



28 August 2024

ASX ANNOUNCEMENT

APA Infrastructure Limited (ASX: AP2)

APA Infrastructure Limited Annual Financial Results

APA Infrastructure Limited provides the attached for the financial year ended 30 June 2024:

- APA Infrastructure Limited Annual Report

ENDS

Authorised for release by Amanda Cheney

Company Secretary
APA Group Limited

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About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. As Australia's energy infrastructure partner, we own and/or manage and operate a diverse, \$26 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose, securing Australia's energy future, we deliver around half of the nation's domestic gas through 15,000 kilometres of gas pipelines that we own, operate and maintain. Through our investments in electricity transmission assets, we connect Victoria with South Australia, Tasmania with Victoria and New South Wales with Queensland, providing vital flexibility and support for the grid. We also own and operate power generation assets, including gas powered, wind and solar assets across the country. APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group. For more information visit APA's website, apa.com.au.



APA Infrastructure Limited

For the financial year
ended 30 June 2024

ABN 89 009 666 700

APA

Contents

APA INFRASTRUCTURE LIMITED DIRECTORS' REPORT	
1	Directors 2
2	Executive Leadership changes 2
3	State of Affairs 2
4	Subsequent Events 3
5	Principal activities 3
6	Operating Financial Review 3
	Capital Management 3
	Debt facilities 3
	Interest costs 3
	Credit ratings 3
	Dividends 4
7	Options Granted 4
8	Directorships of other listed companies 4
9	Directors' relevant interests in APA securities 5
10	Indemnification of Officers 5
11	Remuneration report 5
12	Auditor 6
13	Rounding of amounts 6
14	Authorisation 6
	APA Infrastructure Limited Remuneration Report 7
	APA Infrastructure Limited Consolidated Financial Statements 27

APA Infrastructure Limited Directors' Report

The Directors of APA Infrastructure Limited ("APAIL") submit their report and the annual financial report of APAIL and its controlled entities (together "Consolidated Entity") for the financial year ended 30 June 2024.

1 Directors

The names of the Directors of the Consolidated Entity during the year and since year end are:

Current Directors	First Appointed
Michael Fraser	1 September 2015 and appointed Chairman 27 October 2017
Adam Watson	Appointed Chief Executive Officer and Managing Director 19 December 2022
James Fazzino	21 February 2019
Nino Ficca	1 September 2023
Debra (Debbie) Goodin	1 September 2015
Rhoda Phillippo	1 June 2020
Peter Wasow	19 March 2018
Shirley In't Veld	19 March 2018. Retired on 28 March 2024

The Company Secretaries of APAIL during the year were Amanda Cheney and Bronwyn Weir.

2 Executive Leadership changes

- Chief Financial Officer (CFO) – Garrick Rollason appointed as CFO effective 16 October 2023,
- Group Executive Operations – Petrea Bradford appointed as Group Executive of Operations effective 28 August 2023.

3 State of Affairs

In the opinion of the Directors, no significant changes in the state of affairs of the Consolidated Entity occurred during the financial year.

4 Subsequent Events

On 28 August 2024, the Board announced the retirement of Debra Goodin and Peter Wasow and the appointment of Samantha Lewis and David Lamont as Directors of APAIL. The appointment of Samantha Lewis and David Lamont will be effective 1 October 2024. To ensure a smooth transition, Debra Goodin will remain on the Board until late February 2025. Peter Wasow will retire at the conclusion of the Annual Meeting in October 2024.

Final distribution declaration

On 28 August 2024, the Directors declared and paid a final dividend of 568.2 cents per share (\$353 million) to the sole equity holder, APA Group Limited as Responsible Entity and Trustee of APA Infrastructure Trust.

Other than noted above and as disclosed elsewhere in this report, in the interval between 30 June 2024 and the date of this report, no matter or circumstance 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.

5 Principal activities

The principal activities of the Consolidated Entity during the course of the year were investment in controlled entities and acting as the borrowing entity for APA Group, that comprises APA Infrastructure Trust and APA Investment Trust and their controlled entities (APA).

The principal activities of APA during the course of the year were the ownership and operation of energy infrastructure assets and businesses, including:

- Energy infrastructure: comprising gas transmission, compression, processing, storage, and electricity generation (gas and renewables) and transmission and battery energy storage systems;
- Asset Management: The provision of asset management and operating services for third parties and the majority of APA's Energy Investments; and
- Energy Investments: APA's interests in energy infrastructure investments.

There were no significant changes in the principal activities of the Consolidated Entity during the reporting period.

6 Operating Financial Review

The Consolidated Entity reported a profit after tax including significant items of \$979 million (FY23: \$280 million) on total revenue of \$3,054 million (FY23: \$2,911 million).

Capital management

At 30 June 2024, APAIL had 62,127,252 securities on issue. This is unchanged from 30 June 2023.

Debt facilities

At 30 June 2024, APA had \$12,893 million of drawn debt facilities (compared with \$11,241 million at 30 June 2023). APA's debt portfolio has a broad spread of maturities across the global debt capital markets extending out to FY46, with an average maturity of drawn debt of 5.3 years. At year end, 100% of interest obligations on gross drawn borrowings was either hedged into or issued at fixed interest rates for varying periods extending out to 2046.

In FY24, APA undertook the following capital management initiatives:

- Completed an \$875 million equity raise made up of a \$675 million institutional placement and a \$200 million Security Purchase Plan
- Raised \$1,125 million in the form of a syndicated term loan with a 7 and 10 year tranche (\$750 million and \$500 million, respectively)
- Issued €500 million (\$828 million) in the form of hybrid subordinated capital securities with a first call date of February 2029
- In May 2024 APA conducted a tender offer for its outstanding £350m MTN Notes due in November 2024. The tender was received positively with ~63% or £221m acceptance and the remaining £129m will be redeemed at maturity on 26 November 2024

Interest costs

During the year, net interest costs increased by \$145 million or 31% to \$608 million (FY23: \$463 million) driven by the establishment of the A\$1.25 billion syndicated term loan and the issuance of €500 million (A\$823 million) hybrid subordinated capital securities, both in November 2023. The average interest rate applying to drawn debt was 4.77% for FY24 (FY23: 4.43%). This increase in average interest rate year-on-year is largely due to the higher marginal interest rates on the November 2023 transactions.

Credit ratings

During the year, APAIL, the borrowing entity of APA, maintained two investment grade credit ratings:

- BBB long-term corporate credit rating (outlook Stable) assigned by Standard & Poor's (S&P) in June 2009, and last affirmed on 28 November 2023.

- Baa2 long-term corporate credit rating (outlook Stable) assigned by Moody's Investors Service (Moody's) in April 2010, and last affirmed on 6 November 2023.

APA calculates the Funds From Operations (FFO) to Interest to be 3.2 times (FY23: 3.4 times) and FFO to Net Debt to be 10.3% for FY24 (FY23: 11.0%). FFO to Net Debt is the key quantitative measure used by S&P and Moody's to assess APA's credit worthiness and credit rating¹.

Dividends

Unfranked dividends of \$676 million were declared to the sole shareholder, APA Infrastructure Trust, for the financial year (FY23: \$264 million).

7 Options Granted

No options over unissued shares or interests in APAIL were granted during or since the end of the financial year, no unissued APAIL securities were under option as at the date of this report, and no APAIL securities were issued during or since the end of the financial year as a result of the exercise of an option over unissued APAIL securities.

8 Directorships of other listed companies

Directorships of other listed companies held by Directors at any time in the three years immediately before the end of the financial year:

Name	Company	Period of directorship
Michael Fraser	Aurizon Holdings Limited	February 2016 to February 2022
	Orora Limited	Since April 2022
Adam Watson	—	—
James Fazzino	Tassal Group Limited	May 2020 to November 2022
	Qube Holdings Limited	Since February 2024
Nino Ficca	—	—
Debra Goodin	Atlas Arteria Limited	Since September 2017, Chair since November 2020
	Ansell Limited	Since December 2022
Rhoda Phillippo	Dexus Funds Management Limited	Since February 2023
Peter Wasow	Oz Minerals Limited	November 2017 to May 2023

¹ FFO / Net debt and FFO / Interest calculated in line with S&P methodology. Historical ratios have been revised reflecting S&P revisions to the historical calculations.

9 Directors' relevant interests in APA securities

The aggregate number of APA securities held directly, indirectly or beneficially by Directors or their related entities at 30 June 2024 is 328,285. No director holds any securities in APA Infrastructure Limited.

Directors' relevant interests in APA securities

Directors	Fully paid securities at	Securities acquired	Securities disposed	Fully paid securities at
	1 July 2023			30 June 2024
Michael Fraser	102,942	3,547	–	106,489
Adam Watson	55,556	41,844	–	97,400
James Fazzino	30,751	3,547	–	34,298
Nino Ficca ¹	–	12,500	–	12,500
Debra Goodin	24,179	3,547	–	27,726
Rhoda Phillippo	17,960	2,365	–	20,325
Peter Wasow	26,000	3,547	–	29,547
Shirley In't Veld ²	25,000	–	–	25,000

¹ Nino Ficca was appointed as a Director effective 1 September 2023 at which time he held nil securities.

² Shirley In't Veld retired as a Director 28 March 2024. Balance as at date of ceasing to be a Director.

As at 30 June 2024, Adam Watson held 595,930 performance rights granted under APA Group's long-term incentive plan. Each performance right is a right to receive one ordinary stapled security in APA subject to satisfaction of certain performance hurdles. Further information can be found in section 8 of APA's Remuneration Report.

The Directors hold no other rights or options over APA securities or securities in APA Infrastructure Limited. There are no contracts to which a Director is a party or under which the Director is entitled to a benefit and that confer a right to call for or deliver APA securities or securities in APA Infrastructure Limited.

10 Indemnification of Officers

During the year, the Responsible Entity of APA Group paid a premium on a contract insuring the directors and officers of any APA Group entity (including APAIL) against certain liability incurred in performing those roles. The contract of insurance prohibits disclosure of the specific nature of the liability and the amount of the premium.

APA Group Limited indemnifies directors, officers and other executives and former executives of APA Group entities (including APAIL) under a range of deed polls and indemnity agreements, which have been in place since 1 July 2000. The indemnity operates to the full extent allowed by law but only to the extent not covered by insurance and is on terms the board of APA Group Limited considers usual for arrangements of this type.

Under its constitution, APA Infrastructure Limited indemnifies each person who is or has been a Director, Company Secretary or executive officer of that company.

Neither APAIL nor the Responsible Entity has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or external auditor of APA Infrastructure Limited or any APA Group entity against a liability incurred by such an officer or auditor.

11 Remuneration report

The Remuneration report is attached to and forms part of this report.

12 Auditor

Auditor's independence

A copy of the independence declaration of the auditor, Deloitte Touche Tohmatsu ("Auditor") as required under section 307C of the Corporations Act 2001 is included at page 107.

Non-audit services

A description of any non-audit services provided during the financial year by the Auditor and the amounts paid or payable to the Auditor for these services are set out in note 27 to the financial statements.

The Board has considered those non-audit services provided by the Auditor and, in accordance with advice provided by the Audit and Finance Committee (the Committee), is satisfied that the provision of those services by the Auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and did not compromise the auditor independence requirements of the Act. The Board concluded that the non-audit services provided did not compromise the Auditor's independence because:

- All non-audit services were subject to APA's corporate governance procedures with respect to such matters and have been reviewed by the Committee to ensure they do not impact on the impartiality and objectivity of the Auditor.
- The non-audit services provided did not undermine the general principles relating to auditor independence as they did not involve reviewing or auditing the Auditor's own work, acting in a management or decision-making capacity for APA, acting as an advocate for APA or jointly sharing risks and rewards.
- The Auditor has provided a letter to the Committee with respect to the Auditor's independence and the Auditor's independence declaration referred to above.

13 Rounding of amounts

APAIL is an entity of the kind referred to in ASIC Corporation's Instrument 2016/191 and, in accordance with that Class Order, amounts in the Directors' report and the financial report are rounded to the nearest million dollars, unless otherwise indicated.

14 Authorisation

The Directors' Report is signed in accordance with a resolution of the Directors of APAIL made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors



Michael Fraser
Chairman
28 August 2024



Adam Watson
Chief Executive Officer and Managing Director

Letter from the Chair of the People and Remuneration Committee

I am pleased to present the Remuneration Report of the APA Group (APA or the Company) for financial year 2024.

APA has delivered solid growth in earnings and distributions with new assets, including the Pilbara Energy System (Pilbara) business, making a strong contribution. Underlying EBITDA increased by 9.7% to \$1,893 million and our distribution increased by 1.8% to 56.0 cents. Our Free Cash Flow (FCF) was flat (increasing by 0.3% to \$1,073m), this is reflective of higher interest costs to fund growth, higher tax payments and changes in working capital, partly offset by improved net receipts and payments.

Key Management Personnel (KMP) changes in FY24

In FY24 we appointed Mr Garrick Rollason as Chief Financial Officer and Ms Petrea Bradford as Group Executive (GE) Operations and Mr Darren Rogers moved into the GE Energy Solutions role.

FY24 executive remuneration framework and outcomes

There were no increases to Fixed Pay for the KMP roles in FY24. As foreshadowed in last year's Remuneration Report, the Short-Term Incentive (STI) opportunities for KMP roles (excluding the CEO/MD) were increased from a target opportunity of 40% of Fixed Pay (maximum of 60%) to a target opportunity of 50% of Fixed Pay (maximum of 75%). This change was based on a review of market benchmarking data and despite increasing the STI opportunity, our executive remuneration packages continue to place a higher weighting on the Long-Term Incentive (LTI) component.

Reflecting FY24 financial and non-financial performance, the STI outcome was 62.7% of maximum (94.0% of target) for the CEO/MD, and between 65.3% and 92.7% of maximum (98.0% and 139.0% of target) for other KMP roles.

The FY22 LTI was tested at the end of FY24. The relative Total Shareholder Return (TSR) performance metric was not met, however the Return on Capital (ROC) metric was met. This resulted in 50% of the LTI becoming available to vest according to APA's LTI vesting schedule.

Remuneration report strike at the 2023 AGM

25.79% of APA securities that were voted at the 2023 AGM voted against the FY23 Remuneration Report resulting in a "first strike". We have engaged with securityholders to understand their concerns, and a summary of the feedback and how we are addressing this feedback is set out in this report.

FY25 refinement to executive remuneration framework

There is one notable change being made to the framework for FY25 which relates to the LTI plan TSR metric. For the FY25 LTI grant we are expanding the TSR peer group to include additional companies of a similar size that are in similar or adjacent sectors. Further, we are aligning the vesting schedule to market practice (50% vesting at 50th percentile and 100% vesting at 75th percentile). The details of the FY25 LTI grant will be set out in our 2024 Notice of Meeting.

I hope you find this Remuneration Report informative. We look forward to your support and any questions at the 2024 AGM.



Peter Wasow

People and Remuneration Committee Chair

Contents

1.	Remuneration strike response	9
2.	Individuals covered by the Remuneration Report	10
3.	Executive summary	11
4.	FY24 performance and executive incentive outcomes	13
5.	Executive remuneration policy and framework	18
6.	Executive KMP contracts	20
7.	Non-executive Director remuneration	21
8.	Remuneration governance	22
9.	Statutory tables	23

1. Remuneration strike response

In the lead up to the 2023 AGM and during FY24, APA engaged with proxy advisors and securityholders to understand the concerns that impacted voting at the 2023 AGM. This engagement highlighted two key issues that contributed to the 25.79% of votes being cast against the FY23 Remuneration Report. These issues are summarised below, including how APA is responding to the feedback.

Issue 1 – EBITDA targets for the STI plan

The core issue raised by some securityholders was a concern related to the appropriateness of the outcome of the EBITDA component of the FY23 STI. The feedback was that the targets did not appear to be sufficiently challenging relative to the prior year result and relative to FY23 market consensus.

APA's actions in response:

In response to the feedback received the following actions have been taken:

- The Board reviewed the FY24 EBITDA targets that had been set in June 2023 to ensure they were appropriately challenging. This included consideration of management's forecasts, year-on-year performance and market expectations of APA (i.e. market consensus). As part of this work, the EBITDA targets and FCF targets for KMP were increased primarily to incorporate the Pilbara Energy acquisition. Through this review, the Board was satisfied that the FY24 targets were appropriately challenging.
- The Remuneration Report disclosure of targets and outcomes has been enhanced. This extends beyond EBITDA and has been enhanced across all the performance measures in the CEO/MD's scorecard.

Issue 2 – FY24 LTI grant TSR performance period and allocation price

A secondary issue that was raised by a smaller number of securityholders was feedback regarding the FY24 LTI grant, which was concurrent with the timing of the 2023 capital raising to fund the Pilbara Energy acquisition.

Specifically, APA did not sufficiently explain the approach used for the FY24 LTI to set the Volume Weighted Average Price (VWAP) for allocation and the TSR performance period which was different from prior years. Further, there was a view expressed that the approach was not aligned with securityholders.

APA's actions in response:

The matter itself was specific to the FY24 LTI grant due to the concurrent timing of the capital raising and is not an on-going part of APA's approach to executive remuneration. The Board recognise that more disclosure could have been provided by APA as to why this approach was adopted. In addition, and not specifically in response to this concern, APA will provide more disclosure on LTI grants going forward.

2. Individuals covered by the Remuneration Report

The Remuneration Report (the Report) for APA for FY24 has been prepared in accordance with Section 300A of the Corporations Act 2001. The information provided in this Report has been audited, unless indicated otherwise, and forms part of the Directors' Report.

This Report includes the following KMP:

Name	Role	Term as KMP
Non-Executive Directors (NEDs)		
Michael Fraser	Chair	Full year
James Fazzino	Director	Full year
Nino Ficca	Director	Part year from 1 September 2023
Debra (Debbie) Goodin	Director	Full year
Rhoda Phillippo	Director	Full year
Peter Wasow	Director	Full year
Former NEDs		
Steven (Steve) Crane	Director	Part year until 15 September 2022
Shirley In't Veld	Director	Part year until 28 March 2024
Executive KMP		
Adam Watson	Chief Executive Officer and Managing Director (CEO/MD)	Full year
Petrea Bradford	Group Executive (GE) Operations	Part year commencing 28 August 2023
Darren Rogers	GE Energy Solutions	Full year (GE Strategy & Commercial until 15 August 2023 and GE Energy Solutions commencing from 16 August 2023)
Garrick Rollason	Chief Financial Officer	Part year commencing 16 October 2023
Former Executive KMP		
Robert Wheals	Former CEO/MD	Part year until 30 September 2022 when ceased employment
Ross Gersbach	Former President North American Development	Part year KMP until 22 August 2022 when changed roles into a non-KMP role
Julian Peck	Former GE Strategy & Commercial	Part year KMP until 25 August 2022, and ceased employment 28 October 2022

The Board considered whether the Acting Chief Financial Officer (CFO) and Acting GE Operations that were in place for the initial months of FY24 met the definition of KMP. Both roles have been excluded from disclosure in the Remuneration Report on the basis that they were acting roles, and the CEO/MD and Board had authority and increased oversight over their activities and decisions.

3. Executive summary

3.1. Remuneration strategy

The Board recognises the important role remuneration plays in supporting and implementing the achievement of APA's operational strategy over both the short and long-term. The key principles of the remuneration policy and a summary of the executive remuneration framework are outlined below.

 MARKET COMPETITIVE Provide competitive rewards to attract, motivate and retain highly skilled executives.	 BUSINESS STRATEGY Drive delivery of APA's growth strategy, while maintaining its financial strength.	 BEHAVIOURS Drive delivery of Health, Safety, Environment and Heritage (HSEH) strategy, caring for our people, communities, the environment and our assets, a customer focussed culture, and demonstrating the APA behaviours.	 SECURITYHOLDER ALIGNMENT Ensure executive performance and behaviours align with the interests of securityholders.
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3.2. Executive remuneration snapshot

	Fixed Pay	STI	LTI
Purpose	To be market competitive to attract, motivate and retain individuals.	To reward executives for their contribution to APA's annual budget and performance targets, which will enable the achievement of long-term goals.	To focus executives on the achievement of APA's long-term business strategy and to create value and alignment with the experience of securityholders.
FY24 approach	Executive KMP roles are benchmarked against external positions in companies with a comparable market capitalisation, operate in a similar industry and/or are key competitors.	The STI opportunity for Executive KMP (excluding the CEO/MD) was increased from a target opportunity of 40% of Fixed Pay (maximum of 60%) to a target opportunity of 50% of Fixed Pay (maximum of 75%). Subject to meeting the EBITDA gateway, performance is assessed against a scorecard of financial and non-financial measures. Each Executive KMP member has a unique scorecard comprising Group measures and role specific key performance indicators (KPI's), to reflect Group and individual accountabilities.	Performance Rights are assessed against relative TSR (50%) and ROC (50%) over a three year performance period, with vested Performance Rights converting to securities in equal tranches over Years 3, 4 and 5
FY24 remuneration outcomes	No remuneration increases were applied to Executive KMP roles.	As the EBITDA gateway was met, the STI pool was funded and outcomes were: - CEO: 62.7% of maximum (94.0% of target). - Other Executive KMP: ranged from 65.3% and 92.7% of maximum (98.0% and 139.0% of target) Section 4.2 provides details on scorecard outcomes.	The FY22 LTI award was tested at 30 June 2024 resulting in an outcome of 50% vesting. These rights will vest over 3 years with 1/3 vesting in August 2024, and the remaining 2/3 vesting in equal tranches in 2025 and 2026. Section 4.5 provides details on results against the relative TSR and ROC measures.

APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES REMUNERATION REPORT

Minimum security holding requirement

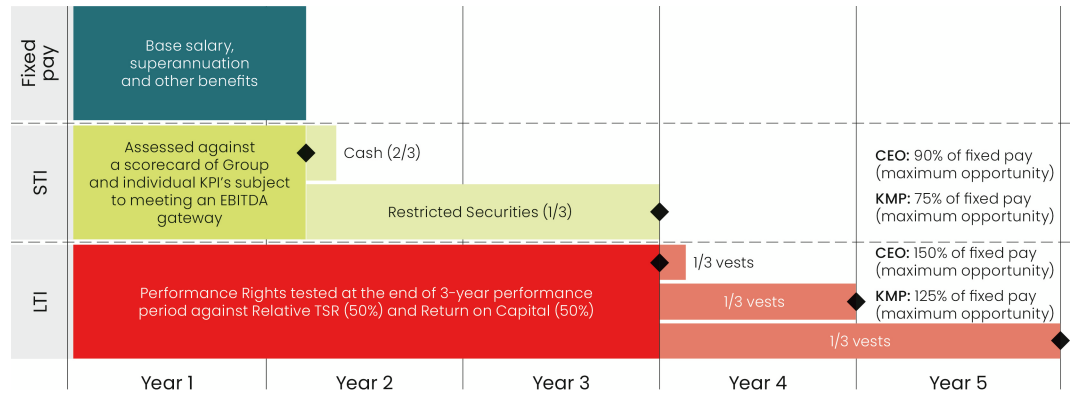
APA's minimum security holding requirement requires key executives to hold a material security holding in APA Group. The requirement is to hold securities with a value of at least:

- CEO/MD: 100% of fixed pay; and
- Other Executive KMP: 50% of fixed pay.

Where the minimum security holding requirement has not been met, 1/3 of the STI payable will be deferred into Restricted Securities to help build individual security holding levels.

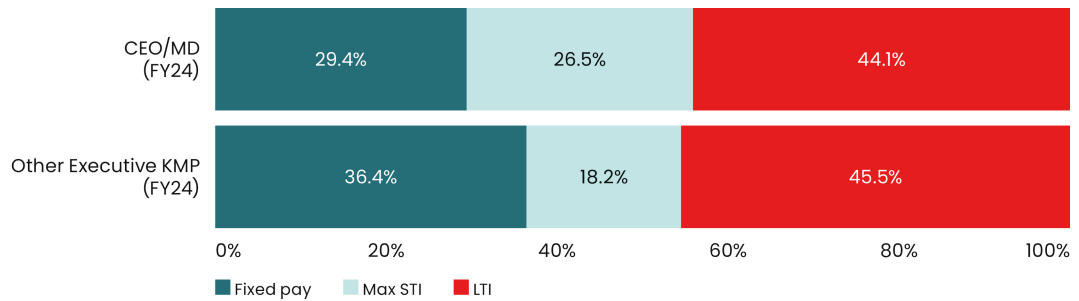
Executive KMP have five years from the date of appointment to their role to accumulate the required minimum value of securities.

Reward time horizon



Pay Mix

The pay mix graph below displays the proportion of fixed vs variable remuneration (STI and LTI) when the incentives are achieved at maximum (i.e. the STI at maximum, and the LTI calculated at face value assuming 100% vesting).



4. FY24 performance and executive incentive outcomes

4.1. Company performance

The table below summarises APA's financial performance for the past 5 years.

Measure	FY24	FY23	FY22	FY21 ¹	FY20 ¹
Underlying EBITDA(\$m) ²	1,893	1,725	1,692	1,629	1,650
Profit after tax including significant items (\$m) ³	998	287	260	1	309
Profit after tax excluding significant items(\$m)	119	287	240	279	309
Free cash flow per security (cents)	83.6	90.7	91.6	76.4	81.1
Distribution per security (cents)	56.0	55.0	53.0	51.0	50.0
Closing security price at 30 June (\$)	7.99	9.69	11.27	8.90	11.13
CEO STI outcome (% of maximum)	62.7	78.9	66.1	66.4	37.0

Since listing in 2000, APA has paid an interim and full year distribution every year. Our distribution per security of 56.0 cents for FY24 represents a 1.8% increase on FY23.

¹ Restated for the impact of the provision for payroll review.

² Underlying EBITDA is EBITDA excluding non-recurring items arising from other activities, transactions not directly attributable to the performance of APA Group's business operations and significant items. The Board considers this to best reflect the core earnings of APA. Refer to note 3 of the Financial Statements.

³ Significant items in FY24 comprising of \$1,051 million fair value remeasurement of APA's previously held 88.2% interest in Goldfields Gas Pipeline, \$(72) million Pilbara Energy System acquisition costs and \$(144) million non-cash impairment of the Moomba Sydney Ethane Pipeline (MSEP).

4.2. FY24 STI scorecard outcomes – CEO/MD

The Board reviewed the CEO/MD's performance considering his performance against the KPI's in his STI scorecard. The underlying EBITDA gateway was exceeded, and therefore the STI was available to be earned.

The Board assessed business performance against the STI scorecard and the CEO/MD's individual contribution to these results. As part of the assessment the Board considered the behaviours demonstrated in delivering against the scorecard and any other performance throughout the year (not already reflected in the STI scorecard).

Based on the Board's assessment, it deemed the scorecard outcome to be a holistic reflection of FY24 performance.

The table below summarises the outcomes against each KPI. Each KPI was assessed against a threshold (50%), target (100%) and stretch (150%) outcome. The KPIs are a mix of quantitative (70% of KPIs) and qualitative (30% of KPIs).

Measures and rationale	FY24 outcome	Further detail
Financial		
Underlying EBITDA (20% weighting)		
EBITDA is our key financial metric to assess the financial health of our business. We aim to maintain financial strength through solid EBITDA growth. The EBITDA targets were originally based on budget for the year and an assessment of the potential risks and opportunities to inform the range of threshold and stretch. The EBITDA targets were increased from those that had been set at the outset of the year, primarily to include the business plan expected contribution to FY24 EBITDA from the Pilbara Energy acquisition (+\$89m).	THRESHOLD TARGET MAXIMUM	Underlying EBITDA outcome was \$1,893 million (in line with budget and guidance) against a threshold of \$1,853 million, a target of \$1,891 million and a stretch of \$1,929 million. The EBITDA result is a 9.7% growth vs FY23.
Free Cash Flow (10% weighting)		
A focus on strong free cash flow growth ensures APA can continue to increase distributions and fund stay in business capital. The FCF targets were originally based on the budget for the year and an assessment of the potential risks and opportunities to inform the range of threshold and stretch. The FCF targets were increased during the year to include the business plan expected contribution to FY24 FCF from the Pilbara Energy acquisition (+\$17m). This FCF target was flat to FY23 due to higher interest costs to fund growth, higher tax payments and changes to working capital, partly offset by improved net receipts and payments.	THRESHOLD TARGET MAXIMUM	Free cash flow was \$1,073 million against a threshold of \$1,019 million, a target of \$1,073 million and a stretch of \$1,116 million.

APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES REMUNERATION REPORT

Measures and rationale	FY24 outcome	Further detail
Deliver organic growth from deploying CAPEX (10% weighting) Assesses our ability to grow revenue streams organically. The metric is the dollar value of Final Investment Decisions on capex spend that meet APA's required hurdle rates. The target (and the threshold and stretch) is based on the pipeline of opportunities for the year ahead and an assessment of their probabilities.		Actual outcome of \$336 million of new approved capex spend against a threshold of \$175 million, a target of \$325 million and a stretch of \$475 million.
Execution of growth strategy (20% weighting) KPIs focussed on key strategic opportunities and capital investments that support the execution of our growth strategy. Each of these projects have strong links to APA's financial performance in terms of revenue opportunities, customer growth, efficiency and costs.		Strong foundational progress was made during the year including the Pilbara acquisition and its related growth opportunities. Whilst those growth opportunities continue to progress they have not yet reached Final Investment Decisions. The New England Renewable Energy Zone (REZ) was a key strategic growth focus and whilst good progress was made in positioning APA to bid competitively including establishing a partnership with EDF, the project has been delayed due to NSW Government processes. The integration of Basslink and the ERP implementation have both progressed according to plan and the Grid project that was also a key focus for FY24 is progressing as expected. Good progress continues with the broader growth pipeline including Kurri Kurri and CS Energy Brigalow. Considering all of the above and that some projects have yet to reach Final Investment Decision this KPI was assessed as threshold.
Non-financial		
Deliver Climate Transition Plan Objectives (10% weighting) Ensure progress against the FY24 priorities in the APA Climate Transition Plan.		Delivery against priorities set for FY24 were assessed by the Board to be at the target level of expectation. Progress during FY24 included reductions in emissions in line with APA's commitments, reducing APA's energy intensity, continued progress with CTP abatement initiatives, pipeline leak repair and gas recovery, piloting enhanced methane measurement technology and operating targeted compressors more efficiently.
Note: Further information on APA's progress against the Climate Transition Plan is set out on page 44 of the Annual Report, and in our Climate Report which will be released in September 2024.		
Health, Safety, Environment & Heritage (10% weighting) To improve safety, wellbeing, environmental and heritage performance and lead a safety focussed culture.		Performance is assessed against a combination of lead and lag indicators. The performance against the lead indicators (including HSEH interactions and execution of the HSEH priorities), was strong and assessed between Target and Stretch. The performance against the lag indicators showed strong progress on reducing overdue compliance orders, but there were three Tier 1 process safety incidents in the gas transmission business and two actual serious harm incidents. This resulted in an overall assessment of below target.
Culture (10% weighting) Support the culture of APA through our approach to Inclusion & Diversity, our employee engagement and robustness of succession planning		Performance is assessed against a combination of culture related metrics. - Improvements against the majority of our gender representation targets continued in FY24 with total employee representation of women rising to 32.4%, senior leader representation rising to 39.2%, and extended leadership representation rising to 37.7%. However, some of these fell slightly short of our aspiration for the year. - The 2023 culture and engagement survey score was 72%, which was an increase on 2022 and ahead of our aspiration for the year. - Performance against the talent retention and succession metrics was also strong and ahead of our targets for the year.
Reputation (10% weighting) Maintain APA's reputation across internal and external stakeholders. This is measured using Reptrack and Newgate surveys.		Reputation is measured against the Reptrack Priority Stakeholder Score, the Reptrack General Score vs peers, and the Newgate Priority Stakeholder Trust Score. Each of these scores exceeded our targets for the year.
Scorecard outcome		62.7% of Maximum 94.0% of Target

4.3. FY24 STI performance scorecard outcomes – Other Executive KMP

Detailed below are the individual scorecard outcomes for Other Executive KMP. A number of group-wide KPIs (outlined in the CEO/ MD's STI scorecard above) apply as well as individual-specific KPIs, to reflect the nature of their role and contribution to APA's business outcomes.

Other Executive KMP outcomes ranged from 65.3% to 92.7% of maximum (98.0% to 139.0% of target).

Commentary on Ms Petrea Bradford's performance

Overall outcome of 103.0% of target, with key contributions being:

- The integration of the Pilbara and Basslink assets into APA's operations portfolio; and
- Driving strong operational performance including the management of change, reduction in overdue compliance work orders and cost management.

Commentary on Mr Darren Rogers' performance

Overall outcome of 139.0% of target, with key contributions being:

- Strong results in our re-contracting and securing organic growth opportunities during FY24, including Kurri Kurri; and
- Leading the acquisition and the successful integration of the Pilbara Energy business into APA.

Commentary on Mr Garrick Rollason's performance

Overall outcome of 98.0% of target, with key contributions being:

- The successful debt re-financing during FY24; and
- The delivery of the ERP project on time and budget.

4.4. STI outcomes

The table below provides an overview of the STI outcomes for FY24 for current KMP, delivered in a mix of cash and restricted securities.

Executive KMP	STI earned					STI forfeited	
	Cash \$	Restricted securities (deferred) \$	Total \$	% of target	% of maximum	Foregone \$	% of maximum
A Watson	902,400	—	902,400	94.0 %	62.7 %	537,600	37.3 %
P Bradford ⁴	241,253	120,626	361,879	103.0 %	68.7 %	165,129	31.3 %
D Rogers	639,400	—	639,400	139.0 %	92.7 %	50,600	7.3 %
G Rollason ⁵	212,672	106,336	319,009	98.0 %	65.3 %	169,270	34.7 %

⁴ Commenced employment on 28 August 2023.

⁵ Commenced employment on 16 October 2023.

4.5. LTI outcomes

Performance measurement approach

APA's LTI is designed to focus Executive KMP on the achievement of APA's long-term business strategy and to create alignment with the experience of securityholders. The LTI has two performance measures:

- 50% is subject to a relative TSR performance metric; and
- 50% is subject to a ROC performance metric.

Vesting of the LTI is dependent on achieving the above performance metrics with the Board having overarching discretion to ensure vesting outcomes are aligned to overall APA performance and the securityholder experience.

FY22 LTI testing and vesting

Performance period is from 1 July 2021 to 30 June 2024.

TSR (50% weighting)

- APA's TSR is measured against a group of ASX 100 bespoke peers in the infrastructure and gas sectors.
- As measured over the 3-years to 30 June 2024, APA's TSR performance was below the median relative to the peer group.
- 0% of the performance rights linked to the TSR hurdle vested.

Threshold	Maximum	Actual	Vesting outcome
50th percentile	82.5th percentile	26.67th percentile	0%

ROC (50% weighting)

- The ROC metric measures APA Group's operating earnings relative to the value of operating assets over a three-year performance period. A target range (a threshold and a maximum) is set based on the APA business plan. Refer to section 5.3 of this report for further detail of the ROC definition.
- APA's approach is to set and disclose ROC targets at the beginning of the performance period based on the outlook for the business at that time. If there are any significant changes to the outlook related to acquisitions or divestment transactions then as a matter of process APA adjusts the targets to account for these. This ensures:
 - A like-for-like comparison of targets with actual performance (which includes the impact of transactions), and
 - Management is held to account for delivering the outcomes intended as part of any transaction and are not materially advantaged or disadvantaged for pursuing or not pursuing a transaction.
- Typically incorporating a transaction into the ROC targets will reduce the targets as a non-depreciated asset is being added to the calculation. Conversely removing an assumed transaction that didn't proceed will typically increase the ROC targets.
- APA's approach resulted in the ROC targets for the FY20 and FY21 LTI plans being increased as no transaction in the United States was pursued (which had been assumed in the targets).
 - For the FY20 LTI this resulted in the vesting outcome being approx 31% lower than if the targets had not been adjusted.
 - For the FY21 LTI this resulted in no change to vesting.
- For the FY22 LTI, the original ROC targets set were 11.2% (threshold) and 11.5% (maximum). This was based on an assumption that an acquisition would be executed in the United States and were set before the Basslink and Pilbara transactions were known. Consistent with the approach in prior years, the Board adjusted the FY22 LTI targets to remove the US transaction which didn't proceed and include the Basslink and Pilbara transactions to ensure management are held to account for the performance of those acquisitions in line with the investment case and there is no material advantage or disadvantage. Overall, this lowered the ROC target as the impact of Pilbara and Basslink investment case on ROC targets was greater than the removal of the assumed United States transaction. However, this did not result in any change to the vesting outcome as illustrated in the table below. The actual result of 11.63% was higher than both the original and adjusted target

	Threshold	Maximum	Actual	Vesting outcome
Original targets	11.2%	11.5%	11.63%	100%
Adjusted targets ⁶	10.8%	11.1%		

Overall 50% percent of the FY22 LTI vested to the CEO & MD and other participants

FY23 LTI due to be tested at the end of FY25

The FY23 LTI plan is due to be performance tested at 30 June 2025.

The ROC targets for the FY23 LTI do not include any assumption about a US transaction (unlike prior grants) and they were set prior to the Basslink and Pilbara Energy transactions being concluded.

Consistent with the FY20, FY21 and FY22 LTI plans the Board's intention is to apply the same approach to those targets and adjust for the Basslink and Pilbara Energy acquisitions and any other significant changes related to transaction activity if any.

⁶ Adjusted to remove the assumed United States transaction that did not occur (increasing the targets), and to include the Basslink and Pilbara transactions (lowering the targets given the proportionally higher asset base for the return generated compared with the existing asset base).

4.6. FY24 actual remuneration

The actual remuneration detailed in the table below differs from the statutory remuneration disclosed in section 8 which is subject to requirements under the Accounting Standards and Corporations Act.

The following is included in the table:

- Fixed pay and Cash STI – as received which relates to FY24.
- STI deferred equity released – awards from prior years which have met time restrictions as at 30 June 2024, but will be released in August 2024 following announcement of APA's FY24 financial results.
- LTI equity vested & released – FY20 LTI (Tranche 3), FY21 LTI (Tranche 2) and FY22 LTI (Tranche 1) that have met performance and time restrictions as at 30 June 2024, but will vest in August 2024 following announcement of APA's FY24 financial results.

Given this is not a statutory disclosure, only current KMP are included.

Executive KMP	Fixed pay \$ ⁷	Cash STI \$ ⁸	STI deferred equity released \$ ⁹	LTI equity vested & released \$ ¹⁰	Total \$
A Watson	1,600,000	902,400	—	326,921	2,829,321
P Bradford ¹¹	669,896	241,253	—	—	911,149
D Rogers	920,000	639,400	96,983	352,585	2,008,968
G Rollason ¹²	656,189	212,672	—	—	868,861

⁷ Fixed pay is inclusive of cash salary, employer superannuation, and any salary sacrifice items (including any relevant fringe benefits tax).

⁸ Cash STI refers to the cash portion of the STI, relating to performance in FY24. Payment will be made in September 2024.

⁹ STI deferred equity released is based on a VWAP of \$8.3541 (being the 20 trading days leading up to 30 June 2024).

¹⁰ Relates to rights vesting and converting to securities for Tranche 3 of the FY20 Performance Rights plan, Tranche 2 of FY21 Performance Rights plan and Tranche 1 of the FY22 Performance Rights plan. Valued based on a VWAP of \$8.3541 (being the 20 trading days leading up to 30 June 2024).

¹¹ Commenced employment on 28 August 2023.

¹² Commenced employment on 16 October 2023.

5. Executive remuneration policy and framework

APA's remuneration objective is to reward executives at the median of observed total remuneration for selected comparable companies when performance is at target and up to the 75th percentile for above target performance.

5.1. Fixed pay

Fixed pay includes base salary, employer superannuation, and any salary sacrifice items (including any relevant fringe benefits tax) such as car parking, motor vehicles and superannuation. The level of fixed pay is based on multiple factors, including the skills and experience of the individual, external market positioning and the size and complexity of the role.

5.2. STI plan

In addition to the information covered in section 3, further detail on the operation of the FY24 STI plan is provided below:

Feature	Description
Target opportunity	CEO/MD: 60% of fixed pay Other Executive KMP: 50% of fixed pay
Maximum Opportunity	CEO/MD: 90% of fixed pay Other Executive KMP: 75% of fixed pay
Performance period	One year.
Delivery	Cash (2/3) paid at the end of FY24 (in September 2024) and deferred equity (1/3) delivered as Restricted Securities which vest after 2-years (in August 2026) where the minimum security holding requirement is not met.
Allocation methodology of deferred STI	Restricted Securities are allocated at face value using a volume weighted average price (VWAP) of the 20 trading days leading up to (but not including) the day APA releases its full year financial results.

5.3. LTI plan

In addition to the information covered in section 3, further detail on the operation of the FY24 LTI plan is provided below:

Feature	Description
Opportunity	CEO/MD: 150% of fixed pay Other Executive KMP: 125% of fixed pay
Performance period	ROC: Three years (FY24, FY25 and FY26) TSR: 24 August 2023 to 30 June 2026
Grant date	6 November 2023
Delivery	Performance Rights are tested at the end of year three. Vested Performance Rights convert to securities and are released from restrictions in equal tranches at the end of year three, four and five. Performance Rights which do not vest are forfeited automatically unless the Board determines otherwise.
Allocation methodology	Performance Rights were allocated at face value using a VWAP of the 5 trading days from 24 August 2023 to 30 August 2023. No amount is payable on the grant or vesting of Performance Rights.
Performance measures	Relative TSR (50%) Relative TSR measures the Group's TSR over a three-year period against a group of ASX 100 bespoke peers in the infrastructure and gas sectors. Relative TSR has been selected to align executives with the experience of security holders and to ensure executives are only rewarded for outperformance against our peers. The peer group comprises of the following companies: • AGL Energy • Atlas Arteria • Aurizon Holdings • Dexu • Goodman Group • GPT Group • Mirvac • Qube Holdings • Scentre Group • Stockland • Telstra • TPG Telecom • Transurban • Vicinity Centres The Board retains discretion to vary the relative TSR peer group at the end of the performance period to reflect de-listings, mergers and other corporate actions. The relative TSR component vests in accordance with the following scale:

APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES REMUNERATION REPORT

Feature	Description										
	<table> <tr> <th>Hurdle</th><th>Vesting outcome</th></tr> <tr> <td>Below 50th percentile</td><td>Nil</td></tr> <tr> <td>At 50th percentile</td><td>50%</td></tr> <tr> <td>Between 50th and 82.5th percentile</td><td>Straight line pro-rata vesting between 50% and 100%</td></tr> <tr> <td>At 82.5th percentile and above</td><td>100%</td></tr> </table>	Hurdle	Vesting outcome	Below 50th percentile	Nil	At 50th percentile	50%	Between 50th and 82.5th percentile	Straight line pro-rata vesting between 50% and 100%	At 82.5th percentile and above	100%
Hurdle	Vesting outcome										
Below 50th percentile	Nil										
At 50th percentile	50%										
Between 50th and 82.5th percentile	Straight line pro-rata vesting between 50% and 100%										
At 82.5th percentile and above	100%										
	Return on capital (50%) The ROC metric measures APA Group's operating earnings achieved relative to value of operating assets over a three-year performance period. It has been selected to ensure management balances earnings improvements with prudent capital management. ROC is calculated as an average over three years by dividing underlying EBITDA by Funds Employed (FE). FE is determined by adjusting total assets per the balance sheet by excluding capital work in progress, excluding current and non-current portion of other financial assets (excluding redeemable preference shares), including working capital relating to assets under construction and normalised cash balances. Underlying EBITDA is the average for the current and following two financial years and FE is the average of seven data points as at the June and December half year ends for the current financial year and following two financial years, including the opening balance for the first year. Calculation of ROC will be determined by the Board and the Board retains discretion to adjust EBITDA and FE to account for extraordinary items, acquisitions, organisational changes or otherwise ensure that the vesting outcomes are appropriate. The ROC component vests in accordance with the following scale (which incorporate the Pilbara Energy acquisition): <table> <tr> <th>Hurdle</th><th>Vesting outcome</th></tr> <tr> <td>Less than 11.1%</td><td>0%</td></tr> <tr> <td>Equal to 11.1%</td><td>33%</td></tr> <tr> <td>Greater than 11.1% up to 11.4%</td><td>Straight line pro-rata vesting between 33% and 100%</td></tr> <tr> <td>At or above 11.4%</td><td>100%</td></tr> </table>	Hurdle	Vesting outcome	Less than 11.1%	0%	Equal to 11.1%	33%	Greater than 11.1% up to 11.4%	Straight line pro-rata vesting between 33% and 100%	At or above 11.4%	100%
Hurdle	Vesting outcome										
Less than 11.1%	0%										
Equal to 11.1%	33%										
Greater than 11.1% up to 11.4%	Straight line pro-rata vesting between 33% and 100%										
At or above 11.4%	100%										
Retesting	Re-testing of LTI awards is not permitted.										

