APA
Australia's energy infrastructure partner

a

Overview of the draft 2027–32 Access Arrangement

Roma Brisbane Pipeline

17 April 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

About this document 2
Executive summary 3
About the Roma Brisbane Pipeline 4
Key facts and figures 5
RBP customers and consumption 6
Key highlights for 2022 to 2027 period 7
Capital expenditure 7
Operating expenditure 7
Pipeline usage 7
Our engagement for the 2027–32 draft Access Arrangement 8
Our engagement approach 8
Assessment of our engagement program 8
Engagement to date 8
What we heard and how we have responded 10
Our proposed revenue requirement 13
Plan on a page 15
Demand forecasts 16
Expenditure in detail 18
Capital expenditure 18
Operating expenditure 20
Pricing 22
Price smoothing 22
Other matters 23
Queueing arrangements 23
Reference service 24
Cost pass throughs 25
Efficiency carryover mechanism 25
Risks and benefits of our draft Access Arrangement 26
Benefits to customers 26
Risks to customers 26
Glossary 27

About this document

APA has prepared this overview of the draft Access Arrangement (**Draft Overview**) for the 1 July 2027 to 30 June 2032 (**2027–32**) regulatory period to solicit stakeholder feedback ahead of submitting the Access Arrangement to the Australian Energy Regulator (**AER**) in July this year.

All dollars reported are Real 30 June 2027 unless otherwise stated. Totals may not add due to rounding.

We welcome customers and stakeholders' views on this Draft Overview.

Please share any feedback with us by emailing yoursay@apa.com.au by 5pm 5 June 2026.

Executive summary

We have prepared this Draft Overview to support stakeholder engagement on the proposed 2027–32 Access Arrangement for the Roma Brisbane Pipeline (RBP) ahead of submission to the Australian Energy Regulator (AER) in mid-2026. The Draft Overview outlines APA's proposed revenue requirement, expenditure program, pricing approach and access terms for the period 1 July 2027 to 30 June 2032 and explains how stakeholder feedback has informed the proposal.

The RBP, located in southern Queensland, transports gas to industrial customers, households and small businesses via distribution networks, and the increasingly important gas powered generation (GPG) sector. While utilisation has been lower than expected in the current period, we expect the RBP to play a growing role in Queensland's energy transition as GPG demand increases over the next decade.

We have undertaken a fit-for-purpose stakeholder engagement program involving several stakeholders across formal meetings, surveys and workshops. Stakeholders identified reliability, affordability, and managing long-term customer risk as key priorities. In response, APA has:

- refined its expenditure focus on safety and integrity
- assessed alternative asset life scenarios
- proposed targeted reforms to queuing arrangements, and
- sought to balance tariff outcomes in light of a higher revenue requirement and lower forecast demand.

The Draft Overview includes the following key elements:

- **Forecast smoothed revenue of $349.4 million** for 2027–32, a **27% increase** on the current period, driven mainly by higher interest rates, inflation and increased investment required to safely operate an ageing pipeline.
- **Higher capital expenditure** focused on replacement and stay in business activities, including pipeline integrity programs, environmental remediation, asset upgrades and transition to the DN400 pipeline. Proposed capital expenditure for 2027–32 is forecast to be **$24.6 million higher** than 2022–27, reflecting the inclusion of **$23.1 million** in validation and safety dig ups, **$10 million** for Gowrie Creek rectification works as well as increases in labour and contractor rates.
- **A proposed new asset class**, 'Integrity inspections', with a 10-year standard asset life, to reflect the cyclical nature of the ten-yearly in-line inspection program commencing from 1 July 2027.
- **Operating expenditure that remains broadly consistent with recent actuals**, with higher costs relative to the current allowance largely reflecting labour, IT, regulatory compliance and government fees. Operating expenditure has been forecast using the AER's preferred Base, Trend, Step methodology, with no step changes or category-specific forecasts applied.
- **Conservative demand forecasts**, with overall demand remaining below historical levels but increasing utilisation expected later in the period due to new and expanded GPG.
- **Proposed refinements to queuing arrangements** to ensure the RBP can efficiently manage congestion, facilitate new connections, and ensure prospective users are not unfairly disadvantaged.
- **Continuation of the seven cost pass-through events** included in the 2022–27 Access Arrangement, with minor drafting changes to align with recent AER decisions and ensure consistent terminology.
- The combination of a higher revenue requirement and lower forecast demand places **upward pressure on tariffs**. To address this upward pressure, APA proposes a price-smoothing approach under the Price Cap mechanism, phasing in real price increases over time to avoid a sharp first-year impact.

We welcome feedback from customers and stakeholders on this Draft Overview to help finalise the 2027–32 Access Arrangement proposal for submission to the AER.

About the Roma Brisbane Pipeline

APA owns and operates the Roma Brisbane Pipeline (**RBP**) through APT Petroleum Pipelines Pty Limited. 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:

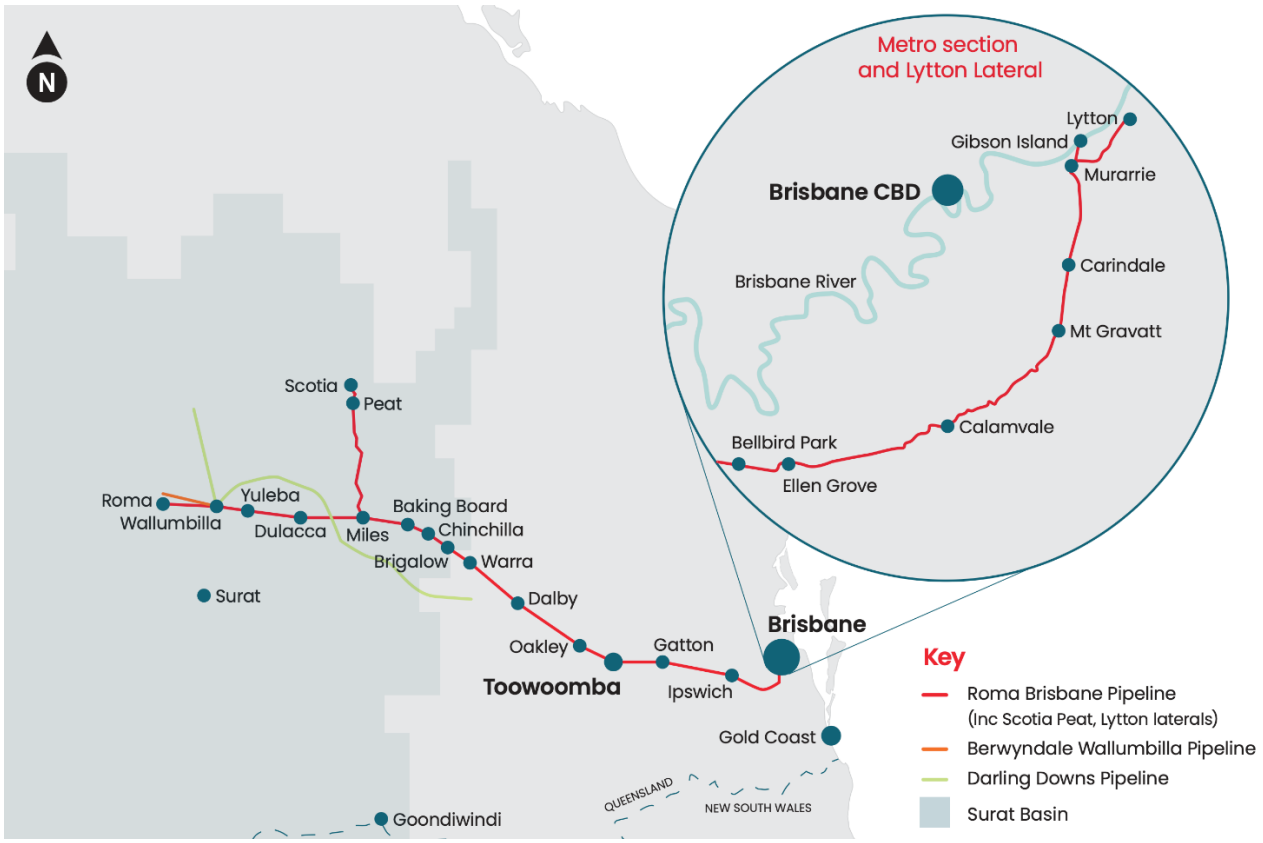
- Peat and Scotia laterals, built in 2001 and 2003 respectively and totalling 145 km in length, connecting the RBP to coal seam methane gas sources near Peat and Scotia
- Swanbank Lateral, 8 km in length and built in 2001, feeding into the Swanbank Power Station, and
- Lytton Lateral, 6 km in length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

