



Economic Regulation Authority

Final decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030)

Attachment 5: Operating expenditure

18 December 2025

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We acknowledge their continuing connection to culture and community, their traditions and stories. We commit to listening, continuously improving our performance and building a brighter future together.

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Note

This attachment forms part of the ERA's final decision on the proposed revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline. It should be read in conjunction with all other parts of the final decision, which is comprised of the following document and attachments:

- Final decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline - Overview, 18 December 2025
 - Attachment 1: Access arrangement and services
 - Attachment 2: Demand
 - Attachment 3: Revenue and tariffs
 - Attachment 4: Regulatory capital base
 - Attachment 5: Operating expenditure (this document)
 - Attachment 6: Depreciation
 - Attachment 7: Return on capital, taxation, incentives
 - Attachment 8: Other access arrangement provisions
 - Attachment 9: Service terms and conditions

Numerical amounts in tables throughout this document are generally shown to 1 decimal place. Total numerical amounts that are shown may not add exactly due to rounding. The tariff (revenue) model that was used for this decision should be used for accurate unrounded numerical amounts.

Attachment 5. Summary

A forecast of operating expenditure needed over the access arrangement period is one of the components used to determine the amount of revenue that DBP requires to operate the DBNGP.

For AA6, DBP initially proposed \$652.5 million of operating expenditure, an average of \$130.5 million per year, which was \$21.2 million per year (19.4 per cent) more than DBP's AA5 average annual operating expenditure.¹ In the draft decision, the ERA reviewed DBP's proposal and considered that an operating expenditure forecast of \$535.0 million was prudent and reasonable.

DBP revised its operating expenditure forecast to \$622.3 million, which was \$87.3 million higher than the ERA's draft decision, but \$30.2 million lower than DBP's initial proposal. As part of its revised proposal, DBP used its 2024 actual expenditure numbers and provided documentation to support its reasoning.

The ERA has reviewed this information, along with the advice provided by its technical consultant EMCa and public submissions, to make this final decision.

The ERA has decided that a prudent and reasonable forecast of operating expenditure for AA6 is \$607.4 million. This is 2.4 per cent lower than DBP's revised proposal (\$622.3 million) but 13.5 per cent higher than our draft decision (\$535.0 million).

While the ERA accepted DBP's revised forecast expenditure for items such as gas engine alternators (GEA) and turbine overhauls, insurance and the update to 2024 actuals, we found that other expenditure items, such as wages, salaries and information technology (IT) were not reasonable. We have also recalculated the System Use Gas (SUG) expenditure based on our demand forecast, resulting in an increase in the SUG expenditure. These differences are summarised below:

- Wages and salaries base year expenditure: The ERA has approved a base year wages and salary expenditure of \$35.1 million instead of DBP's revised proposal expenditure of \$44.9 million.
 - In line with the draft decision, the ERA did not consider the expenditure associated with the charge out rate change as reasonable. The lower charge out rate imposed a significant additional burden on the regulated operating expenditure of DBP.
 - The ERA also approved a base year adjustment of \$2.5 million instead of the \$4.7 million adjustment sought by DBP. The ERA did not find that the head count increase sought by DBP was reasonable.
- IT step expenditure: We approved the base year IT expenditure. However, we did not approve DBP's proposed IT step change expenditure for IT sustaining applications and infrastructure.
 - For the sustaining application step expenditure, the ERA approved \$2.2 million instead of the \$5.3 million sought by DBP, considering the savings that will be made because of DBP's investments.

¹ DBP's AA5 average annual operating expenditure has been calculated for the four years to 2024 based on actual operating expenditure.

- For the sustaining infrastructure step expenditure, the ERA considered that \$1.8 million expenditure sought by DBP was not reasonable. Given the efficiencies that should be evident from its infrastructure capital investments, DBP did not provide evidence of additional IT infrastructure costs that would warrant a step change.
- SUG expenditure: The ERA has replaced DBP's revised demand forecast with its own for the final decision, which results in a higher full haul throughput forecast used to calculate SUG. The AA6 final decision SUG expenditure is \$144.5 million, which is \$50.0 million higher than DBP's revised proposal.

The ERA's final decision has determined operating expenditure for AA6 of \$607.4 million, as set out in Table 5.1.

Table 5.1: ERA final decision operating expenditure summary
(\$ million, real 31 December 2024, including labour cost escalation)

Category	2026	2027	2028	2029	2030	Total
Wages & salaries	36.6	36.8	37.0	37.3	37.5	185.2
Field expenses	14.0	14.0	14.0	14.0	14.0	70.2
Non-field expenses	17.2	18.1	18.3	19.0	19.6	92.2
Government charges	10.7	10.0	8.9	8.9	8.9	47.4
System Use Gas	21.7	26.6	31.2	31.5	33.5	144.5
Reactive maintenance	1.0	1.0	1.0	1.0	1.0	5.2
GEA & turbine overhauls	4.9	8.8	4.5	6.9	7.8	32.8
Inspections & other asset management	4.3	9.9	9.8	3.1	3.1	30.1
Total	110.3	125.2	124.8	121.6	125.5	607.4

Source: ERA, Operating Expenditure Model, December 2025

Summary of required amendments:

Required amendment 5.1

The access arrangement information must be amended to reflect the operating expenditure forecast of \$607.4 million (real 31 December 2024) and the values in Table 5.14 of Final Decision Attachment 5.

Regulatory requirements

1. The *National Gas Access (WA) Act 2009* implements a modified version of the National Gas Law (NGL) and National Gas Rules (NGR) in Western Australia. The rules referenced in this decision are those that apply in Western Australia.²
2. Under the regulatory framework, operating expenditure means:

Operating, maintenance and other costs and expenditure of a non-capital nature incurred in providing pipeline services and includes expenditure incurred in increasing long-term demand for pipeline services and otherwise developing the market for pipeline services.³
3. A forecast of operating expenditure is one of the components (or building blocks) for determining the service provider's total revenue requirement using the building block approach, which is required by the regulatory framework set out in the NGR.⁴ The total revenue requirement is the amount that is needed by the service provider to recover the efficient costs incurred in operating the pipeline (that is, the service provider's cost of service).
4. The criteria governing operating expenditure is set out in rule 91:
 - The operating expenditure must be expenditure such as would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable costs of delivering pipeline services in a manner consistent with the achievement of the national gas objective.
 - The forecast of operating expenditure required must be expenditure that is allocated between reference services; other services provided by means of the covered (regulated) pipeline; and other services provided by means of uncovered (unregulated) parts of the pipeline (if any), in accordance with the allocation provisions set out in rule 93.
5. Rule 71 sets out the considerations that the regulator may and should have regard to when evaluating whether operating expenditure satisfies the governing criteria. The regulator:
 - May, without embarking on a detailed investigation, infer compliance from the operation of an incentive mechanism or on any other basis that is considered appropriate.
 - Must consider and give appropriate weight to, submissions and comments received in response to an invitation for submissions on whether a service provider's access arrangement proposal should be approved.

