Australian Gas Infrastructure Holdings Pty Limited

ABN 22 120 456 573

Financial Statements for the year ended - 31 December 2024

Australian Gas Infrastructure Holdings Pty Limited
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General information

The financial statements cover Australian Gas Infrastructure Holdings Pty Limited as a Group consisting of Australian Gas Infrastructure Holdings Pty Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Australian Gas Infrastructure Holdings Pty Limited's functional and presentation currency.

Australian Gas Infrastructure Holdings Pty Limited is a company limited by shares, incorporated and domiciled in Australia. The Group's registered office and principal place of business is: Level 22-23, 140 St George's Terrace, Perth, Western Australia.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2025.

Australian Gas Infrastructure Holdings Pty Limited
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the Group) consisting of Australian Gas Infrastructure Holdings Pty Limited (AGIH) (the Company or the Parent) and the entities it controlled at the end of, or during, the year ended 31 December 2024.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors
The following persons held office as directors of AGIH during the whole of the period 1 January 2024 to 31 December 2024 and up to the date of this report unless otherwise stated:

Name	Designation
H L Kam	Non-Executive
L S Chan	Non-Executive
A J Hunter	Non-Executive (Chairman)
S K K Man	Non-Executive
D Macrae	Non-Executive, Alternate for A J Hunter
C de Laine	Executive
M S Si De Li	Alternate for LS Chan
T McFarland	Alternate for D Macrae
W W C T Barnes (Appointed 11 December 2024)	Alternate for H L Kam
J B Luk (Appointed 11 December 2024)	Alternate for L S Chan
R K Smith	Company Secretary

Directors' interests in contracts
During the financial year, no contracts were entered into which directors or officers of the Group had an interest and which significantly affected the business of the Group.

Principal activities
The Group owns and operates key gas infrastructure across a national portfolio of companies that provides distribution, transmission and gas storage assets making it one of the largest gas infrastructure businesses in Australia. The portfolio comprises:

The Dampier Bunbury Pipeline (DBP) is Western Australia's key gas transmission pipeline. Stretching almost 1,600kms, it transports gas to mining, industrial, commercial and residential customers across Western Australia. Leveraging the world-class pipeline engineering and operating skills of the DBP management team, the Australian Gas Infrastructure Development Group (AGID) of companies builds, owns and operates new pipelines and laterals in Western Australia and the Northern Territory as well as the largest gas storage facility in Western Australia.

The Multinet Gas Group (MGN) of companies distributes natural gas to customers throughout Melbourne's inner and outer east, the Yarra ranges and South Gippsland. The network transports gas to residential, commercial and industrial customers.

AGI Finance Pty Limited (AGIF) is the financing vehicle to the Group . AGIF acts as the borrowing entity and on-lends to the AGIH Group of Companies (DBP, MGN, AGID) via intercompany loans. AGIH and AGIF both have a Standard and Poor's credit rating of A-, and A3 from Moody's, both with a stable outlook.

Dividends
The Company paid dividends of $169.0 million during the 12 months to 31 December 2024 (2023: $172.0 million).

Review of operations
The profit of the Group after providing for income tax amounted to $206.2 million (2023: $189.8 million). Revenues for the year ended 31 December 2024, totalled $748.7 million (2023: $676.1 million).

During the financial year, AGIF raised and refinanced a total of $325.0 million in bilateral bank facilities and raised $95 million through its Australian Medium-Term Note (AMTN) programme. A portion of the facilities were used to refinance the MGN $265.0 million fixed rate Medium Term Note which matured in December 2024 and the DBP syndicated facility of $94.0 million, which matured in May 2024.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
As part of the newly established European Medium-Term Note (EMTN) programme, AGIF executed two issuances under the programme in January 2025. The first issuance settled on 23 January 2025 for $210 million, with a maturity of 10 years, alongside a further $90 million which settled on 28 January 2025, with a maturity of 7 years. The funds will be used to refinance current external debt.

On 7 February 2025 the Company paid an interim dividend of $59.625 million.

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
The Victorian Government is considering a ban on some gas appliances in homes and some businesses. If this progresses, regulations are unlikely to be in place this coming financial year. As a result, market confidence may be impacted from mid-2025, which has the potential to affect MGN.

At the date of this report, there are no other likely developments in the operations of the Group that, in the opinion of the Directors, are likely to significantly impact the Group during the coming financial year that have not already been disclosed.

Environmental regulation
The Group is subject to all environmental legislation as per the Environmental Protection Act. During the year ended 31 December 2024 the Group adhered to all environmental regulation set under the law of the Commonwealth and the State and any other environmental regulator. The Group is committed to environmental management principles through compliance with ISO 14001 for proactive planning, sustainable development and self-assessment for continuous improvement. The Group did not receive any notification from the *Environmental Protection Agency (EPA)* for violation of the Act during the current or previous years, and up to the date of signing this report in 2025.

Indemnity and insurance of officers
During the year ended 31 December 2024, the Group paid insurance premiums for cover which indemnifies individual directors' and officers' personal legal liability and legal defence costs for claims arising out of actions taken in connection with Group business, to the extent permitted by law, other than:

- a wilful breach of duty;
- a contravention of sections 182 or 183 of the Corporations Act 2001, as permitted by section 1998 of the Corporations Act 2001.

The directors and the officers of the Group, and certain employees serving as Executive General Managers at the Group's request, have been indemnified in accordance with these provisions. No amount has been paid under any of these indemnities during the year.

Indemnity and insurance of auditor
The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Rounding of amounts
The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Australian Gas Infrastructure Holdings Pty Limited
Directors' report
31 December 2024

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

C de Laine
Director

26 February 2025

Deloitte.

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The Board of Directors
AGI Holdings Pty Ltd
Level 22, 140 St Georges Terrace
Perth, WA 6000

26 February 2025

Dear Board Members

Auditor's Independence Declaration to AGI Holdings Pty Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of AGI Holdings Pty Ltd.

As lead audit partner for the audit of the financial report of AGI Holdings Pty Ltd for the year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

PG Janse van Nieuwenhuizen
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Australian Gas Infrastructure Holdings Pty Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Revenue from continuing operations	4	748,656	676,142
Expenses			
Expenses from ordinary activities	6	(347,612)	(297,184)
Finance expenses	7	(105,108)	(106,393)
Profit before income tax expense		295,936	272,565
Income tax expense	8	(89,713)	(82,742)
Profit after income tax expense for the year attributable to the shareholders of Australian Gas Infrastructure Holdings Pty Limited		206,223	189,823
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges		(80,844)	(99,627)
Income tax effect of change in fair value of cash flow hedges		24,253	29,888
Actuarial gain on defined benefits plan		1,064	-
Deferred income tax on actuarial gain on defined benefits plan		(308)	-
Other comprehensive expense for the year, net of tax		(55,835)	(69,739)
Total comprehensive income for the year attributable to the shareholders of Australian Gas Infrastructure Holdings Pty Limited		150,388	120,084

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Australian Gas Infrastructure Holdings Pty Limited
Consolidated statement of financial position
As at 31 December 2024

	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	9	74,598	83,546
Trade and other receivables	10	21,755	23,211
Contract assets	11	44,208	38,807
Inventories	12	8,812	8,159
Investment in financial assets	13	1,538	1,333
Derivative financial instruments	14	99,772	93,025
Finance lease receivable	15	23,532	21,180
Other current assets	17	12,254	13,104
Total current assets		286,469	282,365
Non-current assets			
Property, plant and equipment	18	4,342,088	4,269,976
Intangible assets	19	1,180,960	1,171,748
Investment in financial assets	13	10,618	12,156
Derivative financial instruments	14	42,187	130,230
Right-of-use assets	16	11,060	8,139
Defined benefit superannuation plan	20	2,676	1,647
Finance lease receivable	15	164,806	188,042
Total non-current assets		5,754,395	5,781,938
Total assets		6,040,864	6,064,303
Liabilities			
Current liabilities			
Trade and other payables	21	25,503	38,281
Contract liabilities	5	38,543	35,829
Provisions	22	18,755	19,092
Derivative financial instruments	14	24,751	31,185
Intercompany tax payable		150,467	174,467
Borrowings	23	550,000	424,572
Lease liabilities	25	2,856	2,974
Other current liabilities	24	148,854	148,921
Total current liabilities		959,729	875,321
Non-current liabilities			
Borrowings	23	3,031,499	3,104,484
Contract liabilities	5	121,963	121,536
Derivative financial instruments	14	81,229	105,953
Deferred tax liability	8	402,184	393,435
Provisions	22	59,358	62,333
Lease liabilities	25	17,690	15,417
Total non-current liabilities		3,713,923	3,803,158
Total liabilities		4,673,652	4,678,479
Net assets		1,367,212	1,385,824

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Australian Gas Infrastructure Holdings Pty Limited
Consolidated statement of financial position
As at 31 December 2024

	Note	2024 $'000	2023 $'000
Equity			
Contributed equity	26	2,980,097	2,980,097
Retained profits		465,567	428,344
Reserves	28	92,102	147,937
Common control reserve	27	(2,170,554)	(2,170,554)
Total equity		1,367,212	1,385,824

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Australian Gas Infrastructure Holdings Pty Limited
Consolidated statement of changes in equity
For the year ended 31 December 2024

	Issued capital $'000	Common control reserve $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 January 2023	2,980,097	(2,170,554)	214,576	410,521	1,434,640
Profit after income tax expense for the year	-	-	-	189,823	189,823
Other comprehensive expense for the year, net of tax	-	-	(69,739)	-	(69,739)
Total comprehensive income/ (expense) for the year	-	-	(69,739)	189,823	120,084
Addition from common control acquisition	-	-	3,100	-	3,100
Dividends	-	-	-	(172,000)	(172,000)
Balance at 31 December 2023	2,980,097	(2,170,554)	147,937	428,344	1,385,824

	Issued capital $'000	Common control reserve $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 January 2024	2,980,097	(2,170,554)	147,937	428,344	1,385,824
Profit after income tax expense for the year	-	-	-	206,223	206,223
Other comprehensive expense for the year, net of tax	-	-	(56,591)	-	(56,591)
Total comprehensive income/ (expense) for the year	-	-	(56,591)	206,223	149,632
Movement in actuarial valuation of defined benefit funds	-	-	756	-	756
Dividends	-	-	-	(169,000)	(169,000)
Balance at 31 December 2024	2,980,097	(2,170,554)	92,102	465,567	1,367,212

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Australian Gas Infrastructure Holdings Pty Limited
Consolidated statement of cash flows
For the year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		783,970	752,496
Payments to suppliers (inclusive of GST)		(213,664)	(193,597)
		570,306	558,899
Interest received		3,568	8,089
Interest and other finance costs paid		(99,310)	(94,211)
Net cash inflow from operating activities	30	474,564	472,777
Cash flows from investing activities			
Payments for property, plant and equipment		(230,965)	(211,701)
Payments for intangibles		(15,706)	(10,418)
Proceeds from disposal of property, plant and equipment		44	40
Net cash outflow from investing activities		(246,627)	(222,079)
Cash flows from financing activities			
Proceeds from third-party borrowings		883,000	1,192,368
Repayment of third-party borrowings		(862,000)	(1,166,000)
Settlement of lease liabilities		(4,711)	(1,884)
Dividends paid		(169,000)	(172,000)
Distributions - Intercompany loan repayments		(81,000)	(85,000)
Debt and capital raising costs		(3,205)	(5,424)
Net cash outflow from financing activities		(236,916)	(237,940)
Net increase/ (decrease) in cash and cash equivalents		(8,979)	12,758
Cash and cash equivalents at the beginning of the financial year		83,546	69,735
Effects of exchange rate changes on cash and cash equivalents		31	1,053
Cash and cash equivalents at the end of the financial year	9	74,598	83,546

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material Accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and within the relevant note. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Australian Gas Infrastructure Holdings Pty Limited and its subsidiaries (referred to hereafter as "the Group"). The financial statements are presented in Australian dollars.