RBP flows by pipeline section

Flows west from Wallumbilla

Between Wallumbilla and Brisbane
the RBP is bi-directional

Brisbane
section of the pipeline is one directional

40% of flows
are transported west from the Wallumbilla Gas Hub for export or to the East Coast gas market

10% of flows
are consumed by connected customers upstream of Brisbane, of which almost ¾ is for

50% of flows
are into Brisbane, but largely for gas powered generation and industrial use

RBP customers and consumption

4
customers have contracted Firm MDQ to deliver gas to Wallumbilla

40%
of RBP gas flows

5
GPG sites who use the RBP to generate power

20%
of RBP gas flows

3
Directly contracted industrial customers

5%
of RBP gas flows

5
Shippers
retailers who supply gas to customers (either directly or through distribution networks)

35%
of RBP gas flows

Estimated 'end-use' customers

served by the distribution networks that connect with the RBP

~30
industrial customers

~30%
of RBP gas flows

~200,000
residential & small business customers

~5%
of RBP gas flows

Key highlights for 2022 to 2027 period

Capital expenditure

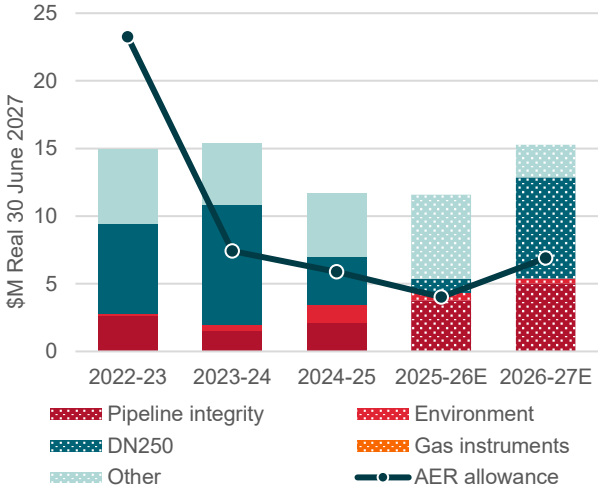
RBP is expecting to spend $21.4 million (45%) more than the AER allowance of $47.5 million for the period. This is due to:

Delays in securing approvals, greater complexity and larger than expected increases in labour and material costs to complete the transition of customers from the DN250 to DN400 pipeline.

Unexpected urgent repairs to reinforce Gowrie Creek crossing after flooding caused significant erosion, exposing the pipe.

For more detail on actual capital expenditure, see the 'Our expenditure in detail' section.

Actual and estimated capital expenditure ($M Real 30 June 2027)



Operating expenditure

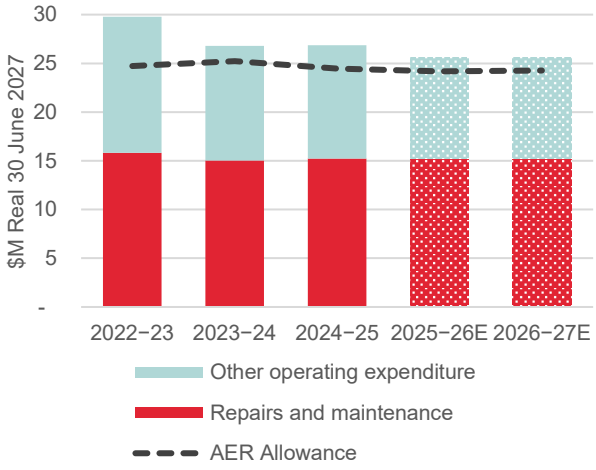
Operating expenditure is expected to be $11.7 million higher than the AER allowance of $122.9 million over the period as a result of:

Higher than anticipated IT costs for cloud-based services and SOCI obligations.

Higher direct and corporate labour costs related to contract labour and corporate activities, primarily related to SOCI requirements, and IT upgrades.

An unexpected increase in the Queensland Government's Annual Fee from 2024–25.

Actual and estimated operating expenditure ($M Real 30 June 2027)



Pipeline usage

Several structural and behavioural changes have reduced gas demand and overall utilisation below expectation in the current period – namely uncertainty surrounding the energy transition has led to a decline in long-term capacity reservations and an increased use of shorter-term contracting (day ahead or month ahead) as customers seek greater flexibility to manage cost risks coupled with industrial closures, including the Gibson Island facility.

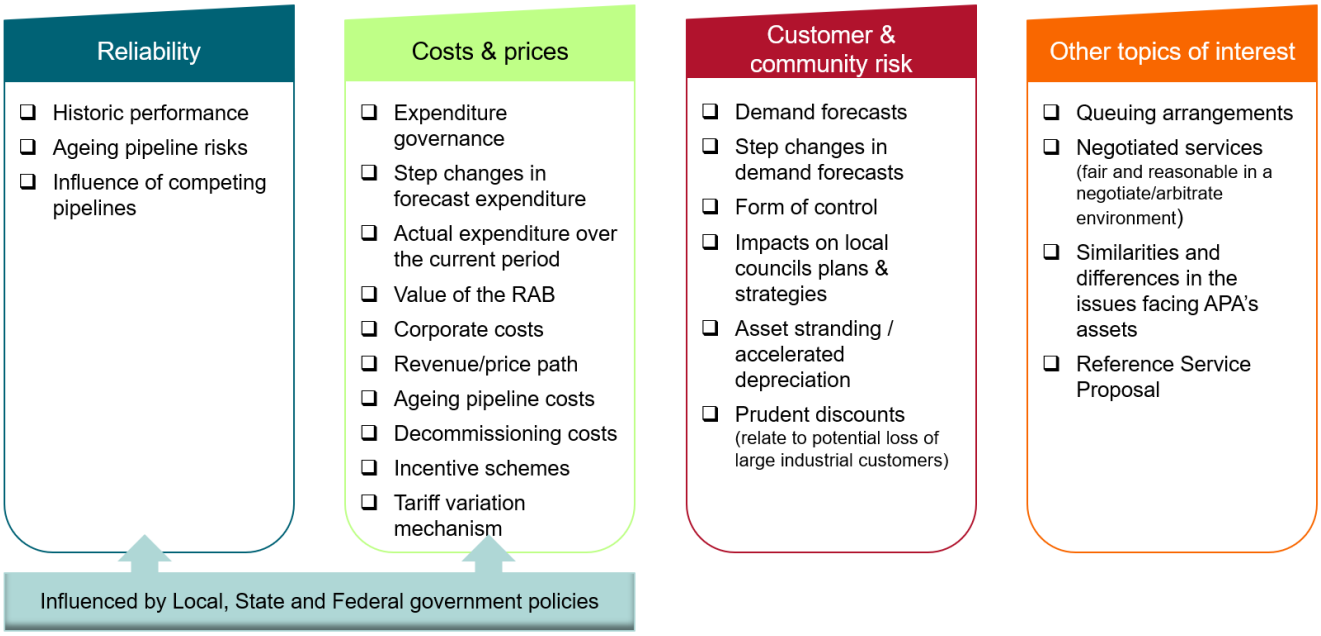
This trend is expected to reverse over the next decade as the role of GPG increases, beginning with CS Energy's Brigalow Peaking Power Plant, that is due to be operational in 2028. The planned Swanbank and Gatton GPG units will also use the RBP for their gas supply.

Our engagement for the 2027–32 draft Access Arrangement

Our engagement approach

To ensure our engagement program meets the priorities of our stakeholders, we invited over 60 individual stakeholders from more than 40 different organisations to participate in a Co-creation workshop in April 2025. Stakeholders' priorities were grouped into themes and topics and combined with the requirements of the AER's 'Better Resets Handbook to form a checklist for the engagement program.