² The current rules that apply in Western Australia are available from the Australian Energy Market Commission: AEMC, 'National Gas Rules (Western Australia)' ([online](#)) (accessed December 2025). At the time of this decision, *National Gas Rules – Western Australia version 12 (1 February 2024)* was in effect.

³ NGR, rule 69.

⁴ NGR, rule 76.

ERA draft decision

6. For AA6, DBP initially proposed \$652.5 million of operating expenditure, an average of \$130.5 million per year, which was an increase of \$21.2 million per year (19.4 per cent) more than DBP's AA5 average annual operating expenditure to date.⁵
7. The ERA reviewed DBP's proposal and considered that an operating expenditure forecast of \$535.0 million was prudent and reasonable (Table 5.2). The ERA considered information provided by DBP, public submissions and findings from EMCa to determine this amount.

Table 5.2: AA6 operating expenditure summary draft decision by category
(\$ million, December 2024)

Category	2026	2027	2028	2029	2030	Total
Wages & salaries	33.2	33.4	33.6	33.9	34.1	168.2
Field expenses	13.4	13.4	13.4	13.4	13.4	67.1
Non-field expenses	15.8	16.7	16.9	17.5	18.0	84.9
Government charges	10.5	10.5	10.5	10.5	10.5	52.4
System Use Gas	22.7	20.4	19.1	17.3	18.0	97.6
Reactive maintenance	1.0	1.0	1.0	1.0	1.0	5.2
GEA & turbine overhauls	4.9	5.6	4.5	6.9	7.8	29.5
Inspections & other asset management	4.3	9.9	9.8	3.1	3.1	30.1
Total	105.8	110.9	108.9	103.5	106.0	535.0

Source: ERA, Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030) - Attachment 5: Operating expenditure, 7 July 2025, Table 5.14.

8. The main reasons for the difference of around \$118 million between DBP's proposal and our draft decision included:
 - Removing the internal accounting policy increase for wages and salaries and not including an allowance for increased staff headcount (a decrease of \$61 million).
 - Using the ERA's draft decision forecast of demand and the price assumptions based on the contract information received from DBP following its proposal, the ERA reduced SUG expenditure (a decrease of \$19 million).
 - Reducing the IT base and step changes proposed because DBP did not provide justification for an increase beyond the 2024 actual expenditure amount or the

⁵ DBP's AA5 average annual operating expenditure has been calculated for the four years to 2024 based on actual operating expenditure.

cost benefit analysis to justify the step increase over a significant base IT cost (a decrease of \$20.0 million).⁶

- Reductions to the level of insurance premium increases to reflect market cost estimates (a decrease of \$4.7 million).⁷
- Removing [REDACTED] in turbine and exchange overhaul expenditure on the basis that an increased preventative maintenance program should result in fewer failures (a decrease of \$3.3 million).

9. The ERA set out the following draft decision required amendment:

Draft Decision Required Amendment 5.1

DBP must amend its operating expenditure forecast to \$535 million (\$ million real at 31 December 2024) to reflect the values in Table 5.14 of Draft Decision Attachment 5 [Table 5.2 in this document].

⁶ An incorrect number was used in the draft decision summary (did not affect the draft decision operating expenditure).

⁷ this descriptive number needed correction from the draft decision summary (previously \$7.2 million).

DBP response to draft decision

10. DBP's revised proposal forecast operating expenditure for AA6 of \$622 million, which is around \$87 million higher than the draft decision, but \$30 million below DBP's initial proposal. The main expenditure items from the revised proposal, including differences from the ERA's draft decision, are described below:⁸
- Amended salaries expenses forecast (+ \$66 million) that include the labour cost rate revision that was initially proposed, with additional supporting information including benchmarking of DBP's labour cost rate and drivers of cost increases. DBP noted that the revised proposal for salary expenses should be considered in conjunction with the updated E Factor calculation.
 - Updated consulting expenses forecast (+ \$1 million) to include the 2024 actual expenses applied to the average over 2020 to 2024, which is the ERA-approved method to forecast the base year amount.
 - Amended government charges expense forecast (+ \$2 million) with additional supporting information on rental and power cost increases for the revised base year adjustment.
 - Amended insurance step change forecast (+ \$5.9 million) with additional information from the insurer to support the product and fee items not included in their original report, which DBP submits is part of its regular insurance expenses.
 - Amended step change forecasts for IT sustaining infrastructure (+ \$2 million), \$0.6 million lower than its initial proposal (\$2.6 million) with additional supporting information.
 - Amended step change forecast for IT sustaining applications (+ \$5.3 million), \$2.7 million lower than its initial proposal (+ \$8 million) with additional supporting information including emphasis of savings already being achieved from investments in IT.
 - Update of the other 2024 base year estimates used in DBP's Final Plan operating expenditure forecast with the actual expenses incurred in 2024 (+ \$1 million)
 - Amendment to the allowance for GEA/turbine overhauls to reinstate the allowance for [REDACTED] (+\$3 million)
 - Amended forecast for meter inspections (+ \$3 million) in the inspections and other asset management category to reinstate all inspections in the program of expenditure including those at sites that are not "existing stations".

⁸ DBP, Revised Final Plan 2026-2030, Attachment 8.6, August 2025, pp 1,2.