(a) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of any new standards did not have a material impact on the Group's results.

Pronouncement	Impact
AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Clarifies that deferred taxes must be recognised where, on initial recognition of an asset or liability, the transaction gives rise to equal taxable and deductible temporary differences. The application of the amendment did not have an impact on the Consolidated Entity's consolidated financial statements in 2024.
AASB 2023-2 Amendments to AASB 112 Income taxes - International Tax Reform - Pillar Two Model Rules	The Consolidated Entity is within the scope of the Pillar Two top up tax that has been substantively enacted in Australia for income years beginning on or after 1 January 2024. The first period for which a Pillar Two return will be required is the income year ending on 31 December 2024. The Consolidated Entity has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
AASB 2023-4: Amendment to AASB 1060 General Purpose Financial Statements - - International Tax Reform - Pillar Two Model Rules: Tier 2 Disclosures	The Consolidated Entity has performed the necessary analysis in preparation for complying with the Pillar Two model rules for the income year ending on 31 December 2024. Based on the most recent tax return information in respect of 31 December 2023, the Group does not expect any potential exposure to Pillar Two top up taxes.
AASB 2023-1 Amendments to AASB 107 Statement of Cashflows and AASB 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	Requires additional disclosures about an entity's supplier finance arrangements to enable users of the financial statements to assess how supplier finance arrangements affect the entity's liabilities, cashflows and exposure to liquidity risk. The application of the amendments did not have a material impact on the Consolidated Entity's consolidated financial statements.
AASB 2020-1 Amendments to AASB 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	Requires a liability to be classified as current when an entity does not have a substantive right to defer settlement at the end of the reporting period. Specifies that only covenants which an entity must comply with on or before the reporting date affect the classification of the liability as current or non-current.
AASB 2022-6 Amendments to AASB 101 Presentation of Financial Statements - Non-current liabilities with Covenants	The application of the amendments did not have a material impact on the Consolidated Entity's consolidated financial statements.

There are no other AASBs or Interpretations that are not yet effective that would be expected to have a material impact on the Group.

Note 1. Material Accounting policies (continued)

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The policies have been consistently applied to all the periods presented, unless otherwise stated. For the period ended 31 December 2024 the Group prepared general purpose financial statements for the first time, expanding upon the simplified disclosure presentation used to prepare the Group's financial statements in previous years.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments.

Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Going concern
The Group meets its day-to-day working capital requirements through its bank facilities. The accompanying financial statements have been prepared on the going concern basis, which contemplates continuity of business activities and the realisation of assets and liabilities in the ordinary course of business.

At 31 December 2024 the Group had a working capital deficiency of $673.3 million (2023: $332.4 million) arising primarily as a result of senior debt facilities of $550.0 million maturing in 2025 (2023: 164.0 million), accrued interest of $25.8 million (2023: $26.3 million) and the Inter-Company loan with CK William of $150.5 million (2023: $174.5 million) in respect of the intercompany tax sharing agreement. The tax liability is repayable on demand and is therefore recorded as a current liability however no request has been received from CK William for payment.

The Group has a successful track record of refinancing its senior debt maturities. Over the course of 2024, a number of bilateral facilities of DBP and MGN were refinanced into new bilateral facilities via AGIF. For DBP, a total of $94.0 million of syndicated facilities (expired May 2024) and $265 million of matured fixed rate notes for MGN (expired Dec 2024), were refinanced.

As part of the newly established European Medium-Term Note (EMTN) programme, AGIF executed two issuances under the programme in January 2025. The first issuance settled on 23 January 2025 for $210 million, with a maturity of 10 years, alongside a further $90 million which settled on 28 January 2025, with a maturity of 7 years. The funds will be used to refinance current external debt.

All other current liabilities are expected to be met from surplus net operating cash flows. Owing to this and the fact that the entity, through the operation of the Common Funding Vehicle (together with DBP, AGID, MGN and AGIS), has access to undrawn facilities of $417.5 million (2023: $503.5 million). Given this, the Directors are of the opinion that the entity is a going concern and therefore the accompanying financial statements have been prepared on an appropriate basis.

(c) Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all entities of the Group as at 31 December 2024 and the results for the period then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Note 1. Material Accounting policies (continued)

The consolidated financial statements incorporates the activities and affairs of the AGI Holdings Pty Limited and its controlled entities:

- DBNGP Holdings Pty Limited
- DBNGP Finance Company Limited
- DBNGP (WA) Nominees Pty Limited
- DBNGP (WA) Transmission Pty Limited
- DBNGP Compressor Co. Pty Limited
- DBNGP (WA) Finance Company Limited
- AGI Development Group Pty Limited
- DBP Development Group Trust
- AGI Development Group Nominees Pty Limited
- AGI Operations Pty Limited
- AGI Fortescue River Pty Limited
- AGI Ashburton Pty Limited
- AGI Tubridgi Pty Limited
- AGI Tanami Pty Limited
- Fortescue River Gas Pipeline JV
- Australia Energy Finance Pty Limited
- Utilicorp Southern Cross Pty Limited
- Utilicorp Australia (Gas) Holdings Pty Limited
- Utilicorp Australia (Gas) Finance Pty Limited
- Energy Partnership (Holdings) Pty Limited
- Energy Partnership Pty Limited
- Energy Partnership (Gas) Pty Limited
- Multinet Gas (DB No. 1) Pty Limited
- Multinet Gas (DB No. 2) Pty Limited
- Multinet Gas Distribution Partnership
- Multinet Gas (IE) Pty Limited
- Amistel Pty Limited
- Australian Energy Fund No.2 Trust
- AGI Finance Pty Limited
- AGI Services Pty Limited
- UEM Pty Limited
- AGI Renewable Developments Pty Limited

The effects of transactions between the entities within the Australian Gas Infrastructure Holdings Group are eliminated on consolidation.

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

(d) Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs to be incurred on particular projects are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to depreciable assets are recognised by reducing the carrying amount of the asset.

(e) Foreign currency
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in equity as qualifying cash flow hedges.

Note 1. Material Accounting policies (continued)

(f) Distributions/ dividends
A provision is recognised for the amount of any distribution/ dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Distributions/ dividends approved after the end of the reporting period, whether or not paid prior to signing of the accounts are not recognised as a liability

(g) Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Group has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(h) Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 1. Material Accounting policies (continued)

(i) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred and the liabilities incurred. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in the income statement as a bargain purchase.

(j) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(k) Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(l) Comparative figures

Where necessary, comparative figures have been changed to conform with presentation of the current period financial figures.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Australian Accounting Standards and generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. On an on-going basis, the Group evaluates its estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These accounting policies involve “critical accounting estimates” because they are particularly dependent on estimates and assumptions made by the Group about matters that are inherently uncertain.

Provision for decommissioning

As part of the identification and measurement of assets and liabilities, the Group has recognised a provision for decommissioning obligations. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Taxes
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded.

The Group accounts for income taxes based on reasonable estimates, taking into consideration learnings from previous tax audits and differing interpretations of tax regulations. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective Group companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Estimated impairment of goodwill and indefinite life intangibles
The Group tests goodwill annually for impairment, in accordance with the accounting policy. The recoverable amounts of cash generating units have been determined based on the higher of the value-in-use and fair value less costs to dispose calculations. These calculations require the use of assumptions. These assumptions and the potential impact of changes to these assumptions are outlined in the notes.

Derivative financial instruments
The fair values of over-the-counter derivatives are determined using valuations techniques adopted by the Directors with assumptions that are based on market conditions existing at each reporting date

Estimates of useful lives
Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Valuation of financial instruments
To determine the fair value of financial instruments, as outlined in note 14, the Group uses valuation techniques to determine fair values, based on Level 2 inputs of market observable data such as counterparty credit rating. The Directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

Long service leave provisions
The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Unaccounted for Gas
A provision for the estimated unaccounted for gas liability at 31 December 2024 has been included for the 2024 and 2023 regulatory periods. The provision relates to the cost that is incurred to reimburse gas retailers for the loss of gas between the point that gas enters the network and the consumption read at the meter, in excess of the allowed benchmark. The benchmark is based on a historical average of gas losses. The provision represents estimated above benchmark volumes for the 2024 and 2023 years at the respective wholesale gas prices.

Contract assets
There is a certain level of estimation involved in the measurement of the Group's revenue, including for distribution revenue whereby an estimation of unbilled revenue is primarily based on historical consumption patterns by customer and weather conditions for the unbilled period.

Note 3. Operating Segments

a) Basis of segmentation

Identification of reportable operating segments

The Group is organised into two operating segments: Gas Distribution and Gas Transmission. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Group's chief executive officer reviews the internal management reports of each division at least monthly.

There are varying levels of integration between the Gas Distribution and Gas Transmission segments, with various national shared services functions in operation as the segments leveraging one another through the provision of internal labour which is recharged as incurred, on terms that have been independently calculated using standardised rates. AGIF, which serves as the funding vehicle for the Group, recharges all P&L costs to the Gas Distribution and Transmission operating segments, it is not reported on as a segment in its own right.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Gas Distribution	The Multinet Gas Group ("MGN") of companies distributes natural gas to customers throughout Melbourne's inner and outer east, the Yarra ranges and South Gippsland. The network transports gas to residential, commercial and industrial customers.
Gas Transmission	The Dampier Bunbury Pipeline ("DBP") is WA's key gas transmission pipeline. Stretching almost 1,600kms, it transports gas to mining, industrial, commercial and residential customers across Western Australia. Leveraging the world-class pipeline engineering and operating skills of the DBP management team, the Australian Gas Infrastructure Development Group ("AGID") of companies builds, owns and operates new pipelines and laterals in Western Australia and the Northern Territory as well as the largest gas storage facility in Western Australia.

b) Information about reporting segments

Information related to each reportable segment is set out below.

	Distribution 2024 $'000	Transmission 2024 $'000	Distribution 2023 $'000	Transmission 2023 $'000
External customer revenues	239,638	437,583	201,297	407,161
External customer contributions	6,625	9,910	7,044	7,561
External finance lease income	-	25,478	-	26,900
External other revenues	-	34,753	10	25,176
Segment revenue	246,263	507,724	208,351	466,798
Operating and maintenance expenses	(60,896)	(132,796)	(56,762)	(108,705)
Depreciation and amortisation	(62,322)	(94,998)	(41,816)	(87,443)
Net finance costs	(53,235)	(53,745)	(48,667)	(58,804)
Segment expenses	(176,453)	(281,539)	(147,245)	(254,952)
Segment earnings before tax	69,810	226,185	61,106	211,846

Note 3. Operating Segments (continued)

c) Reconciliation of information on reportable segments to the amounts reported in the financial statements

	Reportable segment totals 2024 $'000	Adjustments and non-reportable segments 2024 $'000	Consolidated totals 2024 $'000	Reportable segment totals 2023 $'000	Adjustments and non-reportable segments 2023 $'000	Consolidated totals 2023 $'000
Revenues	753,987	(5,331)	748,656	675,149	993	676,142
Operating and maintenance expenses	(193,692)	3,400	(190,292)	(165,467)	(2,457)	(167,924)
Depreciation and amortisation	(157,320)	-	(157,320)	(128,782)	-	(128,782)
Net finance costs	(106,980)	1,872	(105,108)	(107,471)	1,078	(106,393)
Earnings before tax	295,995	(59)	295,936	273,429	(386)	273,043
Total assets	6,030,679	10,185	6,040,864	6,070,771	(6,468)	6,064,303
Total liabilities	4,668,623	5,029	4,673,652	4,690,452	(11,973)	4,678,479
Total equity	1,362,056	5,156	1,367,212	1,380,319	5,505	1,385,824

d) Geographic information

The AGI Holdings Group of Companies operates exclusively in Australia. The Gas Distribution business has operations in South Australia, Victoria and Queensland while the Gas Transmission Business has operations in the Northern territory and Western Australia. Geographical information is not used to manage segmental performance or operations.