Stakeholder priorities for the 2027–32 Access Arrangement



Representatives from 15 organisations expressed an interest in participating in regular engagement sessions to develop and shape the Access Arrangement. In line with the group's desires, our approach to engagement remained flexible, meaning the engagement plan and topics did alter to ensure areas of interest and all actions raised were responded to.

Assessment of our engagement program

The stakeholder group agreed that completing a detailed survey aligned with the requirements of the AER's Better Resets Handbook, was preferable to writing a stakeholder report. The survey has been released to the stakeholder group with this Draft Overview and a summary of the results will be included in our Access Arrangement proposal when it is submitted to the AER in June.

To ensure the survey results and the associated summary report are sufficiently comprehensive and robust:

- The survey questions were agreed with the group and comment boxes included to capture qualitative insights
- A meeting will be held after the survey closes to provide stakeholders the opportunity to share any additional explanations or commentary and for APA to gather additional qualitative data and context to inform a summary write-up of the stakeholder survey results, and
- APA's summary of the stakeholder survey results will be shared with the group for comments and feedback before being included in the documents lodged with the AER as part of the Access Arrangement proposal.

Engagement to date

To date we have held five stakeholder meetings with this group and will reconnect to gather and share feedback on this Draft Overview and again in the future, following the release of the AER's Draft Decision. A timeline of the engagement interactions to date follows.

Timeline of stakeholder interactions

You can read more about our engagement program in the Draft Engagement Summary Report that accompanies this Draft Overview.

30 April 2025	Co-creation workshop	– Overview of the RBP – Identification of core issues and priorities – Agree evaluation and feedback loops
15 May 2025	Shared output from the co-creation workshop and a draft engagement plan	
4 June 2025	Stakeholder meeting 1	– Confirm engagement approach and plan – Overview of the regulatory framework, government policy context and operating context for the RBP – Understand whether changes are needed to the current reference services – Performance of RBP over the current period and future challenges and opportunities
20 June 2025	Shared draft Reference Service Proposal for comments and feedback	
12 August 2025	Stakeholder meeting 2	– Expenditure governance – The risks and costs of an ageing pipeline and the impact of other nearby pipelines – Introduction to Access Arrangement terms and conditions – Overview of the building block approach and form of control
25 November 2025	Stakeholder meeting 3	– Explain the efficiency carryover mechanism – Outline stay-in-business capital expenditure programs – Future of the DN250 pipeline – Appetite to shorten asset lives – Appetite to reform the current queuing arrangements – Stakeholder survey questions and approach
10 February 2026	Stakeholder meeting 4	– Demand outlook and the impact on local government plans and strategies in light of the Queensland Energy Roadmap & Brigalow GPG – First look at operating expenditure and the output from the efficiency carryover mechanism – First look at capital expenditure, a proposed new ‘Pipeline Integrity’ asset class and why a Capital Expenditure Sharing Scheme should not apply to the RBP – Indicative revenue requirement and RAB and how different asset lives would impact revenue – Feedback on initial queuing arrangement changes
31 March 2026	Stakeholder meeting 5	– Corporate costs – Capital expenditure overspends and the impact of a potential Capital Expenditure Sharing Scheme – Updates to expenditure, the RAB, revenue requirement and APA’s view of RBP’s economic life – Demand forecasts, the preferred price path, prudent discounts, the tariff variation mechanism & rebateable services – Proposed changes to queueing arrangements – Review of the stakeholder survey questions

What we heard and how we have responded

The table below is a summary of the key themes and topics raised by stakeholders. A more fulsome description of these queries and our responses can be found in the Draft Engagement Summary Report that accompanies this Draft Overview.

Priority	What we heard	How we have responded
Reliability	Stakeholders wanted to know whether: – There are any other sections of pipeline using the same, now failing, pipeline coating as the DN250 – RBP programs face deliverability and price risk given competing infrastructure projects taking place in Queensland for the Olympics – The RBP experiences competition from other nearby pipelines	We explained: – There is 50km of DN300 pipeline in operation in Brisbane with the same type of coating. – Cost pressures are an issue, but our monthly governance process ensures continued prudence and project reprioritisation. – Producers in the Surat Basin can use the Darling Downs Pipeline as an alternative to the RBP, but we are the only pipeline that takes gas into Brisbane
Affordability	**Expenditure governance** Stakeholders wanted to understand expenditure governance across APA and how RBP's actual expenditure for projects compares to budget.	We confirmed our expenditure governance processes are APA wide, with gateway teams established for each asset. We are in the process of extracting budget to actual data for projects completed in this period and will share it with the stakeholder group in the next few weeks.
	Capital expenditure overspends Stakeholders wanted to understand why RBP tends to overspend its AER allowance, whether forecasting accuracy is an issue and what the implications of applying the CESS to RBP would be.	We explained that our forecasts are conservative and contain no contingency for unexpected events. Much of our costs are driven by modelled rates of corrosion and an assumed number of digs with a base level of defects and features. Unlike above ground assets, there is always variability in the degree and extent of damage that cannot be fully determined until the pipeline is excavated. Applying the CESS would lower the average annual reference service price for 2027–32 by two cents, but this would only immediately flow through to the two contracts on the reference service price. The CESS itself would have minimal impact on the negotiated prices because these are point in time negotiations.
	Capital expenditure uncertainty Stakeholders wanted to understand how RBP handles unexpected events, for example if new instability were to emerge on the Toowoomba Range over the 2027–32 period.	We explained that contingent projects are not available under the gas framework. If instability were to emerge on the Range in the 2027–32 period, we will either conduct repairs and the expenditure will be subject to an ex-post review by the AER at the next reset period or, if the project can be deferred, the costs will form part of the expenditure discussions for the next (2032–37) reset.

Priority	What we heard	How we have responded
Affordability continued	**Corporate costs** Other than clarifying whether the corporate cost allocation methodology has been approved by the AER and whether the AER will assess the prudency and efficiency of RBP's share of the IT program, stakeholders raised no concerns with the proposed forecast of corporate costs.	We confirmed the cost allocation methodology is approved by the AER and the AER will assess the prudency and efficiency of all RBPs corporate costs. Our forecast corporate costs are expected to be significantly lower than in the 2022–27 period.
	Operating expenditure Other than wanting to understand the selection of the base year and to what extent natural disasters are covered by insurance, stakeholders raised no concerns with our operating expenditure forecast.	We explained we have adopted 2024–25 as the base year as this is the most recent audited data available at the time our proposal will be lodged with the AER in June 2026 and confirmed the RBP is covered under APA Group insurance, no specific exclusions pertain and the standard $2.5 million excess applies.
	Price path Stakeholders generally preferred continuous price increases and the avoidance of a large first-year price shock.	We have targeted the same price rise in cents to avoid a price shock in any year.
Customer & community risk	**Redundant assets** Stakeholders queried whether there are any stranded or redundant assets in the Regulated Asset Base.	We confirmed that there are no stranded or redundant assets in the Regulated Asset Base
	Shortening asset lives Stakeholders thought there may be an argument to shorten some asset lives to account for the expected decline in gas demand, though they also appreciated that any material change would be difficult given there is no explicit Queensland government policy on phasing out gas.	We agree there is uncertainty about RBP's lifetime, but we are confident gas will continue to have a role well beyond 2050. As a result, we do not see an urgency to shorten asset lives in the current Access Arrangement, especially given it would further increase the proposed reference service price by 10 cents on average per annum.
	New asset class Other than clarifying the treatment of historical integrity inspection costs and asking whether regulators had approved this sort of asset class for other assets, stakeholders raised no issues or concerns with the creation of a new 'Integrity inspections' asset class.	We explained the intent of the new asset class is to correct the treatment of costs going forward, rather than attempt to unwind historical decisions and responds to stakeholders' concerns regarding accelerating depreciation and that the asset class has been approved by two regulators for two different APA assets.
	Demand Other than wanting to understand how forecast utilisation and peak demand compares to historic utilisation and peak demand and how the 'Queensland Energy Roadmap' and the latest Australian Energy Market Operator's 2026 'Gas Statement of Opportunities' have been considered, stakeholders raised no concerns with our demand forecasting approach or outcome.	We shared how demand and utilisation in the current period have fallen short of expectations due to industrial closures and uncertainty surrounding the energy transition increasing the use of shorter-term use (day-ahead or month ahead). In forecasting demand for 2027–32 we have undertaken a bottom-up build for each customer segment and considered the Queensland Energy Roadmap and the 2026 'Gas Statement of Opportunities'.