Submissions to the ERA

11. Two submissions received in response to DBP's initial proposal and the ERA's issues paper addressed operating expenditure. In summary:
 - Horizon Power noted that one of the reasons DBP provided for the 20 per cent increase in operating expenditure was the tight labour market. Given that the Australian labour market had shown signs of easing (especially with weaker iron ore prices over the past 12 months), Horizon Power requested the ERA to review DBPs operating expenditure forecast assumptions for AA6 to ensure it was justified and reasonable.⁹
 - NewGen Power Kwinana (NewGen) submitted that the 20 per cent increase in forecast operating expenditure is substantial and that the ERA must investigate in detail all cost categories to determine whether the proposed increases were appropriate.¹⁰
12. The ERA addressed the above matters as part of its draft decision considerations.
13. We received further comments on operating expenditure from NewGen in response to the draft decision and DBP's revised proposal.¹¹ NewGen was broadly in support of the draft decision and noted that the ERA and its consultant (EMCa) had undertaken a rigorous analysis of DBP's AA6 forecast. NewGen also:
 - Supported the ERA approving a 2024 base year estimate that is closely aligned to DBP's 2024 reported costs.
 - Noted that DBP's proposed increase in wages and salaries related to a change in DBP's capitalisation policy, which suggests this is fundamentally a cost allocation issue. NewGen agreed with ERA that users of the DBNGP should not carry the burden of any such capitalisation changes not reflected in efficiencies.
 - Supported the need for strong substantiation of costs and benefits of any increases in DBP's IT expenditure.
 - Considered that a high threshold should be applied to step change increases in operating expenditure, such that only externally driven increases should generally be accepted.
14. The ERA has addressed the above matters as part of its final decision considerations.

⁹ Horizon Power, *Submission in response to DBP proposal and/or ERA issues paper*, 26 March 2025.

¹⁰ NewGen Power, *Submission in response to DBP proposal and/or ERA issues paper*, 31 March 2025.

¹¹ NewGen Power, *Submission in response to ERA's draft decision and DBP's revised proposal*, 17 September 2025.

Final decision

15. DBP's revised proposal forecasts an operating expenditure for AA6 of \$622.3 million as set out in Table 5.3.

Table 5.3: DBP revised proposal operating expenditure summary by category
(\$ million, real 31 December 2024, including labour cost escalation)

Category	2026	2027	2028	2029	2030	Total
Wages & salaries	46.6	46.9	47.2	47.5	47.8	236.0
Field expenses	14.0	14.0	14.0	14.0	14.0	70.2
Non-field expenses	18.0	19.0	19.4	20.0	20.8	97.1
Government charges	10.7	10.7	10.7	10.7	10.7	53.5
System Use Gas	18.1	18.7	20.3	18.2	19.2	94.5
Reactive maintenance	1.0	1.0	1.0	1.0	1.0	5.2
GEA & turbine overhauls	4.9	8.8	4.5	6.9	7.8	32.8
Inspections & other asset management	4.8	10.4	10.4	3.6	3.7	33.0
Total	118.1	129.6	127.5	122.1	125.0	622.3

Source: DBP, Operating expenditure forecast model, attachment 8.1A

Table 5.4: DBP revised proposal operating expenditure summary (base, step, trend)
(\$ million, real 31 December 2024)

Category	2025	2026	2027	2028	2029	2030	Total
Efficient base year	88.0	88.0	88.0	88.0	88.0	88.0	440.0
Bottom-up		27.8	38.0	35.1	28.7	30.7	160.2
Step changes		1.7	2.6	3.0	3.6	4.3	15.3
Labour cost escalation		0.7	1.0	1.4	1.7	2.0	6.8
Total		118.1	129.6	127.5	122.1	125.0	622.3

Source: DBP, Operating expenditure forecast model, attachment 8.1A

16. In the sections below, the ERA has reviewed and assessed the information provided by DBP, the recommendations of the ERA's technical advisor (EMCa), and the submissions from stakeholders in making this final decision.

Base year expenditure

Base year – Wages and salaries expenditure

17. DBP initially proposed a base year salaries expenditure of \$43 million largely driven by a change in the charge out rate - a rate that determines what amount of costs are on-charged to capital projects and other entities owned by the Australian Gas Infrastructure Group (AGIG), DBP's parent company.¹²
18. In analysis prepared for the draft decision, EMCa found that the charge out rate change benefits other AGIG entities, as well as DBP's unregulated services, although it also reduced the future labour costs charged to DBNGP capital expenditure. The ERA considered that the additional impost for salaries on DBNGP customers for its steady state operating business was not justified. The draft decision approved a base year salaries expenditure of \$32.8 million.
19. In the revised proposal, DBP did not accept the ERA's draft decision and proposed a salaries expenditure of \$45 million (comprising 2024 actuals of \$40.3 million and proposed adjustments of \$4.7 million). DBP proposed that:
 - The labour cost rates resulting from DBP's capitalisation policy have been reasonably calculated and are market-aligned.
 - The review and revision of the labour capitalisation rates as a method was reasonable from an accounting perspective.
 - The 2019 to 2023 wages and salaries average is not a reasonable benchmark of efficiency.
 - The year-to-date 2025 salary expenses (to June) already suggest that the annual result could be as high as \$50.0 million, which is more than \$5 million higher than its revised estimate for 2026.
 - The tight labour market and pressure on salary levels and conditions in the business is continuing and could increase salary expenses by more than forecast in its Revised Plan over AA6.
 - The business has not been operating in a 'steady state', there has been an increase in the number of field resources whose responsibility it is to maintain the DBNGP, with additional increases in IT in response to higher complexity in the operating model led by market conditions (for example, cyber risk response, cloud hosting).
20. DBP additionally states that to reduce the impact on tariffs, it has proposed the net impact of the labour cost rate be included in the calculation of the E Factor carryover.
21. The ERA noted in the draft decision that AGIG engaged BDO to review DBP's labour cost charging rate. BDO stated in that report that

We note that AGIG is no longer receiving the equivalent amount of revenue from capex projects and other areas of the business where the cost rates are charged, and it is reasonable to recover the full labour costs incurred as part of regulatory opex.

¹² Excludes the contractor salaries

22. The ERA concluded that a reduced capital expenditure requirement does not justify loading inefficient resource costs into operating expenditure and as such the charge out rate change was not considered reasonable and prudent.
23. EMCa's review of DBP's revised proposal expenditure suggested that the charge-out rate reduction has resulted in an increase in salary attributed to DBNGP of \$7.7 million in 2024.^{13 14} Therefore, absent the accounting change, DBP's information showed that the actual 2024 salaries expenditure of \$40.3 million would have been \$7.7 million less, that is \$32.6 million. EMCa also noted that the charge out rate change largely benefits other AGIG entities and non-regulated DBP assets, while the impact on regulated DBNGP capital expenditure is somewhat less.¹⁵
24. DBP's additional information, provided in Attachment 8.7 to its Revised Plan, states that:
- The decision to revise labour capitalisation rates downward was done in response to an assessment of the reasonability of labour capitalisation rates (initially set in 2016 and escalated by CPI since then). The exercise found that 2023 rates were higher than market related rates for similar services.
25. EMCa noted that the benchmarking that DBP provided (shown in Table 5.5) found otherwise. The table showed that the salary on-costs used in the Marsden Jacob report for the AER is between 43 per cent and 52 per cent, compared with DBP's submission following its accounting change, which is only 35 per cent.¹⁶ In fact, DBP's rate prior to the charge-out rate change (50 per cent), was within the lower and upper bound set out in the report.¹⁷