Note 4. Revenue from continuing operations

	2024 $'000	2023 $'000
Revenue		
Distribution revenues	239,638	201,286
Customer contributions	6,625	7,044
Storage and transportation revenues	437,583	407,172
Finance lease income	25,478	26,900
Contract liabilities discharged during the year - Shipper funded construction revenues	9,910	7,561
	719,234	649,963
Other operating revenue		
Sale of natural gas	18,449	12,466
Gain on sale of property, plant and equipment	-	46
Operating and maintenance revenues	9,203	4,538
Other revenues	1,770	9,129
	29,422	26,179
Revenue from continuing operations	748,656	676,142

Note 4. Revenue from continuing operations (continued)

Accounting policy for revenue recognition
Revenue is recognised at the fair value of the consideration received or receivable net of indirect taxes, rebates and trade discounts and consists primarily of services rendered.

Revenue is recognised when the following criteria are met:

- evidence of an arrangement exists;
- services have been rendered and the performance obligations, as specified in the contract with the customer, have been satisfied;
- the selling price is fixed or determinable; and
- collectability is reasonably assured.

Revenue from services rendered is recognised over time based on the stage of completion of the transaction, based on the proportion that costs incurred to date bear to the total cost of the project.

Distribution revenues
The Group delivers natural gas to its customers through its distribution network, and provides ancillary services in relation to the network. Haulage services and ancillary services are distinct performance obligations and revenue on each of these is recognised when the service is provided to the customer. The price of the services is based on tariffs included in approved Access Arrangements and applied to the volume of gas delivered. The customer receives the benefit of the haulage and other network services as it is delivered, therefore the performance obligation is satisfied “over time”. Revenue is recognised using an output method where the performance obligation is satisfied as gas is transported to the customer or as the service is provided. Where the service has been provided and the customer has been billed a trade receivable is recognised on the balance sheet. Where the service has been provided and the customer has not yet been billed a contract asset is recognised on the balance sheet.

Customer contributions
The Group performs alteration and construction works on its distribution network at the request of customers. These works are funded by the customer. The contract price is agreed with the customer based on work to be performed. Where the contract only allows for capital works there is one performance obligation and revenue is recognised when the service is provided. The customer receives the benefit of the service as the work is performed therefore the performance obligation is satisfied “over time”. As the contribution to the capital works is received from the customer it is recognised as a contract liability on balance sheet and taken to revenue over time using an input method, either percentage of completion based on costs incurred to date, or milestones reached if specified in the contract.

Some contracts will include more than one deliverable, being the capital works and the subsequent provision of haulage services and/or maintenance services.

- Where the performance obligations are determined to be distinct, the transaction price is allocated to each performance obligation using estimated or actual construction costs, an estimation of maintenance costs if applicable and commercial tariffs for haulage revenue. Revenue is then recognised as each performance obligation is satisfied.
- Where the performance obligations are determined not to be distinct, the total contract price is recognised over the life of the contract.

Storage and transportation revenues
Storage and transportation revenues represent the revenues from the storage, transportation and haulage of gas through the DBNGP Pipeline, its access points, lateral pipelines and underground storage facilities. Revenue is calculated in accordance with the terms and conditions of the haulage or storage contracts applying tariffs to the volume of gas transported and services provided.

Revenue is recognised at the point in time when the counterparty injects or withdraws gas from the pipeline/ storage facility and the performance obligations in the haulage or storage contract have been met.

Note 4. Revenue from continuing operations (continued)

Finance lease income
Finance lease income represents the revenue from the construction of, and haulage of gas through the respective AGI Pipelines. Revenue is calculated based on the expected rate of return of the net investment in the lease. Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Sale of natural gas
Revenue from natural gas represents native gas sales from Tubridgi Gas Storage. Revenue is calculated in accordance with the terms and conditions of contracted quantity and price.

Revenue is recognised at a point in time when control of the product is transferred to the customer. Royalties are considered to be production-based taxes and are therefore accrued on the basis of physical production (i.e. when they are incurred).

Other revenues
Other revenues predominately represent the revenues from recharging costs incurred by the Group on behalf of related party entities. The remainder of these revenues represent immaterial services or the sale of goods which are calculated in accordance with the terms and conditions of the associated contracts.

Revenue is recognised at the point in time when the cost is incurred and recharged or when the good/ service is delivered.

Operating and maintenance revenues

Operating and maintenance (O&M) revenues represents the revenues from the maintenance of customer access points connected to the DBNGP Pipeline and its lateral pipelines. Revenue is calculated in accordance with the terms and conditions of the O&M contract to the services provided.

Revenue is recognised at the point in time when the service is delivered.

	2024 $'000	2023 $'000
Contract liabilities (Shipper funded revenues - subject to AASB 15)		
Opening balance	109,792	96,084
Contract liabilities recognised during the year	16,535	21,269
Contract liabilities discharged during the year	(9,910)	(7,561)
	116,417	109,792

Note 5. Contract liabilities

	2024 $'000	2023 $'000
Current Contract liabilities - reservation charges	32,027	28,398
Non-Current Contract liabilities - reservation charges	12,062	19,175
Current Contract liabilities - Shipper funded construction revenues	6,516	7,431
Non-Current Contract liabilities - Shipper funded construction revenues	109,901	102,361
	160,506	157,365

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer. The contract liabilities predominantly represent reservation charges and shipper funded revenues received in advance.

Note 6. Expenses from ordinary activities

Expenses by nature

	2024 $'000	2023 $'000
Employee benefits	64,641	49,916
Insurance	5,074	6,061
Fuel gas	24,265	25,516
IT costs	16,826	20,595
Maintenance	46,329	40,340
Permits and fees	9,111	7,056
Legal and consulting	7,799	8,625
Depreciation and amortisation	156,798	128,782
Other expenses	16,769	10,293
	347,612	297,184

Note 7. Finance expenses

	2024 $'000	2023 $'000
Interest income	(3,568)	(8,089)
Interest expense - senior borrowings	98,754	98,816
Amortisation of capitalised borrowing costs	2,953	3,571
Hedge ineffectiveness	(403)	(349)
Interest expense - decommissioning	2,233	2,097
Interest on lease liabilities	1,509	1,075
Other finance charges	3,630	9,272
	105,108	106,393

Note 8. Income tax

	2024 $'000	2023 $'000
Income tax expense		
Current tax	57,000	55,730
Deferred tax	32,713	27,012
Aggregate income tax expense	89,713	82,742
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	295,936	272,565
Tax at the statutory tax rate of 30%	88,781	81,770
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	887	942
Prior year unders/(overs)	45	30
Income tax expense	89,713	82,742

Note 8. Income tax (continued)

	2024 $'000	2023 $'000
Deferred tax assets		
Deferred tax assets comprise temporary differences attributable to:		
Accrued expenses	10,960	15,074
Project pool	6,311	6,939
Decommissioning asset	12,795	11,718
Contract liabilities	36,942	34,899
Derivative financial instruments	-	70
Property, plant and equipment	78,637	95,987
Lease liabilities	3,898	2,690
Provisions	12,874	11,133
Other	117	277
Offset of DTA against DTL	(162,534)	(178,787)
Total deferred tax assets	-	-
Deferred tax liabilities		
Deferred tax liabilities comprise temporary differences attributable to:		
Amounts recognised in profit or loss:		
Derivative financial instruments	(10,793)	(16,381)
Distribution licence	(121,121)	(121,121)
Finance lease assets	(56,502)	(66,268)
Intellectual property	(4,151)	(7,695)
Fair value debt	(27,538)	(44,784)
Property, plant and equipment	(315,397)	(290,335)
Government loan	(24,560)	(24,978)
Right of use assets	(3,319)	-
Other	(1,337)	(660)
Offset of DTA against DTL	162,534	178,787
Deferred tax liability	(402,184)	(393,435)
Movements:		
Opening balance	(393,435)	(396,926)
Tax expense during the period recognised in profit or loss	(32,694)	(26,397)
Tax expense during the period recognised in OCI	23,945	29,888
Closing balance	(402,184)	(393,435)

Note 8. Income tax (continued)

Taxation accounting policies
Income tax on the profit or loss for the period is comprised of current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax is the expected tax payable on the taxable contribution to the Group for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance date.

A net deferred tax asset is recognised only to the extent that it is probable that future tax profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation
The Group are members of the CK William Australia Holdings Pty Ltd (“William Hold Co”) tax consolidated group comprising it and its Australian wholly-owned subsidiaries. The implementation date for this group was 15 May 2017. Immediately prior to this date the members of the Group were either stand alone tax payers, or members of other tax consolidated groups.

Current tax expense/ (benefit), deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the "group allocation" approach by reference to the carrying amounts at the tax consolidated group level and their tax values as applicable under the tax consolidation legislation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries were assessed and where appropriate, assumed by the head entity in the tax consolidated group on joining the tax consolidated group. Such amounts were recognised as amounts payable to, or receivable from, the head company in accordance with the Tax Funding Agreement ("TFA")

The William Hold Co tax consolidated group entered into a TFA with effect from 15 May 2017. The TFA facilitates members of the Group making and receiving contributions for current tax assets and liabilities arising from external transactions occurring after to the joined group from 15 May 2017. These contributions are recorded as an intercompany receivable/payable. The TFA allows for contributions to be calculated on a "group allocation basis" so that the contributions are equivalent to the tax balances generated by the subsidiaries on a stand alone basis.

Note 9. Cash and cash equivalents

	2024 $'000	2023 $'000
Current assets		
Cash at bank	74,598	83,546

Cash and cash equivalents accounting policies
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position. There were no material non-cash transactions during the current year (2023: Nil).

Note 10. Trade and other receivables

	2024 $'000	2023 $'000
Current assets		
Trade receivables	16,575	15,566
Less: Allowance for expected credit losses	(250)	(250)
	16,325	15,316
GST receivable	7	-
Related party receivable	3,123	7,814
Unaccounted for gas receivable	2,206	-
Other receivable	94	81
Trade and other receivables at amortised cost	21,755	23,211

Accounting policy for trade and other receivables
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The Group exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions contracted is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Trade receivables consist of a large number of customers with ongoing credit evaluation performed on their financial condition. Where appropriate, additional collateral credit support is obtained to mitigate the risk of loss. The Group does not have significant credit risk exposure to any single counterparty. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the consolidated entity’s maximum exposure to credit risk without taking account of the value of any collateral obtained.

Fair value and credit risk

Due to the short-term nature of the current receivables, their fair value is considered the same as their carrying value.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The consolidated entity therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Interest receivable is from the major banks and is generally settled within a few days after the end of the month.

Note 11. Contract assets

	2024 $'000	2023 $'000
Current assets		
Contract assets relating to haulage services	44,208	38,807

Contract assets accounting policy
Contract assets represent amounts that are accrued and yet to be billed to customers for the provision of network services.

Note 12. Inventories

	2024 $'000	2023 $'000
Stock on hand - at cost	16,291	14,897
Critical spares reclassified to inventory	-	662
Less: Provision for obsolescence	(7,479)	(7,400)
	8,812	8,159

Certain critical spares were reclassified from inventory to property, plant and equipment owing to the fact that they do not meet the definition of inventory. These items have been depreciated in a manner consistent with the fixed assets to which they relate.