Priority	What we heard	How we have responded
Other topics of interest	**Queueing policy** Stakeholders supported adjustments to the queueing arrangements after we shared shortfalls in the current process. After we presented our proposed changes, other than clarifying whether customers should pay to be in the queue, to avoid locking up capacity and asking whether Developable Capacity had ever been used in practice, stakeholders raised no concerns with the proposed changes. It was thought that RBP's customers are best placed to comment on these proposed changes.	We have proposed alterations to ensure we can efficiently manage congestion, facilitate new connections, and that prospective users are not unfairly disadvantaged. Whilst some RBP customers are part of our stakeholder group, we are keen to hear what other RBP customers and prospective users think of these changes before we submit out Access Arrangement proposal to the AER in June. We are sharing the Draft Overview documents with all RBP customers and request they contact us to discuss the implications of the proposed changes. So far, an additional 1:1 session has occurred with a customer by request.
	Reference service Proposal Stakeholders raised no concerns regarding the proposal to revert to just one reference service – long term firm transportation for the 2027–32 period.	We will adjust the 2027–32 Access Arrangement to refer to just one reference service – long term firm transportation.
	Negotiated services A stakeholder was keen to understand whether customers have found the process of asking for other pipeline services, and the prices offered, satisfactory. Given Negotiated services was listed as a stakeholder priority, we specifically asked what other information stakeholders were after in relation to this topic later in the engagement program, but no other issues or concerns were raised.	A customer responded that from their perspective, the firm service meets their business' need and, whilst they don't tend to utilise most other services, 'In-pipe trade' had proven helpful and useful.

Our proposed revenue requirement

The total smoothed proposed revenue for 2027–32 of $346.7 million is $71.9 million (26%) higher than the allowed revenue of $275.3 million in the current regulatory period.

Total draft revenue requirement for the five-year period 2027–32

$192.1M

Return on capital

RBP has used the AER's Rate of Return Instrument 2022 to calculate the Rate of Return. Based on the available data, the estimated nominal Weighted Average Cost of Capital for the financial year 2027–28 is 6.30%.

$14.4M

Regulatory depreciation

Regulatory depreciation (return of capital) recovers a share of the outstanding cost of previous investments that RBP has made to ensure ongoing reliable operation.

$138.9M

Operating expenditure

RBP's operating activities are focused on delivering safety, security and reliability for the pipeline. We have adopted the AER's preferred method for forecasting operating expenditure the 'Base, Trend, Step' method.

$0.8M

Revenue adjustments

Revenue adjustments account for penalties and rewards earned though the efficiency carryover mechanism.

$ –

Net tax allowance

Taxation is calculated based of forecast revenue, operating expenditure tax depreciation and tax rates.

$3.7M

Revenue smoothing

Adjustment to smooth prices within the period and reduce price volatility in the following regulatory period.

$349.4M

Smoothed maximum allowed revenue (2027–32)

The forecast of the revenue expected to be earned by RBP for the period.

Key drivers of the revenue increase for the 2027–32 period compared to the 2022–27 period include:

Return on capital

$45.7M

driven predominantly by higher interest rates and inflation

Capital expenditure

$24.6M

additional capital expenditure than proposed in the previous period

Operating expenditure

$14.4M

driven by a prudent and efficient operating cost forecast

Efficiency carryover mechanism

$9.0M

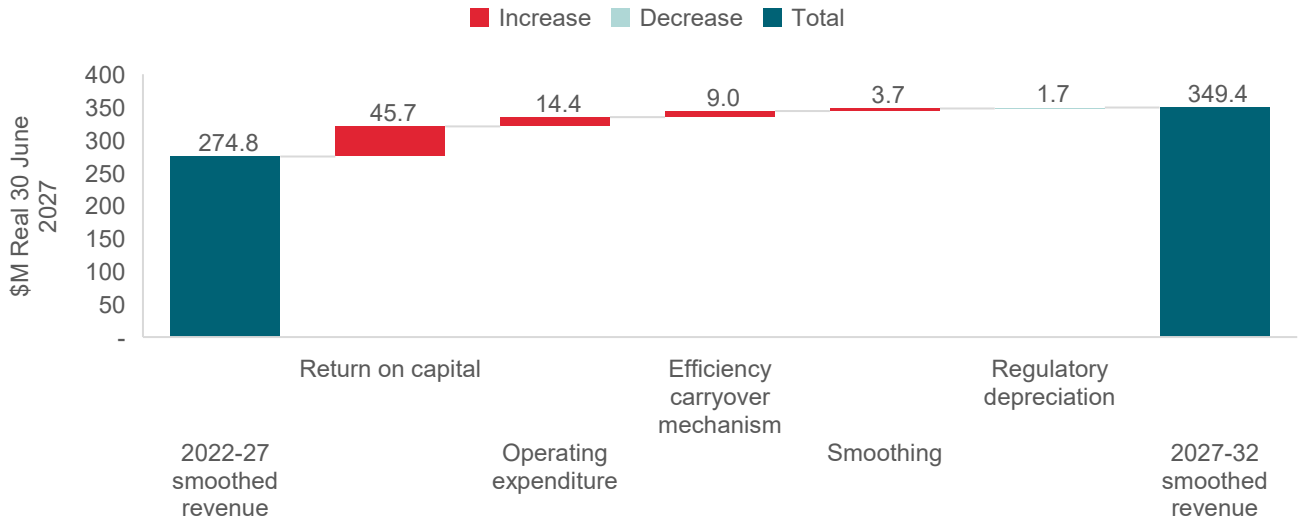
a negligible penalty compared to last period's penalty

Regulatory depreciation

$1.7M

Mainly driven by higher inflation rates than last period

Drivers of change in revenue between 2022–27 and 2027–32



Impacts of our draft Access Arrangement

$69.9M

Average annual smoothed revenue for 2027–32

$0.90/GJ/MDQ

Indicative 2027–28 reference service tariff in real dollars

9.8%

Average real per annum increase in reference service prices from the 2026–27 price

~1.2%

Estimated portion of RBP price in an average Queensland residential customer's bill[1]

[1] Based on an average consumption of 7,238MJ/year and an average bill of $693 and $710 in the AGN and AllGas areas respectively from the AER's Annual Retail Markets Report 2023-24. We are unable to provide an estimated bill percentage for C&I customers or shippers.

Plan on a page

Our 2027–32 Access Arrangement plan on a page summarises how we propose to deliver on the priority issues highlighted by stakeholders.

Pipeline integrity

$47.6M

To continue maintaining the pipeline at the desired electrical potential to prevent corrosion we plan to spend $13.1 million replacing depleted anode beds, replacing transformer-rectifier units that have reached end of life, installing new cathodic protection systems where protection is inadequate and continuing the ongoing management of Alternating Current (**AC**) interference and cathodic protection monitoring.

We will spend of $13.1 million undertaking 40 Safety digs (15 complex and 25 standard), $10.0 million for 30 validation digs (12 complex and 18 standard), $5.9 million on the 10 yearly In-line inspection of pipeline sections to ensure the pipe is clean, free from obstruction and to assess the wall thickness measurement, $2.1 million upgrading pig launcher/receivers at four locations to improve safety and operability, $2.8 million on an aerial survey of the entire pipeline length to identify any leakages and $0.6 million on licences for our pipeline integrity management tool.

Environment

$10.2M

We will address the loss of cover and erosion caused by flooding at Gowrie Creek crossing to maintain the stability of the pipeline and address the current environmental threats before they escalate.

DN250

$16.0M

We plan to spend $6.8 million suspending the remaining sections of the DN250 and decommissioning the above ground facilities of the six legacy compressors, $7.7 million replacing the DN250 supply path with the DN400 pipeline, enabling safe suspension of the DN250 from Riverview to Bellbird Park and $1.4 million assessing and mitigating AC-induced corrosion risks along the DN250 pipeline between Oakey and Bellbird Park.