Table 5.5: Salary on-cost comparison between DBP submission and others (%)

	DBP prior 2024	DBP revised proposal	Western Australia	AER/Marsden Jacob Report - lower	AER/Marsden Jacob Report - higher
Salary on-cost	50	35	38.97	43	52
Overheads	54	40		61	61
Total	104	75		104	113

Source: EMCa table derived from DBP's Att. 8.7, Table 1.2 and BDO Report Att. 8.3

26. For non-salary on-cost (overhead), the AER applies a flat rate of 61 per cent, which is much higher than DBP's revised proposal of overheads (40 per cent). Again, DBP's rate prior 2024 (54 per cent) is much closer to the AER's overhead rate. DBP claimed that the Marsden Jacob report has a compounding error. As EMCa has detailed in its

¹³ DBP, Revised Final Plan 2026-2030, Operating expenditure public, p. 8

¹⁴ DBNGP operating expenditure contains salaries for DBNGP employees. However, these employees also do work for capital projects and other AGIG and non-regulated entities and accordingly charge out costs. A reduction in the charge out rates implies that the DBNGP retains more costs, which results in an increased operating cost.

¹⁵ EMCa, Final technical report, November 2025, p. 72

¹⁶ AER Website, Marsden Jacob - Review of Alternative Control Services - September 2018

¹⁷ EMCa, Final technical report, November 2025, pp. 72, 73

report, even recalculating the salary oncost range with an arithmetic sum would not support DBP's reduced rate of 75 per cent.¹⁸

27. The ERA notes the additional salary level benchmarking provided by DBP. However, the concern is with the accounting charge out rate reduction that DBP has applied in its proposal rather than the salary levels.
28. The ERA having considered all the information at hand concludes that the reduction in its charge out rate from 104 per cent to 75 per cent that resulted in a \$7.7 million increase in 2024 for salaries is not reasonable for the purpose of determining a regulatory base year amount for DBNGP customers.
29. Based on EMCa's advice, the ERA considers that there is no justification to add back a capital expenditure allowance as a result of this decision. It notes EMCa's advice that there is no evidence that its 2024 capital expenditure was the sole reference point that it has used, nor is there evidence that DBP reduced its capital expenditure forecast to account for a lower assumed internal charge out rate.

Base year adjustment – Wages and salaries expenditure

30. On the base year adjustment of \$4.7 million, the ERA and EMCa had difficulty in reconciling the expenditure amounts in the subcategories (this is discussed in more detail in the EMCa report). Eventually DBP provided the ERA a new document containing a listing of the components of its proposed \$4.7 million salaries base year adjustment (as shown in the 'Base year adjustment categories' column of Table 5.6 below).
31. EMCa's review recommended that apart from the head count increase, the [REDACTED] adjustments were reasonable. Since the specific adjustments account for real salary increases from 2024 and can reasonably be assumed to apply for the remainder of AA5, it was necessary to offset these increases by not also allowing for real salary cost trend increases over the remaining two years of the AA5 period. As such, an escalation adjustment has been applied by calculating the amount by which the base year operating expenditure is being escalated in real terms over two years in the 'trend' component of the BST forecast and deducting this amount (\$0.48 million) from the base year adjustment.
32. EMCa noted the draft decision's assessment that DBP's increase in staff numbers appeared to largely correlate with an increase in the utilisation of those staff to provide services other than to DBNGP. While DBP refers in various parts of its submission to increasing repair and maintenance required for the ageing DBNGP asset, the information in its revised proposal shows that it had already added 81 FTEs over the period 2020 to 2024 and gives no credible information that would justify its proposed allowance for a further increase.
33. Table 5. sets out the adjustments for the wages and salaries base year expenditure.

¹⁸ EMCa, Final technical report, November 2025, p. 73

Table 5.6: Base year adjustments: DBP proposed and EMCa recommended (\$ million, real 31 December 2024)

Base year adjustment categories	DBP	EMCa
Operations field staff remuneration	0.8	0.8
Operations field staff remuneration changes to classification	0.3	0.3
	0.9	0.9
	0.8	0.8
Head count increase	1.7	
Subtotal	4.5	2.8
Increase superannuation 0.5%	0.18	0.18
Total adjustments	4.68	2.98
Less labour cost escalation offset (2024 to 2026)		-0.48
Net total adjustments		2.50

Source: EMCa Final technical report, November 2025

34. Having reviewed all the information provided, the ERA considers \$2.5 million for wages and salary base year adjustment expenditure as reasonable and prudent for the final decision.

35. The summarised base year wages and salaries is shown in Table 5.7.

Table 5.7: Base year wages and salaries expenditure (\$ million, real 31 December 2024)

	Base year (2024) expenditure	Average (2019-2023)
Salaries (actual)	40.3	
Less charge out rate adjustment	-7.7	
Plus base year adjustment	2.5	
Salaries	35.1	31.7
Contractor	1.0	1.8
Total	36.1	33.5

Source: EMCa Final technical report, November 2025

36. The ERA considers the base year wages and salaries of \$36.1 million as reasonable and prudent for the final decision.

37. The ERA has taken into account the impact on the E factor as a result of this decision in Attachment 7 - Incentives.¹⁹

Base year - Consulting expenditure

38. In the draft decision, the ERA approved DBP's proposed approach to apply the five-year average to forecast consulting expenses, as has been the approach in previous access arrangement periods to address annual volatility of consulting expenses. We allowed \$3.9 million for the base year as DBP had proposed (based on the annual average over 2020 to 2024), amounting to \$19.5 million over five years in AA6.
39. In its revised proposal, DBP stated that its 2024 actual estimate for consulting expenses had since been revised to \$4.4 million from \$3.0 million (based on 12 months, rather than nine months of actuals with the variation due to the timing of receipts through the year). With the updated 2024 actual, the annual average over 2020 to 2024 was \$4.2 million, which is around \$0.3 million higher than approved in the ERA's draft decision. As such, DBP proposed \$20.8 million as AA6 consulting expenditure.
40. The ERA accepts the increase of \$0.3 million to the base year consulting expenditure since DBP has used the five years average expenditure accepted in our draft decision, noting that the increase is due to the increase in the 2024 actuals.
41. The ERA considers the \$4.2 million base year consulting expenditure is reasonable and prudent for the final decision.