Inventories comprise fuel, store items, spares and other consumables.

Inventories accounting policies

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs and is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. It excludes borrowing costs.

Note 13. Investment in financial assets

	2024 $'000	2023 $'000
Burrup Extension Pipeline finance lease		
Current financial asset	1,538	1,333
Non-current financial asset	10,618	12,156
	12,156	13,489

In May 2008 DBP entered into a conditional lease agreement with EPIC Energy (Pilbara Pipeline) Pty Ltd to lease a portion of the Burrup Extension Pipeline (“BEP”), with the lease becoming unconditional on 18 December 2010. The lease agreement specifies an initial base rent of $1.7 million per annum (calculated as at 1 January 2008 and escalated by CPI annually on 1 January) over an initial lease term of 20 years. The fair value of the lease at the start of the lease term (18 December 2010) was determined at $22.8 million and equates to an implicit interest rate of 6.8%pa.

Note 14. Derivative financial instruments

	2024 $'000	2023 $'000
Current assets		
Forward foreign exchange contracts - cash flow hedges	460	1
Interest rate swap contracts - cash flow hedges	94,012	88,245
Interest rate swap contracts - fair value hedges	5,300	4,779
	99,772	93,025
Non-current assets		
Forward foreign exchange contracts - cash flow hedges	207	-
Interest rate swap contracts - cash flow hedges	40,507	126,753
Interest rate swap contracts - fair value hedges	1,473	3,477
	42,187	130,230
Current liabilities		
Forward foreign exchange contracts - cash flow hedges	-	(205)
Interest rate swap contracts - fair value hedges	(24,751)	(30,980)
	(24,751)	(31,185)
Non-current liabilities		
Interest rate swap contracts - cash flow hedges	(7,498)	(6,571)
Interest rate swap contracts - fair value hedges	(73,731)	(99,382)
	(81,229)	(105,953)
	35,979	86,117

Refer to note 29 for further information on financial instruments.

Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with the Group's financial risk management policies.

Interest rate swap contracts - cash flow hedges
The Group has entered into interest rate swap contracts that entitle it to receive interest at floating rates on notional principal amounts and oblige it to pay interest at fixed rates on the same amounts. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Interest rate swap contracts – fair value hedges
The Group has entered into interest rate swap contracts that entitle it to receive interest at fixed rates on notional principal amounts and oblige it to pay interest at floating rates on the same amounts. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Note 14. Derivative financial instruments (continued)

At balance date, the notional principal amounts and periods of expiry of the interest rate swap contracts are as follows:

	2024 $'000	2023 $'000
Fixed rate interest rate swaps - floating to fixed		
Less than 1 year	2,398,500	73,500
1-2 years	73,500	2,348,500
2-5 years	562,000	550,500
Greater than 5 years	470,000	460,000
	3,504,000	3,432,500

	2024 $'000	2023 $'000
Floating rate interest rate swaps - fixed to floating		
Less than 1 year	350,000	265,000
1-2 years	-	350,000
2-5 years	875,000	875,000
Greater than 5 years	525,000	525,000
	1,750,000	2,015,000

Fair values
The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows using discount rates adjusted for counterparty credit risk.

Cash flow hedges
Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both at inception and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, is exercised without replacement or is rolled over, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Fair value hedges
Fair value hedges are used to cover the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion thereof, that is attributable to a particular risk and could affect profit or loss. The hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to profit or loss.

Fair value hedge accounting is discontinued if the hedging instrument is sold, terminated, expires, exercised, it no longer meets the criteria for hedge accounting or designation is revoked. Any adjustment to the carrying amount of a hedged financial instrument is amortised to profit or loss using the effective interest rate method. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

Note 14. Derivative financial instruments (continued)

Derivatives that do not qualify for hedge accounting
Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the statement of profit or loss. There are no derivatives that do not meet the requirement for hedge accounting (2023: Nil).

Note 15. Finance lease receivable

	2024 $'000	2023 $'000
Current assets		
Finance lease receivable	23,532	21,180
Non-current assets		
Finance lease receivable	164,806	188,042

	2024 $'000	2023 $'000
Minimum lease payment receivable		
Less than 1 year	23,532	21,180
2-5 years	111,504	114,517
Greater than 5 years	53,302	73,525
	188,338	209,222

Finance lease receivable
The finance lease receivable relates to the construction and haulage contracts with Fortescue Metals Group ("FMG") and Newmont Tanami. Management concluded these contracts contained a finance lease on the basis that risks and rewards were transferred, mainly due to:

- The customer has the ability to direct the operations of the asset
- The customer has the right to control other shippers using the pipeline
- The customer has first right of refusal for spare capacity
- The customer has a buy-out option (for FMG)

The finance lease receivable has been calculated using an implied discount rate of 13.07% for FMG and 12.46% for Tanami.

Note 16. Right-of-use assets

	2024 $'000	2023 $'000
Non-current assets		
Land and buildings - right-of-use	15,820	11,828
Less: Accumulated depreciation	(4,859)	(3,689)
	10,961	8,139
Motor vehicles - right-of-use	60	-
Less: Accumulated depreciation	(10)	-
	50	-
Office equipment - right-of-use	63	-
Less: Accumulated depreciation	(14)	-
	49	-
	11,060	8,139

Note 16. Right-of-use assets (continued)

Refer to note 25 for accounting policies for leases.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Balance at 1 January 2023	9,337	-	-	9,337
Additions	510	-	-	510
Depreciation expense	(1,708)	-	-	(1,708)
Balance at 31 December 2023	8,139	-	-	8,139
Additions	5,234	60	63	5,357
Depreciation expense	(2,412)	(10)	(14)	(2,436)
Balance at 31 December 2024	**10,961**	**50**	**49**	**11,060**

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

The right-of-use asset relates to the long term lease agreements for the Group's office buildings in Melbourne and Perth.

Note 17. Other current assets

	2024 $'000	2023 $'000
Current assets		
Prepayments	10,799	10,922
Security deposits	5	5
Pipeline imbalances	1,450	2,177
	12,254	13,104

Pipeline imbalances represents a temporary net difference between the natural gas purchased for system use and that actually used during the period (including gas unaccounted for). This account is either a current asset or liability depending on whether the imbalance is positive or negative.

Note 18. Property, plant and equipment

	2024 $'000	2023 $'000
Non-current assets		
Land and buildings - at cost	166,741	164,992
Less: Accumulated depreciation	(55,119)	(50,201)
	111,622	114,791
Plant and equipment - at cost	5,680,766	5,536,740
Less: Accumulated depreciation	(1,834,284)	(1,741,506)
	3,846,482	3,795,234
Motor vehicles - at cost	10,238	10,885
Less: Accumulated depreciation	(9,733)	(9,975)
	505	910
Site restoration and dismantling cost - at cost	25,860	32,041
Less: Accumulated depreciation	(14,362)	(12,956)
	11,498	19,085
Gas linepack - at cost	20,661	19,453
Capital Works in Progress	383,118	332,262
Less: Accumulated depreciation	(33,564)	(13,647)
	349,554	318,615
Critical spares - at cost	6,953	6,904
Less: Accumulated depreciation	(5,187)	(5,016)
	1,766	1,888
	4,342,088	4,269,976

Note 18. Property, plant and equipment (continued)

	Construc-tion in progress $'000	Critical spares $'000	Land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Gas linepack $'000	Site restoration and dismantling costs $'000	Total $'000
Balance at 1 January 2023	272,192	2,456	27,497	3,834,916	1,135	18,037	12,532	4,168,765
Additions	130,561	-	-	85,584	-	-	-	216,145
Revaluations	-	-	-	(30)	-	1,416	7,643	9,029
Transfers between class of assets	(80,792)	-	90,701	(14,135)	576	-	44	(3,606)
Transfer to inventory	-	(661)	-	-	-	-	-	(661)
Disposals	-	-	-	(588)	-	-	-	(588)
Depreciation on disposals	-	-	-	544	-	-	-	544
Depreciation expense	(3,346)	93	(3,407)	(111,057)	(801)	-	(1,134)	(119,652)
Balance at 31 December 2023	318,615	1,888	114,791	3,795,234	910	19,453	19,085	4,269,976
Additions	104,590	49	-	123,289	-	-	-	227,928
Revaluations	-	-	-	-	-	1,208	(6,180)	(4,972)
Transfers between class of assets	(53,734)	-	1,748	30,022	-	-	-	(21,964)
Disposals	-	-	-	(45)	-	-	-	(45)
Depreciation expense	(19,917)	(171)	(4,917)	(102,018)	(405)	-	(1,407)	(128,835)
Balance at 31 December 2024	349,554	1,766	111,622	3,846,482	505	20,661	11,498	4,342,088

Property, plant and equipment accounting policies

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Note 18. Property, plant and equipment (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised. Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period. The following estimated useful lives are used in the calculation of depreciation:

Buildings	15 - 68 years
Plant and equipment	7 - 120 years
Pipelines related assets	30 - 120 years
Turbines	8 years
Motor vehicles	2 - 12 years
Other property, plant and equipment	2 - 30 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The initial estimate of the costs of dismantling and removing an item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the Group is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised. Major spare parts and stand by equipment which are expected to be used for more than one year are included in property, plant and equipment.

Gas linepack
The contents of the pipeline ('linepack') are recorded at the value of the normal operating level for linepack, at the lower of cost and net realisable value. Linepack is recorded as part of property, plant and equipment. The balance is not depreciated over the life of the pipeline, as the directors believe the recoverable value of linepack will exceed the historical cost at the time the pipeline is closed down. The actual balance of linepack may vary from the normal operating level as a result of either a "shipper" or a "pipeline" imbalance. Refer to note 17.

Shipper imbalance represents a temporary net difference between gas put into the pipeline by shippers and the contracted amount delivered to shippers. This account is either a current asset or liability depending on whether the imbalance is positive or negative.

Note 18. Property, plant and equipment (continued)

Site restoration and dismantling cost
The Group has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Subsequently only changes in the liability are added to, or deducted from, the cost of the related asset in the current period.

Note 19. Intangible assets

	2024 $'000	2023 $'000
Non-current assets		
Goodwill - at cost	723,653	723,653
Intellectual property - at cost	36,300	36,300
Less: Accumulated amortisation	(21,914)	(21,606)
	14,386	14,694
Software - at cost	178,119	142,871
Less: Accumulated amortisation	(138,934)	(113,206)
	39,185	29,665
Licences - at cost	403,736	403,736
	1,180,960	1,171,748

	Goodwill $'000	Licences $'000	Intellectual property $'000	Information systems $'000	Total $'000
Balance at 1 January 2023	723,653	403,736	15,003	26,070	1,168,462
Additions	-	-	-	7,304	7,304
Transfers in/(out)	-	-	-	3,606	3,606
Amortisation expense	-	-	(309)	(7,315)	(7,624)
Balance at 31 December 2023	723,653	403,736	14,694	29,665	1,171,748
Additions	-	-	-	13,284	13,284
Transfers in/(out)	-	-	-	21,964	21,964
Amortisation expense	-	-	(308)	(25,728)	(26,036)
Balance at 31 December 2024	723,653	403,736	14,386	39,185	1,180,960

Note 19. Intangible assets (continued)

Accounting policy for intangible assets
Intangible assets are initially recognised at cost and are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

The Group has a licence that entitles it to distribute gas within its region. The distribution licence in the opinion of the Directors has an indefinite life. Therefore no amortisation charge has been included in the financial statements. An assessment of the recoverable amount of the licence is made annually (in conjunction with the MGN CGU impairment test performed when preparing it's financial statement statements) to ensure it is not below its carrying amount.

