Revised Final Plan
Attachment 9.12

IT Sustaining Infrastructure

August 2025

PUBLIC

Dampier Bunbury Pipeline

1 IT sustaining infrastructure

1.1 The ERA's position

The ERA disallowed around $3.0 million of capex out of the $14.5m proposed by DBP in the Final Plan:

- Data Centre - DBP's plan to gradually move to the cloud is reasonable and the lowest cost option but it has not clearly demonstrated cost savings – forecast reduced by 10%
- Network and Currency - DBP's refresh cycles, ranging from 2 to 5 years, suggest multiple refresh rounds over 15 years, we believe DBP is likely to find further deferral opportunities in AA6, as it did in AA5, and that its proposed spending is not reasonable - forecast reduced by 20%
- End user devices - Growth in head count and increased use of field devices, along with rising costs in real terms are reasonable drivers of the need for some increase in expenditure. However proposed capex is considered unreasonable as DBP will find some opportunities to extend lifecycles relative to the assumptions it has made for its proposal - forecast reduced by 20%
- Meeting room refresh - DBP provides minimal information on the meeting room refresh. The AV equipment was installed in 2021 and is planned for replacement in 2026, but DBP hasn't shown that it's no longer fit for purpose – forecast removed

The ERA's Draft Decision and its reasons is summarised in Table 1.1 below.

Table 1.1: Summary of ERA's Draft Decision

Item	DBP Final Plan	ERA's Draft Decision	ERA's reasoning
End user devices	3.9	3.1	The ERA considers that DBP could find opportunities to extend the assets for the end user devices project ... As a result, the ERA considers that a reduction of 10 (sic) per cent ... would be a reasonable estimate of the costs for these projects.[1]
Network and currency	7.4	5.9	The ERA notes the lack of detailed information regarding the AGIG OneIT project and the benefits to DBP. The ERA has applied a reduction of 20 per cent on the basis EMCa's experience considers this would be a reasonable estimate of the cost for the project.[2] Given the minimal difference between DBP's 'DBP-centric' and its 'AGIG OneIT' approaches to IT infrastructure refresh, we [the ERA] consider it more realistic, and consistent with its claims regarding the OneIT approach, that it will find some opportunities for deferrals in AA6, as it has in the past.[3]

[1] Paragraph 331, Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030) Attachment 4: Regulatory capital base, ERA, 7 July 2025.
[2] Paragraph 330, ibid.
[3] Paragraph 440, Review of Proposed DBNGP Access Arrangement (AA6) 2026 – 2030, EMCa, June 2025.

Item	DBP Final Plan	ERA's Draft Decision	ERA's reasoning
Data centre	1.0	0.9	The ERA considers that DBP could find opportunities to extend the life of the assets for the end user devices project and also make efficiency savings during the period for the data centre project. As a result, the ERA considers that a reduction of 10 per cent for each project would be a reasonable estimate of the costs for these projects.[4]
Field devices	1.5	1.5	Despite the lack of a CBA, EMCa considers this to be a reasonable program, on the basis that it represents good industry practice, enhances the benefits from investments already made and is supported by a sound deployment plan. As a result, EMCa considers that the proposed allowance is reasonable.[5]
Meeting room refresh	0.6	-	The ERA notes, for the meeting room refresh project, DBP provided minimal information. DBP stated that the existing meeting room AV equipment was installed in 2021 under the office fit out project and requires a refresh in 2026. DBP does not provide any evidence to suggest that the equipment is not fit for purpose, and which would warrant allowing for replacement.[6] [B]ased on the lack of information provided, the ERA does not consider the proposed expenditure for the meeting room refresh is prudent and efficient expenditure for AA6.[7]
Opex step change	1.8	-	The ERA considers that the proposed step change for IT sustaining infrastructure is not reasonable as DBP has not demonstrated the need for costs that are greater than what is already included in its base year actual operating expenditure.[8] DBP noted that its current IT opex includes base year ICT infrastructure expenditure of $2.0 million for services outsourced to Datacom/Zetta that have now ceased and are insourced. DBP's proposed operating cost step change shows no evidence of having netted off such savings.[9] DBP claims that this "AGIG OneIT" initiative will provide efficiencies, however, the proposed step increase seems inconsistent with the efficiency claim.[10]

1.2 DBP's response to the Draft Decision

Overall, our revised Final Plan proposes a modified IT Sustaining Infrastructure program for AA6 in response to the ERA's Draft Decision. We are proposing $13.5 million, which is $0.8 lower than our Final Plan and $0.7 million higher than the ERA's Draft Decision.