Base year – Insurance expenditure

42. DBP proposed \$4.4 million for base year insurance expenses, which incorporated a base year adjustment of \$0.7 million to the expenses forecast for 2024 based on nine months of actual data (\$3.7 million).
43. DBP had proposed the base year adjustment as it was of the view that 2024 was not an accurate representation of the current recurrent insurance expenses. Although the updated 2024 actual for insurance was \$3.4 million (based on 12 months of actual data), the two-year average over 2023 and 2024 was \$4.1 million. On further review, the annual difference was due to an accrual being charged in 2023 (from 2024) for insurance expenses (around \$1 million) in anticipation of an insurance claim which did not eventuate.
44. In the draft decision, the ERA approved \$3.7 million for the base year and also approved a portion of DBP's proposed step change for insurance expenses from higher premiums (including in 2026), with a focus on the market-based assessment provided by DBP.
45. In the revised proposal, DBP has accepted the ERA's draft decision regarding the base year for insurance expenses. DBP has proposed a revised step change in 2026 (calculated from the approved \$3.7 million base year) to meet their insurance needs, which they state is higher than the 2024 actual amount by \$0.5 million.²⁰
46. The ERA considers the \$3.7 million base year insurance expenditure as reasonable and prudent for the final decision.

¹⁹ ERA, Final decision, Attachment 7: Incentives, December 2025

²⁰ See the step change Insurance category for the step change analysis.

Base year – IT expenditure

47. DBP proposed a base year adjustment to IT expenditure of \$2.1 million to bring the base expenditure up to \$7.6 million to address its current actual IT costs. We did not accept this base year adjustment in the draft decision because there was not enough information to support a further increase for 2026.
48. DBP has reconsidered its base year needs for IT, together with the step changes it has proposed for sustaining applications and sustaining infrastructure in IT. DBP has accepted the decision by the ERA for a base year estimate in line with reported actual expenses of \$5.5 million to help demonstrate the realisation of savings for its IT investments.
49. The ERA considers \$5.5 million base year IT expenditure as reasonable and prudent for the final decision.

Base year – Government charges expenditure

50. DBP proposed \$11.6 million for the government charges category in its operating expenditure base year, which included a forecast for the subcategory “Utilities rates and taxes” of \$5.7 million from 2026 and \$5.9 million for the other subcategory “Permits, licences, fees and taxes”.²¹
51. In its draft decision, the ERA considered that the actual 2024 expenditure (\$10.5 million) is a prudent and reasonable amount for the base year government charges. This amount is equivalent to DBP’s 2024 actual expenditure without a proposed \$1.0 million adjustment that it included in the initial proposal.²²
52. In the revised plan, DBP considered a base year adjustment is still required but revised the extent of it to \$0.2 million because:
 - It will absorb the need for any increase in telecommunication costs attached to the new datacentre to achieve savings.
 - The electricity costs for DBNGP operations are forecast to increase by an average of \$0.2 million per year over AA6 compared with 2024 (December 2024 dollars). This forecast is informed by advice from an electricity broker and supplemented by adjustments for further changes to new provider arrangements and increased compressor station (CS10 and CS8) power usage forecasts over AA6 (Confidential Attachment 8.8).
53. DBP’s revised base year forecast for government charges is \$10.7 million, which is \$0.2 million higher than the draft decision.
54. EMCa considered that DBP’s revised proposal for government charges was a reasonable base year value. However, while not entirely consistent with its labelling of this category, DBP information showed that this category included its office rental costs, which is understood to be its Perth office on St Georges Terrace.²³
55. Based on DBP’s revised information, which is discussed in the EMCa report capital expenditure subsection 5.2.6, there will be a saving of \$1.8 million per year from rental

²¹ DBP, Revised Final Plan 2026-2030, Attachment 8.6, August 2025, p. 12

²² ERA, Draft decision, Attachment 5 - Operating expenditure, July 2025, p.16

²³ DBP, Final Plan 2026-2030, Attachment 9.12, Jandakot facility redevelopment, p. 9.

from August 2027 onward as a result of DBP moving around 130 staff [REDACTED] to its redeveloped Jandakot facility.²⁴ EMCa recommended that this saving be categorised as a negative step change in the operating expenditure. Detail of this working is shown in the table below.

56. The ERA having approved the Jandakot redevelopment capital expenditure agrees with the EMCa assessment a rental saving should be added to the operating expenditure due to staff being relocated to the new facility. We agree that it should be reflected as a negative change to government charges expenditure.

Table 5.8: Adjustment for DBP government charges expenditure
(\$ million, real 31 December 2024)

Category	Base year	2026	2027	2028	2029	2030	Total
Utility rates and taxes	4.9	4.9	4.9	4.9	4.9	4.9	24.6
Saving from CBD rental		0	-0.8	-1.8	-1.8	-1.8	-6.2
Subtotal		4.9	4.2	3.1	3.1	3.1	18.5
Permits, license fees, rates and taxes	5.8	5.8	5.8	5.8	5.8	5.8	28.9
Total adjusted government charges		10.7	10.0	8.9	8.9	8.9	47.4

Source: EMCa Final technical report, November 2025

57. Having reviewed all the information provided, the ERA considers \$47.4 million for government charges expenditure as reasonable and prudent for the final decision.

Base year - Reactive maintenance expenditure

58. DBP accepted the ERA's draft decision to reduce its initial proposed amount for reactive maintenance base year from \$1.3 million to \$1.0 million, in line with DBP's actual 2024 expenditure.
59. The ERA considers \$1.0 million for base year reactive maintenance expenditure as reasonable and prudent for the final decision.

Other base year expenses

60. DBP's revised proposal updates the forecast provided in the initial proposal as it is based on DBP's reported 12 months of actual expenses rather than a forecast of 2024 expenditure. Table 5.9 summarises the differences.

