY28	FY29	FY30	FY31	FY32	Total
RBP - DN250 Suspension	4,795	5,525	1,171	1,155	2,273	**14,919**
RBP - DN250 AC Mitigation (Oakey to Bellbird Park)	288	289	290	291	292	**1,449**
Total	**5,083**	**5,813**	**1,460**	**1,446**	**2,565**	**16,368**

4.3 Environment

This project focuses on protecting the pipeline from environmental damage at a specific high-risk location where it crosses Gowrie Creek. Flooding and ongoing erosion have caused the creek bed to change, which has reduced the amount of soil covering the pipeline and left it partially exposed below the waterline. When a buried pipeline becomes exposed in this way, it is at risk of being unsupported, bent or struck by debris during flood events. This can lead to structural damage, fatigue and eventually a rupture if not addressed. Temporary measures are currently in place, but they are not a permanent solution and require ongoing approvals. The project will deliver a long-term fix by stabilising the creek bed and protecting the pipeline from further erosion. This may involve installing engineered protection such as concrete armouring or installing a new section of pipeline deeper underground using specialised drilling techniques if required. The objective is to restore adequate cover over the pipeline, prevent further erosion, and ensure the pipeline remains securely supported and protected from environmental forces.

4.3.1 Compliance with Rule 79

The Environment project meets the requirements of Rule 79 because the proposed expenditure is necessary to manage environmental and geotechnical threats affecting the integrity of the Roma to Brisbane Pipeline, particularly at the Gowrie Creek crossing where erosion and flooding have exposed the pipeline below the waterline.

The business case demonstrates that without intervention there is a credible risk of pipeline undermining, free spanning, fatigue cracking, debris impact and potential loss of containment, which could result in prolonged supply outages affecting Brisbane and surrounding regions. APA assessed three options: do nothing, targeted remediation, and HDD pipeline replacement. The “do nothing” option was rejected as unsafe, non-compliant and inconsistent with AS 2885 and Rule 79. The HDD replacement option is considered feasible but materially more expensive than the preferred option but may be necessary if external approval constraints prevent the lower-cost option.

The preferred option — targeted environmental remediation including flood protection, erosion control and creek stabilisation — satisfies Rule 79(1)(a) because it represents prudent and efficient expenditure that proactively manages integrity risks and avoids more expensive emergency remediation and asset failure costs. The project also satisfies Rule 79(2)(c)(i) and (ii) because it is necessary to maintain pipeline safety, integrity and reliable service delivery while ensuring risks are reduced to ALARP in accordance with AS 2885 and pipeline licence obligations.

However, this requires the agreement of 3rd parties where they do not agree to the preferred solution the HDD is the lowest cost option and is consistent with Rule 79(2)(c)(i) and (ii).

The forecast expenditure was developed using a prudent upper-bound estimate based on the fallback HDD solution to ensure APA can deliver a compliant long-term remediation outcome under all approval scenarios, while still pursuing the lower-cost preferred remediation solution wherever possible

More detail on this program is available in Business Case

Table 5: Forecast Capital expenditure – Environment($000’s Real 30 June 2026)

Description	FY28	FY29	FY30	FY31	FY32	Total
Gowrie Creek flood protection	10,379	-	-	-	-	**10,379**

4.4 Instruments and Controls

This is a million program to replace and upgrade critical metering and control systems across the pipeline. It includes gas chromatographs, moisture analysers, turbine meters upgraded to Coriolis meters, and flow computers and RTUs that are approaching obsolescence and increasing failure risk.

4.4.1 Compliance with Rule 79

The Instruments and Control project satisfies Rule 79 of the National Gas Rules because the proposed expenditure is necessary to maintain the accuracy, reliability and integrity of gas measurement and control systems across the Roma Brisbane Pipeline. There are increased risks associated with ageing and obsolete Gas Chromatographs, Moisture Analysers, Turbine Meters and Flow Computers, including inaccurate billing, gas specification non-compliance, operational disruption and extended outages caused by limited OEM support and long equipment lead times. The equipment is critical for custody transfer, energy calculation and customer billing.