We have summarised our positions in the following table.

[4] Paragraph 331, Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030) Attachment 4: Regulatory capital base, ERA, 7 July 2025.
[5] Paragraph 326, ibid.
[6] Paragraph 327, ibid.
[7] Paragraph 331, ibid.
[8] Paragraph 79, Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030) Attachment 5: Operating expenditure, ERA, 7 July 2025.
[9] Paragraph 78, ibid.
[10] Paragraph 77, ibid.

Table 1.2: Summary of our revised Final Plan

Activity	Final Plan	Draft Decision	Revised Proposal	Reasoning for revised proposal
End user devices	3.9	3.1	3.1	Our revised Final Plan accepts the ERA's Draft Decision and includes $3.1 million over AA6 to refresh end user devices over a slightly extended lifecycle compared to our Final Plan.
Network and currency	7.4	5.9	6.6	Our revised Final Plan modifies the ERA's Draft Decision and includes $6.6 million for network and currency over AA6. While we accept, in principle, EMCA's position that we may be able to find opportunities in AA6 to defer some of the planned network and currency refreshes, we have applied a bottom-up (rather than top-down) approach. This is outlined in section 1.2.1.
Data centre	1.0	0.9	0.9	Our revised Final Plan accepts the ERA's Draft Decision and includes $0.9 million over AA6 for the data centre refresh.
Field devices	1.5	1.5	1.5	The ERA has accepted our proposed $1.5 million over AA6.
Meeting room refresh	0.6	-	0.6	Our Revised Final Plan maintains our original position that we will refresh meeting room equipment at a cost of $0.6 million in AA6. In response to the ERA and EMCa's positions, we have provided additional information to support that the current equipment is no longer fit for purpose and requires replacement in AA6. This is provided in section 1.2.2.
Opex step change	1.8	-	1.8	Our Revised Final Plan rejects the ERA's Draft Decision and maintains our original position that we require $1.8 million opex step change for IT sustaining infrastructure. While in principle we accept the ERA and EMCa's positions the "AGIG OneIT" initiative will provide efficiencies and savings from ceasing outsourced services should be netted off, we have provided further information to demonstrate how these have been taken into account in our proposed opex step change.

The following sections provide further information and justification in relation to our Revised Final Plan.

1.2.1 Network and currency

The network and currency refresh program consists of numerous hardware and software components that require periodical refreshes to ensure reliability, compatibility and support from vendors, including bug fixes and security patches. This ensures DBP maintains secure and reliable IT infrastructure to service the applications and data our customers and staff rely on daily.

We consider the refresh frequency we recommended in our original business case was appropriate. It was based on a careful balance of managing risks and costs. Reducing this frequency by extending the time between refreshes will incur additional operating costs for extended support, resourcing to manage incidents (the frequency of which increase as the equipment ages) and reactive (fix on fail) upgrades. This approach also increases risks of longer and unplanned system outages, and presence of exploitable security vulnerabilities.

While we accept, in principle, EMCA's position that we may be able to find opportunities in AA6 to defer some of the planned network and currency refreshes (for example, where equipment/systems are still performing at an acceptable level, with few low risk security

vulnerabilities and with vendor support), we have applied this on a bottom-up basis (rather than top-down as EMCa did).

Our bottom-up analysis has considered opportunities to extend out refreshes and has identified two projects where we consider the risk may still be able to be kept within tolerable bounds. To reiterate, this doesn't lower the overall cost of maintaining our infrastructure, it merely delays the spend.

Under this modified option we have made the following adjustments:

- Network (excl. firewalls) – around $600,000 would be deferred from 2030 to 2031 (i.e. AA6 to AA7). This reflects a partial site/data centre networking upgrade in 2030 for devices that have high extended support costs, with remaining devices refreshed the following year (2031)

- OS Currency – around $100,000 from 2029 and a further $100k from 2030 to be deferred to 2031 (i.e. AA6 to AA7), and the forward program reassessed based on the progress of moving systems and applications to a SaaS model[11]

The following table provides some further commentary on our bottom-up analysis for the network and currency program.