²⁴ EMCa, Final technical report, November 2025, pp. 59,60

Table 5.9: DBP revised proposal for 'other base year' expenditure (\$ million, real 31 December 2024)

Other base year expenditure by category	ERA draft decision 2024 expenditure	DBP's revised proposal 2024 expenditure	Difference
Other base year – non field expenditure			
Employee expenses	1.0	1.3	+0.3
Advertising	0.1	0.2	+0.1
Entertainment	0.3	0.3	-
Office & admin	0.8	0.9	+0.1
OHS	0.3	0.3	-
Other base year – field expenditure			
Motor vehicle	1.6	1.9	+0.3
Repairs & maintenance	7.8	8.1	+0.3
Training & development	1.6	1.5	-0.1
Travel & accommodation	2.4	2.5	+0.1
Total	15.9	17.0	+1.1

Source: DBP, Revised Final Plan 2026-2030, table 1.4

61. The \$3 million other base year non-field expenditure is mainly attributed to the use of full year 2024 expenditure, which the ERA considers prudent and reasonable for the final decision.

Field expenditure

62. In the draft decision, the ERA considered that DBP's proposed base year field expenses of \$13.4 million was reasonable considering that it was in-line with the 2024 expenditure.
63. In its revised proposal, DBP proposed \$14.0 million as base year field expenditure, after updating its field expenses using full year actual 2024 figures.
64. The table below shows DBP's expenditure over 5 years from 2019 to 2023 and compares it with the 2024 base year expenditure. DBP's 2024 expenditure is \$2.8 million higher than the average of the five years prior, particularly for repair & maintenance expenditure which is \$1.5 million higher than the prior years' average. The increase is reasonably explained by the suppressed activity during the covid years and increases in real costs.
65. While DBP's 2024 actual costs are higher than it estimated in its initial proposal, we consider that the 2024 actuals are a reasonable estimate for the 2024 base year cost.

Table 5.10: 2019-2023 DBP field expenditure (\$million, real 31 December 2024)

Field expenses	2019	2020	2021	2022	2023	2024 base year
Motor vehicle	1.3	1.3	1.4	1.4	1.5	1.9
Repairs & maintenance	7.1	6.6	6.4	6.8	6.3	8.1
Training & development	1.6	1.4	1.0	1.3	1.2	1.5
Travel & accommodation	2.6	2.0	1.4	1.5	2.0	2.5
Total	12.6	11.3	10.2	11.0	11.0	14.0
2019-2023 average	11.2					14.0

Source: EMCa, Table derived from several tables in DBP attachment 8.4A

66. The ERA considers \$14 million is reasonable and prudent for the base year field expenses expenditure.
67. The ERA considers \$17.0 million for other base year (field and non-field) expenditure as reasonable and prudent for the final decision.

Step changes

Insurance expenditure

68. DBP initially proposed a step change expenditure of \$4.9 million in AA6 for higher insurance premia.
69. In the draft decision, the ERA approved a step change expenditure of \$3.7 million, which was based on the market-based assessment of premia provided by DBP's insurer.
70. In its revised proposal, DBP states that its insurer has subsequently provided further market-based advice about the product premia and fees that DBP will incur in AA6 that were not included in the initial proposal.²⁵ DBP calculates that the additional information supports a revised step change of \$5.9 million.
71. EMCa confirmed that the DBP's updated report contained four line-items that were not included in the initial proposal. The numbers are collated in Table 5.11.

²⁵ DBP, Revised Final Plan 2026-2030, Attachment 8.6, August 2025, p. 14

Table 5.11: DBP revised breakdown of insurance expenditure
(\$ million, real 31 December 2024)

Category	2026	2027	2028	2029	2030	Total
Marine cargo	0.0	0.0	0.0	0.0	0.0	0.1
Drone hull and liability	0.0	0.0	0.0	0.0	0.0	0.01
Group salary continuance	0.3	0.3	0.3	0.3	0.3	1.6
Broker service fee	0.1	0.1	0.1	0.1	0.1	0.6
Total	0.4	0.4	0.5	0.5	0.5	2.3

Source: EMCa, Table derived from several tables in DBP attachment 8.4A

72. Based on the updated report above, the revised insurance premium step proposed by DBP of \$5.9 million in AA6, which is \$2.2 million more than ERA's draft decision, is reasonable, when taken in conjunction with DBP's acceptance of the base year expenditure of \$3.7 million.
73. The ERA considers \$5.9 million insurance step expenditure as reasonable and prudent for the final decision.

Sustaining applications expenditure (IT)

74. DBP initially proposed \$8.3 million as a step change for AA6 IT sustaining applications for increases in licence and subscriptions costs, such as for 'Platform as a Service' and 'Software as a Service' applications.
75. In the draft decision, the ERA considered that a step change of \$0.8 million for IT sustaining applications was prudent and reasonable. ERA considered that DBP had made major investments in business systems providing corporate, commercial and technical support including its development, a new billing system, new HR systems and Maximo business process redesign. DBP had not quantified the benefits from these, but we considered that the benefits should offset the higher IT operating costs.²⁶
76. In the revised proposal, DBP disagreed with the ERA's draft decision and proposed an alternative step expenditure of \$5.3 million. It considers a realistic value for ongoing operating efficiencies associated with the OneERP investment to be \$0.6 million per year, resulting in a saving of \$3.0 million over the AA6 period. DBP has suggested that the saving is contingent on the approval of \$3.0 million capital expenditure over AA6 to deliver the SAP S/4 incremental functionality.²⁷
77. EMCa reviewed DBP's revised information and considered that DBP had been selective in identifying only savings from SAP S/4HANA. DBP has proposed significant other application enhancement expenditure (apart from the SAP S/4/HANA) that has now been approved in the final decision.²⁸ EMCa considered that given the absence of quantified business cases for this expenditure, it was reasonable to assume that such

²⁶ ERA, Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030) - Attachment 5: Operating expenditure, 7 July 2025, p. 15.

²⁷ DBP, Revised Final Plan 2026-2030, Attachment 8.6, August 2025, p. 15. One ERP and S/4 HANA are enterprise resource planning softwares that integrate various business processes.

²⁸ ERA, Final Decision Attachment 4: Capital expenditure.

enhancements will result in realisable business operating expenditure savings, which DBP has not taken into account in proposing IT operating expenditure step changes.

78. To account for these, and for the inclusion of the relevant enhancement capital expenditure, the ERA considers that a reasonable proxy is to assume additional savings, noting that this is consistent with the savings that DBP has calculated for SAP S/4HANA. The calculation of these amounts is in the table below:

Table 5.12: DBP proposed and EMCa recommended IT sustaining applications step expenditure (\$million, real 31 December 2024)

Category	2026	2027	2028	2029	2030	Total
IT sustaining applications - proposed	0.9	1.3	1.0	1.0	1.0	5.3
<i>Less saving from system enhancement DBP has not taken into account:</i>						
DBP21-New-08: system enhancements	-0.5	-0.5	-0.5	-0.4	-0.4	-2.1
DBP21-New-26: OneERP Maximo enhancements	-0.2	-0.2	-0.2	-0.2	-0.2	-1.0
Total	0.3	0.6	0.4	0.5	0.5	2.2

Source: EMCa, Table derived from DBP response to EMCa18-Q44 and capex business case BC21²⁹

79. The ERA considers \$2.2 million IT sustaining applications step expenditure as reasonable and prudent for the final decision.