5.4. Additional provisions

The table below summarises additional provisions as they relate to the remuneration of Executive KMP for FY24.

Provision	STI	LTI
Malus / Clawback	The Board in its discretion may determine that some, or all, of an Executive KMP's STI and/or LTI awards be forfeited (malus) or recouped (clawback) in the event of misconduct or of a material misstatement in the year-end financial statements, in accordance with provisions that are included within the STI and LTI plans and offer documentation to Executive KMP's.	
Distribution and voting rights	Restricted Securities carry the same distribution and voting rights as ordinary securities.	Unvested Performance Rights do not carry distribution and voting rights.
Cessation of employment	Subject to Board discretion: - Where the participant is terminated summarily or resigns having breached their terms of employment, they will not be eligible for a STI payment for the relevant financial year. - Where employment ceases for any other reason, a pro-rated STI award may be paid based on the performance period served and restricted securities awarded in prior years remain on-foot and are released in the ordinary course.	Subject to Board discretion: - Where the participant is terminated summarily or resigns having breached their terms of employment, all Performance Rights will automatically lapse. - Where employment ceases for any other reason, unvested Performance Rights will remain on-foot subject to the original terms of grant and tested against performance metrics in the ordinary course.
Change of control	Subject to Board discretion, if a change of control occurs, an STI award will be paid out based on the proportion of the period that has passed at the time of change of control to the extent to which performance conditions have been met. The Board has absolute discretion to determine whether any or all Restricted Securities are released from restrictions. Where the Board does not make a determination, all Restricted Securities will be released from dealing restrictions.	The Board has absolute discretion to determine whether any or all Performance Rights vest. Where the Board does not make a determination, all Performance Rights will vest.

5.5. Executive KMP minimum security holding requirement

The minimum security holding requirement aligns the interests of Executive KMP and securityholders.

Within five years from the date of appointment to their role:

- The CEO/MD is required to hold securities to the value of 100% of Fixed Pay; and
- Other Executive KMP are required to hold securities to the value of 50% of Fixed Pay.

Mr Adam Watson and Mr Darren Rogers have met the minimum security holding requirement.

Mr Garrick Rollason and Ms Petrea Bradford are yet to meet the requirement. However, both remain within the five-year timeframe allowed to meet the requirement.

Details of Executive KMP security holdings may be found in Section 8.

6. Executive KMP contracts

Remuneration arrangements for Executive KMP are formalised in individual employment agreements.

Termination arrangements, in addition to normal statutory entitlements, are summarised in the table below.

	Total Fixed Pay (as at 30 June 2024)	Notice period
A Watson	\$1,600,000	• 9 months' notice by either APA or CEO/MD. • APA may provide payment in lieu of notice. • No notice is required by APA for termination for cause.
P Bradford	\$835,000	• 6 months' notice by either APA or the individual. • APA may provide payment in lieu of notice. • No notice is required by APA for termination for cause.
D Rogers	\$920,000	
G Rollason	\$920,000	

7. Non-executive Director remuneration

7.1. Determination of NED fees

The Board seeks to attract and retain high calibre NEDs who are equipped with the diverse skills needed to oversee all functions of APA in an increasingly complex environment. NED fees comprise of:

- A Board fee; and
- An additional fee for serving as a Chair or member of a Board Committee.

NED fees are inclusive of superannuation contributions which are provided in accordance with the statutory requirements under the Superannuation Guarantee Act. NEDs do not receive incentive payments nor participate in incentive plans.

The Board Chair does not receive additional fees for his membership on other Committees.

One-off 'per diems' may be paid in exceptional circumstances. No per-diem payments were made in FY24.

7.2. Aggregate NED fee pool

The aggregate NED fee pool as at 30 June 2024 was \$2,500,000.

7.3. Director fees

During FY24 the Board did not make any changes to director fees.

The following table sets out the FY24 NED fee policy.

	Chair \$	Member \$
Board	513,735	182,806
Audit & Finance Committee	40,883	20,391
Risk Management Committee	40,883	20,391
Safety & Sustainability Committee	40,883	20,391
People & Remuneration Committee	40,833	20,391
Nomination Committee	Nil	Nil

7.4. NED minimum security holding requirement

The minimum security holding requirement helps to ensure the alignment of the interests of NEDs and securityholders.

NEDs are expected to hold securities to a value not less than their annual Board fee (before tax and excluding fees payable for their membership on Committees). This level of security holding is to be held throughout their tenure as a NED and the requirement is to be met within five years of their appointment.

As at 30 June 2024, all NEDs met this requirement other than Mr Nino Ficca who joined the Board in 2023 and is within the timeframe available to accumulate the holding. Details of NED security holdings may be found in section 8.

8. Remuneration governance

The diagram below outlines the remuneration governance framework in place at APA.

Board

The Board has overarching responsibility for the approval of the Executive KMP and NED remuneration framework, pay outcomes, policies and procedures, based on the recommendations of the People & Remuneration Committee.

People & Remuneration Committee

The Committee has been established by the Board to oversee Executive KMP and NED remuneration.

The purpose of the Committee is to oversee the development of APA's performance and remuneration strategy frameworks to reflect APA's behaviours, purpose, strategic direction and risk appetite.

Specifically, the Committee ensures there is a robust remuneration and reward system that aligns employee, investor and customer interests, promotes a positive culture and facilitates the effective attraction, retention and development of a diverse and talented workforce. The full responsibilities of the Committee can be found in APA's People & Remuneration Committee Charter available on APA's website.

The members of the Committee, all of whom are independent NEDs are:

- Peter Wasow (Chair)
- Nino Ficca
- Rhoda Phillippo

Audit & Finance, Safety & Sustainability and Risk Management Committees

In considering whether a robust performance assessment process is in place, the People & Remuneration Committee consults with the Audit & Finance, Safety & Sustainability and Risk Management Committees on whether proposed remuneration outcomes are appropriate considering relevant risk outcomes and corporate culture.

Management

Management is responsible for providing relevant information and analysis to the Board and the People & Remuneration Committee. This advice is used as a guide, and does not serve as a substitute for the thorough consideration of the issues by each NED.

Management may also be required to communicate with external advisors as required to ensure the People & Remuneration Committee receives all the relevant factual information.

External advisors

The People & Remuneration Committee seeks external professional advice from time-to-time on matters within its terms of reference.

In FY24, external advisors were engaged to provide market practice information and benchmarking data.

Where a remuneration recommendation is provided, as defined by the *Corporations Act 2001* all advice is provided directly to the Committee to ensure it is free from the influence of management. No remuneration recommendations were provided in FY24.

9. Statutory tables

The following tables outline the amounts recognised as an expense in the respective years, determined in accordance with the relevant accounting standards.

9.1. Executive KMP statutory remuneration

	Short-Term Employment Benefits				Other	Post Employment	Security-based payments		Total
	Salary ¹³	Awarded Cash STI ¹⁴	STI Deferral	Termination ¹⁵		Superannuation	Legacy LTI Plan	Equity settled Security Based ¹⁶	
A Watson									
2024	1,572,601	902,400	—	—	—	27,399	—	900,215	3,402,615
2023 ¹⁷	1,441,355	765,377	201,359	—	—	25,292	—	608,563	3,041,946
P Bradford									
2024 ¹⁸	642,497	241,253	120,626	—	—	27,399	—	154,142	1,185,917
D Rogers									
2024 ¹⁹	892,601	639,400	—	—	—	27,399	92,405	578,435	2,230,240
2023	883,120	415,576	—	—	—	25,292	59,189	480,030	1,863,207
G Rollason									
2024 ²⁰	635,640	212,672	106,336	—	—	20,549	—	169,834	1,145,031
Former Executive KMP									
R Wheals ²¹									
2023	412,427	253,361	—	1,645,153	—	12,646	104,077	2,120,475	4,548,139
R Gersbach ²²									
2023	152,437	63,747	—	—	36,778	3,673	16,726	76,953	350,314
J Peck ²³									
2023	136,213	58,755	—	62,763	—	5,951	—	—	263,682
Total Remuneration									
2024	3,743,339	1,995,725	226,962	—	—	102,746	92,405	1,802,626	7,963,803
2023	3,025,552	1,556,816	201,359	1,707,916	36,778	72,854	179,992	3,286,021	10,067,288

¹³ Salary includes both fixed pay and any salary sacrificed items, such as motor vehicles or car parking (including any applicable fringe benefits tax). It is exclusive of any superannuation contributions.

¹⁴ Awarded STI relates to that element of remuneration which is earned by the Executive KMP in respect of performance during the financial year (or for the relevant period that they were KMP as set out in the Report).

¹⁵ Reflects the payment in lieu of notice and other statutory entitlements required to be paid on termination.

¹⁶ For equity settled security-based payments, an expense is recognised equal to the portion of service received based on the fair value of the equity instrument at grant date.

¹⁷ Remuneration reflects KMP position moves during the period, including time in CFO, Acting CEO/MD, and CEO/MD positions.

¹⁸ Commenced employment on 28 August 2023.

¹⁹ Legacy LTI Plan amount represents the outcome which vested as at 30 June 2023 and was paid in August 2023, as disclosed in the 2023 Remuneration Report.

²⁰ Commenced employment on 16 October 2023.

²¹ Ceased employment on 30 September 2022.

²² Ceased as KMP on 22 August 2022.

²³ Ceased as KMP on 25 August 2022.

9.2. NED statutory remuneration disclosure

Financial Year	Short-term employment benefits	Post-employment benefits	Total \$
	Fees \$	Superannuation \$	
M Fraser			
FY24	486,336	27,399	513,735
FY23	488,443	25,292	513,735
J Fazzino			
FY24	238,263	26,209	264,472
FY23	230,276	24,179	254,455
N Ficca ²⁴			
FY24	167,859	18,465	186,324
D Goodin			
FY24	222,954	24,525	247,479
FY23	239,191	25,115	264,306
R Phillippo			
FY24	238,263	26,209	264,472
FY23	229,256	24,072	253,328
P Wasow			
FY24	238,263	26,209	264,472
FY23	235,377	24,715	260,092
Former NEDs			
S Crane ²⁵			
FY23	43,868	4,512	48,380
S Int 'Veld ²⁶			
FY24	150,274	16,530	166,804
FY23	207,490	21,786	229,276
Total			
FY24	1,742,212	165,545	1,907,758
FY23	1,673,901	149,671	1,823,572

²⁴ Commenced in role on 1 September 2023.

²⁵ Ceased in role on 15 September 2022.

²⁶ Ceased in role on 28 March 2024.

9.3. Outstanding awards under current LTI plan

The following table sets out the movements in the number of Performance Rights granted to executives as remuneration, and any amounts vested or forfeited during the financial year.

	Opening balance at 1 July 2023	Performance Rights granted in FY24 as remuneration	Grant date	Vested in FY24	Forfeited / lapsed or other change in FY24	Closing balance on 30 June 2024	Fair value of Performance Rights at grant date \$
A Watson							
FY21 LTI	106,426	–	12/11/2020	17,738	53,213	35,475	682,723
FY22 LTI	128,367	–	11/12/2020	–	–	128,367	683,340
FY23 LTI	162,462	–	12/16/2022	–	–	162,462	1,050,588
FY24 LTI	–	269,626	11/6/2023	–	–	269,626	1,406,100
P Bradford							
FY24 LTI	–	117,259	11/6/2023	–	–	117,259	611,506
D Rogers							
FY20 LTI	24,476	–	12/13/2019	12,238	–	12,238	342,895
FY21 LTI	71,698	–	11/12/2020	11,950	35,849	23,899	459,943
FY22 LTI	108,098	–	11/10/2021	–	–	108,098	575,442
FY23 LTI	100,990	–	12/16/2022	–	–	100,990	653,069
FY24 LTI	–	129,196	11/6/2023	–	–	129,196	673,757
G Rollason							
FY24 LTI	–	129,196	11/6/2023	–	–	129,196	673,757

The fair value of performance rights in the above is calculated based on fair value, grant date, vesting date and individual vesting conditions for the relative TSR and ROC metric vesting conditions as set out in the table below.

Grant year		TSR			ROC		
		Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3
FY20	Fair value	\$4.47	\$4.27	\$4.08	\$9.57	\$9.15	\$8.75
	Grant date		13/12/2019			13/12/2019	
	Vesting date	August 2022	August 2023	August 2024	August 2022	August 2023	August 2024
FY21	Fair value	\$4.17	\$3.97	\$3.79	\$9.28	\$8.85	\$8.43
	Grant date		12/11/2020			12/11/2020	
	Vesting date	August 2023	August 2024	August 2025	August 2023	August 2024	August 2025
FY22	Fair value	\$3.58	\$3.40	\$3.23	\$7.62	\$7.24	\$6.87
	Grant date		10/11/2021			10/11/2021	
	Vesting date	August 2024	August 2025	August 2026	August 2024	August 2025	August 2026
FY23	Fair value	\$4.19	\$3.98	\$3.79	\$9.40	\$8.94	\$8.50
	Grant date		16/12/2022			16/12/2022	
	Vesting date	August 2025	August 2026	August 2027	August 2025	August 2026	August 2027
FY24	Fair value	\$3.88	\$3.66	\$3.46	\$7.14	\$6.76	\$6.39
	Grant date		3/11/2023			3/11/2023	
	Vesting date	August 2026	August 2027	August 2028	August 2026	August 2027	August 2028

9.4. Sign-on equity awards

The following table sets out the sign on equity awards made to Executive KMP. These awards were to compensate for equity and incentives forgone by resigning from their previous employers. No performance conditions were attached to these sign-on awards.

	Grant Date	Number of rights	Vesting date
P Bradford	02/10/2023	49,154	28/08/2024
G Rollason	03/11/2023	22,896	16/10/2024

9.5. Security holdings

The following table sets out APA Group stapled securities held by KMP or their closely related parties, directly, indirectly or beneficially.

Year ended 30 June 2024	Opening Balance at 1 July 2023	Securities Acquired	Securities Disposed	Closing Balance at 30 June 2024	Meets minimum security holding requirement as at 30 June 2024
NEDS					
M Fraser	102,942	3,547	–	106,489	Yes
J Fazzino	30,751	3,547	–	34,298	Yes
N Ficca ²⁷	–	12,500	–	12,500	No
D Goodin	24,179	3,547	–	27,726	Yes
R Phillippo	17,960	2,365	–	20,325	Yes
P Wasow	26,000	3,547	–	29,547	Yes
Former NEDs					
S In't Veld ²⁸	25,000	–	–	25,000	N/A
Executive KMP					
A Watson	55,556	41,844	–	97,400	Yes
P Bradford ²⁹	–	–	–	–	No
D Rogers	49,597	27,735	–	77,332	Yes
G Rollason ³⁰	–	–	–	–	No

²⁷ Commenced in role on 1 September 2023 hence opening balance is shown as at this date. Still within 3 year period to achieve MSR requirement of 100% of base fee.

²⁸ Ceased in role on 28 March 2024 hence closing balance is shown as at this date.

²⁹ Commenced employment on 28 August 2023 hence opening balance is shown as at this date. Still within 5 year period to achieve MSR requirement of 50% of TFR

³⁰ Commenced employment on 16 October 2023 hence opening balance is shown as at this date. Still within 5 year period to achieve MSR requirement of 50% of TFR.

9.6. Loans to KMP and other transaction of KMP and personally related entities

During FY24, there were no transaction between KMP or their close family members and APA Group other than as described in this report.

There are no loans with any KMP.

A number of KMP have control or joint control of other entities (outside APA Group). During the year, there have been no transactions between those entities and APA Group, and no amounts were owed by or to APA Group from those entities.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2024 \$m	2023 \$m
Revenue		3,032	2,890
Share of net profits of associates and joint ventures using the equity method		22	21
	4	3,054	2,911
Asset operation and management expenses		(247)	(227)
Depreciation and amortisation expenses	5	(919)	(750)
Other operating costs – pass-through	5	(473)	(512)
Finance costs	5	(648)	(483)
Employee benefit expense	5	(470)	(398)
Other income/expenses ¹		912	(82)
Fair value (losses)/gains on contracts for difference	18	(17)	12
Impairment of property, plant and equipment ²	2	(144)	–
Profit before tax		1,048	471
Income tax expense	6	(69)	(191)
Profit for the year		979	280
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on defined benefit plan		7	5
Income tax expense		(3)	(1)
		4	4
Items that may be reclassified subsequently to profit or loss:			
Transfer of gain on cash flow hedges to profit or loss		262	167
Loss on cash flow hedges taken to equity		(45)	(705)
(Loss)/gain on associate hedges taken to equity		(6)	4
Income tax expense		(62)	160
		149	(374)
Other comprehensive income/(loss), net of income tax		153	(370)
Total comprehensive income/(loss) for the year		1,132	(90)
Profit attributable to:			
Equityholders of the parent		960	260
Non-controlling – other		19	20
		979	280
Total comprehensive income attributable to:			
Equityholders of the parent		1,113	(110)
Non-controlling – other		19	20
		1,132	(90)

¹ On 1 November 2023, the Consolidated Entity acquired the Pilbara Energy System business (being Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd). As part of the acquisition, the Consolidated Entity acquired the remaining 11.8% interest in Goldfields Gas Transmission (GGT) joint operations. The acquisition required the Consolidated Entity's historical 88.2% interest to be remeasured to fair value resulting in a valuation uplift of \$1,051 million. Refer to note 2 and note 24 for further details relating to the acquisition.

² During the year, the Consolidated Entity impaired the carrying value of the Moomba Sydney Ethane Pipeline (MSEP) due to the customer on this single user pipeline entering into voluntary administration. Refer to note 2 and note 12 for further details.

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

Consolidated Statement of Financial Position

	Note	2024 \$m	2023 \$m
Current assets			
Cash and cash equivalents	17	674	512
Trade and other receivables	8	418	374
Receivables from related parties	8	174	227
Other financial assets	19	176	49
Inventories		83	55
Other		18	42
Current assets		1,543	1,259
Non-current assets			
Trade and other receivables	8	7	27
Other financial assets	19	220	430
Investments accounted for using the equity method	22	243	252
Property, plant and equipment	10	12,477	10,755
Goodwill	11	1,882	1,184
Other intangible assets	11	3,293	2,130
Other	14	35	34
Non-current assets		18,157	14,812
Total assets		19,700	16,071
Current liabilities			
Trade and other payables	9	556	471
Payables to related parties	9	2,194	1,523
Lease liabilities	16	20	17
Borrowings	17	1,899	202
Other financial liabilities	19	215	207
Provisions	13	160	159
Unearned revenue		15	13
Current liabilities		5,059	2,592
Non-current liabilities			
Trade and other payables	9	1	9
Payables to related parties	9	526	506
Lease liabilities	16	50	50
Borrowings	17	11,023	11,321
Other financial liabilities	19	443	452
Deferred tax liabilities	6	1,553	1,109
Provisions	13	386	113
Unearned revenue		79	52
Non-current liabilities		14,061	13,612
Total liabilities		19,120	16,204
Net assets/(liabilities)		580	(133)

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

Consolidated Statement of Financial Position (continued)

	Note	2024 \$m	2023 \$m
Equity			
APA Infrastructure Limited equity:			
Issued capital	20	117	117
Reserves		(556)	(705)
Retained earnings		900	336
Equity attributable to equityholders of the parent		461	(252)
Non-controlling interest	21	119	119
Total equity		580	(133)

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

Consolidated Statement of Changes in Equity

	APA Infrastructure Limited						Non-controlling interest			Total
	Issued capital	Asset revaluation reserve ¹	Share-based payments reserve ²	Hedging reserve	Retained earnings	Attributable to owners of the parent	Issued capital	Retained earnings	Non-controlling interest	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 July 2022	117	9	6	(348)	326	110	119	–	119	229
Profit for the year	–	–	–	–	260	260	–	20	20	280
Other comprehensive income	–	–	–	(534)	5	(529)	–	–	–	(529)
Income tax relating to components of other comprehensive income	–	–	–	160	(1)	159	–	–	–	159
Total comprehensive income for the year	–	–	–	(374)	264	(110)	–	20	20	(90)
Payment of dividends (note 7)	–	–	–	–	(254)	(254)	–	(20)	(20)	(274)
Equity settled long-term incentives (net of tax)	–	–	2	–	–	2	–	–	–	2
Balance at 30 June 2023	117	9	8	(722)	336	(252)	119	–	119	(133)
Balance at 1 July 2023	117	9	8	(722)	336	(252)	119	–	119	(133)
Profit for the year	–	–	–	–	960	960	–	19	19	979
Other comprehensive income	–	–	–	211	7	218	–	–	–	218
Income tax relating to components of other comprehensive income	–	–	–	(62)	(3)	(65)	–	–	–	(65)
Total comprehensive income for the year	–	–	–	149	964	1,113	–	19	19	1,132
Payment of dividends (note 7)	–	–	–	–	(400)	(400)	–	(19)	(19)	(419)
Equity settled long-term incentives (net of any tax)	–	–	–	–	–	–	–	–	–	–
Balance at 30 June 2024	117	9	8	(573)	900	461	119	–	119	580

¹ The asset revaluation reserve arose on the revaluation of the existing interest in a pipeline as a result of a business combination. Where revalued pipelines are sold, the portion of the asset revaluation reserve which relates to that asset is effectively realised and is transferred directly to retained earnings. The reserve can be used to pay distributions only in limited circumstances.

² The share-based payments reserve represents the expenses recognised in the Consolidated Statement of Profit or Loss equal to the portion of the services received based on the fair value of the equity instrument at grant date.