Goodwill exists in relation to two components of AGIH being the transmission and distribution businesses.

AGIH assesses impairment at the Cash Generating Unit (CGU) level for fixed assets and other intangible assets. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs identified are at the same or lower level (where a requirement exists to prepare stand-alone financial statements).

The Group reviews the carrying amounts of its CGU's at each reporting period, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, a formal estimate of the asset's recoverable amount is calculated.

Recoverable amount is the higher of Fair Value Less Costs to Sell and Value in Use. In assessing fair value less costs to dispose calculations, Management use cash flow projections based on financial forecasts approved by the board in the 2025 operating budget model . The growth rate does not exceed the long-term average growth rate for the business.

If the carrying amount of the CGU exceeds its recoverable amount, the asset or CGU is written down and an impairment loss is recognised in the income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Critical accounting adjustments, estimates and assumptions
Goodwill exists as follows:

	2024 $'000	**2023** $'000
DBP	650,847	650,847
MGN	72,806	72,806
	723,653	723,653

Within each of the stand-alone financial statements of DBP and MGN, the basis on which these cash-generating units' recoverable amounts have been determined is their fair value less costs of disposal. A discounted cash flow analysis has been used to determine fair value less costs of disposal. The key assumptions on which management have based their assessment of future cash-flows and the approach to determining values for each were:

Note 19. Intangible assets (continued)

Cash Generating Unit	Terminal Value	Forecast Cash Flow Period	Post Tax Discount Rate 2024 %	Post Tax Discount Rate 2023 %
DBP	EBITDA Multiple	22 Years	5.19%	5.09%
MGN	RAB Multiple	22 Years	5.19%	5.09%

Management monitors risks on an ongoing basis including recent market transactions for changes in RAB multiples or other changes in assumptions that may impact future cash flows or discount rates.

Cash flows are based on the CGUs business plans and range from 5 to 10 years for regulated businesses and up to 26 years for unregulated businesses. Regulated revenue and expenditure for the regulated businesses is primarily based on the Australian Energy Regulator's approved regulatory determinations plus a forecast of the current business plan for subsequent years. Non-regulated revenue and expenditure is based on management's best estimates with reference to historic performance.

The perpetual growth is estimated based on the long-term inflationary target of each region of operation and weighted based on net present value.

Reasonably possible changes in key assumptions

Discount rate
The discount rate has been identified as a key assumption for all CGU's. An increase in discount rate of 1.0% would result in breakeven in the impairment assessment.

Terminal value assumption
The EBITDA and RAB multiples used in the terminal value calculation have been identified as key assumptions for the Group's regulated business CGU's. This assumption is based on an assessment of recent transaction multiples. If there were a change in the market that resulted in a decrease in the observable transaction multiple of 16.0x (DBP) or 0.8x (MGN) this is likely to result in impairment of these CGU's.

No other reasonable possible changes in key assumptions would result in impairment for any of the CGUs.

Note 20. Defined benefit superannuation plan

All employees of MGN are entitled to benefits from the Group's superannuation plan on retirement, disability or death. MGN has one plan with a defined benefit section and a defined contribution section. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from entities in MGN and MGN's legal or constructive obligation is limited to these contributions.

Note 20. Defined benefit superannuation plan (continued)

(a) Defined benefit asset

Under the UE & Multinet Defined Benefit Superannuation Plan employees are entitled to retirement benefits based on their final salary at the time of retirement or resignation. No other post-retirement benefits are provided to these employees.

The defined benefit superannuation plan is a funded plan. The Equipsuper Contribution and Funding Policy provides for a review of the financial position of the Plan each six months, as at 30 June and 31 December, with the employer contribution rate comprising a long term contribution rate and an adjustment to meet the financing objective of a Funding Ratio of 105%.

The Funding Ratio is the ratio of assets to accrued liabilities, being the greater of vested benefits and the present value of past membership benefits. Where the Funding Ratio is greater than 100% the primary financing objective is to achieve 105% over five years. Where the Funding Ratio is less than 100% the primary financing objective is to achieve 100% over three years and 105% over five years.

In the most recent review of the financial position as at 30 June 2024 the actuary recommended the employing entities contribute at a nil rate of defined benefit members' salaries. The next review of the financial position and employer contribution rate is due as at 31 December 2024, to be completed by 31 March 2025.

The Superannuation Industry (Supervision) (SIS) legislation governs the superannuation industry and provides the framework within which superannuation plans operate. The SIS regulations require an actuarial valuation to be performed for each defined benefit superannuation plan every three years or every year if the plan pays defined benefit pensions.

The Plan's Trustee is responsible for the governance of the Plan. The Trustee has a legal obligation to act solely in the best interests of Plan beneficiaries. The Trustee has the following roles:

- Administration of the plan and payment to the beneficiaries from plan assets when required in accordance with the plan rules;
- Management and investment of the plan assets; and
- Compliance with superannuation law and other applicable regulations.

The prudential regulator, the Australian Prudential Regulation Authority (APRA), licences and supervises regulated superannuation plans.

The expected return on plan assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class and allowing for correlations of the investment returns between asset classes. The expected long-term returns for each asset class are determined by investment specialists based on their long term forecasts for each asset class. The returns used for each asset class are net of investment tax and investment fees. An allowance for administration expenses has been deducted from the expected return.

Statement of financial position amounts
The amounts recognised in the statement of financial position are determined as follows:

	2024 $'000	2023 $'000
Non-current assets		
Present value of the defined benefit obligation	(7,553)	(9,208)
Fair value of defined benefit plan assets	10,229	10,855
Net asset in the statement of financial position	2,676	1,647

Note 20. Defined benefit superannuation plan (continued)

(i) Reconciliations of movements

	2024 $'000	2023 $'000
Reconciliation of the present value of the defined benefit obligation, which is fully funded:		
Balance at the beginning of the year	9,208	-
Addition from common control acquisition	-	8,265
Current service cost	112	103
Interest cost	486	431
Contributions by plan participants	30	30
Actuarial losses / (gains)	(454)	699
Benefits paid	(1,807)	(288)
Taxes premiums and expenses paid	(22)	(32)
Balance at the end of the year	7,553	9,208
Reconciliation of the fair value of plan assets:		
Balance at the beginning of the year	10,855	-
Addition through fully controlled entity	-	10,704
Return on plan assets	610	(101)
Interest income	563	542
Contributions from plan participants	30	30
Benefits paid	(1,807)	(288)
Taxes, premiums and expenses paid	(22)	(32)
Balance at the end of the year	10,229	10,855

(ii) Categories of plan assets
The major categories of plan assets are as follows:

	2024 $'000	2023 $'000
Investment funds	10,229	10,855
Total amount recognised in profit or loss	10,229	10,855

(iii) Significant actuarial assumptions
The most recent actuarial valuations of the plan assets and the present value of the defined benefit liability were carried out at 13 December 2024 by Mr Mark Samuels, Fellow of the Institute of Actuaries of Australia. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method. The principal assumptions used for the purposes of the actuarial valuations were as follows:

The significant actuarial assumptions used (expressed as weighted averages) were as follows:

	2024 %	2023 %
Discount rate	5.1%	5.5%
Expected salary increase rate	3.5%	3.5%
Expected pension increase rate	2.5%	2.5%

Note 20. Defined benefit superannuation plan (continued)

(b) Defined benefit accounting policy

For defined benefit superannuation plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out each six months, as at 30 June and 31 December. Actuarial gains and losses are recognised in full, directly in other comprehensive income, in the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured at the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Risk exposure

There are a number of risks to which the Plan exposes the consolidated entity. The more significant risks relating to the defined benefits are:

- Investment risk - the risk that investment returns will be lower than the assumed and the consolidated entity will need to increase contributions to offset this shortfall.
- Salary growth risk - the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- Legislative risk - the risk is that legislative changes could be made which increase the cost of providing the defined benefits.
- Pension risks - the risk is firstly that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period. Secondly, that a greater proportion of eligible members will elect to take a pension benefit, which is generally more valuable than the corresponding lump sum benefit.
- Inflation risk - the risk that inflation is higher than anticipated, increasing pension payments, and thereby requiring additional employer contributions.

Note 21. Trade and other payables

	2024 $'000	2023 $'000
Current liabilities		
Trade payables	21,368	35,588
GST payable	2,666	2,693
Related party payables	1,469	-
Trade and other payables at amortised cost	25,503	38,281

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 22. Provisions

	2024 $'000	2023 $'000
Current liabilities		
Employee related provisions	18,220	18,022
Unaccounted for gas (UAFG)	-	581
Property lease break cost/ remediation provision	535	489
	18,755	19,092
Non-current liabilities		
Decommissioning	54,198	58,145
Unaccounted for gas (UAFG)	3,104	2,317
Other	2,056	1,871
	59,358	62,333

Provisions accounting policies
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, the future outflow of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

	Current Employee benefits $'000	Current Unaccounted for gas $'000	Current Other $'000	Non-current Decommissioning $'000	Non-current Unaccounted for gas $'000	Non-current Other $'000	Total $'000
Carrying amount at the start of the year	18,352	-	489	48,404	3,372	2,894	73,511
Additional provisions recognised	4,286	581	-	-	2,056	781	7,704
Unwinding of interest expense	-	-	-	2,097	-	-	2,097
Release through profit and loss	(4,616)	-	-	-	(3,111)	(1,804)	(9,531)
Revaluation due to change in discount rate	-	-	-	7,644	-	-	7,644
Closing amount at the end of the year - 31 December 2023	18,022	581	489	58,145	2,317	1,871	81,425
Additional provisions recognised	5,795	-	46	-	-	413	6,254
Unwinding of interest expense	-	-	-	2,233	-	-	2,233
Release through profit and loss	(5,597)	(581)	-	-	(1,419)	(228)	(7,825)
Revaluation due to change in discount rate	-	-	-	(6,180)	-	-	(6,180)
Reclassification to receivables	-	-	-	-	2,206	-	2,206
Closing amount at the end of the year - 31 December 2024	18,220	-	535	54,198	3,104	2,056	78,113

Note 22. Provisions (continued)

Decommissioning
The Group has recorded a provision for the remediation costs associated with the dismantling and demolition of pipeline infrastructure, the removal of residual materials and the remediation of disturbed areas. Although the ultimate cost to be incurred is uncertain, the Group has estimated the costs using current restoration standards and techniques. Removal and remediation costs are provided for based on the net present value of the estimated future costs of removal and remediation to be incurred in the accounting period when the obligation arises, which usually corresponds to the period when the Group will commence remediation operations at a particular site. The costs are estimated on the basis of an estimated site exit date, and are reviewed at each reporting period during the life of the operation to reflect known developments. The Group has used a discount rate of 4.21% (2023: 3.95%) which is indicative of the 1 year trailing average on a 10 year Australian government bond rate), CPI rate of 3.0% (reviewed half yearly) with the remaining life of the assets ranging between 5 to 61 years, which is used to calculate the provisions.

Employee benefits
The provision for employee benefits relates to the Group liability for annual incentive payments.

Unaccounted for gas
A provision has been made for the estimated unaccounted for gas liability as at 31 December 2024.