APA assessed options including continuing to operate the assets until failure and proactively replacing obsolete systems. The “do nothing” approach was rejected because it would result in increasing operational risk, reactive emergency expenditure, reduced measurement accuracy and greater risk of customer disputes and regulatory non-compliance. The preferred option is a planned replacement and upgrade program including replacement of GCs and Moisture Analysers, Turbine Meter upgrades to Coriolis meters, and progressive replacement of obsolete RTU and Flow Computer systems.

The preferred option is consistent with Rule 79(1)(a) because it reflects prudent and efficient expenditure a reasonable pipeline operator would incur to proactively manage foreseeable obsolescence and reliability risks. The expenditure also satisfies Rule 79(2)(c)(i) and (ii) because it is necessary to maintain the integrity, reliability and safety of pipeline services, ensure accurate customer billing and maintain compliance with AS 2885.3 and RBP Pipeline Licence obligations.

More detail on this program is available in Business Case A4 – Gas Instruments

Table 6: Forecast Capital expenditure – Gas Instruments($000’s Real 30 June 2026)

Description	FY28	FY29	FY30	FY31	FY32	Total
Woodroyd - GC & Moisture Analyser	461	-	-	-	-	**461**
Scotia - GC & Moisture Analyser	-	462	-	-	-	**462**
Ellengrove GC Upgrade	-	-	290	-	-	**290**
Brightview GC Upgrade	-	-	-	233	-	**233**
Redbank Plains - Turbine Meter Upgrade	-	-	-	-	163	**163**
Toowoomba - Turbine Meter Upgrade	-	-	-	-	233	**233**
Controlwave Micro RTUs & Flow Computer end of Life replacement	404	404	406	407	408	**2,029**
Total	**865**	**750**	**600**	**550**	**690**	**3,872**

4.5 Facilities

4.5.1 What the program is

This is a stay-in-business program to maintain above-ground facilities on the Roma–Brisbane Pipeline. The program focuses on proactively upgrading and renewing key infrastructure through earthing system upgrades to improve electrical safety compliance and a structured station painting and coating program to manage corrosion and asset degradation.

Station painting is undertaken to protect the station from degradation that would otherwise occur to the asset. It is undertaken because it avoids future expenditure on corrosion and other environmental factors that would require asset replacement. The avoided cost represents a future economic benefit and therefore this expenditure is capital expenditure.

4.5.2 Compliance with Rule 79

The Facilities business case satisfies Rule 79 of the National Gas Rules because the proposed expenditure is necessary to maintain the safe, reliable and compliant operation of above ground facilities on the Roma to Brisbane Pipeline. The program includes earthing upgrades and a station painting program to address ageing infrastructure, electrical safety risks and coating deterioration affecting critical facilities and associated compounds.

APA considered both reactive maintenance and proactive replacement strategies. The "run to failure" option was rejected because it would increase safety risks, operational disruption, non-compliance with Australian Standards and long-term maintenance costs. The preferred option adopts a planned and proactive replacement and refurbishment program, including earthing upgrades to address electrical safety and lightning protection deficiencies, and corrosion protection works through structured station painting activities.

The business case demonstrates that the proposed expenditure is prudent and efficient under Rule 79(1)(a) because it reflects good industry practice and proactive asset stewardship. The expenditure is necessary to maintain safe working conditions, reduce operational risk and preserve asset integrity. It also satisfies Rule 79(2)(c)(i) and (ii) because the program is required to maintain the safety and integrity of pipeline services and comply with AS 2885.3, AS 3000, AS 2832.1 and pipeline licence obligations.

The proposed investment also supports the lowest sustainable lifecycle cost of service delivery by reducing reliance on reactive repairs, avoiding emergency response costs and improving long-term operational reliability.

More detail on this program is available in Business Case A5 – Facilities

Table 7: Forecast Capital expenditure – Facilities

Description	FY28	FY29	FY30	FY31	FY32	Total
Earthing upgrades	231	231	232	233	233	**1,159**
Station Painting	231	231	232	233	233	**1,159**
Total	**461**	**462**	**464**	**465**	**467**	**2,319**

4.6 SIB Projects

4.6.1 What the program is

This is a package of targeted stay-in-business capital projects addressing a range of ageing and critical assets across the pipeline. The program includes upgrades and replacements of valves, shutdown systems, backup power equipment, structural components and reliability improvements such as additional redundancy at key supply points like Ellengrove.