Sustaining infrastructure expenditure (IT)

80. DBP initially proposed a step change of \$1.8 million for IT sustaining infrastructure for a new datacentre in Western Australia.
81. In the draft decision, we noted there was already \$2 million included for the IT sustaining expenditure in the base year and that AGIG has embarked on a major program to rationalise its IT infrastructure, including a West Coast Data Centre that has a dual purpose of providing primary IT infrastructure to DBP and backup infrastructure to AGIG's east coast operations. DBP claimed that this initiative will provide efficiencies. The ERA's view was that these efficiencies should offset the step change amount and it hence rejected the step change expenditure. The ERA noted that DBP had not demonstrated a prudent and efficient need for costs greater than what were already included in its base year actual operating expenditure.³⁰
82. In the revised plan, DBP accepted that the "AGIG OneIT" initiative will provide efficiencies. However, it has provided further information in its revised proposal (attachment 9.12) which it claims demonstrates that these efficiencies have been accounted for and that the additional amount is still required.³¹ It also claims that

²⁹ EMCa, Final technical report, November 2025, Table 7.19

³⁰ ERA, Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030) - Attachment 5: Operating expenditure, 7 July 2025, p. 136

³¹ DBP, Revised Final Plan 2026-2030, Attachment 8.6, August 2025, p. 16

additional savings have already been made in the base year of \$2.1 million. DBP proposed a reinstatement of the \$1.8 million for sustaining IT infrastructure.

83. EMCa sought information that would assist in understanding the rationale for the step change considering that there were likely IT efficiencies. EMCa noted that DBP had claimed that it had already factored into its overall operating expenditure forecast a level of efficiencies. DBP stated that the \$2.1 million savings reflects the portion of IT cash costs that DBP is bearing (i.e. and so will not pass through to customers, reflecting a “saving/ benefit” to them). DBP states that it is absorbing \$0.3 million of costs related to the [REDACTED] hosting environments and \$1.8 million of infrastructure related costs associated with [REDACTED] and [REDACTED] for its ERP applications.
84. EMCa had trouble reconciling the claims that DBP made. DBP’s reference to \$2.1 million of absorbed costs appeared to relate to the \$2.1 million base year adjustment that DBP sought in its initial proposal, but which the ERA did not approve. DBP accepted this aspect of the ERA’s draft decision and no longer sought a base year adjustment for IT.³²
85. EMCa also had difficulty reconciling DBP statements that it is specifically absorbing \$0.3 million of [REDACTED] and \$1.8 million of [REDACTED] and [REDACTED] IT infrastructure costs, since DBP provided information in response to an earlier information request, that showed a breakdown of its actual IT costs in its base year, and which specifically includes these components.³³
86. The ERA considers that based on DBP’s initial and its revised information and considering the efficiencies that should be evident from its infrastructure capital investments, it has not provided evidence of additional IT infrastructure costs, over and above those already included in its base year IT operating expenditure that would warrant a step change.
87. Having reviewed all the information provided to it, the ERA does not consider a step change expenditure for sustaining IT infrastructure as reasonable and prudent for the final decision.

Cybersecurity expenditure (IT)

88. DBP initially proposed \$2.3 million as a step change to its IT expense forecasts in AA6 for cybersecurity initiatives to address gaps in IT and OT security. This step change was approved by the ERA as prudent and reasonable.
89. In the revised proposal, DBP accepts the decision and has no further changes to address its cybersecurity requirements.³⁴
90. ERA considers the \$2.3 million cybersecurity expenditure as reasonable and prudent for the final decision.

³² EMCa, Final technical report, November 2025, p. 82.

³³ DBP information provided in response to EMCa IR18, Q39c

³⁴ DBP, Revised Final Plan 2026-2030, Attachment 8.6, August 2025, p. 16

Cost trends

Input cost escalation

91. In the initial proposal, DBP applied a real cost labour escalation of 0.67 per cent per year. DBP noted that this was for labour costs that are increasing at a faster rate than inflation (real cost escalation). This labour cost escalation applies to salaries (employees and contractors) and consulting costs.³⁵
92. In the draft decision, the ERA considered that DBP's proposed labour cost escalation of 0.67 per cent per year as reasonable. The ERA noted that this may be updated based on the latest WA Treasury estimates of Wage Price Index and Consumer Price Index.³⁶
93. In the revised proposal, DBP accepted the ERA's decision in principle and noted that the recent Western Australian Treasury forecasts released in June 2025 did not change its estimate of 0.67 per cent per annum for the real labour cost escalator.³⁷
94. In the final decision, the ERA recalculated the labour cost escalation based on the State budget papers and considers 0.63 per cent per year real labour cost escalator as prudent and reasonable for the AA6 period.³⁸

Productivity growth

95. DBP proposed no productivity factor in the initial proposal or revised proposal.

Bottom-up forecast expenditure

System use gas expenditure

96. In the initial proposal, DBP forecast \$116.6 million in SUG costs for AA6 based on its forecast for full haul throughput and an estimated gas price of \$10/GJ.³⁹
97. In its draft decision, the ERA used estimates of Full Haul throughput and the gas contract price advised by DBP through an information request, which resulted in the SUG expenditure being \$97.5 million.⁴⁰
98. In the revised proposal, DBP accepted the ERA's application of the SUG contract price but amended the demand forecasts in the draft decision resulting in a lower full haul throughput forecast. DBP's revised SUG expenditure is \$94.5 million in AA6.⁴¹

³⁵ DBP, Final Plan 2026-2030, January 2025, p. 76

³⁶ ERA, Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030) - Attachment 5: Operating expenditure, 7 July 2025, p. 20

³⁷ DBP, Revised Final Plan 2026-2030, Attachment 8.6, August 2025, p. 5

³⁸ ERA, Final decision, Operating Expenditure Model, labour cost escalation tab, December 2025

³⁹ DBP, Final Plan 2026-2030, January 2025, p. 77

⁴⁰ ERA, Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030) - Attachment 5: Operating expenditure, 7 July 2025, p. 22; ERA, operating expenditure model, July 2025