³ The hedging reserve represents the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. The cumulative deferred gain or loss on the hedge is recognised in the Consolidated Statement of Profit or Loss when the hedged transaction impacts profit or loss, consistent with the applicable accounting policy.

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

Consolidated Statement of Cash Flows

	Note	2024 \$m	2023 \$m
Cash flows from operating activities			
Receipts from customers		3,273	3,126
Payments to suppliers and employees		(1,581)	(1,479)
Dividends received from associates and joint ventures		11	16
Proceeds from repayments of finance leases		1	1
Interest received		41	21
Interest and other costs of finance paid		(561)	(463)
Net cash provided by operating activities		1,184	1,222
Cash flows from investing activities			
Payments for property, plant and equipment ¹		(1,053)	(1,166)
Proceeds from sale of property, plant and equipment ²		41	211
Payments for intangible assets		(43)	(14)
Payments for controlled entities, net of cash acquired ³		(1,615)	–
Capital return from Joint Venture		13	–
Net cash used in investing activities		(2,657)	(969)
Cash flows from financing activities			
Proceeds from borrowings		3,423	–
Repayments of borrowings		(1,906)	(3)
Receipts from debt and hedge settlements		4	–
Repayments of lease liabilities		(18)	(17)
Transaction costs related to borrowings		(26)	(7)
Dividends paid to:			
Equityholders of APA Infrastructure Limited		(400)	(254)
Equityholders of the non-controlling interest		(19)	(20)
Receipts from/(advances to) related parties		577	(380)
Net cash provided by/(used in) financing activities		1,635	(681)
Net increase/(decrease) in cash and cash equivalents		162	(428)
Cash and cash equivalents at beginning of financial year		512	940
Cash and cash equivalents at end of financial year	17	674	512

¹ Included in FY23 is the net consideration paid of \$110 million to acquire Basslink.

² Included in FY24 is the second post completion proceeds of \$40 million from the sale of the Orbest Gas Processing Plant on 28 July 2022. Included in FY23 is the proceeds from the \$210 million upfront component of the proceeds from the sale asset sale.

³ Payments for acquisition of subsidiaries, net of cash acquired is the consideration paid to acquire the Pilbara Energy System business, including the remaining 11.8% interest in Goldfields Gas Transmission (GGT) joint operations. Refer to note 24 for further details.

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

Consolidated Statement of Cash Flows (continued)

Reconciliation of profit for the year to the net cash provided by operating activities

	Note	2024 \$m	2023 \$m
Profit for the year		979	280
Impairment of property, plant and equipment	2	144	–
Profit on disposal of property, plant and equipment		(1)	–
Remeasurement of APA's previous 88.2% interest in GGT joint operations ¹	2	(1,051)	–
Share of net profits of joint ventures and associates using the equity method		(22)	(21)
Dividends/distributions received from equity accounted investments		11	16
Depreciation and amortisation expenses		919	750
Finance costs		60	2
Effect of exchange rate changes		1	3
Amortisation of hedging loss		–	4
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ²		38	37
Equity settled long-term incentives		1	2
Changes in assets and liabilities:			
Trade and other receivables		(39)	(51)
Inventories		(19)	(9)
Other assets		16	(13)
Trade and other payables		73	21
Provisions		(11)	16
Other liabilities		15	(8)
Income tax balances		70	193
Net cash provided by operating activities		1,184	1,222

¹ The remeasurement relating to the Consolidated Entity's previously held interest of 88.2% in Goldfields Gas Transmission (GGT) joint operations in accordance with AASB 3 Business Combinations. Refer to note 2 and 24 for further details.

² In February 2022, following entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025. The revenues were previously hedged by USD denominated 144A notes. WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

Notes to the consolidated financial statements

Basis of Preparation

1. About this report

In the following financial statements, note disclosures are grouped into six sections being: Basis of Preparation; Financial Performance; Operating Assets and Liabilities; Capital Management; Group Structure; and Other. Each note sets out the accounting policies applied in producing the results along with any key judgements and estimates used.

Basis of Preparation	33	Capital Management	65
1. About this report	33	17. Net debt	66
2. General information	34	18. Financial risk management	69
		19. Other financial instruments	83
		20. Issued capital	87
Financial Performance	37		
3. Segment information	37	Group Structure	87
4. Revenue	41	21. Non-controlling interests	87
5. Expenses	44	22. Joint arrangements and associates	88
6. Income tax	45	23. Subsidiaries	90
7. Dividends	48		
Operating Assets and Liabilities	49	Other items	97
8. Receivables	49	24. Acquisition of Pilbara Energy System	97
9. Payables	50	25. Commitments and contingencies	100
10. Property, plant and equipment	51	26. Director and Executive Key Management Personnel remuneration	101
11. Goodwill and intangibles	53	27. Remuneration of external auditor	102
12. Impairment of non-financial assets	56	28. Related party transactions	103
13. Provisions	58	29. Parent entity information	104
14. Other non-current assets	60	30. Adoption of new and revised Accounting Standards	105
15. Employee superannuation plans	61	31. Events occurring after reporting date	105
16. Leases	63		

Notes to the consolidated financial statements (continued)

Basis of Preparation (continued)

2. General information

APA Infrastructure Limited is a subsidiary of APA Infrastructure Trust. APA Infrastructure Trust is one of two stapled trusts of APA Group, the other being APA Investment Trust. APA Group is listed on the Australian Securities Exchange (trading under the code "APA"), registered in Australia and operating in Australia.

The financial report represents the consolidated financial statements of APA Infrastructure Limited, its respective subsidiaries and their share of joint arrangements, associates and joint ventures (together the "Consolidated Entity"). For the purposes of preparing the consolidated financial report, the Consolidated Entity is a for-profit entity.

All intragroup transactions and balances have been eliminated on consolidation. Where necessary, adjustments are made to the assets, liabilities, and results of subsidiaries, joint arrangements and associates to bring their accounting policies into line with those used by the Consolidated Entity.

APA Infrastructure Limited's registered office and principal place of business are as follows:

Level 25
580 George Street
SYDNEY NSW 2000
Tel: (02) 9693 0000

The consolidated general purpose financial report for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 28 August 2024.

This general purpose financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial report has been prepared on the basis of historical cost, except for the revaluation of financial instruments. The financial report including prior year comparatives is presented in Australian dollars and all values are rounded to the nearest million dollars (\$ million) in accordance with ASIC Corporations Instrument 2016/191, unless otherwise stated.

Foreign currency transactions

Both the functional and presentation currency of the Consolidated Entity is Australian dollars (A\$). All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date and resulting exchange differences are recognised in profit or loss in the period in which they arise, unless they qualify for hedge accounting.

Notes to the consolidated financial statements (continued)

Basis of Preparation (continued)

2. General information (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Consolidated Entity's accounting policies, a number of judgements and estimates have been made. Judgements and estimates which are material to the financial statements are found in the following disclosures:

- Property, plant and equipment (note 10)
- Carrying value of non-financial assets (note 12)
- Provision for payroll review (note 13)
- Restoration provision (note 13)
- Fair value of financial instruments (note 18(c))
- Equity accounted investments (note 22)
- Acquisition of Pilbara Energy System (note 24)
- Commitments and contingencies (note 25)

Judgements and estimates require assumptions to be made about highly uncertain external factors such as: discount rates; probability factors; the effects of inflation within the Reserve Bank of Australia's guidance range; the outlook for global and regional gas market supply-and-demand conditions; contract renewals; outcome of regulatory review and determination; asset useful lives; environmental regulations; and climate-related risks. As such the actual outcomes may differ as a result of change in these judgements and assumptions.

These judgements, estimates and assumptions are based on the most current facts and circumstances and are reassessed on an ongoing basis, the results of which form the basis of the reported amounts that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions in respect of laws, regulations, climate change, licences and recognised practising codes including health, safety and environment, employee entitlements, environmental laws and regulations and asset construction and operation. This may materially affect the financial results and the financial position to be reported in future periods.

Working capital

As at 30 June 2024, the Consolidated Entity's current liabilities exceeded current assets by \$3,516 million (2023: current liabilities exceeded current assets by \$1,333 million). Excluding current related party loan balances held with APA Infrastructure Trust, the Consolidated Entity's current liabilities exceed current assets by \$1,496 million (2023: current liabilities exceed current assets by \$37 million).

The Consolidated Entity has access to sufficient available cash and committed undrawn bank facilities of \$2,272 million as at 30 June 2024 (2023: \$2,110 million) to meet the repayment of current borrowings of \$1,899 million on the due date and to assist in the ongoing funding of the business. The Consolidated Entity continues to fund its growth with appropriate levels of equity, cash retained in the business, and debt in order to maintain strong BBB/Baa2 credit ratings.

The Directors continually monitor the Consolidated Entity's working capital position, including forecast working capital requirements and have ensured that there are appropriate refinancing strategies and adequate committed funding facilities in place to accommodate debt repayments as and when they fall due.

Further to this, APA Group Limited, as the responsible entity for APA Infrastructure Trust and APA Investment Trust has agreed to provide financial support, to enable the Consolidated Entity to pay its debts as and when they fall due. The financial support is valid for a period of not less than twelve months from the date of signing the financial statements. Based on these factors, the financial statements of the Consolidated Entity have been prepared on a going concern basis.

Notes to the consolidated financial statements (continued)

Basis of Preparation (continued)

2. General information (continued)

Significant items

Individually significant items included in profit after income tax expense are as follows:

	2024 \$m	2023 \$m
Significant items impacting profit before tax		
Remeasurement of APA's previous 88.2% interest in GGT joint operations ¹	1,051	
Impairment of property, plant and equipment ²	(144)	–
Pilbara Energy System acquisition costs ³	(72)	–
Total significant items impacting profit before tax	835	–
Income tax related to significant items above	44	–
Profit from significant items after income tax	879	–

- ¹ The remeasurement relating to the Consolidated Entity's previously held interest of 88.2% in Goldfields Gas Transmission (GGT) joint operations in accordance with AASB 3 Business Combinations. The tax effect is included in the deferred tax recognised on acquisition. Refer to note 24 for further details.
- ² During the year, the Consolidated Entity impaired the carrying value of the Moomba Sydney Ethane Pipeline (MSEP) due to the customer on this single user pipeline entering into voluntary administration. Refer to note 12 for further details.
- ³ On 1 November 2023, the Consolidated Entity acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). Acquisition and stamp duty costs of \$72 million have been incurred to 30 June 2024. Refer to note 24 for further details.

Notes to the consolidated financial statements (continued)

Financial Performance

3. Segment information

The Consolidated Entity operates in one geographical segment, being Australia and the revenue from major products and services is shown by the reportable segments.

The Consolidated Entity comprises the following reportable segments:

- Energy Infrastructure: The Consolidated Entity's wholly or majority owned energy infrastructure assets across gas transmission, compression, processing, storage, electricity generation and transmission (gas and renewables), and battery energy storage system;
- Asset Management: The provision of asset management and operating services for third parties and the majority of the Consolidated Entity's Energy Investments; and
- Energy Investments: The Consolidated Entity's interests in energy infrastructure investments.

Reportable segments

2024	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment revenue¹					
Revenue from contracts with customers	2,424	118	–	–	2,542
Pass-through revenue	55	418	–	–	473
Total revenue from contracts with customers	2,479	536	–	–	3,015
Equity accounted net profits	–	–	22	–	22
Other income	13	–	–	–	13
Finance lease and investment interest income	1	–	1	–	2
Total segment revenue	2,493	536	23	–	3,052
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ²	(38)	–	–	–	(38)
Other interest income	–	–	–	40	40
Total revenue	2,455	536	23	40	3,054

¹ The segment revenue reported represents revenue generated from external customers. Any inter-segment sales were immaterial.

² In February 2022, following the entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025 that were hedged by USD denominated 144A notes. The segment result reflects the hedged rate for revenues in this period, while the WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

3. Segment information (continued)

Reportable segments (continued)

2024	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment result					
Segment underlying EBITDA ¹	1,966	69	–	–	2,035
Share of net profits of joint ventures and associates using the equity method	–	–	22	–	22
Finance lease and investment interest income	–	–	1	–	1
Corporate costs	–	–	–	(161)	(161)
Total underlying EBITDA ¹	1,966	69	23	(161)	1,897
Fair value gain on contracts for difference ²	(17)	–	–	–	(17)
Technology transformation projects ³	–	–	–	(84)	(84)
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ⁴	(38)	–	–	–	(38)
Pilbara Energy System integration costs ⁵	–	–	–	(14)	(14)
Payroll review ⁶	–	–	–	(4)	(4)
Total reported EBITDA ⁷	1,911	69	23	(263)	1,740
Depreciation and amortisation	(901)	(18)	–	–	(919)
Total reported EBIT ⁸	1,010	51	23	(263)	821
Net interest cost ⁹					(608)
Profit before tax excluding significant items					213
Income tax expense					(113)
Profit after tax excluding significant items					100
Significant items before tax ¹⁰					835
Reported profit before tax					1,048
Significant items after tax ¹⁰					879
Reported profit after tax					979

¹ Underlying earnings before interest, tax, depreciation, and amortisation ("EBITDA") excludes recurring items arising from other activities and transactions that are not directly attributable to the performance of the Consolidated Entity's business operations.

² The amount represents a net loss arising from electricity contracts for difference that economically hedge the future cash flows of the electricity contracts for which hedge accounting is not applicable.

³ The amount represents costs associated with technology and transformation projects to develop and uplift organisation capabilities, including SaaS customisation and configuration costs incurred during implementation.

⁴ In February 2022, following the entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025 that were hedged by USD denominated 144A notes. The segment result reflects the hedged rate for revenues in this period, while the WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.

⁵ On 1 November 2023, the Consolidated Entity acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). Integration costs of \$14 million have been incurred to 30 June 2024. Refer to note 24 for further details.

⁶ Interest and other related costs associated with the payroll review are included within reported EBITDA.

⁷ Earnings before interest, tax, depreciation, and amortisation ("EBITDA"), including non-operating items and excluding significant items.

⁸ Earnings before interest and tax ("EBIT").

⁹ Excluding finance lease and investment interest income, any gains or losses on revaluation of derivatives included as part of EBIT for segment reporting purposes, but including other interest income.

¹⁰ Refer to note 2 significant items section for further details.

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

3. Segment information (continued)

Reportable segments (continued)

2024	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment assets and liabilities					
Segment assets	18,204	191	12	–	18,407
Carrying value of investments using the equity method	–	–	243	–	243
Unallocated assets ¹	–	–	–	1,050	1,050
Total assets	18,204	191	255	1,050	19,700
Segment liabilities	1,261	105	–	–	1,366
Unallocated liabilities ²	–	–	–	17,754	17,754
Total liabilities	1,261	105	–	17,754	19,120

¹ Unallocated assets consist of cash and cash equivalents, fair value of cross currency swaps, foreign currency forward exchange contracts and equity forwards.

² Unallocated liabilities consist of current and non-current borrowings, deferred tax liabilities, fair value of cross currency swaps, foreign currency forward exchange contracts and equity forwards.

2023	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment revenue ¹					
Revenue from contracts with customers	2,208	114	–	–	2,322
Pass-through revenue	51	461	–	–	512
Total revenue from contracts with customers	2,259	575	–	–	2,834
Equity accounted net profits	–	–	21	–	21
Other income	6	1	–	–	7
Finance lease and investment interest income	1	–	–	–	1
Total segment revenue	2,266	576	21	–	2,863
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ²	(37)	–	–	–	(37)
Income on Basslink debt investment ³	–	–	50	–	50
Basslink AEMC market compensation ⁴	15	–	–	–	15
Other interest income	–	–	–	20	20
Total revenue	2,244	576	71	20	2,911

¹ The segment revenue reported represents revenue generated from external customers. Any intersegment sales were immaterial.

² In February 2022, following the entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025 that were hedged by USD denominated 144A notes. The segment result reflects the hedged rate for revenues in this period, while the WGP hedge accounting unwind reflects the non-cash amortisation of the amount deferred in hedging reserve over the same period relating to the discontinued hedge relationship.

³ Income including accrued interest and the revaluation gain up until the date of acquisition of Basslink Pty Ltd and its subsidiary on 20 October 2022. As part of the net consideration, APA was repaid the face value of its 100% interest in Basslink's senior secured debt of \$648 million.

⁴ On 15 December 2022, the Australian Energy Market Commission (AEMC) approved Basslink's compensation claim of \$15 million for direct costs following the application of the administered price cap during an administered price period in Queensland, New South Wales, Victoria and South Australia in June 2022.

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

3. Segment information (continued)

Reportable segments (continued)

2023	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment result					
Segment underlying EBITDA ¹	1,792	56	–	–	1,848
Share of net profits of joint ventures and associates using the equity method	–	–	21	–	21
Finance lease and investment interest income	1	–	–	–	1
Corporate costs	–	–	–	(147)	(147)
Total underlying EBITDA ¹	1,793	56	21	(147)	1,723
Fair value loss on contracts for difference ²	12	–	–	–	12
Technology transformation projects ³	–	–	–	(67)	(67)
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ⁴	(37)	–	–	–	(37)
Basslink debt revaluation, interest and integration costs ⁵	–	–	47	–	47
Basslink AEMC market compensation ⁶	15	–	–	–	15
Payroll review ⁷	–	–	–	(9)	(9)
Total reported EBITDA ⁸	1,783	56	68	(223)	1,684
Depreciation and amortisation	(733)	(17)	–	–	(750)
Total reported EBIT ⁹	1,050	39	68	(223)	934
Net interest cost ¹⁰					(463)
Profit before tax					471
Income tax expense					(191)
Profit after tax					280

¹ Underlying earnings before interest, tax, depreciation, and amortisation ("EBITDA") excludes recurring items arising from other activities and transactions that are not directly attributable to the performance of APA Group's business operations.

² The amount represents a net gain arising from electricity contracts for difference that economically hedge the future cash flows of the electricity contracts for which hedge accounting is not applicable.

³ The amount represents costs associated with technology and transformation projects to develop and uplift organisation capabilities, including SaaS customisation and configuration costs incurred during implementation.

⁴ In February 2022, following the entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025 that were hedged by USD denominated 144A notes. The segment result reflects the hedged rate for revenues in this period, while the WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.

⁵ Income including accrued interest and the revaluation gain up until the date of acquisition of Basslink Pty Ltd and its subsidiary on 20 October 2022, net of integration costs of \$3 million incurred in the full year to 30 June 2023. As part of the net consideration to acquire Basslink, the Consolidated Entity was repaid the face value of its 100% interest in Basslink's senior secured debt of \$648 million.

⁶ On 15 December 2022, the Australian Energy Market Commission (AEMC) approved Basslink's compensation claim of \$15 million for direct costs following the application of the administered price cap during an administered price period in Queensland, New South Wales, Victoria and South Australia in June 2022.

⁷ Estimated payment shortfalls for the year ended 30 June 2023 are included within underlying EBITDA. Interest and other related costs are included within reported EBITDA.

⁸ Earnings before interest, tax, depreciation, and amortisation ("EBITDA").

⁹ Earnings before interest and tax ("EBIT").

¹⁰ Excluding finance lease and investment interest income, any gains or losses on revaluation of derivatives included as part of EBIT for segment reporting purposes, but including other interest income.

Notes to the consolidated financial statements (continued)
Financial Performance (continued)
3. Segment information (continued)

Reportable segments (continued)

2023	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment assets and liabilities					
Segment assets	14,422	177	11	–	14,610
Carrying value of investments using the equity method	–	–	252	–	252
Unallocated assets ¹	–	–	–	1,209	1,209
Total assets	14,422	177	263	1,209	16,071
Segment liabilities	659	94	–	–	753
Unallocated liabilities ²	–	–	–	15,451	15,451
Total liabilities	659	94	–	15,451	16,204

¹ Unallocated assets consist of cash and cash equivalents, fair value of cross currency swaps, foreign currency forward exchange contracts and equity forwards.

² Unallocated liabilities consist of current and non-current borrowings, deferred tax liabilities, fair value of cross currency swaps, foreign currency forward exchange contracts and equity forwards.

4. Revenue

Disaggregation of revenue

Revenue is disaggregated below by business unit and region.

	2024 \$m	2023 \$m
Energy Infrastructure		
Wallumbilla Gladstone Pipeline ¹	659	622
East Coast Gas	833	808
West Coast Gas	410	369
Contracted Power Generation ²	453	365
Electricity Transmission ²	69	44
Energy Infrastructure revenue	2,424	2,208
Asset Management revenue from contracts with customers	118	114
Pass-through revenue	473	512
Total revenue from contracts with customers	3,015	2,834
Energy Investments	22	21
Other non-contract revenue	15	8
Total segment revenue	3,052	2,863
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ³	(38)	(37)
Income on Basslink debt investment ⁴	–	50
Basslink AEMC market compensation ⁵	–	15
Other interest income	40	20
Total revenue	3,054	2,911

¹ Wallumbilla Gladstone Pipeline is separated from East Coast Grid in this note as a result of the significance of its revenue and EBITDA in the Consolidated Entity. It is categorised as part of the East Coast Grid cash-generating unit for impairment assessment purposes in note 12.

² Electricity Generation and Transmission has been split into Contracted Power Generation and Electricity Transmission to align the business segments with the nature of operations. The results of the Pilbara Energy System business are included within Contracted Power Generation and the remaining 11.8% of GGT joint operations is included within West Coast following the acquisition on 1 November 2023.

³ In February 2022, following entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025. The revenues were previously hedged by USD denominated 144A notes. WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.

⁴ Included in FY23 is accrued interest and the revaluation gain up until the date of acquisition of Basslink Pty Ltd and its subsidiary on 20 October 2022. As part of the net consideration, the Consolidated Entity was repaid the face value of its 100% interest in Basslink's senior secured debt of \$648 million.

⁵ Included in FY23 is \$15 million relating to a compensation claim which was approved by the Australian Energy Market Commission (AEMC) for direct costs following the application of the administered price cap during an administered price period in Queensland, New South Wales, Victoria and South Australia in June 2022.

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

4. Revenue (continued)

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity expects to be entitled in exchange for the provision of services or for the transferring of goods to a customer (the performance obligations) under a contract. The Consolidated Entity recognises revenue when control of a product or service is transferred to the customer. Amounts disclosed as revenue are net of duties, goods and services tax ("GST") and other taxes paid, except where the amount of GST incurred is not recoverable from the taxation authority. Given the nature of the Consolidated Entity's services there is no significant right of return or warranty provided.