Gas instruments

$3.8M

We will spend $2.0 million to continue the progressive upgrade of flow computers and Remote Telemetry Units at 25 of the approximately 105 sites on the RBP to ensure sustained SCADA communication, reliable metering, and safe pipeline control operations, $1.4 million replacing four gas chromatographs and two moisture analysers that are no longer supported by the manufacturer and $0.4 million replacing ageing turbine meters to lower lifecycle costs and improve measurement certainty.

Site equipment and upgrades

$2.3M

We will spend $1.1 million on earthing upgrades to ensure electrical installations comply with relevant Australian Standards and legislation and $1.1 million painting above ground stations to improve their coating and corrosion protection.

Other minor programs

$6.3M

We plan to spend $2.3 million to improve Ellengrove reliability, replace $3.3 million of other assets in line with statutory requirements and $0.7 million for the ad-hoc replacement of other pipeline components that do not fall into the categories above, such as minor valve upgrades, when they fail or become obsolete, and the replacement of tools and equipment.

Demand forecasts

Key data for RBP's forecast 2027–32 demand

2–3

more customers than in the 2022–27 period

167 TJ/d

eastern haul capacity – unchanged from the current period

125 TJ/d

western haul capacity – unchanged from the current period

194

maximum demand MDQ (TJ)– expected from 2030–31

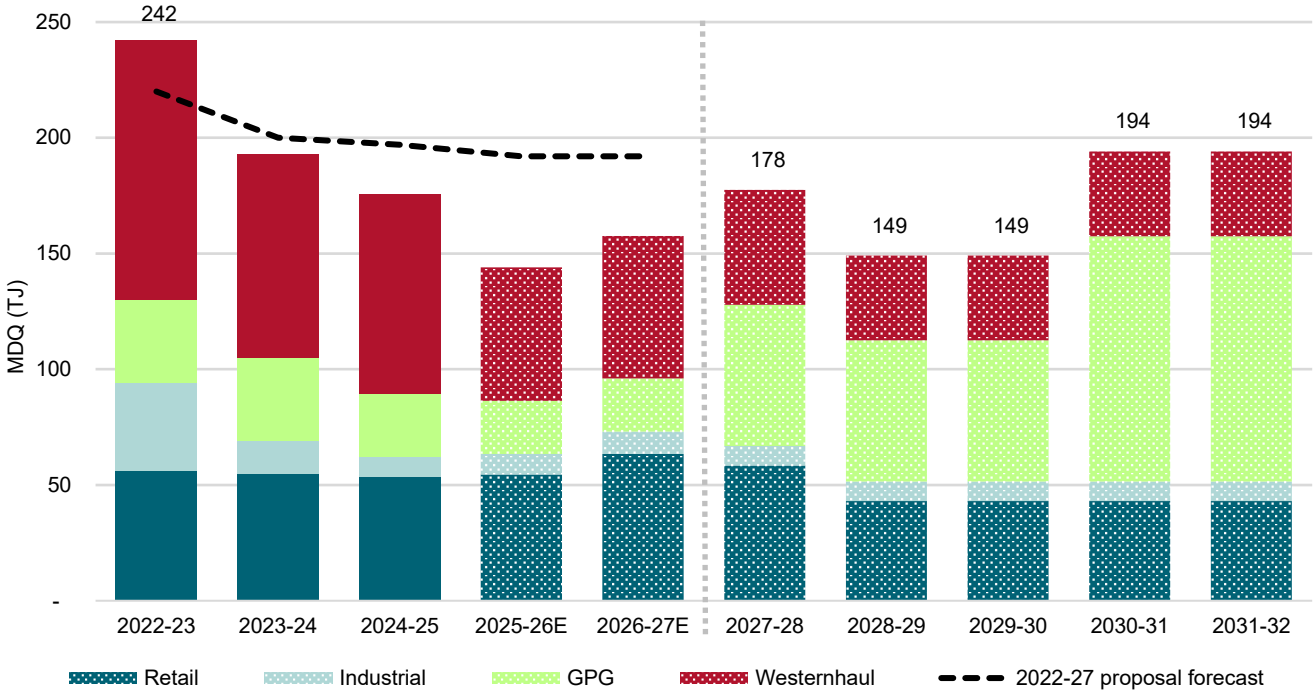
The RBP is not currently fully contracted and utilisation over the 2022–27 period has been lower than expected, particularly western haul. This is mostly attributed to government policy and regulatory uncertainty that is seeing customers manage their exposure to cost risk through a greater reliance on shorter-term contracting (within day, day ahead or month ahead) over long-term capacity reservation.

In forecasting demand for 2027–32 we have considered the Queensland Energy Roadmap and the Australian Energy Market Operator's 2026 'Gas Statement of Opportunities' in conjunction with a bottom-up build for each customer segment on the RBP:

- **Eastbound – Retail shipper segment** – Shippers (including users of the day-ahead auction) historical daily usage over the last five years and the extent to which their MDQ was utilised was reviewed to determine their likely recontracted capacity. It is assumed that shippers will recontract closer to their average use given they have alternatives, such as trading, the day-ahead auction and shorter-term services, to meet their peak demand. This results in a stable MDQ forecast through 2027–32, though with a step-down from 2022–27 demand.
- **Eastbound – Industrial segment** – Each large industrial customer was individually reviewed and their actual usage versus their current contracted MDQ was assessed to determine the likelihood of them recontracting and at what level. This results in a relatively stable MDQ forecast through 2027–32, with only a minor step-down from 2022–27 demand.
- **Westbound services** – Western haul demand has a history of volatility, so only recent underlying long-term demand has been assumed in the forecast. This results in a reduced, though flat MDQ profile when compared to 2022–27.
- **Eastbound – GPG** – Existing GPG contracts were individually assessed and one new GPG project was included from its earliest feasible start date, along with one to two additional GPGs connecting in the last two years of the forecast period. This segment carries the greatest demand uncertainty, but our approach aligns with the increase in expected GPG demand in Queensland over the next decade supported by both the Queensland Energy Roadmap and the latest 'Gas Statement of Opportunities'.

Other than confirming that the latest 'Gas Statement of Opportunities' has been considered in the forecasts, our stakeholder group raised no concerns with our forecasting approach or the proposed demand profile.

Actual and forecast RBP demand by customer segment for 2027–32

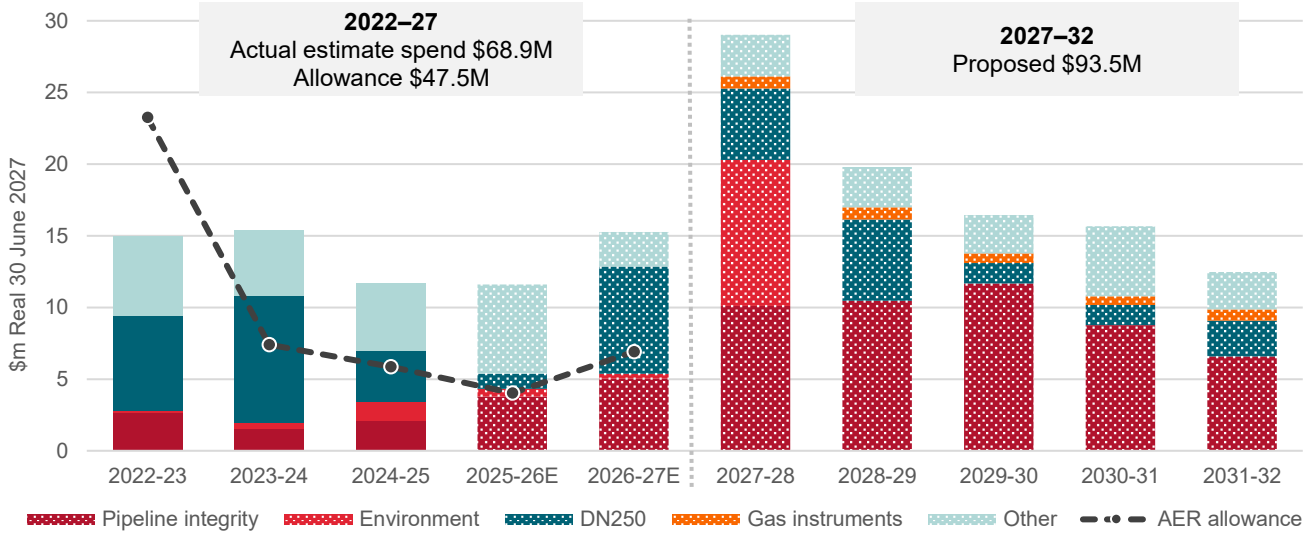


Expenditure in detail

Capital expenditure

Proposed capital expenditure for the 2027–32 Access Arrangement period is expected to be $24.6 million higher than the 2022–27 period. This is mainly due to pipeline integrity costs, with the volume of dig ups increasing as the cyclical Inline Inspection program focuses on the older metro section of the pipeline, as well as the Gowrie Creek repair project and increases in forecast labour and contractor rates.