⁴¹ DBP, Revised Final Plan 2026-2030, Attachment 8.6, August 2025, p. 17, 18

99. In the final decision, the ERA has used our demand forecasts in the final decision resulting in a 15.0 per cent higher AA6 average full haul throughput forecast compared to the revised proposal.⁴² The ERA has used the most recent inflation data to update the SUG contract prices. This results in the AA6 final decision SUG expenditure being \$144.5 million which the ERA considers is prudent and reasonable.⁴³

GEA and turbine overhauls expenditure

100. In the initial proposal, DBP forecast \$32.8 million for GEA and turbine overhauls in AA6.⁴⁴
101. In the draft decision, the ERA approved \$29.5 million for GEA and turbine overhauls expenditure. The ERA disallowed provision for [REDACTED] with an allowance of \$3.25 million on the basis that DBP's comprehensive overhaul program, lower forecast throughput and forecast increasing Perth basin production could result in fewer premature failures.⁴⁵
102. DBP sought \$32.8 million for GEA and turbine overhauls expenditure in its revised AA6 proposal. DBP reinstated the \$3.25 million for [REDACTED] allowance. DBP stated that in AA6, there is likely to be more stress on the units with frequent starts and peaking load top ups due to low flows (throughput). DBP also argued that the number of turbine overhauls required from AA3 to AA5 (including planned overhauls and failures) has averaged 7.3 per period and that the number of premature failures each AA period has averaged two, and over the last 10 years, there is generally one failure every two years, or so.⁴⁶
103. EMCa reviewed the further justification for allowing [REDACTED] of turbines and suggested that while there was no statistically valid means to prefer a particular integer forecast with such low expected values (i.e. assumed to be [REDACTED]), on balance EMCa considered that the information that DBP had provided supported its proposed allowance of [REDACTED] as a reasonable forecast.
104. The ERA having reviewed all the information provided to it, considers that \$32.8 million for GEA and turbine expenditure is prudent and reasonable for the final decision.

Inspections and other asset management expenditure

105. In the initial proposal, DBP forecast \$33.0 million for asset inspections, decommissioning activities, health and safety initiatives and other asset management needs.
106. In the draft decision, the ERA approved most of the expenditure other than station inspection expenditure for which it approved \$1.9 million out of the \$4.8 million sought. This was on the basis that per the reference service terms and conditions, 26 existing stations were to be funded by the DBP and the remaining 41 stations would be handled by the shippers. This resulted in \$30.1 million being approved in the draft decision.

⁴² ERA, Final decision Attachment 2: Demand

⁴³ ERA, Final decision, Operating Expenditure Model, December 2025

⁴⁴ DBP, Final Plan 2026-2030, January 2025, p. 78.

⁴⁵ ERA, Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030) - Attachment 5: Operating expenditure, 7 July 2025, pp. 22, 23

⁴⁶ DBP, Revised Final Plan 2026-2030, Attachment 8.6, August 2025, pp. 18,19

107. In the revised proposal, DBP disagreed with the ERA's assessment on the station inspection expenditure. It notes that inspections are distinct from maintenance activities; they are for safety-related reasons, and that it is DBP's responsibility to ensure that all meter stations on the DBNGP are subject to an inspection regime consistent with Australian standards. It additionally notes that inspecting all meter stations (and not just existing stations) is consistent with its approach in all access arrangement periods since the pipeline has been subject to price regulation.⁴⁷
108. As such in the revised proposal, DBP sought \$33.0 million for inspections and other asset management expenditure.
109. EMCa reiterated the contractual basis that costs related to meter stations are the responsibility of shippers at those stations, except for existing stations. Regardless of the responsibility for undertaking inspections, EMCa maintains that it is consistent with this requirement that such expenditure should be charged to the relevant shippers and therefore not included in determining regulated charges.⁴⁸
110. The ERA notes that this is a change from its previous access arrangement approval of this expenditure, however, it considers that based on the paragraphs above and the reasoning set out in Final Decision Attachment 4, which covers the capital expenditure for meter stations, a change is required.⁴⁹ The ERA, having reviewed all the information provided, considers that \$30.1 million for inspections and other asset management expenditure is prudent and reasonable for the final decision.

Final decision on AA6 operating expenditure

111. The ERA's final decision determined operating expenditure for AA6 of \$607.4 million is set out below:

Table 5.13: DBP revised proposal operating expenditure summary (base, step, trend)
(\$ million, real 31 December 2024)

Category	2025	2026	2027	2028	2029	2030	Total
Efficient base year	78.1	78.1	78.1	78.1	78.1	78.1	390.7
Bottom-up		30.8	45.3	45.5	41.4	44.4	207.3
Step changes		0.9	1.0	0.2	0.8	1.4	4.2
Labour cost escalation		0.5	0.8	1.0	1.3	1.6	5.2
Total		110.3	125.2	124.8	121.6	125.5	607.4

Source: ERA, Operating expenditure model, December 2025.

⁴⁷ DBP, Revised Final Plan 2026-2030, Attachment 8.6, section 1.6.3

⁴⁸ EMCa, Review of DBNGP revised proposal, November 2025, section 7.4.2, p. 78

⁴⁹ ERA, Final Decision Attachment 4: Capital expenditure, December 2025, pp. 14-16

Table 5.14: ERA final decision operating expenditure summary by category
(\$ million, real 31 December 2024, including labour cost escalation)

Category	2026	2027	2028	2029	2030	Total
Wages & salaries	36.6	36.8	37.0	37.3	37.5	185.2
Field expenses	14.0	14.0	14.0	14.0	14.0	70.2
Non-field expenses	17.2	18.1	18.3	19.0	19.6	92.2
Government charges	10.7	10.0	8.9	8.9	8.9	47.4
System Use Gas	21.7	26.6	31.2	31.5	33.5	144.5
Reactive maintenance	1.0	1.0	1.0	1.0	1.0	5.2
GEA & turbine overhauls	4.9	8.8	4.5	6.9	7.8	32.8
Inspections & other asset management	4.3	9.9	9.8	3.1	3.1	30.1
Total	110.3	125.2	124.8	121.6	125.5	607.4

Source: ERA, Operating expenditure model, December 2025.

Required amendment 5.1

The access arrangement information must be amended to reflect the operating expenditure forecast of \$607.4 million (real 31 December 2024) and the values in Table 5.14 of Final Decision Attachment 5.

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