Revenue from contracts with customers is derived from the major business activities as follows:

- **Energy Infrastructure revenue from contracts with customers**, is derived from the transportation, processing and storage of gas and other related services (transmission revenue), and the generation and storage of electricity and other related services including the sale of Renewable Energy Certificates and carbon credits (power generation revenue). Revenue from contracts with customers may either be identified as separate performance obligations or a series of distinct performance obligations that are substantially the same, have the same pattern of transfer and are therefore treated as a single performance obligation that is satisfied over time. This includes both firm and interruptible services. The consideration is primarily volume based and is recognised as revenue in a manner that depicts the transfer based on output to the customer. This method most accurately depicts the progress towards satisfaction of the performance obligation of the services provided, as the customer simultaneously receives and consumes the benefits of the Consolidated Entity's service and obtains value as each volume of output is transported by the Consolidated Entity. The amount billed corresponds directly to the value of the performance to date;
- **Asset Management revenue from contracts with customers**, is derived from the provision of commercial services, operating services, asset management services and/or asset maintenance services to the Consolidated Entity's energy investments and other third parties. The Consolidated Entity recognises revenue at the amount to which the Consolidated Entity has a right to invoice; and
- **Pass-through revenue**, is revenue from contracts with customers for the provision of commercial services, operating services, asset management services and/or asset maintenance services to the Consolidated Entity's energy investments. Any management fee earned for the provision of these services is recognised as part of asset management revenues. The Consolidated Entity recognises revenue at the amount to which the Consolidated Entity has a right to invoice. The Consolidated Entity is determined to be the principal in these relationships.

Other types of revenue is recognised as follows:

- **Other non-contract revenue**: includes dividend income, which is recognised when the right to receive the payment has been established; and
- **Unallocated revenue**: interest income, which is recognised as it accrues and is determined using the effective interest method and finance lease income, which is allocated to accounting periods so as to reflect a constant periodic rate of return on the Consolidated Entity's net investment outstanding in respect of the leases.

Contract liabilities – unearned revenue

Where amounts have been received in advance of fulfilling the contract obligation these amounts are deferred in the balance sheet as unearned revenue until the performance obligation is fulfilled. Where the period between the payment by the customer and the fulfilment of the obligation is expected to exceed one year any amounts associated with the finance component of this deferred revenue are recognised as interest expense.

Included in the unearned revenue are customer upfront contributions on contracts with customers and government grants received in advance. During the year, the Consolidated Entity recognised \$7 million (2023: \$8 million) in revenue from contracts with customers from the unearned revenue balance at 30 June 2023.

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

4. Revenue (continued)

Contract assets – accrued revenue

Contract assets primarily relate to the Consolidated Entity's right to consideration for work completed but not billed at the reporting date. These amounts are known as accrued revenue and are disclosed in note 8.

Accrued revenue is transferred to trade receivables when the rights become unconditional. This usually occurs when the Consolidated Entity issues an invoice to the customer.

Accounting for costs to obtain contracts

The Consolidated Entity generally expenses costs to obtain contracts as they are incurred, since they tend to be incurred whether the contract is obtained or not (e.g. staff salaries, professional fees, etc.).

Future revenues from remaining performance obligations

As at 30 June 2024, future contracted Energy Infrastructure revenues extending through to 2051 are approximately \$15.9 billion (2023: \$16.4 billion extending through to 2051), of which \$1.9 billion is expected to be recognised in the year ending 30 June 2025. These amounts relate to Energy Infrastructure revenue from contracts, with a significant portion of customers being high credit worthy counterparties.

Future contracted Energy Infrastructure revenues outlined above are in nominal 2024 dollars escalated by CPI. Variable revenues, potential future revenues from new contracts, contract renewals or extensions, and revenues from potential new assets or expansions where a contract does not currently exist with a customer are not included. As such, the future contract revenues described above represent only part of the Consolidated Entity's forecast revenues for the year ended 30 June 2025 and beyond.

Information about major customers

Included in revenues from contracts with customers arising from Energy Infrastructure of \$2,424 million (2023: \$2,208 million) are revenues of approximately \$778 million (2023: \$783 million) which arose from sales to the Consolidated Entity's top three customers, of which \$355 million is derived from a single customer.

Notes to the consolidated financial statements (continued)
Financial Performance (continued)
5. Expenses

	2024 \$m	2023 \$m
Depreciation of non-current assets	687	554
Amortisation of non-current assets	232	196
Depreciation and amortisation expense	919	750
Energy infrastructure costs – pass-through	55	51
Asset management costs – pass-through	418	461
Other operating costs – pass-through	473	512
Interest on bank overdrafts and borrowings ¹	598	498
Interest on related party loans	21	4
Amortisation of deferred borrowing costs	18	10
Other finance costs	8	8
	645	520
Less: amounts included in the cost of qualifying assets	(30)	(42)
	615	478
Loss/(gain) on derivatives ²	17	(7)
Unwinding of discount on non-current liabilities	11	8
Unwinding of discount on deferred revenue	2	2
Interest incurred on lease liabilities	3	2
Finance costs	648	483
Defined contribution plans	34	26
Defined benefit plans (note 15)	2	2
Post-employment benefits	36	28
Termination benefits	1	2
Cash settled long-term incentive ³	44	36
Equity settled long-term incentive ³	10	8
Other employee benefits	379	324
Employee benefit expense ⁴	470	398

¹ The average interest rate applicable to drawn debt is 4.77% p.a. (2023: 4.43% p.a.) excluding finance costs associated with amortisation of borrowing costs.

² Represents unrealised gains and losses on the mark-to-market valuation of indexed revenue contract, hedge de-designation and hedge ineffectiveness on other financial instruments.

³ The Consolidated Entity provides benefits to certain employees in the form of long-term incentive payments. For cash settled long-term incentive payments, a liability equal to the portion of services received is recognised at the current fair value determined at each reporting date. For equity settled long-term incentive payments, a reserve is recognised equal to the portion of services received based on the fair value of the equity instrument at grant date.

⁴ Employee benefit expense of \$95 million (2023: \$77 million) is recharged as pass-through revenue and presented as part of other operating costs – pass-through.

Notes to the consolidated financial statements (continued)
Financial Performance (continued)
6. Income tax

The major components of tax expense are:

	2024 \$m	2023 \$m
Income statement		
Current tax (expense)/benefit in respect of the current year	(168)	116
Adjustments recognised in the current year in relation to current tax of prior years	–	2
Deferred tax expense relating to the origination and reversal of temporary differences	99	(309)
Total tax expense	(69)	(191)
Tax reconciliation		
Profit before tax	1,048	471
Income tax expense calculated at 30%	(314)	(141)
Non-assessable trust distribution	6	6
Non-deductible expenses	(77)	(58)
Non-assessable income	316	–
	(69)	(193)
Other	–	2
	(69)	(191)

Income tax expense comprises of current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in equity. Current tax represents the expected taxable income at the applicable tax rate for the financial year, and any adjustment to tax payable in respect of previous financial years.

Notes to the consolidated financial statements (continued)
Financial Performance (continued)
6. Income tax (continued)

Deferred tax balances

Deferred tax (liabilities)/assets arise from the following:

	Opening balance \$m	Charged to income \$m	Charged to equity \$m	Acquisition ¹ \$m	Closing balance \$m
2024					
Gross deferred tax liabilities					
Property, plant and equipment and intangible assets	(1,482)	(5)	–	(493)	(1,980)
Investments equity accounted	(1)	–	–	–	(1)
Deferred expenses	(48)	6	–	–	(42)
	(1,531)	1	–	(493)	(2,023)
Gross deferred tax assets					
Provisions	85	75	–	18	178
Cash flow hedges	322	(8)	(65)	–	249
Borrowings	–	–	–	(11)	(11)
Deferred revenue	13	8	–	11	32
Defined benefit obligation	1	(1)	(2)	–	(2)
Tax losses	–	22	–	–	22
Other	1	2	(1)	–	2
	422	98	(68)	18	470
Net deferred tax liability	(1,109)	99	(68)	(475)	(1,553)
2023					
Gross deferred tax liabilities					
Property, plant and equipment and intangible assets	(1,163)	(319)	–	–	(1,482)
Investments equity accounted	–	–	(1)	–	(1)
Deferred expenses	(51)	3	–	–	(48)
Other	(1)	2	–	–	1
	(1,215)	(314)	(1)	–	(1,530)
Gross deferred tax assets					
Provisions	81	4	–	–	85
Cash flow hedges	156	5	161	–	322
Deferred revenue	17	(4)	–	–	13
Defined benefit obligation	2	–	(1)	–	1
	256	5	160	–	421
Net deferred tax liability	(959)	(309)	159	–	(1,109)

¹ On 1 November 2023, the Consolidated Entity acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). Refer to note 24 for further details. Deferred tax liability disclosed in note 24 comprised of \$475 million deferred tax recognised on acquisition and \$67 million deferred tax relating to the Consolidated Entity's pre-existing interest in GGT joint operations.

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

6. Income tax (continued)

Deferred tax assets

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the 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:

- Initial recognition of goodwill;
- Initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and
- Differences relating to investments in wholly-owned entities to the extent that they will probably not reverse in the foreseeable future.

Deferred tax is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the appropriate tax rates at the end of the reporting period.

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

Tax consolidation

The parent of APA Infrastructure Limited, APA Group Limited and its wholly-owned Australian resident entities formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is APA Infrastructure Trust. Members of the tax-consolidated group are identified at note 23.

Tax expense/income, 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 reports of the members of the tax-consolidated group using the 'separate taxpayer within group' approach, by reference to the carrying amounts in the separate financial reports of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the wholly-owned entities are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable/(receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts.

The head entity recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the assets can be utilised.

Nature of tax funding arrangement and tax sharing agreement

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, APA Infrastructure Limited and each of the entities in the tax-consolidated group have agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from, or payable to, other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for the tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

Notes to the consolidated financial statements (continued)
Financial Performance (continued)
7. Dividends

	APA Infrastructure Limited			
	2024 cents per share	2024 Total \$m	2023 cents per share	2023 Total \$m
Recognised amounts				
Final FY23 dividend paid on 23 August 2023				
(30 June 2022: Final FY22 dividend paid on 24 August 2022)				
Dividend ¹	123.9	77	107.8	67
Interim FY24 dividend paid on 22 February 2024				
(31 December 2022: Interim FY23 dividend paid on 22 February 2023)				
Dividend ¹	519.9	323	300.2	187
Unrecognised amounts				
Final FY24 dividend payable on 28 August 2024				
(30 June 2023: Final FY23 dividend paid on 23 August 2023)				
Dividend ¹	568.2	353	123.9	77

¹ Profit dividends were unfranked.

The final dividend in respect of the financial year has not been recognised in this financial report because the final dividend was not declared, determined or publicly confirmed prior to the end of the financial year.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities

8. Receivables

	2024 \$m	2023 \$m
Trade receivables	105	76
Accrued revenue	278	247
Loss allowance (note 18)	(4)	(4)
Trade receivables	379	319
Receivables from associates and other related parties	16	12
Finance lease receivables (note 16)	1	1
Interest receivable	2	2
Other receivables	20	40
Trade and other receivables	418	374
Receivables from related parties	174	227
Current	592	601
Finance lease receivables (note 16)	7	8
Non-current trade receivables	–	19
Non-current	7	27

Trade receivables are non-interest bearing and are generally on 14 to 30 day terms. There are no material trade receivables past due and not provided for.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Trade and other receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are stated at amortised cost less impairment.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities

9. Payables

	2024 \$m	2023 \$m
Trade payables	87	68
Other payables	468	403
Trade and other payables	556	471
Payables to related parties ¹	2,194	1,523
Current	2,750	1,994
Other payables	1	9
Payables to related parties ¹	526	506
Non-current	527	515

¹ Payables to related parties mainly consists of a loan from APA Infrastructure Trust and APA Investment Trust.

Trade payables are non-interest bearing and are normally settled on 15 – 30 day terms.

Trade and other payables are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are stated at amortised cost.

Payables are recognised inclusive of GST, except for accrued revenue and accrued expense at balance dates which exclude GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. GST receivable or GST payable is only recognised once a tax invoice has been received or issued.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

10. Property, plant and equipment

	Freehold land and buildings – at cost \$m	Leasehold improvements – at cost \$m	Plant and equipment – at cost \$m	Work in progress – at cost \$m	ROU land and buildings – at cost \$m	ROU plant and equipment – at cost \$m	Total \$m
Gross carrying amount							
Balance at 1 July 2022	280	15	12,268	651	59	17	13,290
Additions	39	2	698	1,127	17	8	1,891
Disposals	–	–	(17)	–	(13)	(5)	(35)
Transfers	–	–	1,145	(1,145)	–	–	–
Balance at 30 June 2023	319	17	14,094	633	63	20	15,146
Balance at 1 July 2023	319	17	14,094	633	63	20	15,146
Additions ¹	–	–	223	1,064	13	13	1,313
Acquired through business combinations ²	–	–	1,171	70	–	–	1,241
Impairment ³	–	–	(172)	(2)	–	–	(174)
Reclassified to Other Intangible Assets	–	–	–	(2)	–	–	(2)
Disposals	–	–	(1)	–	–	(3)	(4)
Transfers	25	–	589	(614)	–	–	–
Balance at 30 June 2024	344	17	15,904	1,149	76	30	17,520
Accumulated depreciation and impairment							
Balance at 1 July 2022	(78)	(7)	(3,755)	–	(22)	(8)	(3,870)
Disposals	–	–	15	–	13	5	33
Depreciation expense (note 5)	(8)	(2)	(528)	–	(11)	(5)	(554)
Balance at 30 June 2023	(86)	(9)	(4,268)	–	(20)	(8)	(4,391)
Balance at 1 July 2023	(86)	(9)	(4,268)	–	(20)	(8)	(4,391)
Impairment ³	–	–	30	–	–	–	30
Disposals	–	–	2	–	–	3	5
Depreciation expense (note 5)	(5)	(2)	(664)	–	(11)	(5)	(687)
Balance at 30 June 2024	(91)	(11)	(4,900)	–	(31)	(10)	(5,043)
Net book value							
As at 30 June 2023	233	8	9,826	633	43	12	10,755
As at 30 June 2024	253	6	11,004	1,149	45	20	12,477

¹ Includes non-cash capitalised restoration costs following remeasurement of the restoration provision. Refer to note 13 for further details.

² During the year, APA acquired the Pilbara Energy System business, including the remaining 11.8% interest in Goldfields Gas Transmission (GGT) joint operations. Refer to note 24 for further details. Property, plant and equipment disclosed in note 24 comprised of \$1,241 million recognised on acquisition and \$452 million relating to the Consolidated Entity's pre-existing interest in GGT joint operations.

³ During the year, APA Group impaired the carrying value of the Moomba Sydney Ethane Pipeline (MSEP) due to the customer on this single user pipeline entering into voluntary administration. Refer to note 12 for further details.

Property, plant and equipment is stated at cost, less accumulated depreciation and impairment losses. Work in progress is stated at cost. Cost includes expenditure that is directly attributable to the acquisition or construction of the item.

The right-of-use (ROU) asset is initially measured at cost comprising the initial measurement of the lease liability (as outlined in note 16) adjusted for any lease payments made before the commencement date and reduced by any lease incentives received plus initial direct costs incurred in obtaining the lease. Any make good requirements are recognised and measured under AASB 137 Provisions, Contingent Liabilities and Contingent Assets and to the extent that the costs relate to a ROU asset these are included in the related ROU asset.

A ROU asset is subsequently measured using the cost model less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The ROU asset is depreciated over the term of the lease.

Subsequently, the Consolidated Entity applies AASB 136 Impairment of Assets to determine whether a ROU asset is impaired and accounts for any impairment as described in note 12.

Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)
10. Property, plant and equipment (continued)

Depreciation is provided on property, plant and equipment excluding land. Depreciation is calculated on a straight-line basis depending on the nature of the asset so as to write off the net cost of each asset over its estimated useful life.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis.

Where the ROU asset is adjusted due to changes in the lease liability, the depreciation for the ROU asset is adjusted on a prospective basis.

The depreciation charge for each period is recognised in profit or loss unless it is included in the cost of another asset.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (i.e. assets that take a substantial period of time to get ready for their intended use or sale) are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Critical accounting judgements and key sources of estimation uncertainty – useful lives of non-current assets

The Consolidated Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Physical, economic, climate and environmental factors are taken into consideration in assessing the useful lives of the assets, including but not limited to asset condition and obsolescence, technology changes, regulatory determinations, government policy, commercial contract lives and renewals, global and regional gas supply-and-demand, and certain climate-related risks and policies.

Any changes to useful lives or any other estimates or assumptions, including the impact of climate change and the timing of the energy transition, may affect prospective depreciation rates, asset carrying values and restoration provisions.

The impact of the above indicators and other factors that may emerge are uncertain at this time and difficult to predict. Refer to note 12 for additional critical judgements that underpin APA's assessments in relation to the potential impact of climate transition risks on APA Group's portfolio of assets which may affect asset carrying values and prospective depreciation rates.

Energy Infrastructure Assets

In FY23 APA completed a detailed review of the estimated useful lives of its Energy Infrastructure assets giving consideration to APA's Net Zero commitments, goals and targets together with APA's most recent commercial, operational, and technical outlooks to reduce stranded asset risk. Effective from this financial year, all gas infrastructure and electricity generation and transmission assets have a maximum useful life end date of FY60 and FY57 respectively.

As at 30 June 2024, the following estimated useful lives from the date of construction are used in the calculation of depreciation:

- | | |
|-------------------------------------|-------------------|
| • Buildings | 30 – 50 years; |
| • Compressors | 10 – 50 years; |
| • Gas transportation systems | 10 – 80 years; |
| • Meters | 20 – 30 years; |
| • Power generation facilities | 3 – 36 years; |
| • Gas processing facilities | 10 – 25 years; |
| • Other plant and equipment | 3 – 20 years; |
| • ROU land and buildings | 1 – 40 years; and |
| • ROU property, plant and equipment | 1 – 4 years. |

Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)

11. Goodwill and Intangibles

	2024 \$m	2023 \$m
Goodwill		
Balance at beginning of financial year	1,184	1,184
Acquired through business combinations (Note 24)	698	–
Balance at end of financial year	1,882	1,184

Goodwill acquired in a business combination is initially measured at cost and subsequently at cost less accumulated impairment.

Allocation of goodwill to cash-generating units

Goodwill has been allocated to individual cash-generating units for impairment testing purposes. The perimeter of the cash-generating units may change as a result of business combinations or changes in business direction.

The East Coast Grid is an interconnected pipeline network that includes, inter alia, the Wallumbilla Gladstone, Moomba Sydney, Roma Brisbane, Carpentaria Gas and South West Queensland pipelines and the Victorian Transmission System. Since the acquisition of the South West Queensland Pipeline to complete the formation of the Consolidated Entity's East Coast Grid in December 2012, the Consolidated Entity has installed facilities to enable bi-directional transportation of gas to meet the demand of our major customers who now typically operate portfolios of gas supply and demand. Through the provision of multi-asset services, bi-directional transportation, capacity trading and gas storage and parking facilities, the Consolidated Entity's East Coast Grid delivers options for customers to choose from, and move gas between, around 60 receipt points and over 220 delivery points on the east coast of Australia. The East Coast Grid is categorised as an individual cash-generating unit.

The Pilbara Energy System business is underpinned by contracted operational assets along the Goldfields Gas Pipeline and a significant development pipeline of projects in the Western Australia's Pilbara region, complementing APA's existing development and delivery capability in the Pilbara region. The acquisition of the remaining 11.8% interest in Goldfields Gas Transmission joint operations enables new product offerings and increased supply reliability. Following the acquisition of the Pilbara Energy System business on 1 November 2023, the goodwill arising from the acquisition has been allocated to the Pilbara Energy System and the Goldfields Gas Pipeline cash-generating unit, which is comprised of the Goldfields Gas Pipeline, Eastern Goldfields Pipeline, Northern Goldfields Interconnect Pipeline and laterals.

Refer to note 12 for critical accounting judgements and key sources of estimation uncertainty relating to impairment of assets.

The carrying amounts of goodwill allocated to cash-generating units that are significant individually or in aggregate are as follows:

	2024 \$m	2023 \$m
Asset Management business	22	22
Energy Infrastructure		
East Coast Grid	1,061	1,061
North-West Power System	43	43
Pilbara Energy System ¹	717	19
Other energy infrastructure ²	39	39
	1,882	1,184

¹ Comprised of the goodwill arising from the acquisition of Pilbara Energy System business (\$698 million) and the existing goodwill in the Goldfields Gas Pipeline cash-generating unit (\$19 million). FY23 comparative goodwill amount relating to Goldfields Gas Pipeline cash-generating unit (\$19 million) has been reclassified from Other energy infrastructure to conform to current year presentation.

² Primarily represents goodwill relating to the Pilbara Pipeline System (\$33 million).

Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)
11. Goodwill and Intangibles (continued)

Software, licences, contract and other intangibles

	Software and Licenses – at cost \$m	Development Assets – at cost \$m	Work in progress – at cost \$m	Contract and other – at cost ¹ \$m	Total \$m
Gross carrying amount					
Balance at 1 July 2022	110	–	17	3,594	3,721
Additions	–	–	12	2	14
Transfer	18	–	(18)	–	–
Balance at 30 June 2023	128	–	11	3,596	3,735
Balance at 1 July 2023	128	–	11	3,596	3,735
Additions	2	4	37	–	43
Acquired through business combinations ²	1	125	–	1,224	1,350
Reclassified from property, plant and equipment	–	–	2	–	2
Transfer	3	–	(3)	–	–
Balance at 30 June 2024	134	129	47	4,820	5,130
Accumulated amortisation					
Balance at 1 July 2022	(80)	–	–	(1,329)	(1,409)
Amortisation expense (note 5)	(14)	–	–	(182)	(196)
Balance at 30 June 2023	(94)	–	–	(1,511)	(1,605)
Balance at 1 July 2023	(94)	–	–	(1,511)	(1,605)
Amortisation expense (note 5)	(14)	–	–	(218)	(232)
Balance at 30 June 2024	(108)	–	–	(1,729)	(1,837)
Net book value					
As at 30 June 2023	34	–	11	2,085	2,130
As at 30 June 2024	26	129	47	3,091	3,293

¹ Includes \$1,862 million (30 June 2023: \$2,033 million) of contract intangibles associated with the acquisition of Wallumbilla Gladstone Pipeline in FY15 (Useful life: 20 years) and \$1,189 million (30 June 2023: \$nil) of contract intangibles associated with the acquisition of Pilbara Energy System business in FY24 (Useful life: 23 to 24 years).