4.6.2 Compliance with Rule 79

The SIB Projects business case meets the requirements of Rule 79 because the proposed stay-in-business capital works are necessary to maintain the safe, reliable and compliant operation of the Roma to Brisbane Pipeline. The projects address ageing and obsolete electrical, mechanical and instrumentation assets across aboveground facilities, including valves, shutdown systems, control facilities, backup power systems and operational equipment.

APA assessed options including a "do nothing" or run-to-failure approach and a planned proactive replacement program. The reactive approach was rejected because it would expose APA to increasing operational, safety and compliance risks, higher emergency repair costs, unplanned outages and potential loss of operating capability at critical facilities. The preferred option consists of targeted replacement and upgrade projects including valve replacements, crane truck replacement, generator and ATS upgrades, shutdown valve upgrades, obsolete overpressure device replacements, compressor station footing remediation and the Ellengrove Reliability Project.

The preferred option is consistent with Rule 79(1)(a) because it reflects prudent and efficient expenditure required to proactively manage ageing assets and foreseeable reliability issues in accordance with good industry practice. The proposed expenditure also satisfies Rule 79(2)(c)(i) and (ii) because the projects are necessary to maintain pipeline safety, operational integrity, emergency response capability and compliance with AS 2885.3 and pipeline licence obligations.

The business case also demonstrates that proactive replacement provides the lowest sustainable lifecycle cost by reducing reactive maintenance, minimising outage risk and enabling efficient coordination of works across multiple sites.

More detail on this program is available in Business Case A6 – SIB Projects

Table 8: Forecast Capital expenditure – SIB Projects

Description	FY28	FY29	FY30	FY31	FY32	Total
Lytton Valve replacement DN300 & DN200	-	-	-	116	117	**233**
Replacement for Crane truck	-	289	-	-	-	**289**
Generator Upgrades	-	-	-	116	117	**233**
SDV at Condamine	-	-	116	-	-	**116**
Woodroy, Arubial & Scotia Actuators	-	-	58	58	58	**174**
Dalby CS control room footings	-	116	-	-	-	**116**
Ellengrove Reliability	-	-	-	2,327	-	**2,327**
Total	**0**	**404**	**174**	**2,618**	**292**	**3,488**

4.7 Corporate Capital Expenditure

As part of an entity with assets under management of over $20 billion RBP benefits from the economies of scale that arise from APA. Property, vehicle, regulatory, IT and services are provided for RBP at the Group level. Therefore, a portion of the capital expenditure undertaken at group level is allocated to the RBP. This expenditure is necessary for the RBP to maintain o maintain pipeline safety, operational integrity, emergency response capability and compliance with AS 2885.3 and pipeline licence obligations over the longer term.

Except for Group IT this forecast capital expenditure is being forecast based on expenditure incurred historically over the current or previous Access Arrangement period. For Group IT we have used the expenditure incurred in FY25. This is because in the years prior to FY25 there a few very large IT projects around finance, HR and Asset management that are not expected to be repeated in the forecast period.

Description	FY28	FY29	FY30	FY31	FY32	Total
Corporate	162	162	162	162	162	**808**
Group IT	661	661	661	661	661	**3,305**
Property Leases	213	213	213	213	213	**1,066**
Vehicle Leases	228	228	228	228	228	**1,142**
Access Arrangement	-	-	90	473	86	**650**
Total	**1,264**	**1,264**	**1,354**	**1,737**	**1,350**	**6,971**

5. New Asset Class – Pipeline Integrity

RBP proposes to retain all the existing asset classes. We also propose the addition of new asset class going forward.

We are proposing a new asset class for the capital expenditure associated with the pipeline integrity program associated with In Line Integrity assessment and Validation digs.

5.1 Definition of Asset Class

This Pipeline Integrity asset class has two types of projects that fit within the definition. Those are the projects for Inline Inspection (Pigging) and Validation Digs.

5.1.1 Inline Inspection

In-Line Inspection (ILI) is a method used to assess the condition of a pipeline by sending specialised instrumented tools, commonly known as “smart pigs”, through the inside of the pipeline while it remains in operation. These tools use non-destructive testing techniques to detect, measure and record defects such as corrosion, cracks, dents and other forms of damage along the length of the pipe.

5.1.2 Validation Digs

Validation digs are a planned integrity management activity in which selected locations identified by in-line inspection are excavated to verify the presence, size and characteristics of defects, confirm the accuracy of inspection data, and ensure that any features posing a risk to the pipeline are properly assessed and repaired.