[11] It should be highlighted that this is also dependent on the regulatory approval of DBP's proposed application upgrades in AA6, specifically Maximo MAS 9 and HSE capability – INX upgrade/replacement

Table 1.3: Bottom-up analysis of potential deferrals in AA6

Project	2026	2027	2028	2029	2030	Total	Defer	Implications
Network (excl. firewalls)	410	-	154	-	999 (-600)	**1,564** **(-600)**	Y	Defer by 6 months, around $600,000 deferred to AA7.
AD consolidation	-	256	150	-	-	**406**	N	One-off program. Key dependency for Azure migration, cyber enhancements, Citrix upgrades, OS/SQL currency.
SOE	-	969	128	-	-	**1,097**	N	Upgrading to new versions of Windows for server and EUC must be performed to address end of support – risk not tolerable – Cannot be deferred beyond AA6.
OS currency	279	280	281	280 (-100)	280 (-100)	**1,400** **(-200)**	Y	Defer part 2029 & 2030 by $100,000 each, total $200,000 deferred to AA7.
SQL currency	362	390	-	22	-	**775**	N	Risk of not having Microsoft support and security patches for SQL not tolerable. Cannot be deferred beyond AA6.
SNOW upgrades	100	100	100	100	100	**500**	N	Annual upgrade required by ServiceNow.
Collaboration	-	-	-	200	-	**200**	N	Migrating from desk phone to teams calling (soft phone) will be more cost effective and provide better remote telephony capability compared to replacing the current telephony system and desk phones which will no longer be supported due to age and availability of parts.
Citrix Farm (incl. netscalers)	251	-	-	-	-	**251**	N	Major version upgrade required to maintain support from Citrix. Cannot be deferred beyond AA6.
Citrix Virtual Servers	-	-	50	-	50	**100**	N	Minor version Citrix updates to maintain support and refresh image/applications with updated versions that are end of life (i.e. SOE in 2027-28) – must be done every two years to make sure our Citrix image reflects any updates to other applications that have recently been completed.
SD-WAN	826	-	-	-	235	**1,060**	N	Critical to deliver greater bandwidth to address WAN reliability and cost-effective data communications thereby minimising performance issues.
Total	**2,229**	**1,995**	**864**	**602** **(-100)**	**1,663** **(-700)**	**7,353** **(-800)**		**Total $800,000 (11%) deferred from AA6 to AA7**

1.2.2 Meeting room refresh

The current audio visual (AV) equipment installed in the DBP Perth CBD office meeting rooms was installed in 2021 as part of the office fit out. With many DBP staff working remote in the field and some of the time from home, AV equipment is critical for DBP to operate effectively. Some examples of regular operational forums utilising this equipment are Board and Executive leadership national meetings, town hall events, rooms fitted out as crisis management centres, as well as day to day management of DBP assets. For example, our AV technology visually shows our gas flow and operational status for monitoring purposes.

DBP also hosts important customer forums using this equipment, such as shipper forums, supplier demonstrations, and industry round tables. Holding these forums as hybrid in person and online forums allows increased flexibility for our customers, and demonstrates our operational ability in real time, which improves overall engagement. Managing an asset that spans WA and where 50% of our work force are field or remote based relies on excellent communication and engagement, which are core to the values of DBP.

Even now, after just four years of regular use, the equipment is no longer reliable and needs frequent support to address issues and impacts business meetings and collaboration. IT are addressing on average three AV failures/issues per month requiring extra effort and costs to support, with some of the hardware having been replaced already to improve reliability. For example, some of the equipment at Jandakot is prone to needing reboots or experiencing failures during hot days, other Perth rooms require frequent rebooting to function. Incidents continue to impact meetings being able to operate effectively.

The current equipment is out of warranty and runs on a Windows 10 operating system, which will be on extended support in October 2025 and will be end of life in October 2028. After this time Microsoft will no longer provide support, bug fixes or security updates.

As the number of incidents, bugs and security vulnerabilities increase, the likelihood the equipment will become unserviceable increases, resulting in a reactive (repair or replace on failure) approach. This approach could create significant downtime for affected meeting rooms, with a typical lead time for equipment and getting skilled installers between 1-2 months.

Further, reactive replacements are less cost effective compared to a proactive upgrade approach. Our estimates are that this would be around 20-30% of total costs due to higher unit prices, additional freight costs and repeat installation visits. A proactive approach can leverage economies of scale with proper planning and installation efficiencies able to be achieved by replacing all 17 current AV systems.

Modern AV equipment (which has seen significant technology developments since the pandemic) also offers greater capability including better microphone and speaker quality, automatic zoom to the speaker, more layout options and improved user interface. All of these features will improve collaboration, engagement and business efficiency.