² During the year, APA acquired the Pilbara Energy System business, including the remaining 11.8% interest in Goldfields Gas Transmission (GGT) joint operations. Refer to note 24 for further details.

Intangible assets acquired separately are initially measured at cost. Intangible assets acquired in a business combination are identified and recognised separately from goodwill and are initially recognised at their fair value at the acquisition date.

Finite life intangible assets are amortised over their useful lives. Intangible assets that are not yet ready for use are not amortised, and are reviewed annually for impairment or more frequently if there is indication of impairment. Following initial recognition, intangible assets, other than development assets, are carried at cost less accumulated amortisation and impairment losses. Development assets are subsequently measured at cost less accumulated impairment losses.

Amortisation is recognised on a straight-line basis over the estimated useful life of each asset. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effects of any changes in estimate being accounted for on a prospective basis. Amortisation expense is a non-cash item, and is included in the line item of depreciation and amortisation expense in the statement of profit or loss and other comprehensive income.

The following useful lives are used in the calculation of amortisation:

- Contract and other intangibles 1 – 24 years;
- Software 4 – 7 years; and
- Licences 4 years.

Software and Licenses

Software is measured at cost less accumulated amortisation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or development of software.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

11. Goodwill and Intangibles (continued)

Licences are carried at cost less any accumulated amortisation and impairment losses.

Contract and other intangibles

The Consolidated Entity holds various third party operating and maintenance contracts, power purchase agreements and gas transportation agreements. The combined gross carrying amount of \$4,820 million amortises over terms ranging from 1 to 24 years. Useful life is determined based on the underlying contractual terms.

Development assets

Expenditure on development activities is capitalised as intangible assets if the project is assessed to be technically and commercially feasible and the Consolidated Entity intends to complete the project for use or for sale.

The Consolidated Entity's development assets comprised of a portfolio of projects under development, including solar farm, wind farm, battery storage and transmission line developments. The development costs capitalised are comprised of costs incurred directly on the projects and the costs ascribed to the projects as part of the fair value attribution on acquisition.

For projects whereby the conditions for recognition as a development asset are not met, the development project costs are expensed in the period in which they are incurred.

No amortisation is charged during the development phase. At the point construction commences, the accumulated costs cease to be classified as development assets and are transferred to property, plant and equipment as work in progress. Once the asset is in operation, depreciation will be recognised over the expected useful life of the asset. At the point a project is no longer expected to reach the construction phase, the carrying amount of the project is impaired.

Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)
12. Impairment of non-financial assets

The Consolidated Entity tests goodwill for impairment at least annually or whenever there is an indication that the asset may be impaired. Other non-financial assets with finite useful lives are assessed for indicators of impairment at least annually. Assets other than goodwill that have previously reported an impairment are reviewed for possible reversal of the impairment at each reporting period.

If the asset does not generate independent cash inflows and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash-generating unit to which it belongs.

Assets are impaired if their carrying value exceeds their recoverable amount. The recoverable amount of an asset or cash-generating unit is determined as the higher of its fair value less cost to sell or value-in-use.

Determining whether identifiable intangible assets and goodwill are impaired requires an estimation of the value-in-use or fair value of the cash-generating units.

Value-in-use calculations require the Consolidated Entity to estimate the future cash flows expected to arise from the asset or cash-generating units and apply suitable discount rates in order to calculate the present value of cash-generating units. These estimates and assumptions are reviewed on an ongoing basis.

Fair value less cost to sell calculations utilise comparable market transactions less estimated costs of disposal. When the recoverable amount is measured by reference to fair value less cost to sell, the valuation is further classified in accordance with the fair value hierarchy.

For the 2024 and 2023 reporting periods, apart from the recently acquired Pilbara Energy System which was tested based on the acquisition model (fair value less cost to sell calculation), the recoverable amount of the Consolidating Entity's cash-generating units was determined based on value-in-use calculations. The Consolidated Entity's value-in-use calculations use cash flow projections based on a three year financial business plan and thereafter a further 17 year financial model inclusive of appropriate terminal values. This is the basis of the Consolidating Entity's forecasting and planning processes which represents the underlying long term nature of associated customer contracts on these assets.

Judgement may be required in identifying the Consolidated Entity's cash-generating units, particularly when assets belong to integrated operations. A summary of the Consolidated Entity's main cash-generating units, being the cash-generating units containing goodwill and intangible assets in development, are disclosed in note 11. Certain non-financial assets (excluding goodwill) are assessed for impairment on a cash-generating unit basis.

In accordance with the requirements of AASB 136 Impairment of Assets, the Consolidated Entity performed an annual impairment test for all cash-generating units to which goodwill had been allocated and reviewed its non-financial assets other than goodwill for indicators of impairment at the end of the reporting period. Apart from the impairment of Moomba Sydney Ethane Pipeline asset discussed below, the Consolidated Entity has not identified other impairment indicators and no other impairment was recognised during the year.

Critical accounting judgements and key sources of estimation uncertainty – impairment of assets

The key estimates and assumptions used in the assessment of impairment include but are not limited to: asset capacity; asset lives; generation and transmission volumes; forecast operating costs and margins; gas field reserve estimates; for some assets, availability of gas supply from undeveloped gas fields and contingent resources to meet forecast demand; the effect of inflation; discount rates; customer contract terms and renewals; residual value; and asset construction costs. Where the key assumptions for the assessment of new assets such as expected construction costs, expected time to the commissioning, expected revenues, expected operating and capital costs at the time of investment differs from the final outcomes, significant variances to the key assumptions may cause triggers for impairment.

These assumptions have been determined with reference to historic information, current performance and expected changes taking into account external information such as market inputs on discount rates, the effects of inflation within Reserve Bank of Australia's guidance range, the outlook for global and regional gas market supply-and-demand conditions, internal information such as contract renewals and forecast input costs. Such estimates may change as new information becomes available.

The Consolidated Entity is exposed to a range of climate-related risks and opportunities across its energy infrastructure and investment portfolios. Risks and opportunities associated with climate change including the transition to a low carbon economy ("transition risks") are assessed and considered as part of the Consolidated Group's policy, strategy, and commercial management practices. The Consolidated Entity is committed to embedding consideration of its climate-related goals, targets and commitments as outlined in its Climate Transition Plan, as well as climate risks, into its business strategy, processes and decision-making. The Consolidated Entity will disclose progress against its commitments and Climate Transition Plan in accordance with the Taskforce for Climate Related Financial Disclosures.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

12. Impairment of non-financial assets (continued)

The Consolidated Entity continues to develop its assessment of the potential physical impacts and transition risks of climate change which may have a material impact on the Australian energy market and may result in a material change to its estimated cash inflows and the carrying values of asset portfolio. The Consolidated Entity has included estimates for the potential impacts of climate change in its carrying value assessment based on its current understanding, however recognises that there is an increased pace of change in the energy industry including continuously evolving government policy and market regulation, and will continue to review and update its estimates, assumptions and judgements, utilising inputs from external experts where necessary.

Cash flow projections include the estimated impact of mandated government climate policies, such as the Safeguard Mechanism. Future changes in government climate policies may impose significant costs on the Consolidated Entity and its customers and limit future investment in the Australian energy market such as the development of new gas fields. The Consolidated Entity does not consider the potential physical impacts and transition risks of climate change on the carrying value of its existing assets to be significant based on the estimated profile of long-term cash flow returns.

Cash flows are estimated for a period of up to 20 years, and for many assets include plus a terminal value, which assumes steady to slightly declining cash flows over time, recognising the long-term nature of the assets. The pre-tax discount rates used are 8.3% p.a. (2023: 7.5% p.a.) for Energy Infrastructure assets and Asset Management assets.

For fully regulated assets, cash flows have been extrapolated on the basis of existing transportation contracts and government policy settings, and expected contract renewals. The Consolidated Entity has assumed prudent capital and operating expenditure, appropriate regulated rates of return, and forecast inflation over the existing and renewal contract terms. These expected cash flows are factored into the regulated asset base and do not exceed management's expectations of the long-term average growth rate for the market in which the cash generating unit operates.

For non-regulated assets, with the exception of the recently acquired Pilbara Energy System, the Consolidated Entity has assumed no capacity expansion and firming costs beyond installed and committed levels; utilisation of capacity is based on existing contracts and renewals, government policy settings and the Consolidated Entity's expected market outcomes. The Pilbara Energy System was tested for impairment based on the acquisition investment model, which is predicated on the execution of a renewable-focused development pipeline and the related assumptions on expansion of capacity and revenue contracting over time. At 30 June 2024, there are no reasonably possible changes in key assumptions that would, in isolation, result in a material impairment to the Consolidated Entity.

Demand for capacity is reviewed regularly. As contracts mature, to the extent there is supportable demand, it is assumed that the majority of the capacity is resold at commercially acceptable pricing levels.

Future regulatory changes and legislative developments to both the Consolidated Entity's fully regulated and non-regulated assets may result in a material change to estimated cash inflows and the carrying value of these assets. In determining the recoverable amounts of the assets that are currently subject to regulatory review or determination, judgemental assumptions are made regarding the regulatory outcome which may not be realised. In the event that future regulatory outcomes vary from these assumptions, the recoverable amounts of these assets could change materially.

For certain assets single counterparty risk is more prevalent. The FY24 carrying value review includes key estimates, assumptions and judgements regarding the recontracting of pipeline capacity including tariffs and tenure for these assets, which may not be realised. Any future changes to these estimates, assumptions and judgements may result in a material change to the Consolidated Entity's estimated cash inflows and the carrying values of certain assets.

Moomba Sydney Ethane Pipeline (MSEP)

During the year, the Consolidated Entity recognised a non-cash impairment charge of \$144 million, which represented a full write-down of the property, plant and equipment of the MSEP. This has been disclosed as a significant item within the Energy Infrastructure Segment.

The MSEP is a single user pipeline, configured to transport ethane to plastics manufacturer Qenos Pty Ltd, which entered into Voluntary Administration during the year and announced the expected closure of its manufacturing facility requiring the ethane from MSEP.

The Consolidated Entity is performing a detailed evaluation of the potential alternative uses for the MSEP, including the possible conversion of the asset to transport and store natural gas, to service the growing demand for capacity on the Consolidated Entity's East Coast Gas Grid. The alternative use assessment has not been completed at the date of the finalisation of the financial statements. Due to the associated uncertainty, the recoverable amount of MSEP was estimated in its current condition based on value-in-use calculations, assuming that MSEP will not be utilised for the foreseeable future.

Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)

12. Impairment of non-financial assets (continued)

The Consolidated Entity has applied a pre-tax discount rate of 8.3% (FY23: 7.5%) to the projected cashflows. The decision regarding the future use of the asset could result in a material change to the recoverable amount and therefore potential reversal of the impairment recognised.

13. Provisions

	2024 \$m	2023 \$m
Employee benefits	151	158
Other	9	1
Current	160	159
Employee benefits	13	21
Restoration provision	373	92
Non-current	386	113
Employee benefits		
Incentives	62	47
Cash settled long-term incentives	–	3
Leave balances	70	60
Other employee provisions	19	48
Current	151	158
Cash settled long-term incentives	–	1
Defined benefit liability (note 15)	2	10
Leave balances	11	10
Non-current	13	21

A provision is recognised when there is a legal or constructive obligation as a result of a past event, it is probable that future economic benefits will be required to settle the obligation 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 the end of the financial year, 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

Restoration provision

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, at the best estimate of the expenditure that would be required to restore the assets.

Provision for future restoration costs related to the Consolidated Entity's energy infrastructure assets is the best estimate of the present value of the expenditure required to settle the restoration obligation, based on current legal requirements and technology.

The Consolidated Entity's restoration cost estimates include a risk adjustment and are inflated to the estimated asset closure date using long-term inflation rate. The cost estimates are discounted using risk-free discount rates based on Government bond rates, with a maturity date aligned with the estimated timing of restoration cash flows.

The Consolidated Entity's restoration provisions are reviewed regularly, with any changes in the estimate reflected in the present value of the restoration provision at each reporting date, and a corresponding change in the cost of the associated asset. In the case of an addition to the cost of an asset, the Consolidated Entity considers whether there is an indication that the new carrying value of the asset is not fully recoverable. If any such indication exists, an impairment test is performed. In the event the restoration provision is reduced, the cost of the related asset is reduced by an amount not exceeding the asset carrying value.

Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)
13. Provisions (continued)

Movements in the restoration provision during the financial year are set out below:

	Restoration Provision \$m
Balance at 1 July 2023	92
Derecognised during the year	(5)
Unwinding of discount	9
Increases to existing and new provisions ¹	222
Acquired through business combination ²	55
Balance at 30 June 2024	373

¹ Primarily relates to changes in restoration cost estimates and the impact of change in discount rate.

² On 1 November 2023, APA Group acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). Refer to note 24 for further details.

Critical accounting judgements and key sources of estimation uncertainty – Restoration Provision

The Consolidated Entity estimates the future restoration costs of its energy infrastructure assets at the time of installation of the assets and reviews these cost estimates periodically. In many instances, decommissioning of these assets will occur many years into the future. As such, the estimate of future restoration costs requires judgemental assumptions regarding the timing of restoration activities, environmental legislation and regulations, the extent of restoration activities required and the available technologies.

The Consolidated Entity's restoration obligations are based on the requirements of, and compliance with, the relevant regulations which vary for different State jurisdictions. The estimated future restoration costs include judgemental assumptions that assume certain parts of infrastructure assets remain *in-situ*, and that regulatory approval is obtained where arrangements are satisfactory to the regulator. The consideration of the extent to which infrastructure assets will remain *in-situ* is inherently subjective. This assumption is reviewed as part of the Consolidated Entity's periodic review of restoration provisions. Ongoing assessment of the extent of restoration activities is performed as part of the Consolidated Entity's periodic review of Environmental Plans.

Whilst the Consolidated Entity's restoration provision reflects estimates based on current knowledge and information, further studies and detailed assessment of restoration activities for individual assets will continue to be performed throughout the life of the asset. Actual costs and cash outflows can materially differ from the current estimates included in the provision recognised at 30 June 2024 as a result of changes in legislation, changes in assumptions regarding the extent to which infrastructure assets will remain *in-situ*, prices, site conditions, future studies, timing of restoration and development of new technologies.

In addition, the extent, cost and timing of future restoration activities may change in the future as a result of increased regulatory scrutiny and the energy transition. For example, the energy transition may result in restoration activities occurring earlier than expected. Restoration dates are based on the useful lives of the individual assets. The estimated timing of restoration activities will continue to be reviewed as part of the Group's annual review of its assets' estimated useful lives. The Consolidated Entity continues to monitor the uncertainty around climate change risks to assess if changes to restoration provisions should be recognised.

Employee benefits provision

Provision is made for benefits accruing to employees in respect of wages and salaries, incentives, annual leave and long service leave when it is probable that settlement will be required.

Provisions made in respect of employee benefits expected to be settled within 12 months, are recognised for employee services up to reporting date at the amounts expected to be paid when the liability is settled. Provisions made in respect of employee benefits which are not expected to be wholly settled within 12 months are measured as the present value of the estimated future cash outflows using a discount rate based on the corporate bond yield in respect of services provided by employees up to reporting date.

Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)
13. Provisions (continued)

Critical accounting judgements and key sources of estimation uncertainty – payroll review

In FY22, APA identified certain employees across the Group were not paid in full compliance with the Group's obligations under APA's enterprise agreements ("EA's"). The review identified payment errors to employees subject to these EA's. Included in employee benefits provisions is the provision for the payroll review, which represents APA's estimate of the historical payment errors, less payments completed to 30 June 2024.

The calculations of the employee payment errors involve a substantial volume of data, a high degree of complexity, interpretation and estimation assumptions. APA has self disclosed information relating to the review to the Fair Work Ombudsman. Detailed analysis of the seven year period subject to review is substantially complete and the results of the analysis are reflected in the provision as at 30 June 2024.

The provision also includes an estimate of any payment errors to 30 June 2024. Determining the historical employee payment errors requires consideration of numerous clauses of the EA's and related payroll source documentation, across each year of the review period, for every current and former employee who may have been impacted.

Critical accounting estimates and judgements have been applied to determine the extent of the provision required. Changes to any of these estimates and judgements have the potential to result in a future adjustment to the provision in subsequent periods as the review continues.

14. Other non-current assets

	2024 \$m	2023 \$m
Line pack gas	23	23
Gas held in storage	5	5
Defined benefit asset (note 15)	7	6
	35	34

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

15. Employee superannuation plans

All employees of the Consolidated Entity are entitled to benefits on retirement, disability or death from an industry sponsored fund, or an alternative fund of their choice. The Consolidated Entity has three plans with defined benefit sections (due to the acquisition of businesses) and a number of other plans with defined contribution sections. The defined benefit sections provide lump sum benefits upon retirement based on years of service. The defined contribution sections receive fixed contributions from the Consolidated Entity and the Consolidated Entity's legal and constructive obligations are limited to these amounts.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligations were determined at 30 June 2024. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the projected unit credit method.

The following sets out details in respect of the defined benefit plans only:

	2024 \$m	2023 \$m
Amounts recognised in the statement of profit or loss and other comprehensive income		
Current service cost	2	2
Components of defined benefit remeasurements recognised in profit or loss (note 5)	2	2
Actuarial gain on defined benefit plan	2	8
Actual return on plan assets excluding interest income	5	(3)
Components of defined benefit costs recognised in other comprehensive income	7	5
Amounts recognised in the statement of financial position		
Fair value of plan assets	139	133
Present value of benefit obligation	(134)	(137)
Defined benefit asset – non-current (note 14)	7	6
Defined benefit liability – non-current (note 13)	(2)	(10)
Opening defined benefit obligation	137	143
Current service cost	2	2
Interest cost	7	6
Actuarial gain	(2)	(8)
Benefits paid	(10)	(6)
Closing defined benefit obligation	134	137
Movements in the present value of the plan assets in the current period were as follows:		
Opening fair value of plan assets	133	135
Interest income	7	6
Actual return on plan assets excluding interest income	5	(3)
Contributions from employer	4	1
Benefits paid	(10)	(6)
Closing fair value of plan assets	139	133

Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)
15. Employee superannuation plans (continued)

Defined benefit plans

Actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement, comprising of actuarial gains and losses and the return on plan assets (excluding interest), is recognised in other comprehensive income and immediately reflected in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment.

The defined benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Consolidated Entity's defined benefit plans. Any asset resulting from this calculation is limited to the present value of economic benefits available in the form of refunds and reductions in future contributions to the plan.

Key actuarial assumptions used in the determination of the defined benefit obligation include a discount rate of 5.6% gross of tax (2023: 5.4%), based on the corporate bond yield curve published by Milliman, an expected salary increase rate of 3.8% (2023: 4.0%), and pension indexation rate of 2.8% (2023: 3.0%). The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

- If the discount rate increases (decreases) by 0.5%, the defined benefit obligation would decrease by \$7 million (increase by \$7 million).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by \$1 million (decrease by \$1 million).
- If the expected pension indexation rate increases (decreases) by 0.5%, the defined benefit obligation would increase by \$6 million (decrease by \$6 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

The Consolidated Entity expects to pay \$6 million in contributions to the defined benefit plans during the year ending 30 June 2025.

Defined contribution plans

Contributions to defined contribution plans are expensed when incurred. The percentage rate for superannuation guarantee contribution by the Consolidated Entity is 11.5% from 1 July 2024, and eventually to 12% from 1 July 2025.

Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)
16. Leases

The Consolidated Entity as a lessee

The Consolidated Entity's lease obligations are primarily related to commercial office leases and motor vehicles.

	2024 \$m	2023 \$m
Lease liabilities		
Not longer than 1 year	23	33
Longer than 1 year but not longer than 5 years	48	82
Longer than 5 years	9	24
Minimum future lease payments	80	139
Less: Future finance cost	(10)	(72)
Present value of the future lease payments	70	67
Included in the consolidated statement of financial position:		
Current lease liabilities	20	17
Non-current lease liabilities	50	50
	70	67

The Consolidated Entity has no material short-term leases, lease for low-value assets or variable lease payments.

The lease liability is initially measured at the present value of future lease payments at the commencement date, comprising the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments which vary due to changes in CPI, or commodity prices);
- Amounts expected to be payable by the lessee under residual value guarantees, purchase options and termination penalties (where relevant); and
- Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

16. Leases (continued)

To calculate the present value, the future lease payments are discounted using the interest rate implicit in the lease (IRIL), if the rate is readily determinable. If the IRIL cannot be readily determined, the incremental borrowing rate (IBR) at the commencement date is used. The IBR is calculated based on the prevailing swap rate for a tenor that closely aligns with the term of the lease and then adjusted for the Consolidated Entity credit spreads in a currency that matches the currency of the liability.

Subsequently, the lease liability is measured in a manner similar to other financial liabilities, at amortised cost using the effective interest rate method. The liability is remeasured to reflect any reassessment of lease payments or lease modifications, or to reflect revised in-substance fixed lease payments.

Variable payments other than those included in the measurement of the lease liability above (i.e. those not based on an index or rate) are recognised in the statement of profit or loss in the period in which the event or condition that triggers those payments occur.

Short term leases (i.e. where the lease term is less than 12 months) and low-value asset leases are recognised as an expense in the statement of profit or loss on a straight-line basis.

Total cash outflow for leases amounted to \$18 million (FY23: \$17 million), excluding payments for short term leases, low-value asset leases and variable payments leases.

The Consolidated Entity as a lessor

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Finance lease receivables relate to the lease of one pipeline lateral, being Dampier to Bunbury Natural Gas Pipeline.