Comparison of capital expenditure between the 2022–27 and 2027–32 access periods



New asset class

We are proposing a new asset class, 'Integrity inspections', with a 10-year standard life to capture costs driven by the cyclical 10 yearly In-line inspection program beginning from 1 July 2027. The 'Integrity inspections' asset class will capture costs related to In-line inspections, the associated validation digs and RBP's share of the costs related to the Pipeline Integrity Management tool, that captures and records the inspection results.

Historically these costs have been captured in the 'Pipelines' asset class which has a 45-year standard and tax life. For simplicity, we are not proposing to extract the historical costs for these programs from the 'Pipelines' asset class.

We believe this approach more closely aligns cost recovery with the actual asset life as the latest In-line inspection results supersede the previous results. It also aligns with APA's treatment for the Victorian Transmission System and the Goldfields Gas Pipeline. Importantly, it aligns with stakeholders' concerns regarding the longevity of the pipeline and whether shorter asset lives should be considered.

Other than clarifying why historical integrity inspection related costs were not being extracted or written off from the 'Pipelines' asset class and confirming this sort of asset class had been approved by regulators for other assets, stakeholders raised no issues or concerns with the new asset class.

The annual increase in revenue from creating this new asset class is $0.5 million.

Capital expenditure by asset class

A breakdown of the proposed capital expenditure program by asset class is shown below.

Capital expenditure by asset class

$M Real 30 June 2027	2027–28	2028–29	2029–30	2030–31	2031–32	Total
Pipelines	21.1	13.7	10.6	10.6	8.7	**64.6**
Compressors	0.2	0.3	0.2	0.2	0.2	**1.2**
Regulators and meters	0.8	0.8	0.7	0.6	0.8	**3.8**
Easements	-	-	-	-	-	**-**
Communications	-	-	-	-	-	**-**
Capitalised AA costs	-	-	-	-	-	**-**
Group IT	0.6	0.6	0.6	0.6	0.6	**2.9**
SIB capex	1.6	1.9	1.9	1.7	1.7	**8.8**
Integrity inspections	4.8	2.5	2.5	1.9	0.5	**12.2**
Total	**24.3**	**17.3**	**14.0**	**13.8**	**12.0**	**93.5**

Given there is no forecast expansion expenditure planned for the next period, all capital costs relate either to replacement or non-network expenditure.

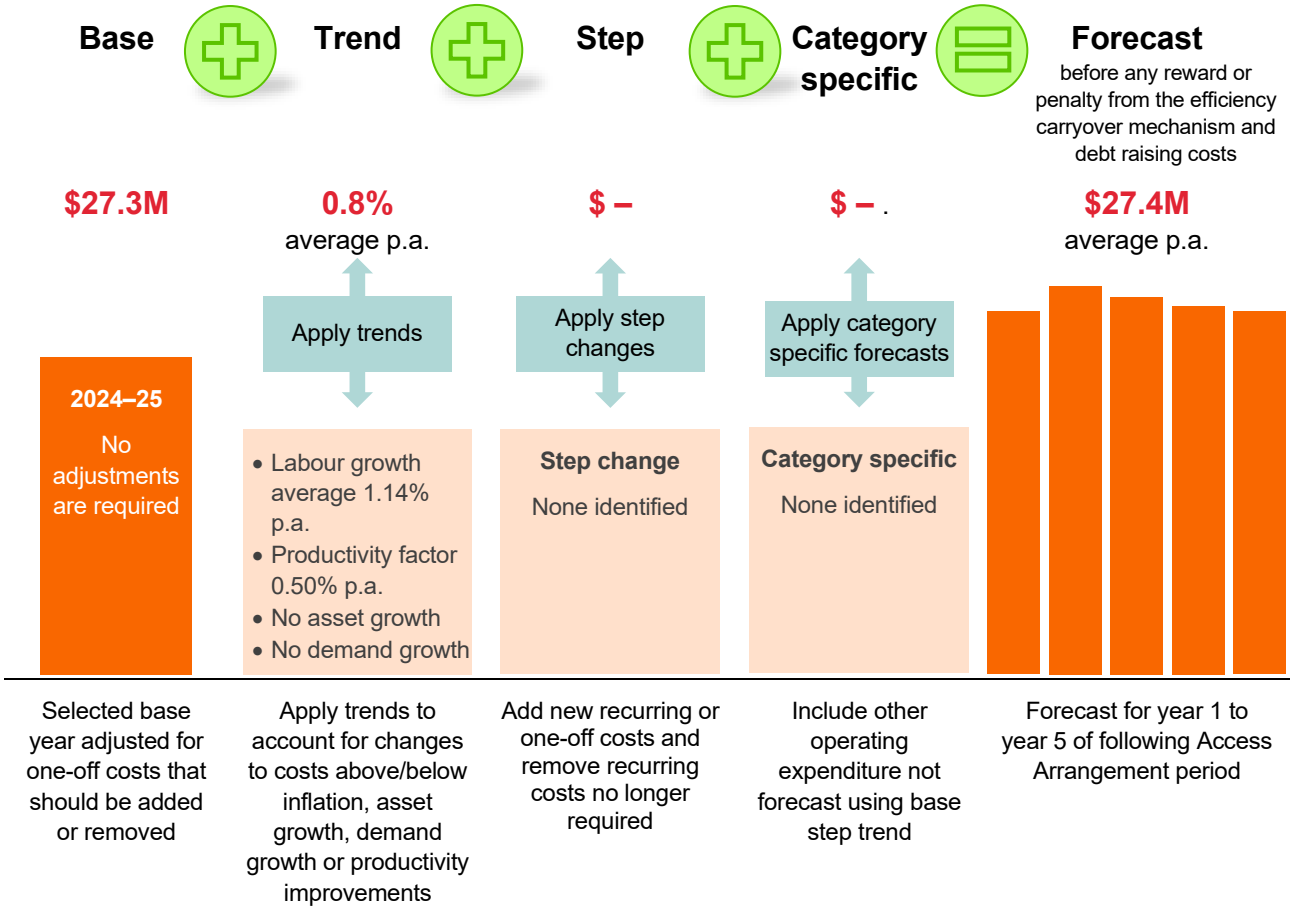
Current period (2022–27) capital expenditure

Overall, we are expecting to spend $21.4 million more over the current 2022–27 period than the AER allowance of $47.5 million. A few program underspends are expected, namely $1.5 million on group IT and $1.3 million on Liquids Removal, and the main drivers of the expected overspend are:

- The **DN250 supply security and decommissioning** project. This program has been particularly challenging and is expected to cost $21.5 million more than expected. APA had never undertaken a project of this unique scope – entailing the need to make significant changes to continue supply, whilst also suspending part of the pipeline. The forecast timeline did not envisage the delays experienced in securing land access and approvals, nor the complexity of the work. Forecast labour and material price increases were also underestimated. As the project nears completion, APA has developed a better understanding of the costs associated with safely suspending a pipeline and remediating above-ground assets.
- **Gowrie Creek crossing** pipeline – APA has been monitoring the pipeline since 2013. A series of severe weather events in 2022 again eroded the river bank, threatening the integrity of the pipeline. Temporary protection measures were installed, at a cost of $2.8 million, to mitigate pipeline exposure ahead of the rectification works planned in the 2027–32 period.
- An estimated $0.4 million, that was not forecast at all, will also be spent on resolving the **Bulimba Creek pipeline strain** to help reduce APA's fugitive emissions.

Operating expenditure

We have used the AER's preferred method to forecast operating expenditure – the Base, Trend, Step method.