Note 23. Borrowings

	2024 $'000	2023 $'000
Borrowings - current	550,000	424,572
Borrowings - non-current	3,031,499	3,104,484
	3,581,499	3,529,056
Bank loans - secured	1,339,368	1,148,368
Fixed rate Medium term notes - secured	1,658,208	1,892,907
Floating rate Medium term notes - secured	590,000	495,000
Other - government loan	6,201	4,807
Capitalised borrowing costs	(12,278)	(12,026)
	3,581,499	3,529,056

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	2024 $'000	2023 $'000
Bank loans - secured (excluding bank guarantees)	1,339,368	1,148,368
Fixed rate Medium term notes - secured	1,750,000	2,015,000
Floating rate Medium term notes - secured	590,000	495,000
	3,679,368	3,658,368

Assets pledged as security
The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2024 $'000	2023 $'000
Total current assets	286,469	282,365
Total non current assets	5,030,742	5,058,285
	5,317,211	5,340,650

Note 23. Borrowings (continued)

Compliance with loan covenants

The Group is part of a multi-borrower group comprising of AGID, AGIF, DBP and MGN and their operating entities. These entities are parties to a General Security Deed and an Amended Security Trust and Inter-creditor Deed, with cross-guarantee provisions providing senior debt holders with security across the multi-borrower group. The Group has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods.

Note 23. Borrowings (continued)

Unrestricted access was available at 31 December 2024 to the following lines of credit:

	Maturity	Facility limit 2024 $'000	Facility limit 2023 $'000	Facility drawn 2024 $'000	Facility drawn 2023 $'000
Multi-Option Facility - 3 year (incl issued bank guarantees)	22/04/2027	75,000	-	72,503	-
Multi-Option Facility - 3 year (incl issued bank guarantees)	22/04/2024	-	50,000	-	31,453
Bilateral Facility - 4 year	26/11/2025	150,000	150,000	150,000	145,000
Floating Rate Note - 5 year	08/01/2026	325,000	325,000	325,000	325,000
Bilateral Facility - 4 year	29/04/2026	125,000	125,000	125,000	125,000
Bilateral Facility - 3 year	03/07/2026	50,000	50,000	50,000	50,000
Bilateral Facility - 4 year	20/06/2027	100,000	100,000	100,000	45,000
Fixed Rate Note - 6 year	24/06/2027	450,000	450,000	450,000	450,000
Bilateral Facility - 5 year	05/07/2028	150,000	150,000	150,000	35,000
Fixed Rate Note - 8 year	23/11/2028	425,000	425,000	425,000	425,000
Bilateral Facility - 7 year	29/04/2029	200,000	200,000	200,000	200,000
Bilateral Facility - 7 year	29/04/2029	50,000	50,000	-	-
Fixed rate Note - 7 year	28/06/2030	400,000	400,000	400,000	400,000
Floating Rate Note - 7 year	10/07/2030	170,000	170,000	170,000	170,000
Fixed Rate Note - 10 year	24/06/2031	125,000	125,000	125,000	125,000
Syndicate Facility - 10 year	20/12/2032	207,368	207,368	207,368	207,368
Bilateral Facility - 10 year	27/06/2033	150,000	150,000	-	-
Bilateral Facility - 12 year	25/10/2034	150,000	-	10,000	-
Floating Rate Bond - 12 year	09/12/2036	95,000	-	95,000	-
Bilateral Facility - 5 year	25/10/2029	100,000	-	100,000	-
Syndicate Facility – 5 year	24/05/2024	-	94,000	-	94,000
Fixed Rate Note - 7 year	28/05/2025	350,000	350,000	350,000	350,000
Bilateral Facility Tranche A - 7 year	06/06/2025	50,000	50,000	50,000	50,000
Bilateral Facility - 7 year	06/06/2025	75,000	75,000	-	-
Syndicate Facility Tranche B – 7 year	24/05/2026	127,000	127,000	127,000	127,000
Bilateral Facility - 5 year	08/07/2024	-	75,000	-	40,000
Fixed Rate Note - 7 year	11/12/2024	-	265,000	-	265,000
		4,099,368	4,163,368	3,681,871	3,659,821

	2024 $'000	2023 $'000
Unused at statement of financial position date		
Multi-Option Facility	-	18,547
Bilateral Facilities - 4 year	-	5,000
Bilateral Facilities - 7 year	50,000	50,000
Bilateral Facilities - 4 year	-	55,000
Bilateral Facilities - 5 year	-	115,000
Bilateral Facilities - 10 year	150,000	150,000
Bilateral Facilities - 12 year	140,000	-
Bilateral Facilities - 7 year	75,000	75,000
Bilateral Facilities - 5 year	-	35,000
	415,000	503,547

Note 23. Borrowings (continued)

Borrowings accounting policies
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Note 24. Other current liabilities

	2024 $'000	2023 $'000
Current liabilities		
Security deposit payable	26,097	25,554
Pipeline imbalance	3,648	3,309
Accrued interest payable	25,773	26,329
Capital accruals	55,040	52,003
Accrued expenses	28,904	32,057
Accrued leave	9,392	9,669
	148,854	148,921

Pipeline imbalance represents a temporary net difference between the natural gas purchased for system use and that actually used during the period (including gas unaccounted for). This account is either a current asset or liability depending on whether the imbalance is positive or negative.

Note 25. Lease liabilities

	2024 $'000	2023 $'000
Current liability		
Burrup extension pipeline	1,331	1,278
Land and buildings - Right of use asset	1,525	1,696
	2,856	2,974

	2024 $'000	2023 $'000
Non-current liability		
Burrup extension pipeline	7,443	8,774
Land and buildings - Right of use asset	10,247	6,643
	17,690	15,417

In May 2008 DBP entered into a conditional lease agreement with EPIC Energy (Pilbara Pipeline) Pty Ltd to lease a portion of the Burrup Extension Pipeline (BEP), with the lease becoming unconditional on 18 December 2010. The lease agreement specifies an initial base rent of $1.7 million per annum (calculated as at 1 January 2008 and escalated by CPI annually on 1 January) over an initial lease term of 20 years. The fair value of the lease at the start of the lease term (18 December 2010) was determined at $22.8 million and equates to an implicit interest rate of 6.8% pa.

Note 26. Contributed equity

	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Issued shares	4,815,948,095	4,815,948,095	2,980,097	2,980,097

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for unitholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to unitholders, return capital to unitholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Accounting policy for contributed equity
Contributed equity is recorded at the value of the consideration received. The costs of issuing securities are charge as a deduction, net of tax, from the proceeds.

2,170,554,469 shares were issued as part of the common control transaction as described in note 27 based on the accounting policy choice as described in note 27.

Note 27. Common control reserve

	2024 $'000	2023 $'000
Common Control Reserve	(2,170,554)	(2,170,554)

In 2020 the Group was restructured to create administrative efficiencies and optimise the operating structure, renaming DUET Investment Holdings Pty Limited as AGIH. 100% of the ownership holding of the MGN Group of companies was transferred from DUET 1 Trust (A related group intermediate company) to AGIH and the remaining 60% of the ownership holding of the DBP Group of companies was transferred from DUET Dampier Bunbury Pty Limited (A related group intermediate company) to AGIH.

A common control reserve has been established to reflect the accounting choice made by the Group to reflect the assets and liabilities of the acquired entities in the consolidated statement of financial position at the historical cost in the consolidated financial statements of the acquired entities.

The financial information in the consolidated financial statements has been restated for periods prior to the business combination under common control, to reflect the combination as if it had occurred from the beginning of the earliest period presented, regardless of the actual date of the combination.

Note 28. Reserves

	2024 $'000	2023 $'000
Hedging reserve - cash flow hedges	88,246	144,837
Other reserves	3,856	3,100
	92,102	147,937

	2024 $'000	2023 $'000
Balance at 1 January	147,937	214,576
Fair value movements on cash flow hedges and interest rate swaps	(80,844)	(99,627)
Deferred tax	24,253	29,888
Addition from common control acquisition	-	3,100
Movement in actuarial valuation of defined benefit funds	1,064	-
Deferred income tax on actuarial gain on defined benefits plan	(308)	-
Balance at 31 December	92,102	147,937

The hedging reserve is used to record gains or losses on the effective portion of cash flow hedges that are recognised directly in equity. Amounts are recognised in the statement of profit or loss when the associated hedged transaction affects profit and loss.

Note 29. Financial instruments

(a) Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange, and interest rate), credit risk, liquidity risk and commodity price risk. Our major exposure to interest rate risk and foreign currency risk arises from our long-term borrowings. We also have transactional foreign currency risk associated with foreign denominated exposures, such as purchases made in foreign currencies.

The Group's overall risk management strategy focuses on monitoring and managing these financial risks such that potential adverse effects on the Group's financial performance are minimised. Financial risk management is carried out by the Group's central treasury function under a treasury policy approved by the board of directors. The policy covers specific areas such as foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative and non-derivative financial instruments and the investment of excess liquidity.

There has been no change in the types of risks facing the Group.

The consolidated entity uses the following type of derivative financial instruments to hedge these risk exposures:

- Interest rate swap contracts: the Group agrees to exchange the difference between fixed and floating interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of fixed rate debt held and the cash flow exposures of floating rate debt held.
- Cross-currency swap contracts: the Group agrees to exchange specified principal and interest foreign currency amounts at an agreed future date at a specified exchange rate. Such contracts enable the Group to mitigate the risk of adverse movements in foreign exchange rates.
- Foreign currency forward contracts: the Group undertakes certain transactions denominated in foreign currencies, primarily USD, from which exposure to exchange rate fluctuations arise. Such contracts enable the Group to lock in the exchange rate at a future date for the payment or receipt.

Note 29. Financial instruments (continued)

Hedge accounting is a technique that enables the matching of the gains and losses on designated hedging instruments and hedged items in the same accounting period to minimise volatility in profit or loss. To the extent permitted by AASB 9, we formally designate and document these financial instruments as fair value and cash flow hedges for accounting purposes. In order to qualify for hedge accounting, AASB 9 requires that at inception and prospectively hedge effectiveness testing meets all of the following criteria:

- an economic relationship exists between the hedged item and hedging instrument;
- the effect of credit risk does not dominate the value changes resulting from the economic relationship; and
- the hedge ratio is the same as that resulting from amounts of hedged items and hedging instruments for risk management.

(b) Derivatives

Description	**Fair value hedges**	**Cash flow hedges**
Objective	To convert fixed interest rate borrowings to floating interest rate borrowings.	To hedge the exposure arising from variability in future interest and foreign currency cash flows arising from borrowings that bear interest at variable rates, or are denominated in foreign currency. Cash flow hedging is also used to mitigate the foreign currency exposure arising from anticipated future transactions.
Recognition date	At the date the instrument is entered into.	At the date the instrument is entered into.
Measurement	Measured at fair value.	Measured at fair value.
Changes in fair value	Changes in the fair value of the hedging instrument and changes in the fair value of the hedged item that is attributable to the hedged risk (fair value hedge adjustment) are recognised in Profit or Loss.	Ineffectiveness is recognised in Profit or Loss if the change in the fair value of the hedging instrument exceeds the change in fair value of the underlying hedged item for the hedged risk. The portion of fair value movement qualifying as effective movement is recognised in the cash flow hedge reserve in equity.
	Ineffectiveness reflects the extent to which the fair value movements do not offset and is primarily driven by movements in credit of the hedging instrument.	All cash flow hedges are in effective hedge relationships on the basis that the critical terms of the hedging instrument and hedged item are aligned (including face values, cash flows and currency).
	Fair value hedges have an economic relationship on the basis that the critical terms of the hedging instrument and hedged item (including face value, cash flows and maturity date) are aligned. The relationship between the hedged risk and the corresponding value of the hedging derivatives results in a hedge ratio of one.	During the year, there has been no material ineffectiveness attributable to the cash flow hedges.