	2024 \$m	2023 \$m
Finance lease receivables		
Not longer than 1 year	2	2
Longer than 1 year and not longer than 5 years	7	7
Longer than 5 years	2	4
Minimum future lease payments receivable¹	11	13
Less: unearned finance lease receivables	(3)	(4)
Present value of lease receivables	8	9
Included in the consolidated statement of financial position as part of:		
Current trade and other receivables (note 8)	1	1
Non-current receivables (note 8)	7	8
	8	9

¹ Minimum future lease payments receivable include the aggregate of all lease payments receivable and any guaranteed residual.

The Consolidated Entity does not have any operating leases where it is the lessor.

Amounts due from a lessee under finance leases are recorded as receivables. Finance lease receivables are initially recognised at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Notes to the consolidated financial statements (continued)

Capital Management

The Consolidated Entity's objectives when managing capital are to safeguard its ability to continue as a going concern whilst maximising the return to equityholders through the optimisation of the debt to equity structure.

The Consolidated Entity's overall capital management strategy is to continue to target BBB/Baa2 investment grade credit ratings through maintaining sufficient flexibility to fund organic growth and investment from internally generated and retained cash flows, debt funding and, where appropriate, additional equity.

The capital structure of the Consolidated Entity consists of cash and cash equivalents, borrowings and equity attributable to equityholders of the parent. The Consolidated Entity's policy is to maintain balanced and diverse funding sources through raising funds locally and from overseas from a variety of capital markets including bank loan facilities, to meet anticipated funding requirements. This funding plus operating cash flows are used to maintain and expand the Consolidated Entity's assets, make distributions to equityholders, repay maturing debt and meet anticipated funding requirements.

Controlled entities are subject to externally imposed capital requirements. These relate to the Australian Financial Services Licence held by APA Group Limited, the Responsible Entity of APA Group, and were adhered to for the entirety of the 2024 and 2023 periods.

The Consolidated Entity's capital management strategy takes into consideration the cost of capital and the state of the capital markets. It remains focused on maintaining BBB/Baa2 investment grade credit ratings. The Consolidated Entity remains focused on maintaining BBB/Baa2 investment grade credit ratings.

The main aspects of the Consolidated Entity's capital management strategy are:

- Distribution policy balances organic growth capex funding with strong investor returns;
- Competitive investment hurdle rates;
- Investment grade credit metrics provides prudent levels of gearing and access to capital markets;
- Treasury policies ensures strong levels of liquidity and minimises risk; and
- Insightful communications ensuring strong investor engagement.

The Consolidated Entity's Funds From Operations (FFO) to Net Debt are better than the minimum threshold levels that Moody's and Standard & Poor's consider appropriate for the Consolidated Entity's BBB/Baa2 credit ratings. FFO to Net Debt is a leverage metric that measures cash flows generated by the business that are available to service debt noting that each rating agency calculates credit metrics slightly differently using their own proprietary methods. The ability to service debt and therefore creditworthiness, improves as the percentage of FFO to Net Debt increases (and vice versa).

Notes to the consolidated financial statements (continued)

Capital Management (continued)

17. Net debt

Cash and cash equivalents comprise of cash on hand, at call bank deposits and investments in money market instruments that are readily convertible to known amounts for cash. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position detailed in the table below.

Borrowings are recorded initially at fair value less attributable transaction costs and subsequently stated at amortised cost. Any difference between the initial recognised cost and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowing using the effective interest method.

	2024 \$m	2023 \$m
Cash at bank and on hand ¹	473	369
Short-term deposits	201	143
Cash and cash equivalents	674	512
Guaranteed senior notes ²	(1,895)	(200)
Secured third party borrowings ⁴	(5)	–
Other financial liabilities	(2)	(2)
Less: unamortised borrowing costs	3	–
Current borrowings	(1,899)	(202)
Guaranteed senior notes ²	(7,949)	(10,361)
Guaranteed subordinated notes ³	(800)	–
Guaranteed bank loans	(2,250)	(1,000)
Secured third party borrowings ⁴	(97)	–
Other financial liabilities	(3)	(6)
Less: unamortised borrowing costs	76	46
Non-current borrowings	(11,023)	(11,321)
Total borrowings	(12,922)	(11,523)
Current lease liabilities	(20)	(17)
Non-current lease liabilities	(50)	(50)
Total lease liabilities	(70)	(67)
Net debt	(12,318)	(11,078)

¹ The amount shown in cash and cash equivalents includes \$2 million not available for general use as at 30 June 2024 (2023: \$2 million).

² Represents JPY MTN of ¥10,000 million, GBP MTN of £1,379 million, EUR MTN of €2,350 million, and USD denominated 144a notes of US\$2,250 million measured at the exchange rate at reporting date (2023: Represents JPY MTN of ¥10,000 million, GBP MTN of £1,600 million, EUR MTN of €2,350 million and USD denominated 144a notes of US\$2,250 million measured at the exchange rate at reporting date, and AUD MTN of A\$200 million). Refer to note 18 for details of interest rates and maturity profiles.

³ Represents EUR Hybrid Notes of €500 million measured at the exchange rate at reporting date. Refer to note 18 for details of interest rate and maturity profile.

⁴ On 1 November 2023, the Consolidated Entity acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). The acquisition included secured third party loan facilities with concessional interest rates.

Notes to the consolidated financial statements (continued)
Capital Management (continued)
17. Net debt (continued)

Reconciliation of net debt

	Cash and cash equivalents \$m	Borrowings Current \$m	Borrowings Non-Current \$m	Lease Liabilities \$m	Net debt \$m
Net debt as at 1 July 2022	940	(3)	(10,901)	(63)	(10,027)
Cash movements	(428)	3	–	17	(408)
Non cash changes – leases	–	–	–	(21)	(21)
Foreign exchange movements on debt translation	–	–	(619)	–	(619)
Transfer from non-current to current	–	(202)	202	–	–
Movement of deferred borrowing costs	–	–	(3)	–	(3)
Net debt as at 30 June 2023	512	(202)	(11,321)	(67)	(11,078)
Net debt as at 1 July 2023	512	(202)	(11,321)	(67)	(11,078)
Cash movements ¹	162	200	(1,718)	18	(1,338)
Non cash changes – leases	–	–	–	(21)	(21)
Non cash changes – acquisition ²	–	(2)	(66)	–	(68)
Foreign exchange movements on debt translation	–	73	117	–	190
Transfer from non-current to current	–	(1,969)	1,969	–	–
Movement of deferred borrowing costs ³	–	1	(4)	–	(3)
Net debt as at 30 June 2024	674	(1,899)	(11,023)	(70)	(12,318)

¹ Cash movements include the proceeds from the EUR Hybrid Notes of €500 million and Syndicated facilities (\$1,250 million) executed in November 2023, repayment of 2016 ATMN in October 2023, 2012 GBP Bond in May 24 and secured third party borrowings.

² On 1 November 2023, the Consolidated Entity acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). The acquisition included secured third party loan facilities with concessional interest rates. Refer to note 24 for further details.

³ Movement of deferred borrowing cost during the year include the non-cash impact of the remeasurement of secured third party borrowings.

Notes to the consolidated financial statements (continued)
Capital Management (continued)
17. Net debt (continued)

Financing facilities available

	2024 \$m	2023 \$m
Total facilities		
Guaranteed senior notes ¹	9,844	10,561
Guaranteed subordinated notes ²	800	–
Guaranteed bank loans ³	2,250	1,000
Bank borrowings ⁴	1,600	1,600
Secured third party borrowings ⁵	102	–
	14,596	13,161
Facilities used at balance date		
Guaranteed senior notes ¹	9,844	10,561
Guaranteed subordinated notes ²	800	–
Guaranteed bank loans ³	2,250	1,000
Bank borrowings ⁴	–	–
Secured third party borrowings ⁵	102	–
	12,996	11,561
Facilities unused at balance date		
Guaranteed senior notes ¹	–	–
Guaranteed subordinated notes ²	–	–
Guaranteed bank loans ³	–	–
Bank borrowings ⁴	1,600	1,600
Secured third party borrowings ⁵	–	–
	1,600	1,600

¹ Represents JPY MTN of ¥10,000 million, GBP MTN of £1,379 million, EUR MTN of €2,350 million, and USD denominated 144a notes of US\$2,250 million measured at the exchange rate at reporting date (2023: Represents JPY MTN of ¥10,000 million, GBP MTN of £1,600 million, EUR MTN of €2,350 million and USD denominated 144a notes of US\$2,250 million measured at the exchange rate at reporting date, and AUD MTN of A\$200 million). Refer to note 18 for details of interest rates and maturity profiles.

² Represents EUR Hybrid Notes of €500 million measured at the exchange rate at reporting date. Refer to note 18 for details of interest rate and maturity profile.

³ Syndicated facilities executed in June 2022 (\$1,000 million) and November 2023 (\$1,250 million).

⁴ Bilateral facilities comprising \$500 million maturing in July 2025, \$400 million maturing in August 2027 and \$700 million maturing in December 2025.

⁵ On 1 November 2023, the Consolidated Entity acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). The acquisition included secured third party loan facilities with concessional interest rates. Refer to note 24 for further details.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

18. Financial risk management

The Consolidated Entity's Treasury team is responsible for the overall management of the Consolidated Entity's capital raising activities, liquidity, lender relationships and engagement, debt portfolio management, interest rate and foreign exchange hedging, credit rating maintenance and third party indemnities (bank guarantees) within risk management parameters approved by the Audit and Finance Committee (AFC) and reviewed by the Board.

Based on Treasury Risk Management Policy, the Consolidated Entity's activities generate financial instruments comprising of cash, receivables, payables and interest bearing liabilities which expose it to various risks as summarised below:

- (a) Market risk including currency risk, interest rate risk and price risk;
- (b) Credit risk; and
- (c) Liquidity risk.

Risk	Sources	Risk management framework	Financial exposure
Market	Commercial transactions in foreign currency and funding activities	The AFC approves written principles for overall risk management, as well as policies covering specific areas such as liquidity risk, funding risk, foreign currency risk, interest rate risk and credit risk. The Consolidated Entity's AFC ensures there is an appropriate Risk Management Policy for the management of treasury risk and compliance with the policy through the review of monthly reporting to the Board from the Treasury team.	Refer to 18 (a) Market risk section.
Credit	Cash, receivables, interest bearing liabilities and hedging		The carrying amount of financial assets recorded in the financial statements, net of any collateral held or bank guarantees held by the Consolidated Entity, represents the Consolidated Entity's maximum exposure to credit risk in relation to those assets. Refer to 18 (b) Credit risk section.
Liquidity	Ongoing business operations, financial market disruptions and new investment opportunities		A detailed table shows the Consolidated Entity's remaining contractual maturities for its non-derivative financial liabilities in 18 (c) Liquidity risk section.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

18. Financial risk management (continued)

(a) Market risk

The Consolidated Entity's market risk exposure is primarily due to changes in market prices such as interest and foreign exchange rates. The Consolidated Entity is also exposed to price risk arising from its forward purchase contracts over listed equities and electricity price risk arising from electricity contracts for difference. The table below summarises these risks by nature of exposure and provides information about the risk mitigation strategies being applied.

Nature	Sources of financial exposure	Risk management strategy
Foreign exchange	The Consolidated Entity's foreign exchange risk arises from future commercial transactions (including revenue, interest payments and principal debt repayments on long-term borrowings and the purchases of capital equipment and operating costs).	Exchange rate exposures are managed within approved policy parameters utilising foreign currency forward exchange contracts (FECs), cross currency swap contracts (CCS) and foreign currency denominated borrowings. All foreign currency exposure was managed in accordance with the Treasury Risk Management Policy, including: - FECs to hedge the exchange rate risk arising from foreign currency cash flows, mainly US dollars, derived from revenues, interest payments and capital equipment purchases; - CCS to manage the currency risk associated with foreign currency denominated borrowings; and - Foreign currency denominated borrowings to manage the currency risk associated with foreign currency denominated revenue and receivables.
Interest rate	The Consolidated Entity's interest rate risk is derived predominately from borrowings subject to floating interest rates.	This risk is managed by the Consolidated Entity by maintaining an appropriate mix between fixed and floating rate borrowings, through the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined policy, ensuring appropriate hedging strategies are applied.
Equity price, electricity price and volumes	The Consolidated Entity is exposed to price risk arising from its forward purchase contracts over listed equities, and electricity price and volumes risk arising from contracts for difference in an electricity sales agreement and network service agreement with customers.	The equity price risk is managed by forward purchase contracts held to hedge the long-term incentive awards rather than for trading purposes. Electricity price and volumes risk is managed with electricity sales agreement and network service agreement with creditworthy counterparties. The Consolidated Entity does not actively trade these holdings. The key assumptions of the commercial contracts for difference are provided in the fair value of financial instrument section.

There has been no change to the nature of the market risks to which the Consolidated Entity is exposed or the manner in which these risks are managed and measured.

Notes to the consolidated financial statements (continued)
Capital Management (continued)
18. Financial risk management (continued)

Foreign currency risk

Foreign currency forward exchange contracts

To manage foreign exchange risk arising from future commercial transactions such as forecast capital purchases and operating cost, revenue, interest and debt payments, the Consolidated Entity uses FECs. Gains and losses recognised in the cash flow hedge reserve (statement of comprehensive income) on these derivatives will be released to profit or loss when the underlying anticipated transaction affects the Statement of Profit or Loss or will be included in the carrying value of the asset or liability acquired.

The carrying amount of the Consolidated Entity's foreign currency denominated monetary assets, monetary liabilities and derivative notional amounts at the reporting date is as follows (converted to AUD at the spot rate at reporting date):

	Cash & cash equivalents \$m	Total borrowings \$m	Cross currency swaps \$m	Forward exchange contract \$m	Net foreign currency position \$m
2024					
US Dollar (USD) ¹	11	(3,375)	(54)	(173)	(3,591)
British Pound (GBP)	–	(2,615)	2,615	1	1
Euro (EUR)	–	(4,578)	4,578	1	1
Japanese Yen (JPY)	–	(93)	93	–	–
Swedish Krona (SEK)	–	–	–	8	8
	11	(10,661)	7,232	(163)	(3,581)

	Cash & cash equivalents \$m	Total borrowings \$m	Cross currency swaps \$m	Forward exchange contract \$m	Net foreign currency position \$m
2023					
US Dollar (USD) ¹	14	(3,377)	(1,079)	501	(3,941)
British Pound (GBP)	–	(3,048)	3,048	–	–
Euro (EUR)	–	(3,849)	3,849	2	2
Japanese Yen (JPY)	–	(104)	104	–	–
Swedish Krona (SEK)	–	–	–	10	10
Canadian Dollar (CAD)	–	–	–	2	2
	14	(10,378)	5,922	515	(3,927)

¹ Foreign currency exposure associated with USD revenue and receivables is used to manage the net foreign currency position (comprising USD denominated borrowings and forward exchange contracts).

It is the policy of the Consolidated Entity to hedge 100% of all foreign exchange exposures in excess of US\$1 million equivalent that are certain. Forecast foreign currency denominated revenues and interest payments will be hedged by FECs on a rolling basis with the objective being to lock in the AUD gross cash flows and manage liquidity.

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and underlying currency) of the FECs and their corresponding hedged items are the same, the Consolidated Entity performs a qualitative assessment of effectiveness and it is expected that the value of the FECs and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying foreign exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Consolidated Entity's own credit risk on the fair value of the FECs, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. The effect of credit risk does not dominate the value changes that result from that economic relationship.

As at the reporting date, the Consolidated Entity has entered into FECs to hedge the foreign currency exposure arising from anticipated future transactions, which are designated in cash flow hedge relationships.

Notes to the consolidated financial statements (continued)
Capital Management (continued)
18. Financial risk management (continued)

The following table details the FECs outstanding at reporting date:

Cash flow hedges

2024	Average contract rate	Contract Value				Fair value \$m
		< 1 year \$m	1 – 2 years \$m	2 – 5 years \$m	> 5 years \$m	
Forecast revenue and associated receivable						
Sell USD ¹	0.6827	591	694	900	–	(45)
Forecast capital purchases and operating costs						
Buy USD	0.6759	(25)	–	–	–	–
Buy EUR	0.6036	(1)	–	–	–	–
Buy SEK	6.6059	(4)	(1)	(3)	(1)	–
Forecast foreign currency borrowings						
Buy USD ²	0.7090	(1,727)	(101)	(83)	–	109
		(1,166)	592	814	(1)	64

¹ The Consolidated Entity entered into a series of FECs in February 2022 and February 2024 to manage FX exposure up to June 2027 on WGP monthly revenue.

² The Consolidated Entity entered into a series of FEC's in February 2022 to manage FX exposure from March 2022 to December 2025 on WGP monthly revenue, the bi-annual interest payments on the USD denominated debt, and the USD denominated debt repayment in 2025.

2023	Average contract rate	Contract Value				Fair value \$m
		< 1 year \$m	1 – 2 years \$m	2 – 5 years \$m	> 5 years \$m	
Forecast revenue and associated receivable						
Sell USD ¹	0.7166	574	632	377	–	(104)
Forecast capital purchases and operating costs						
Buy USD	0.6844	(93)	–	–	–	2
Buy EUR	0.6260	(1)	–	–	–	–
Buy SEK	6.7881	(5)	(1)	(3)	(2)	–
Buy CAD	0.9166	(2)	–	–	–	–
Forecast foreign currency borrowings					–	–
Buy USD ¹	0.7134	(182)	(1,727)	(60)	–	118
		291	(1,096)	314	(2)	16

¹ The Consolidated Entity entered into a series of FECs in February 2022 to manage FX exposure from March 2022 to December 2025 on WGP monthly revenue, the bi-annual interest payment on the USD denominated debt, and the repayment of the USD denominated debt in 2025.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

18. Financial risk management (continued)

Cross currency swap contracts

The Consolidated Entity enters into cross currency swap contracts to mitigate the risk of movements in foreign exchange rates in relation to principal and interest payments arising from foreign currency borrowings. The Consolidated Entity receives fixed amounts in the various foreign currencies and pays both variable interest rates (based on Australian BBSW) and fixed interest rates for the full term of the underlying borrowings. In certain circumstances borrowings are retained in the foreign currency, or hedged from one foreign currency to another to match payments of interest and principal against expected future business cash flows in that foreign currency.

The following table details the cross currency swap contract principal payments due as at the reporting date:

Cash flow hedges

2024	Foreign currency	Exchange rate	Contract Value			
			< 1 year \$m	1 - 2 years \$m	2 - 5 years \$m	> 5 years \$m
Pay AUD/receive foreign currency						
2012 GBP Medium Term Notes	AUD/GBP	0.6530	(198)	–	–	–
2015 EUR Medium Term Notes ¹	AUD/EUR	0.6265	–	–	(1,038)	–
2017 US144A	AUD/USD	0.7668	–	–	(1,108)	–
2019 GBP Medium Term Notes	AUD/GBP	0.5388	–	–	–	(742)
2019 JPY Medium Term Notes	AUD/JPY	75.2220	–	–	–	(133)
2020 EUR Medium Term Notes	AUD/EUR	0.5895	–	–	–	(1,018)
2021 EUR Medium Term Notes	AUD/EUR	0.6464	–	–	(928)	(774)
2021 GBP Medium Term Notes	AUD/GBP	0.5530	–	–	–	(452)
2023 EUR Hybrid Notes	AUD/EUR	0.6037	–	–	(828)	–
Pay USD/receive foreign currency						
2015 GBP Medium Term Notes	USD/GBP	0.6773	–	–	–	(1,329)
			(198)	–	(3,902)	(4,448)

2023	Foreign currency	Exchange rate	Contract Value			
			< 1 year \$m	1 – 2 years \$m	2 – 5 years \$m	> 5 years \$m
Pay AUD/receive foreign currency						
2012 GBP Medium Term Notes	AUD/GBP	0.6530	–	(536)	–	–
2017 US144A	AUD/USD	0.7668	–	–	(1,108)	–
2019 GBP Medium Term Notes	AUD/GBP	0.5388	–	–	–	(742)
2019 JPY Medium Term Notes	AUD/JPY	75.2220	–	–	–	(133)
2020 EUR Medium Term Notes	AUD/EUR	0.5895	–	–	–	(1,018)
2021 EUR Medium Term Notes	AUD/EUR	0.6464	–	–	–	(1,702)
2021 GBP Medium Term Notes	AUD/GBP	0.5530	–	–	–	(452)
Pay USD/receive foreign currency						
2015 EUR Medium Term Notes	USD/EUR	0.9514	–	–	(1,025)	–
2015 GBP Medium Term Notes	USD/GBP	0.6773	–	–	–	(1,329)
			–	(536)	(2,133)	(5,376)

¹ The Consolidated Entity entered into a USD/AUD cross currency swap in February 2024. The combination of the 2015 EUR/USD cross currency swap and the USD/AUD cross currency swap are designated as a hedge of the 2015 EUR Medium Term Notes.

Notes to the consolidated financial statements (continued)
Capital Management (continued)
18. Financial risk management (continued)

Foreign currency denominated borrowings

The Consolidated Entity maintains a level of borrowings in foreign currency, or swapped from one foreign currency to another to match payments of interest and principal against expected future business cash flows in that foreign currency. This mitigates the risk of adverse movements in foreign exchange rates in relation to principal and interest payments arising from these foreign currency borrowings as well as future revenues.

Foreign currency sensitivity analysis

The analysis below shows the effect on profit and total equity of retranslating cash, receivables, payables and interest-bearing liabilities denominated in USD, JPY, GBP, EUR and SEK into AUD, had the rates been 20 percent higher or lower than the relevant year end rate, with all other variables held constant, and taking into account all underlying exposures and related hedges. A sensitivity of 20 percent has been selected and represents management's assessment of the possible change in rates taking into account the current level of exchange rates and the volatility observed both on an historical basis and on market expectations for possible future movements:

- Net profit would increase by \$3 million with a 20 percent depreciation of the AUD or decrease by \$2 million with a 20 percent increase in AUD (2023: increase by \$3 million and decrease by \$2 million respectively); and
- Equity reserves would decrease by \$869 million with a 20 percent depreciation of the AUD or increase by \$581 million with a 20 percent increase in AUD (2023: decrease by \$389 million or increase by \$260 million respectively).