Selected base year adjusted for one-off costs that should be added or removed	Apply trends to account for changes to costs above/below inflation, asset growth, demand growth or productivity improvements	Add new recurring or one-off costs and remove recurring costs no longer required	Include other operating expenditure not forecast using base step trend	Forecast for year 1 to year 5 of following Access Arrangement period

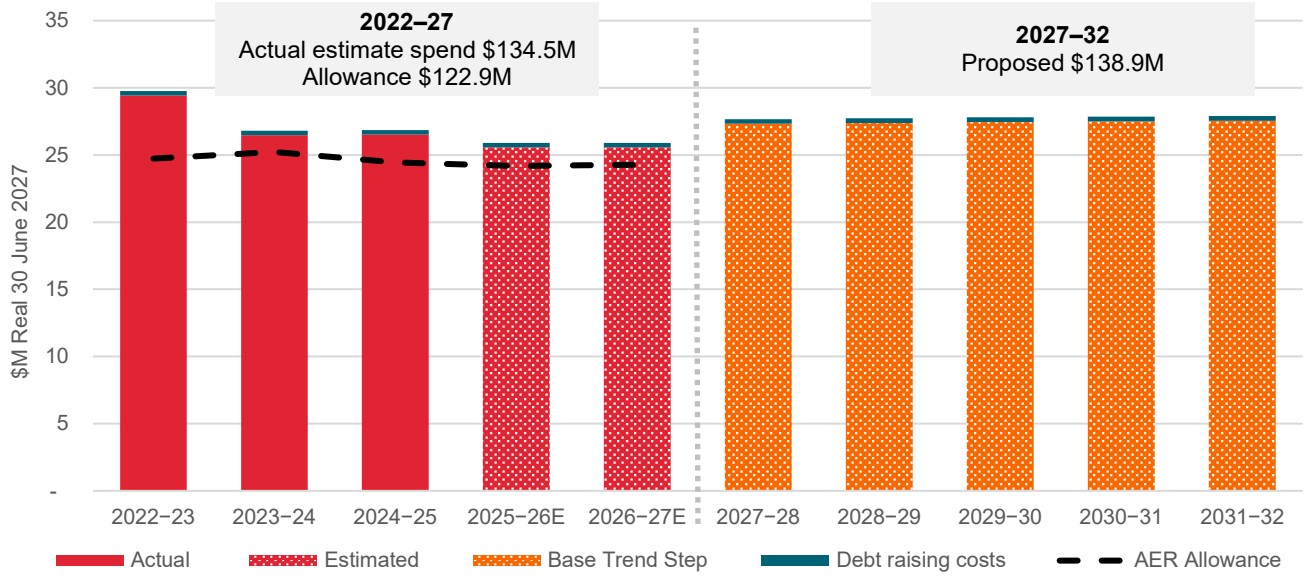
We have adopted 2024–25 as our base year as it is our most recent year of audited data. We have applied an average labour growth rate above the consumer price index of 1.14% using the 'Wage Price Index – forecast 1' rates from the AER's Draft Determination for the Amadeus Gas Pipeline. We have also applied an annual productivity factor of 0.5% consistent with the AER's recent determinations.

Base Trend Step calculation of operating expenditure by year

$M Real 30 June 2027	2027–28	2028–29	2029–30	2030–31	2031–32	Total
Adjusted 2024–25 base year	27.3	27.3	27.3	27.3	27.3	**136.6**
Price growth	0.1	0.3	0.6	0.7	0.9	**2.7**
Productivity	(0.1)	(0.3)	(0.4)	(0.6)	(0.7)	**(2.1)**
Step changes	–	–	–	–	–	–
Category specific	–	–	–	–	–	–
Total	**27.3**	**27.4**	**27.5**	**27.5**	**27.6**	**137.2**
Debt raising costs	0.3	0.3	0.4	0.4	0.3	**1.7**
Total operating expenditure	**27.7**	**27.7**	**27.8**	**27.9**	**27.9**	**138.9**

Stakeholders raised no concerns with the proposed level of operating expenditure as it is consistent with the current period's expenditure (see chart below) and includes no step changes or category specific adjustments.

Actual and forecast operating expenditure



Pricing

Price smoothing

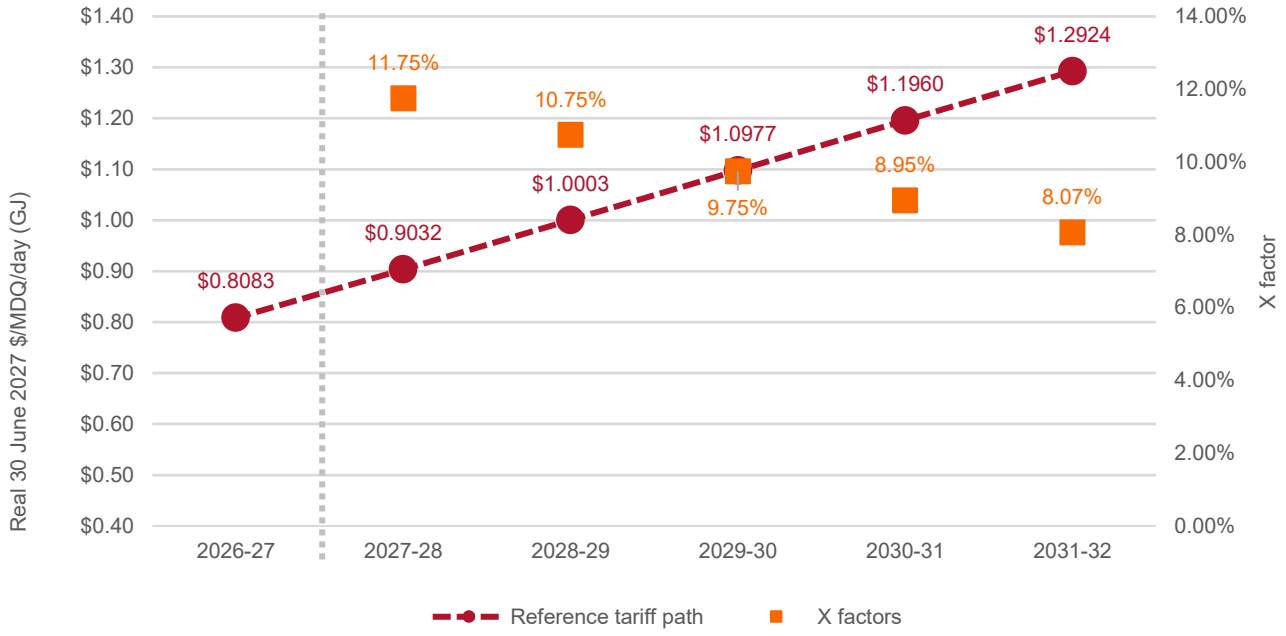
The RBP operates under a Price Cap mechanism – this means the reference service price is increased by the calculated X factor each year to deliver the forecast revenue requirement. Some customers may hold more than one contract for different purposes, currently, two customers have a service contracted on the reference tariff. All other services and contracts are on negotiated terms and conditions, of which the reference service price may serve as an anchor at the time of negotiation.

To calculate the X factor, the revenue requirement is divided by the forecast demand – noting that all forecast MDQ demand, regardless of whether a customer pays the reference service price or a negotiated price is included. The combination of the significantly higher revenue requirement, driven mainly by the increase in interest rates compared to last period, and reduced forecast demand is driving a substantial increase in the reference service tariff for the 2027–32 period.

In light of this significant step-up in prices, we asked our stakeholder group for their preferred approach to price smoothing. Broadly, stakeholders preferred continuous price increases and the avoidance of a large first-year price shock. The group assumed that GPG customers (of which more are expected in the outer years of the period) will be able to pass through the higher prices and the higher demand forecast in the outer years would help share a greater portion of the higher prices across more customers.

We have taken this feedback on board and proposed X factors that seeks to have the real reference tariff change by a similar number of cents each year.

Proposed reference service price path and prices



Other matters

Queueing arrangements

Whilst queues on the RBP have been rare, the last was back in 2018, the expected increase in future Queensland gas demand from GPG, highlighted in the Queensland Government's Energy Roadmap, may lead to a future need for a queue. To ensure RBP can efficiently facilitate and manage any queue and to ensure prospective users of the pipeline are not unfairly disadvantaged, we are proposing some refinements to the current queueing arrangements in the Access Arrangement. An overview of these proposed changes is shown below noting that, for simplicity, some terminology has been simplified and proposed new definitions are *italicised*.