The cumulative amount of fair value hedge adjustments which are included in the carrying amount of our borrowings in the Statement of Financial Position is shown below:

Fixed rate instruments	**2024 $'000**	**2023 $'000**
Face value as at end of the year	1,750,000	2,015,000
Cumulative fair value hedge adjustments	(91,792)	(122,093)
Carrying amount at end of the year	1,658,208	1,892,907

Note 29. Financial instruments (continued)

For fixed rate instruments, face value represents the face value of the borrowings adjusted for changes in the fair value as a result of the fair value hedges in place.

(i) Fair value measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets and financial liabilities at fair value through profit or loss (FVTPL)

Foreign currency forward contracts are measured using the discounted cash flow method. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. These are classified as level 2 instruments.

Interest rate swaps are measured using the discounted cash flow method. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period), discounted at a rate that reflects the credit risk of various counterparties. These are classified as level 2 instruments.

Cross-currency interest rate swaps are measured using the discounted cash flow method. Future cash flows are estimated based on forward currency rates (from observable yield curves at the end of the reporting period) and contract currency rates, discounted at a rate that reflects the credit risk of various counterparties. These are classified as level 2 instruments.

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The table below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and applied within a valuation technique.
- Level 3 fair value measurements are those derived from inputs that are not based on observable market data (unobservable inputs) and applied within a valuation technique.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Interest Rate Swaps – cash flow hedges	-	134,519	-	134,519
Interest Rate Swaps – fair value hedges	-	6,773	-	6,773
Forward foreign exchange contracts - cash flow hedges	-	667	-	667
Total financial assets at 31 December 2024	-	141,959	-	141,959

Note 29. Financial instruments (continued)

Financial liabilities	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Interest Rate Swaps – cash flow hedges	-	(7,498)	-	(7,498)
Interest Rate Swaps – fair value hedges	-	(98,482)	-	(98,482)
Forward foreign exchange contracts - cash flow hedges	-	1	-	1
Total financial liabilities at 31 December 2024	-	(105,979)	-	(105,979)

Financial assets	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Interest Rate Swaps – cash flow hedges	-	214,998	-	214,998
Interest Rate Swaps – fair value hedges	-	8,256	-	8,256
Forward foreign exchange contracts - cash flow hedges	-	1	-	1
Total financial assets at 31 December 2023	-	223,255	-	223,255

Financial liabilities	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Interest Rate Swaps – cash flow hedges	-	(6,571)	-	(6,571)
Interest Rate Swaps – fair value hedges	-	(130,362)	-	(130,362)
Forward foreign exchange contracts - cash flow hedges	-	(205)	-	(205)
Total financial liabilities at 31 December 2023	-	(137,138)	-	(137,138)

There were no transfers between Level 1 and 2 during the year. There were no transfers into or out of Level 3 during the year.

(ii) Fair value of financial instruments

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. These instruments are valued using the same methodology as the level 2 instruments described in this note.

	Carrying Value 2024 $'000	**Fair value 2024 $'000**	**Carrying Value 2023 $'000**	**Fair value 2023 $'000**
Floating rate Medium term notes - secured	588,078	590,000	489,539	495,000
Fixed rate Medium term notes - secured	1,655,418	1,658,208	1,890,763	1,892,907
Bank loans - secured	1,331,802	1,339,368	1,143,947	1,148,368
Other - government loan	6,201	6,201	4,807	4,807
	3,581,499	3,593,777	3,529,056	3,541,082

Note 29. Financial instruments (continued)

(c) Hedging

	Notional $'000	Weighted average effective interest rate %	Carrying amount (asset) $'000	Carrying amount (liability) $'000	Changes in the value of hedging instrument recognised in other comprehensive income $'000	Changes in fair value used for calculating hedge ineffectiveness $'000	Weighted average maturity date
At 31 December 2024							
Interest rate risk							
Interest Rate Swaps - cash flow hedges	3,504,000	1.37%	134,519	(7,498)	(56,591)	127,020	10/03/2027
Interest Rate Swaps - fair value hedges	1,750,000	5.80%	6,773	(98,482)	-	(91,709)	19/05/2028
At 31 December 2023							
Interest rate risk							
Interest Rate Swaps - cash flow hedges	3,432,500	1.16%	214,998	6,571	(69,739)	208,429	04/12/2026
Interest Rate Swaps - fair value hedges	2,015,000	5.61%	8,255	130,362	-	(122,107)	06/12/2027

(d) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group measures the market risk exposures using sensitivity analysis and cash flow forecasting. There has been no change from the prior year to the types of market risks the Group is exposed to or manner in which the risks are managed and measured.

(i) Foreign exchange risk
Foreign exchange risk arises from recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The Group undertakes certain transactions denominated in foreign currencies, primarily US Dollars (USD), from which exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The Group's exposure to foreign currency risk (prior to hedging contracts) at the reporting period, expressed in the foreign currency, was as follows:

	USD	
	2024 $'000	2023 $'000
Cash and cash equivalents	2	2

(ii) Interest rate risk

The Group is exposed to interest rate risk as it invests and borrows funds at both fixed and floating interest rates. The risks are managed by swapping all fixed rate debt to floating AUD debt. In order to meet certain regulatory requirements, the debt is then swapped to fixed rate debt. Hedging activities are evaluated regularly to confirm alignment with the Board approved Treasury policy and ensure that the Group is not exposed to excess risk from interest rate volatility.

Note 29. Financial instruments (continued)

	Average interest rate 2024 %	Average interest rate 2023 %	Notional principal amount 2024 $'000	Notional principal amount 2023 $'000	Fair value 2024 $'000	Fair value 2023 $'000
Receive floating / pay fixed						
Less than 1 year	0.69%	2.50%	2,398,500	73,500	76,374	7
1 to 2 years	2.65%	0.46%	73,500	2,348,500	989	148,872
2 to 5 years	3.23%	3.22%	562,000	550,500	8,889	8,585
5 years+	2.35%	2.06%	470,000	460,000	40,768	50,965
			3,504,000	3,432,500	127,020	208,429

	Average interest rate 2024 %	Average interest rate 2023 %	Notional principle amount 2024 $'000	Notional principle amount 2023 $'000	Fair value 2024 $'000	Fair value 2023 $'000
Receive fixed / pay floating						
Less than 1 year	5.91%	5.41%	350,000	265,000	(2,119)	(4,410)
1 to 2 years	-	5.77%	-	350,000	-	(6,352)
2 to 5 years	5.55%	5.41%	875,000	875,000	(78,903)	(100,116)
5 years+	3.69%	5.95%	525,000	525,000	(10,687)	(11,228)
			1,750,000	2,015,000	(91,709)	(122,106)

The sensitivity analysis contained in the table below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date with the stipulated change taking place at the start of the financial year and held constant for the reporting period. A sensitivity of 1% (100 basis points) has been selected as this is considered reasonable given the current level of both short and long term interest rates.

	Net profit* 2024	Net profit* 2023	Cash flow hedge reserve 2024	Cash flow hedge reserve 2023	Total impact on equity 2024	Total impact on equity 2023
Impact of movement in interest rates (AUD)	-	-	-	-	-	-
1% increase in interest rates - increase/(decrease)	(1,008)	(1,423)	16,349	21,661	15,341	20,238
1% decrease in interest rates - (decrease)/increase	1,008	1,423	(17,119)	(22,050)	(16,111)	(20,627)
	-	-	-	-	-	-

*Changes in market rates under this scenario are assumed to have a nil impact on derivative hedge ineffectiveness as the consolidated entity has highly effective hedges in place.

Profit would have been affected mainly as a result of the ineffective portion of cash flow and fair value hedge transactions and floating rate financial assets and liabilities that are not in a cash flow hedge relationship. Equity, through the cash flow hedge reserve, would have been affected mainly as a result of an increase/decrease in the fair value of interest rate swaps which qualify for cash flow hedge accounting.

Note 29. Financial instruments (continued)

(iii) Commodity price risk

The Group is not exposed to commodity price risk.

(e) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The Group exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions contracted is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Trade receivables consist of a large number of customers with ongoing credit evaluation performed on their financial condition. Where appropriate, additional collateral credit support is obtained to mitigate the risk of loss.

The Group does not have significant credit risk exposure to any single counterparty. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Impaired trade receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The consolidated entity therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

	Current $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	Total $'000
At 31 December 2024					
Gross carrying amount – trade receivables	14,666	49	25	1,835	16,575
Gross carrying amount - contract assets	44,208	-	-	-	44,208
Loss allowance	-	-	-	(250)	(250)
	58,874	49	25	1,585	60,533

Note 29. Financial instruments (continued)

	Current $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	Total $'000
At 31 December 2023					
Gross carrying amount – trade receivables	13,892	126	11	1,537	15,566
Gross carrying amount - contract assets	38,807	-	-	-	38,807
Loss allowance	-	-	-	(250)	(250)
	52,699	126	11	1,287	54,123

Allowance for expected credit losses
The expected credit loss allowance represent expected loss rate on trade receivables and contract assets where no incurred credit losses has eventuated. Set out below is the movement in the expected credit losses allowance of trade receivables and contract assets:

	2024 $'000	2023 $'000
Opening balance	250	250
Additional provisions recognised	-	-
Increase in loss allowance recognised in profit or loss during the year	-	-
Receivables written off during the year as uncollectable	-	-
Closing balance at 31 December	250	250

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(f) Liquidity risk
The board of directors is ultimately responsible for liquidity risk and has approved the Treasury Risk Management Policy to manage the Group's funding and liquidity requirements. The Group manages liquidity risk at an operating entity by:

- maintaining adequate reserves, banking and reserve borrowing facilities;
- continuously monitoring forecast and actual cash flows; and
- matching the maturity profiles of financial assets and liabilities.

The following table details the consolidated entity's remaining contractual maturity for its derivative and non-derivative financial liabilities. The table is drawn up based upon the future undiscounted principal and interest cash flows.

Note 29. Financial instruments (continued)

	Weighted average effective interest rate	0-1 year	1 to 2 years	2 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	%	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2024							
Financial liabilities (derivative and non-derivative)							
Interest rate swaps	2.64%	37,404	29,310	49,568	6,806	123,088	105,980
Floating rate Medium term notes	5.48%	33,950	341,706	48,959	310,371	734,986	588,084
Bank loans	5.48%	271,096	355,136	716,606	257,471	1,600,309	1,331,820
Fixed rate Medium notes	3.14%	399,226	45,359	978,545	542,417	1,965,547	1,655,418
Trade and other payables	-	25,503	-	-	-	25,503	25,503
Lease Liabilities	-	3,180	6,780	11,309	369	21,638	20,546
Total financial liabilities		770,359	778,291	1,804,987	1,117,434	4,471,071	3,727,351

	Weighted average effective interest rate	0-1 year	1 to 2 years	2 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	%	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2023							
Financial liabilities (derivative and non-derivative)							
Interest rate swaps	2.57%	45,154	30,509	63,524	8,382	147,569	136,932
Floating rate Medium term notes	5.41%	26,798	26,798	355,651	185,378	594,625	495,000
Bank loans	5.34%	190,912	246,989	498,394	459,332	1,395,627	1,107,661
Fixed rate Medium notes	3.20%	329,045	399,226	995,795	570,526	2,294,592	1,898,818
Forward contracts	-	9,148	1,026	40	-	10,214	325
Trade and other payables	-	38,281	-	-	-	35,588	35,588
Lease Liabilities	-	2,758	6,503	13,925	1,210	24,396	18,391
Total financial liabilities		642,096	711,051	1,927,329	1,224,828	4,502,611	3,692,715

Balances represent the contractual undiscounted cash flows, including principal and interest payments calculated based on contractual maturities.