5.2 Why it is capital expenditure

Under Australian Accounting Standards, particularly AASB 116 Property, Plant and Equipment, inline inspection (ILI) and validation digs are generally treated as capital expenditure because they do more than simply maintain an asset—they contribute to its ongoing service potential and ability to generate future economic benefits.

ILI and validation digs provide detailed, asset-specific information about the condition of a pipeline, such as corrosion, cracking, or other defects. This information is not merely confirmatory; it fundamentally improves the operator’s understanding of the asset’s condition. As a result, it allows reassessment of remaining useful life, optimisation of operating parameters, and targeted remediation. In accounting terms, this constitutes an enhancement of future economic benefits, which meets the capitalisation criteria in AASB 116.

Importantly, these activities are not routine maintenance. Routine maintenance is typically repetitive, low-value, and aimed at keeping an asset in its current condition. In contrast, inline inspections are periodic, high-cost programs that generate new technical insights and often trigger significant follow-on works. Validation digs, which physically expose and confirm defects identified during inspections, form an integral part of this broader integrity assessment process. Together, they represent a step-change in knowledge and condition assessment rather than simple upkeep.

AASB 116 also explicitly recognises that major inspection costs required for continued operation of an asset must be capitalised and depreciated over the period until the next inspection. Inline inspection programs align closely with this concept. For pipeline infrastructure, such inspections are often mandated or strongly driven by regulatory frameworks such as AS 2885, meaning they are essential to demonstrate that the asset remains fit for service. Without undertaking these inspections and associated digs, the operator may not be able to continue operating the asset. This strengthens the case that the expenditure is directly linked to preserving and enabling future economic benefits.

5.3 Economic Life of Asset Class

From a practical perspective, ILI and validation digs are typically recognised as a capitalised “major inspection” component of the pipeline asset. The costs are then depreciated over the inspection cycle, reflecting the period over which the benefits of the inspection (improved knowledge, extended life, reduced risk) are consumed.

The Australian Standard requires, at minimum, that ILI be undertaken every 10 years therefore we are proposing a standard asset life of 10 years for this asset class.

Table 9 Standard life of Asset Integrity Asset Class

Asset Class	Standard Regulatory Life	Standard Tax Life
Pipeline Integrity	10	10

6. Economic Lives of Pipelines, Compressors, Regulators and Meters

RBP is proposing to continue the policy of linking the new capital expenditure on an asset category to the remaining regulatory asset life of the main asset in the class for the following asset classes:

– Pipelines
– Compressors
– Regulators and Meters

This, consistent with the requirements of the National Gas Rules, that the depreciation schedules reflect the economic life of the asset. New capital expenditure on these asset classes delivers economic benefits and sustain the existing lifespan of the underlying major asset but they do not have independent lifespans beyond the life of that asset. So, the economic life of the new expenditure can be expected to the remaining life of the main asset.

For Regulators and Meters it is composite class, the assets that make up this asset class are from multiple sites across the RBP, rather than attempt to separate each site out and provide it with its own remaining economic life, which may not be practically possible, it is proposed to take the standard life of new capital expenditure regardless of site as the remaining asset life of the asset class.

Table 10: remaining and standard economic lives

	Remaining Regulatory Life	Standard Regulatory Life	Remaining Tax Life	Standard Tax Life
Pipelines	44.8	44.8	12.9	20.0
Compressors	20.8	20.8	8.6	20.0
Regulators and meters	14.9	14.9	10.9	14.9
Easements	n/a	n/a	n/a	n/a
Communications	5.0	15.0	15.0	10.0
Capitalised AA costs	4.3	5.0	5.0	5.0
Group IT	4.1	5.0	4.1	5.0
SIB Capex	4.0	5.0	3.9	5.0
Pipeline Integrity	10.0	10.0	10.0	10.0
In-house software	0.0	5.0	0.0	5.0

6.1 Analysis of Shortening Asset lives to end 30 June 2050

As part of our stakeholder engagement, a stakeholder raised the question of what would happen if RBP were to shorten the expected asset life of the RBP assets.

The National Gas Rules require that RBP depreciate its assets over their economic life. There is uncertainty over the exact duration of the economic life of RBP, but it is highly unlikely to be prior to 2040.