For these reasons, we maintain our original position that it is necessary to refresh meeting room equipment in AA6.

[redacted]

[redacted] We will, of course, seek opportunity as part of the Jandakot Facility Redevelopment to align the AV refresh with that project and reduce costs and/or adjust the scope of the AV refresh accordingly. However, we consider it prudent to retain the current AA6 capex forecast. Only capex incurred will be added to the RAB.

1.2.3 Opex step change

Our proposed opex step change for the data centre was based on a bottom-up build of the additional opex associated with cloud hosted servers under the organic transition to cloud. In principle, we accept the ERA and EMCa's position the "AGIG OneIT" initiative will provide efficiencies and savings from ceasing outsourced services and this should be netted off. However, we have already taken this into account in our proposed opex step change.

We have provided further information below to demonstrate how we have accounted for

1.2.3.1 Reflecting efficiencies of the "AGIG OneIT" initiative

The forecast average reservation cost per server, a key input into our calculation of the additional opex associated with cloud hosted servers under the organic transition to cloud, included an assumed [redacted] based on the scale afforded by the "AGIG OneIT" approach.

The bottom-up build of the average cost per Azure server, and the basis for each component, is provided in the table below.

Table 1.4: Bottom-up build of Azure server costs

Component	Cost per annum	Basis
Reservation	[redacted]	Azure servers average p.a based on current pricing, with [redacted] applied
Disaster Recovery	[redacted]	Current OneERP pricing of [redacted]
Backup	[redacted]	
Overhead (Bandwidth)	[redacted]	
Average annual cost per Azure server	[redacted]	

We note the bottom-up build went into a total AGIG program, which was then allocated back to DBP based on proportion of servers. Rounding in that process resulted in a slight variance in total cost, therefore we have modified to the slightly lower resulting cost of the bottom-up build in this revised Final Plan (as shown below).

Table 1.5: Opex step change - transition to cloud

Year	Total servers to be migrated over 5 years	% migrated	# new Azure servers	Unit cost per server p.a. ($)	Annual opex ($'000)
2026	[redacted]	20%	[redacted]		118.1
2027		40%	[redacted]		236.3
2028		60%	[redacted]	[redacted]	354.4
2029		80%	[redacted]		472.5
2030		100%	[redacted]		590.6
					1,771.9

1.2.3.2 Net off of savings from changes to outsourcing arrangements

1.2.3.2.1 Infrastructure management and support services

As outlined in our Final Plan, we made changes to the structure of our outsourced infrastructure services in September 2023. Specifically, we transferred Zetta infrastructure support services to Datacom and we maintained Zetta deskside support services. Our 2024 base year IT costs are reflective of this change, therefore opex savings related to this change have already been factored into our AA6 opex base.

Further, it is also important to consider this change was not like-for-like, it has resulted in an uplift in service.

Monitoring, patching and visibility have all increased under the new infrastructure support services. Specifically:

- **Monitoring** – 24/7 proactive and reactive monitoring systems and operations centres compared to previous on call for incidents and daily checks
- **Security** – Improved security services for vulnerability management and response
- **Patching** – Operating System Monthly patching cycle, compared to previous monthly/quarterly. Infrastructure hardware now patched quarterly compared to as needed
- **Incident Response** – Improved Major Incident response capabilities including 24/7 team and processes
- **Governance –** Tighter governance and SLAs for request and incident management
- **Service Management** - Improved service management practices across, change, problem, availability etc

1.2.3.2.2 Infrastructure hosting

As outlined in our Final Plan, we made changes to the infrastructure hosting in 2021 with the move of infrastructure hosting services out of the Zetta managed infrastructure service, and into the AGIG on prem data centre in 2021 (with resulting capex costs captured under the Data Centre capex program).

Further, it is also important to consider this change was not like-for-like, it has resulted in an uplift in capabilities, as well as being done alongside a changing trend application/data requirements and infrastructure hosting (i.e. move from on-premise, to cloud).

As part of the AA6 period it is intended that DBP and AGIG virtual servers will be migrated to Azure. The move to cloud requires additional opex (no matter the service provider support arrangements), but also provides many benefits over both the Zetta managed infrastructure and AGIG on prem data centre including greater flexibility and scalability to meet the needs on newer applications, and pay as you go infrastructure, which means no sunk costs as more applications move to PaaS and SaaS.