Note 30. Cashflow reconciliations

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

Note 30. Cashflow reconciliations (continued)

	2024 $'000	2023 $'000
Profit after income tax expense for the year	206,223	189,823
Adjustments for:		
Depreciation and amortisation	156,798	128,782
Net loss/ (gain) on disposal of property, plant and equipment	44	(46)
Net fair value gain on derivative financial instruments	(403)	(349)
Amortisation of loan establishment fees	2,953	3,571
Revaluation of gas linepack	(1,416)	(1,415)
Non-Cash interest	5,137	4,314
Foreign exchange differences	(31)	(1,051)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,456	5,675
Increase in contract assets	(5,401)	(4,560)
Decrease in other current assets	850	4,899
Increase in inventories	(653)	(524)
Decrease in investments in financial assets	1,333	1,214
Decrease in finance lease receivable	20,884	18,647
Increase/(decrease) in trade and other payables	(11,607)	6,529
Increase in contract liabilities	3,141	37,400
Increase in intercompany tax payable	57,000	55,730
Increase in provisions	2,531	227
Increase/(decrease) in other current liabilities	2,415	(2,051)
Increase in deferred tax liabilities	33,310	25,962
Net cash inflow from operating activities	474,564	472,777

(b) Net borrowings reconciliation

	2024 $'000	2023 $'000
Net borrowings at the beginning of the year	3,529,056	3,445,905
Cash movement in senior debt facilities	21,000	26,368
Non-Cash movements in senior debt facilities	31,695	55,548
Debt and Capital raising costs	3,435	5,424
Non-Cash movement in Debt and Capital raising costs	(3,687)	(4,189)
	3,581,499	3,529,056

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024 $'000	2023 $'000
Profit after income tax	168,949	171,993
Total comprehensive income	168,949	171,993

Note 31. Parent entity information (continued)

Statement of financial position

	Parent	
	2024 $'000	**2023 $'000**
Total current assets	5,942	5,922
Total assets	3,408,759	3,408,739
Total current liabilities	3	8
Total liabilities	79	8
Equity		
Contributed equity	2,980,097	2,980,097
Common control reserve	57,067	57,067
Retained profits	371,516	371,567
Total equity	3,408,680	3,408,731

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2024 or 2023.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2024 or 2023.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

Note 32. Interests in controlled entities

Details of the Group's principal subsidiaries at 31 December 2023 are set out below.

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2024 %**	**2023 %**
DBNGP Trust	Australia	100.00%	100.00%
DBNGP Holdings Pty Limited	Australia	100.00%	100.00%
DBNGP Finance Company Limited	Australia	100.00%	100.00%
DBNGP (WA) Nominees Pty Limited	Australia	100.00%	100.00%
DBNGP (WA) Transmission Pty Limited	Australia	100.00%	100.00%
DBNGP Compressor Co. Pty Limited	Australia	100.00%	100.00%
DBNGP (WA) Finance Company Limited	Australia	100.00%	100.00%
AGI Development Group Pty Ltd (formerly DBP Development Group Pty Limited)	Australia	100.00%	100.00%
DBP Development Group Trust	Australia	100.00%	100.00%
AGI Development Group Nominees Pty Ltd (formerly DBP Development Group Nominees Pty Limited)	Australia	100.00%	100.00%
AGI Operations Pty Ltd (formerly DDG Operations Pty Limited)	Australia	100.00%	100.00%
AGI Fortescue River Pty Ltd (Formerly DDG Fortescue River Pty Limited)	Australia	100.00%	100.00%
AGI Ashburton Pty Ltd (Formerly DDG Ashburton Pty Limited)	Australia	100.00%	100.00%
AGI Tubridgi Pty Ltd (Formerly DDG Tubridgi Pty Limited)	Australia	100.00%	100.00%
AGI Tanami Pty Limited	Australia	100.00%	100.00%
Fortescue River Gas Pipeline Joint Venture	Australia	100.00%	100.00%
Australia Energy Finance Pty Limited	Australia	100.00%	100.00%
Utilicorp Southern Cross Pty Limited	Australia	100.00%	100.00%
Utilicorp Australia (Gas) Holdings Pty Limited	Australia	100.00%	100.00%
Utilicorp Australia (Gas) Finance Pty Limited	Australia	100.00%	100.00%
Energy Partnership (Holdings) Pty Limited	Australia	100.00%	100.00%
Energy Partnership Pty Limited	Australia	100.00%	100.00%
Energy Partnership (Gas) Pty Limited	Australia	100.00%	100.00%
Multinet Gas (DB No. 1) Pty Limited	Australia	100.00%	100.00%
Multinet Gas (DB No. 2) Pty Limited	Australia	100.00%	100.00%
Multinet Gas Distribution Partnership	Australia	100.00%	100.00%
Multinet Gas (IE) Pty Limited	Australia	100.00%	100.00%
UE & Multinet Pty Limited	Australia	100.00%	100.00%
Amistel Pty Limited	Australia	100.00%	100.00%
Australian Energy Fund No.2	Australia	100.00%	100.00%
AGI Finance Pty Limited	Australia	100.00%	100.00%
AGI Services (formerly Dampier Bunbury Investment Company Pty Limited)	Australia	100.00%	100.00%
AGI Renewable Developments Pty limited	Australia	100.00%	-

All wholly owned entities are members of the tax-consolidated group, of which CK William Australia Holdings Pty Ltd is the head entity.

Significant restrictions
There are no significant restrictions applied to members of the Consolidated Entity.

Note 32. Interests in controlled entities (continued)

Significant judgement: joint ventures

The Consolidated Entity has determined that its 57% investment in Fortescue River Group Pty Ltd is a joint arrangement, because both parties have joint control of the arrangements, including rights to the gross assets and liabilities of the joint ventures, and joint control has been contractually agreed (all activities require unanimous consent of both parties).

Subsidiaries accounting policies

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

Note 33. Related party transactions

Parent entity
The parent entity of the Consolidated Entity is CK William Australia Bidco Pty Ltd.

Parent entity
CK William Australia Bidco Pty Limited, incorporated in Australia, owns 100% (2023: 100%) of Australian Gas Infrastructure Holdings (Pty) Limited's equity.

The ultimate Australian parent entity is CK William Australia Holdings Pty Limited and the Group's ultimate holding entity is a consortium comprising CK Infrastructure Holdings Limited (CKI), CK Asset Holdings Limited (CAH) and Power Asset Holdings Limited (PAH) which are incorporated in Hong Kong.

Transactions with related parties
The following transactions occurred with related parties:

	2024 $'000	2023 $'000
Transactions with related parties:		
Sale of goods and services to related party	11,064	2,749
Dividends paid to controlling entity	(169,000)	(172,000)
Settlement of I/Co loans (Distributions)	(81,000)	(85,000)
Payment for goods and services:		
Purchase of goods and services from related party	6,927	3,650

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2024 $'000	2023 $'000
Current receivables:		
Trade receivables from related party	17,173	7,563
Current payables:		
Trade payables to related party	5,606	6,672
Tax payable to related party	150,467	174,467

Loans to/ from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 33. Related party transactions (continued)

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Key management personnel disclosure

	2024 $	2023 $
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:		
Aggregate compensation	4,982,923	4,128,153

Note 34. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the Group:

	2024 $	2023 $
Audit services - Deloitte Touche Tohmatsu		
Audit of the financial statements	509,756	482,713
Other services - Deloitte Touche Tohmatsu		
Tax compliance	14,800	33,113
Other assurance services and regulatory compliance	283,378	39,139
Advisory and consultancy services	129,150	24,700
	427,328	96,952
	937,084	579,665

Note 35. Commitments

Capital expenditure commitments

Capital expenditure contracted for at the end of the reporting year but not recognised as liabilities is as follows:

	2024 $'000	2023 $'000
Capital commitments		
Payable:		
Within one year	145,648	247,874

Note 35. Commitments (continued)

Operating expenditure commitments

	2024 $'000	2023 $'000
Operating expense commitments		
Commitments in relation to non-cancellable service management contracts or operating expenditure contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	49,021	47,390
One to five years	55,228	95,728
	104,249	143,118
Lease commitments - Right of use asset		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	1,922	1,893
One to five years	8,538	5,072
More than five years	2,843	2,184
Total commitment	13,303	9,149
Less: Future finance charges	(1,531)	(810)
Net commitment recognised as liabilities	11,772	8,339
Lease commitments		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	2,166	2,086
One to five years	8,666	8,343
More than five years	2,166	4,172
Total commitment	12,998	14,601
Less: Future finance charges	(4,224)	(4,549)
Net commitment recognised as liabilities	8,774	10,052
Representing:		
Current	1,331	1,278
Non-current	7,443	8,774
	8,774	10,052

Pipeline licence obligations

DBP has been granted a pipeline licence to operate and maintain the Dampier to Bunbury Natural Gas Pipeline ("DBNGP"), and an access licence granting rights of access to the DBP corridor. Both licences have been granted by the Government of Western Australia. As the charges are determined annually, no accurate determination of these licence commitments is possible.

Note 36. Contingencies

The Group has provided bank guarantees of $2.5 million (2023: $1.5 million) to landlords and certain counterparties in relation to gas trading agreements.

Note 37. Events after the reporting period

As part of the newly established European Medium-Term Note (EMTN) programme, AGIF executed two issuances under the programme in January 2025. The first issuance settled on 23 January 2025 for $210 million, with a maturity of 10 years, alongside a further $90 million which settled on 28 January 2025, with a maturity of 7 years. The funds will be used to refinance current external debt.

On 7 February 2025 the Company paid an interim dividend of $59.625 million.

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

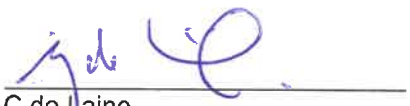
Australian Gas Infrastructure Holdings Pty Limited
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



C de Laine
Director

26 February 2025

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Independent Auditor's Report to the members of AGI Holdings Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australia Gas Infrastructure Holdings Pty Ltd (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, other explanatory information and the directors' declaration as set out on pages 6 to 62.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards Board and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Recoverability of Cash Generating Units (CGUs) As at 31 December 2024, the carrying value of intangible assets and property, plant and equipment was $1,181 million (31 December 2023: $1,172 million) and $4,342 million (31 December 2023: $4,270 million) respectively, as disclosed in Notes 18 and 19. As the intangible assets include Goodwill of $650.8 million (31 December 2023: $650.8 million) for the Gas Transmission (DBP) Cash Generating Unit (CGU), and $72.8 million (31 December 2023: $72.8 million) for the Gas Distribution (MGN) CGU, the Group monitors and tests the recoverability for these CGUs on an annual basis. The Group prepares fair value less costs of disposal (FVLCD) models to assess the recoverable values for each CGU. The assessment of recoverable values requires significant judgment from the Group, particularly regarding key assumptions including: • forecast revenues; • forecast periods; • discount rates; and • EBITDA and RAB multiples.	Our audit procedures included, but were not limited to: • Understanding the Group's process for developing the fair value less cost of disposal models; • Evaluating historical forecasting accuracy by comparing actual performance against budgeted figures; • Agreeing the forecasts used in calculating the recoverable amount are aligned with Board-approved business plans; • Working with our valuation experts to critically assess key assumptions by: o Comparing EBITDA and RAB multiples against industry data; o Performing an independent assessment of an appropriate discount rate; o Evaluating the forecasted revenue with reference to forecast tariffs and capacity volumes; and o Evaluating the appropriateness of the forecast period. • Conducting sample tests to verify the mathematical accuracy of management's models; • Performing sensitivity analyses on the RAB multiple, EBITDA multiples, and discount rate; and • Evaluating the appropriateness and completeness of disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report included in the Group's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. u

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible:

- For the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

Deloitte.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

PG Janse van Nieuwenhuizen
Partner
Chartered Accountants
Perth, 26 February 2025