Proposed changes to queuing arrangements

Current process and shortfalls	Proposed process and improvements
1. Align pipeline access with what happens in reality and remove the current circularity around gaining access	
 To gain pipeline access, a user must complete and send a Schedule 6B form. ☒ However, form completion rarely occurs as most users gain access through a series of discussions that can take place over many years.	☑ Modify wording to reflect reality – direct users to contact RBP to discuss access, noting that access can still be requested by completing a Schedule 6B form. ☑ The wording in the Access Arrangement will also be modified to remove the current circularity around pipeline access.
2. Reduce complexity by having just one queue that informs both Existing and Developable Capacity	
 A user must register their interest to be in both an Existing Capacity Queue and a Developable Capacity Queue. ☒ This duplicates effort and does not recognise that users have no visibility of access requests that inform the plausibility of pursuing a Developable Capacity option.	– Where a prospective user submits a Schedule 6B form OR when they are considered to have expressed a genuine interest in continuing access discussions but are not yet in a position to commit to a contract, they will be added to a *Register of Interest in Capacity*. – A *Capacity Queue* will only form when the requested capacity in the *Register of Interest in Capacity* exceeds the available spare capacity of the RBP Pipeline. ☑ Given RBP has visibility of the *Capacity Queue,* it is best placed to determine whether an open season for Developable Capacity is an option. ☑ Management of the *Register of Interest in Capacity* makes use of existing compliance systems, reducing administrative burden.
3. Some users will be prioritised when a Capacity Queue is formed and in an open season for Developable Capacity	
 The date a Schedule 6B form is received determines queue priority[2]. ☒ This does not consider the reality that it can take a prospective user years of negotiations to be able to sign an access contract (for example where capital infrastructure works are required). As a result, a brand-new access request can be prioritised over other users who may be well-advanced in securing upstream and downstream contracts.	Users in the *Register of Interest in Capacity* that have either: ▪ Executed an Early Works Agreement with RBP will be deemed to have completed a Schedule 6B form on the date their Early Works Agreement was executed ▪ Previously submitted a Schedule 6B form will be automatically added to the *Capacity Queue* in the date order their Schedule 6B form was (deemed to be) received. Similarly, if an open season for Developable Capacity is called, all users in the *Capacity Queue* will be automatically added to the *Register of Expressions of Interest*[3] (in Developable Capacity) and their priority order from the *Capacity Queue* transfers across to the *Register of Expressions of Interest*. All other Schedule 6B forms received will be prioritised in the manner outlined in the current queuing arrangements. ☑ Recognises that early works discussions can take 12–18 months and will not see advanced projects lose their priority to new requests.

[2] Generally, there are some instances where this is not the case, for example a request for a reference service is prioritised over a request for a similar service at a lower price.

[3] Unless the user advises RBP otherwise.

Current process and shortfalls	Proposed process and improvements
4. The Schedule 6B form will require the signature of a *Responsible Officer*, rather than the Chief Executive Officer	
The Schedule 6B form currently requires sign-off by the Chief Executive Officer. ☒ This inadvertently favours small users with minimal governance layers.	☑ Requiring sign-off by a *Responsible Officer* levels the playing field between small startups and large businesses or government entities in seeking approval to submit a Schedule 6B form.
5. Refine wording to limit the offer of any capacity only to users who can benefit from it	
Existing Capacity must be offered to every user in the priority order of the Existing Capacity Queue even when the spare capacity does not meet the user's requirements. ☒ This slows down the process as each user in the queue is progressively offered the capacity and each has 10 days to respond.	Altering the wording to allow the offer of any available capacity to the first user in the *Capacity Queue* where the capacity available satisfies the user's request will: ☑ Align with the approach adopted for Developable Capacity ☑ Ensure capacity is offered only to users who can benefit from it, and ☑ Avoid unnecessary delays. For example, if capacity is available for western haul, and positions 1 to 3 in the queue are for eastern haul, the capacity can be first offered to the user in position 4.
6. Add wording to clarify when a queue ends and how users are notified	
The wording and explanation as to when a queue ends and how users are notified of such a circumstance is missing from the Access Arrangement. ☒ This implies that once a queue is formed, it never ends.	Add wording to clarify that when the requested capacity in the *Register of Interest in Capacity* no longer exceeds the available spare capacity of the RBP Pipeline RBP must notify all users in the *Capacity Queue* that the queue has been disbanded. ☑ This clarifies the process for users – when a queue is disbanded and how customers are notified of such an event.

We have shared these proposed changes with our stakeholder group who thought RBP's customers were best placed to comment on these proposed changes. Whilst some RBP customers are part of our stakeholder group, we are keen to hear what other RBP customers and prospective users think of these changes before we submit out Access Arrangement proposal to the AER in June. **Please reach out to our Commercial Team or email yoursay@apa.com.au as soon as possible to arrange a confidential discussion and explanation.**

Reference service

Prior to the 1 July 2022, there was just one reference service on the RBP– long-term firm transportation. This was altered to two reference services, an eastbound firm service and a westbound firm service, in the 2022–27 Access Arrangement, with the intention of being able to offer a different price for each service, however by the end of the 2022–27 AER determination process , the two services were set at the same price.

In the interests of simplicity, we are proposing to revert to offering just one reference service – long term firm transportation for the 2027–32 period. This was accepted by the AER in its November 2025 Final Decision on the Reference Service Proposal.

Cost pass throughs

The regulatory framework recognises that unpredictable events may occur and, so, allows for increases or reductions arising from material unforeseen events to be reflected in the revenue requirement as a cost pass through.

Seven cost pass through events were included in the 2022–27 Access Arrangement and we propose these same events remain in place for 2027–32. We are also proposing minor changes to the wording in the Access Arrangement to align with recent AER decisions and to apply consistent terminology.

Regulatory change event

Service standard event

Tax change event

Terrorism event

Insurer's credit risk event

Insurance cap event

Natural disaster event

Efficiency carryover mechanism

The efficiency carryover mechanism was applied to RBP during the 2022–27 Access Arrangement period and will continue to apply in the 2027–32 period. The outcome from the 2022–27 period is reflected in the 'Revenue Adjustments' line of the 2027–32 revenue requirement.

How does it work?

The efficiency carryover mechanism provides financial rewards for pipelines whose operating expenditure becomes more efficient and financial penalties for those that become less efficient.

How do customers benefit?

Rewards and penalties are shared with customers and, over time, customers benefit from improved efficiency through lower operating expenditure and regulated prices.

Our proposed outcome for 2027–32

A negligible penalty
for the 2027–32 Access Arrangement period due to marginally higher than anticipated operating expenditure in the 2022–27 period.

Risks and benefits of our draft Access Arrangement

Benefits to customers

Continued reliability and safety

Our proposed investment will maintain the reliability and security of the RBP, even as it ages, providing customers with continued access to a reliable and safe source of gas for their needs.

Reliability was a key priority for our stakeholders.

Longevity of the RBP

The Queensland Energy Roadmap sees gas having a key role in the energy transition, with GPG demand set to rise.

This provides some certainty for customers and communities and may create opportunities to increase the capacity of the RBP in the future.

Improvements to queuing arrangements

Our proposed refinements to the queuing arrangements in the Access Arrangement will improve efficiency and ensure prospective users, who are well advanced in securing pipeline access, are not unfairly disadvantaged.

Risks to customers

Affordability

A higher return on capital and in increase in the Regulated Asset Base is substantially increasing the revenue requirement when compared to the last Access Arrangement period.

When coupled with lower demand, this will see the reference service price increase by 60% in real terms by the end of the period, compared to the 2026–27 price.

Demand

Even with an expected increase in GPG demand by the end of the period, overall demand is forecast to be lower.

If demand forecasts end up being higher than expected, the reference service tariff will have been set higher than necessary.

Unforeseen costs

Our expenditure forecasts are conservative and the regulatory framework does not allow contingent projects to be proposed for gas networks.

Unexpected events or higher than expected decay, failures or costs could lead to higher expenditure that may be passed through to customers.

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