To provide a better understanding of the impacts of a reduction in economic lives we undertook a modelling exercise across three scenarios out to FY 2072[2].

The three scenarios are:

[2] when the current pipeline asset class is expected to be fully depreciated.

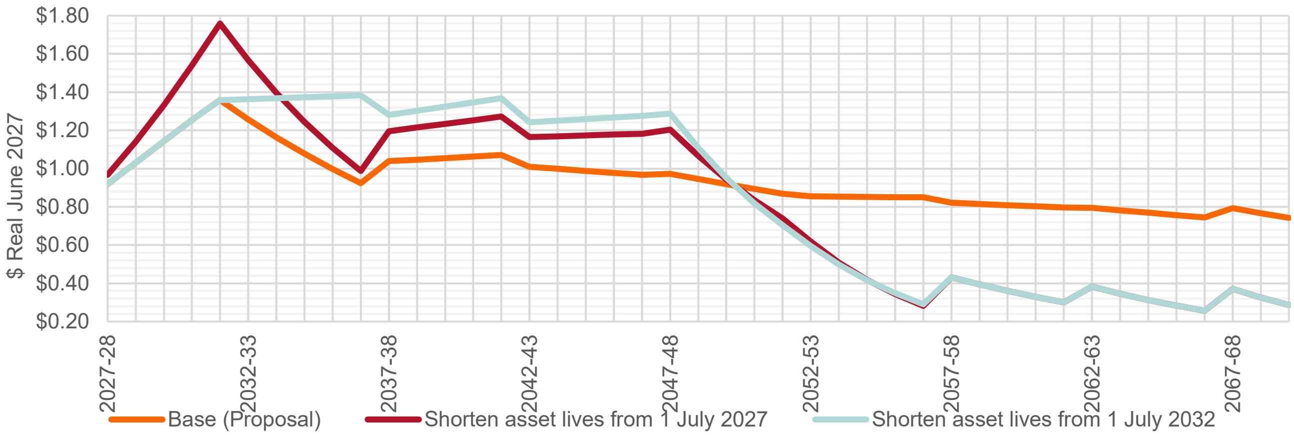
1. The current proposed economic lives in the Access Arrangement Proposal
2. A reduction so that all asset classes are fully depreciated by 30 June 2050
3. A delay in the reduction of the economic lives until after the next Access Arrangement period (reduction commencing 1 July 2033).

The modelling was undertaken by linking the AER's PTRM and RFM models for each 5 year period out to FY2072.

To undertake a modelling exercise that far into the future, a number of simplifying assumptions were made:

- All inputs, with the exception of capital expenditure, ECM and Volumes, are the same as the APA proposal for the entire period.
- Forecast volumes out to FY2072 are the same as forecast for FY 2032 in the forecast Access Arrangement period.
- ECM is assumed to be $0 in periods beyond 30 June 2032.
- Capital expenditure is assumed to be the same as for the forecast 2027–32 period but the DN250 Supply Security and Gowrie Creek projects have been omitted.

The results are presented graphically below



Key observations from the modelling:

- Reducing the asset life in the current period combines increasing revenue and reducing volumes which means there is a significant increase in tariffs in the 2027-32 period (on average 20c higher).
- The long term cost of delaying the reduction in asset lives is smaller per annum at 8.7c on average.
- The cost of continuing to operate the RBP beyond 2050 under the current economic life compared to if the assets are fully depreciated is 41c per annum.

Glossary

Term	Meaning
2022–27	The current Access Arrangement period beginning 1 July 2022 and ending on 30 June 2027
2027–32	The Access Arrangement period beginning 1 July 2027 and ending on 30 June 2032
AC	Alternating current
AER	Australian Energy Regulator
CESS	Capital Expenditure Sharing Scheme
Draft Overview	This document that presents an overview of the 2027–33 RBP Access Arrangement Proposal
GJ	Gigajoules
GJ/day	Gigajoules per day
GPG	Gas powered generation
IT	Information technology
Km	Kilometres
M	Millions of dollars
MDQ	Maximum daily quantity
NGL	National Gas Law
NGR	National Gas Rules
OT	Operating technology
PJ	Petajoule
RBP	Roma Brisbane Pipeline
SOCI Act	Security of Critical Infrastructure Act
TJ	Terajoule