Interest rate risk

The Consolidated Entity's interest rate risk is derived predominately from borrowings. This risk is managed by the Consolidated Entity maintaining an appropriate mix between fixed and floating rate borrowings, through the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined policy, ensuring appropriate hedging strategies are applied.

The Consolidated Entity's exposures to interest rate risk on financial liabilities are detailed in the liquidity risk management section of this note. Exposure to financial assets is limited to cash and cash equivalents amounting to \$674 million as at 30 June 2024 (2023: \$512 million).

Cross currency swap and interest rate swap contracts

Cross currency swap and interest rate swap contracts have the economic effect of converting borrowings from floating to fixed rates and/or fixed rate foreign currency to fixed or floating AUD rates on agreed notional principal amounts enabling the Consolidated Entity to mitigate the risk of cash flow exposures on variable rate debt held. The fair value of cross currency swap and interest rate swap contracts at the reporting date is determined by discounting the future cash flows using the yield curves at reporting date. The average interest rate is based on the drawn debt balances at the end of the financial year.

There is an economic relationship between the hedged item and the hedging instrument. Based on the Consolidated Entity's qualitative assessment of effectiveness, it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Consolidated Entity's own credit risk on the fair value of the cross currency swap and interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates and difference in timing of the future cash flows. The effect of credit risk does not dominate the value changes that result from that economic relationship.

The following table details the notional principal amounts and remaining terms of the cross currency swap contracts outstanding as at the end of the financial year:

	Weighted average interest rate		Notional principal amount		Fair value	
	2024 % p.a.	2023 % p.a.	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Cash flow hedges – Pay fixed AUD interest – receive floating AUD or fixed foreign currency						
Less than 1 year	7.37	–	198	–	44	–
1 year to 2 years	–	7.28	–	536	–	95
2 years to 5 years	4.59	4.82	5,586	2,634	104	134
5 years and more ¹	4.30	4.04	5,697	5,876	(435)	(428)
			11,481	9,046	(287)	(199)

¹ This amount includes a notional amount of USD 886 million (2023: USD 1.6 billion).

Notes to the consolidated financial statements (continued)
Capital Management (continued)
18. Financial risk management (continued)

The cross currency swap and interest rate swap contracts settle on a quarterly or semi-annual basis. The floating rate benchmark on the interest rate swaps is Australian BBSW. The Consolidated Entity will settle the difference between the fixed and floating interest rate on a net basis.

All cross currency swap and interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Consolidated Entity's cash flow exposure on borrowings.

The following tables detail before tax information of the Consolidated Entity (excluding share of hedge reserves of associates) regarding derivative financial instruments outstanding at the end of the reporting period, their related hedged items and the effectiveness of the hedging relationships.

	Fair value of hedge instrument		Fair value of hedge item		Cash flow hedge reserve balance	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Foreign exchange risk						
Hedging foreign currency borrowings (cross currency swap)	(262)	(224)	312	225	436	788
Hedging revenue and associated receivables (foreign currency borrowings)	(69)	(69)	69	69	69	69
Hedging revenue and associated receivables (FECs)	(32)	(76)	32	76	29	73
Hedging foreign currency borrowings (FECs)	95	89	(95)	(89)	25	32
Hedging capital purchases (FECs)	–	2	–	(2)	–	(2)
Interest rate risk						
Hedging AUD borrowings (IRS)	(25)	25	26	(24)	26	(24)
	(293)	(253)	344	255	585	936

	Change in fair values of hedge instruments ¹		Change in fair values of hedged items ¹	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Foreign exchange risk				
Hedging foreign currency borrowings (cross currency swap)	9	7	30	(17)
Hedging revenue and associated receivables (foreign currency borrowings)	–	(15)	–	15
Hedging revenue and associated receivables (FECs)	14	(20)	(14)	19
Hedging foreign currency borrowings (FECs)	6	18	(6)	(18)
Hedging capital purchases (FECs)	–	3	–	(3)
Interest rate risk				
Hedging AUD borrowings (IRS)	(50)	17	50	(16)
	(21)	10	60	(20)

¹ This table excludes change in fair values of forecast transactions no longer expected to occur.

Notes to the consolidated financial statements (continued)
Capital Management (continued)
18. Financial risk management (continued)

	Hedge effectiveness gain / (loss) ¹		Balance relating to discontinued cash flow hedges	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Foreign exchange risk				
Hedging foreign currency borrowings (cross currency swap)	(1)	(2)	178	–
Hedging revenue and associated receivables (foreign currency borrowings)	–	–	43	81
Hedging revenue and associated receivables (FECs)	–	–	–	–
Hedging foreign currency borrowings (FECs)	–	–	–	–
Hedging capital purchases (FECs)	–	–	–	–
Interest rate risk				
Hedging US\$ denominated borrowings (interest rate swap)	–	–	18	23
	(1)	(2)	239	104

¹ Hedge ineffectiveness gain / (loss) shown is cumulative and recognised in finance cost.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments held. A 100 basis point increase or decrease is used and represents management's assessment of the possible change in interest rates over the short term. At reporting date, if interest rates had been 100 basis points lower or higher and all other variables were held constant, the Consolidated Entity's equity reserves would increase by \$105 million with a 100 basis point decrease in interest rates or decrease by \$108 million with a 100 basis point increase in interest rates (2023: increase by \$29 million or decrease by \$42 million respectively). This is due to the changes in the fair value of derivative interest instruments.

The Consolidated Entity's profit sensitivity to interest rates remains unchanged during the current year as the Consolidated Entity has no unhedged floating rate borrowings outstanding at the end of the financial year. The increase/decrease in equity reserves is based on 1.00% p.a. increase/decrease in the yield curve at the reporting date.

Price risk – equity price

The Consolidated Entity is exposed to price risk arising from its forward purchase contracts over listed equities. The forward purchase contracts are held to hedge long-term incentive awards rather than for trading purposes. The Consolidated Entity does not actively trade these holdings.

Price risk – electricity price

The Consolidated Entity is exposed to electricity price risk arising from contracts for difference in an electricity sales agreement and a network services agreement with customers. The contract guarantees the Consolidated Entity a fixed price for electricity offtake and contracts to provide network services in exchange, of which, a portion of the fee is fixed against the price of capacity. The key assumptions of the contract for difference are provided in the fair value of financial instrument section.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

18. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity.

Credit risk management

The Consolidated Entity has adopted the policy of dealing with creditworthy counterparties or obtaining sufficient collateral or bank guarantees where appropriate as a means of mitigating the risk of loss. For financial investments or market risk hedging, the Consolidated Entity's policy is to only transact with counterparties that have a credit rating of A- (Standard & Poor's)/A3 (Moody's) or higher unless specifically approved by the Board. Where a counterparty's rating falls below this threshold following a transaction, no other transactions can be executed with that counterparty until the exposure is sufficiently reduced or their credit rating is upgraded above the Consolidated Entity's minimum threshold. The Consolidated Entity's exposure to financial instrument and deposit credit risk is closely monitored against counterparty credit limits imposed by the Treasury Risk Management Policy approved by the AFC. These limits are regularly reviewed by the Board.

Overview of the Consolidated Entity's exposure to credit risk

In order to minimise credit risk, the Consolidated Entity categorised exposures according to their degree of risk of default. The Consolidated Entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Consolidated Entity's current credit risk grading framework comprises the following categories:

- Performing – the counterparty has a low risk of default and does not have any past-due amounts;
- Doubtful – amount is >30 days past due or there has been a significant increase in credit risk since initial recognition; and
- Write-off – there is evidence indicating that the debtor is in severe financial difficulty and the Consolidated Entity has no realistic prospect of recovery.

The table below details the credit quality of the Consolidated Entity's financial assets.

	External credit rating	Internal credit rating	ECL method (1)
Cash and cash equivalents and cash on deposit	A- (Standard & Poor's)/ A3 (Moody's) or higher	Performing	12-month ECL
Trade receivables	N/A	2	Lifetime ECL (simplified approach)
Finance lease receivables	N/A	2	Lifetime ECL (simplified approach)
Contract assets	N/A	2	Lifetime ECL (simplified approach)
Loans advanced to related parties	N/A	Performing	12-month ECL
Redeemable preference shares (GDI)	N/A	Performing	12-month ECL

¹ Lifetime ECL represents the expected credit losses (ECL) that will result from possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

² For trade receivables, finance lease receivables and contract assets, the Consolidated Entity has applied the simplified approach in AASB 9 to measure the loss allowance at lifetime ECL. The Consolidated Entity determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 8 includes further details on the loss allowance for these assets respectively if any.

There is no material ECL for any of the financial assets listed in the table above. Refer to note 8 for further information.

Cross guarantee

In accordance with a deed of cross guarantee, APA Infrastructure Limited has agreed to provide financial support, as and when required, to all wholly-owned controlled entities that have ascended to the deed with either a deficit in shareholders' funds or an excess of current liabilities over current assets. The fair value of the financial guarantee as at 30 June 2024 has been determined to be immaterial and no liability has been recorded (2023: \$nil).

Notes to the consolidated financial statements (continued)

Capital Management (continued)

18. Financial risk management (continued)

(c) Liquidity risk

The Consolidated Entity has a policy of dealing with liquidity risk which requires an appropriate liquidity risk management framework for the management of the Consolidated Entity's short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate cash reserves and banking facilities, by monitoring and forecasting cash flow and where possible, by arranging liabilities with longer maturities to more closely match the underlying assets of the Consolidated Entity.

Detailed in the following table are the Consolidated Entity's remaining contractual maturities for its financial liabilities including AUD and foreign currency denominated notes, cross currency swaps and interest rate swaps in aggregate. The table shows the undiscounted Australian dollar cash flows and includes both interest and principal cash flows. Rates shown are the coupon rate in the currency of issuance.

2024	Maturity	Average interest rate % p.a.	Contract Value		
			<1 year \$m	1- 5 years \$m	> 5 years \$m
Secured financial liabilities					
Secured third party borrowings ¹	23-Nov-41	2.25	7	28	57
Secured third party borrowings ^{1,2}	23-Nov-46	—	—	—	24
Unsecured financial liabilities					
Trade and other payables			556	—	—
Guaranteed bank loans ³	20-May-27	3.77	24	549	—
Guaranteed bank loans ³	20-May-29	3.88	26	605	—
Guaranteed bank loans ³	31-Oct-30	5.05	51	202	825
Guaranteed bank loans ³	31-Oct-33	5.23	36	143	661
Denominated in A\$					
Other financial liabilities			2	4	—
Guaranteed Senior Notes					
Denominated in US\$					
2015 US 144A ⁴	23-Mar-25	4.20	1,719	—	—
2015 US 144A ⁴	23-Mar-35	5.00	22	90	585
2017 US 144A	15-July-27	4.25	59	1,255	—
Denominated in stated foreign currency					
2012 GBP Medium Term Notes	26-Nov-24	4.25	205	—	—
2015 GBP Medium Term Notes ⁴	22-Mar-30	3.50	60	238	1,388
2015 EUR Medium Term Notes	22-Mar-27	2.00	45	1,130	—
2019 GBP Medium Term Notes	18-July-31	3.13	34	135	826
2019 JPY Medium Term Notes	13-June-34	1.03	6	23	161
2020 EUR Medium Term Notes	15-July-30	2.00	39	158	1,077
2021 EUR Medium Term Notes	15-Mar-29	0.75	28	1,038	—
2021 EUR Medium Term Notes	15-Mar-33	1.25	29	117	891
2021 GBP Medium Term Notes	15-Mar-36	2.50	19	77	587
Guaranteed Subordinated Notes					
Denominated in EUR					
2023 EUR Hybrid Notes	09-Feb-29	7.13	77	1,136	—
			3,044	6,928	7,082

¹ On 1 November 2023, the Consolidated Entity acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). The acquisition included secured third party loan facilities with concessional interest rates. Refer to note 24 for further details.

² The repayment obligation of the loan is linked to a cash sweep mechanism that applies once a minimum IRR threshold is met. Based on this mechanism, it is expected that this loan will be fully repaid by 30/09/2030. However, this is subject to regular adjustment. If this mechanism does not achieve full repayment of the loan then any remaining balance is to be fully repaid 25 years after project completion as per maturity shown.

³ Bank facilities mature on 20 May 2027 (\$500 million limit), 20 May 2029 (\$500 million limit), 31 October 2030 (\$750 million limit) and 31 October 2033 (\$500 million limit). The facilities are fully drawn at reporting date.

⁴ Facilities are denominated in or fully swapped by way of CCS into USD. Cashflows represent the USD cashflow translated at the USD/AUD spot rate as at 30 June 2024. These amounts are fully hedged by FECs or future USD revenues.

Notes to the consolidated financial statements (continued)
Capital Management (continued)
18. Financial risk management (continued)

2023	Maturity	Average	Contract Value		
		interest rate % p.a.	<1 year \$m	1- 5 years \$m	> 5 years \$m
Unsecured financial liabilities					
Trade and other payables			471	–	–
Guaranteed bank loans ¹	20-May-27	3.77	25	574	–
Guaranteed bank loans ¹	20-May-29	3.88	26	105	526
Denominated in A\$					
Other financial liabilities			3	5	–
Guaranteed Senior Notes ²					
Denominated in A\$					
2016 AUD Medium Term Notes	20-Oct-23	3.75	204	–	–
Denominated in US\$					
2015 US 144A ³	23-Mar-25	4.20	69	1,720	–
2015 US 144A ³	23-Mar-35	5.00	23	90	608
2017 US 144A	15-July-27	4.25	59	1,314	–
Denominated in stated foreign currency					
2012 GBP Medium Term Notes	26-Nov-24	4.25	40	555	–
2015 GBP Medium Term Notes ³	22-Mar-30	3.50	60	238	1,449
2015 EUR Medium Term Notes ³	22-Mar-27	2.00	45	1,161	–
2019 GBP Medium Term Notes	18-July-31	3.13	34	135	859
2019 JPY Medium Term Notes	13-June-34	1.03	6	23	167
2020 EUR Medium Term Notes	15-July-30	2.00	39	158	1,117
2021 EUR Medium Term Notes	15-Mar-29	0.75	27	110	956
2021 EUR Medium Term Notes	15-Mar-33	1.25	29	117	920
2021 GBP Medium Term Notes	15-Mar-36	2.50	19	77	606
			1,179	6,382	7,208

¹ Bank facilities mature on 20 May 2027 (\$500 million limit) and 20 May 2029 (\$500 million limit). The facilities are fully drawn at reporting date.

² Rates shown are the coupon rate in the currency of issuance.

³ Facilities are denominated in or fully swapped by way of CCS into USD. Cashflows represent the USD cashflow translated at the USD/AUD spot rate as at 30 June 2023. These amounts are fully hedged by FECs or future USD revenues.

Critical accounting judgements and key sources of estimation uncertainty – fair value of financial instruments

The Consolidated Entity has financial instruments that are carried at fair value in the statement of financial position. The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Consolidated Entity determines fair value by using various valuation models. The objective of using a valuation technique is to establish the price that would be received to sell an asset or paid to transfer a liability between market participants. The chosen valuation models make maximum use of market inputs and rely as little as possible on entity specific inputs. The fair values of all positions include assumptions made as to recoverability based on the counterparty's and the Consolidated Entity's credit risk.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

18. Financial risk management (continued)

Fair value measurements recognised in the statement of financial position

The following table 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 the 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).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy occur at the end of the reporting period. There have been no transfers between the levels during 2024 (2023: none). Transfers between Level 1 and Level 2 are triggered when there are changes to the availability of quoted prices in active markets. Transfers into Level 3 are triggered when the observable inputs become no longer observable, or vice versa for transfer out of Level 3.

Fair value of the Consolidated Entity's financial assets and liabilities that are measured at fair value on a recurring basis

The fair values of financial assets and financial liabilities are measured at the end of each reporting period and determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. These instruments are classified in the fair value hierarchy at Level 1;
- The fair values of FECs included in hedging assets and liabilities are calculated using discounted cash flow analysis based on 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 the various counterparties. These instruments are classified in the fair value hierarchy at Level 2;
- The fair values of interest rate swaps, cross currency swaps, equity forwards and other derivative instruments included in hedging assets and liabilities are calculated using discounted cash flow analysis using observable market inputs (yield curves, foreign exchange rates, equity prices and historical inflation indices) at the end of the reporting period and contract rates discounted at a rate that reflects the credit risk of the various counterparties. These instruments are classified in the fair value hierarchy at Level 2;
- The fair value of indexed revenue contract is derived from present value of expected future cash flows based on observable inflation indices and yield curve at the end of the reporting period. These instruments are classified in the fair value hierarchy at Level 2;
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current markets discounted at a rate that reflects the credit risk of the various counterparties. These instruments are classified in the fair value hierarchy at Level 2;
- The fair value of financial guarantee contracts is determined based upon the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default. These instruments are classified in the fair value hierarchy at Level 2; and
- The carrying value of financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair value having regard to the specific terms of the agreements underlying those assets and liabilities.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

18. Financial risk management (continued)

Contracts for difference

The financial statements include contracts for difference arising from an electricity sales agreement with a customer that guarantees the Group a fixed price for electricity offtake for the agreed term and a network services agreement where the Group exchanges variable inter-regional electricity revenues for a fixed fee based on capacity. The contracts are at fair value. The fair value of the contract for difference is derived from internal discounted cash flow valuation methodology, which includes some assumptions that are not able to be supported by observable market prices or rates.

In determining the fair value, the following assumptions were used:

- For the electricity sales agreement, the estimated long term forecast electricity pool prices are applied as market prices are not readily observable for the corresponding term. Forecast electricity volumes are estimated based on an internal forecast output model;
- For the network services agreement, the variable inter-regional revenues were forecast based on the interconnector's historical spot prices and electricity volumes as these inputs are not readily observable;
- The discount rates are based on observable market rates for risk-free instruments of the appropriate term;
- Credit adjustments are applied to the discount rates to reflect the risk of default by either the Consolidated Entity or a specific counterparty. Where a counterparty specific credit curve is not observable, an estimated curve is applied which takes into consideration the credit rating of the counterparty and its industry; and
- These instruments are classified in the fair value hierarchy at Level 3.

Changes in any of the aforementioned assumptions may be accompanied by changes in other assumptions which may have an offsetting impact.

Fair value hierarchy

2024	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Financial assets measured at fair value				
Interest rate swaps used for hedging	–	22	–	22
Cross currency swap contracts used for hedging	–	217	–	217
Foreign currency forward exchange contracts used for hedging	–	127	–	127
Contracts for difference	–	–	4	4
	–	366	4	370
Financial liabilities measured at fair value				
Interest rate swaps used for hedging	–	47	–	47
Equity forwards designated as fair value through profit or loss	–	5	–	5
Cross currency swap contracts used for hedging	–	479	–	479
Foreign currency forward exchange contracts used for hedging	–	63	–	63
Contracts for difference	–	–	11	11
Indexed revenue contract	–	14	–	14
	–	608	11	619

Notes to the consolidated financial statements (continued)
Capital Management (continued)
18. Financial risk management (continued)

2023	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Financial assets measured at fair value				
Interest rate swaps used for hedging	–	25	–	25
Cross currency swap contracts used for hedging	–	286	–	286
Foreign currency forward exchange contracts used for hedging	–	121	–	121
Contracts for difference	–	–	13	13
	–	432	13	445
Financial liabilities measured at fair value				
Cross currency swap contracts used for hedging	–	509	–	509
Foreign currency forward exchange contracts used for hedging	–	106	–	106
Indexed revenue contract	–	12	–	12
Contracts for difference	–	–	3	3
	–	627	3	630

Reconciliation of Level 3 fair value measurements

	2024 \$m	2023 \$m
Opening balance	10	(2)
Revaluation	(20)	17
Settlement	3	(5)
Closing balance	(7)	10

Fair value measurements of financial instruments measured at amortised cost

The financial liabilities included in the following table are fixed rate borrowings. Other debts held by the Consolidated Entity are floating rate borrowings and amortised cost as recorded in the financial statements approximate their fair values.

	Carrying amount		Fair value (Level 2) ¹	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Financial liabilities				
Unsecured Australian Dollar Medium Term Notes	–	200	–	199
Unsecured Japanese Yen Medium Term Notes	93	104	84	96
Unsecured US Dollar 144A Medium Term Notes	3,367	3,366	3,313	3,231
Unsecured British Pound Medium Term Notes	2,606	3,031	2,268	2,432
Unsecured Euro Medium Term Notes	3,753	3,825	3,268	3,095
Unsecured Euro Hybrid Notes ²	793	–	848	–
	10,612	10,526	9,781	9,053

¹ The fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current markets, discounted at a rate that reflects the Consolidated Entity's credit risk. The instruments are classified in the fair value hierarchy at Level 2.

² In November 2023, the Consolidated Entity issued EUR 500 million hybrid (AUD 828 million) subordinated debt at 7.125% per annum (swapped to 9.32% per annum fixed AUD interest rate until February 2029).

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Other financial instruments

	Assets		Liabilities	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Derivatives at fair value:				
Contracts for difference	–	–	11	3
Equity forward contracts	–	–	1	–
Derivatives at fair value designated as hedging instruments:				
Cross currency swaps – cash flow hedges ¹	57	22	154	159
Foreign exchange contracts – cash flow hedges	111	17	44	45
Interest rate swaps – cash flow hedges ¹	8	10	5	–
Current	176	49	215	207
Derivatives at fair value:				
Contracts for difference	4	13	–	–
Equity forward contracts	–	–	4	–
Indexed revenue contracts	–	–	14	12
Derivatives at fair value designated as hedging instruments:				
Cross currency swaps – cash flow hedges	173	288	359	379
Foreign exchange contracts – cash flow hedges	19	104	23	61
Interest rate swaps – cash flow hedges	14	15	43	–
Financial items carried at amortised cost:				
Redeemable preference shares ²	10	10	–	–
Non-current	220	430	443	452

¹ Derivatives at fair value for cross currency swaps and interest rate swaps include interest receivables and payables.

² Redeemable preference shares relate to the Consolidated Entity's 20% interest in GDI (EII) Pty Ltd. In December 2011, APA sold 80% of its gas distribution network in South East Queensland (Allgas) into an unlisted investment entity, GDI (EII) Pty Ltd. At that date GDI issued 52 million Redeemable Preference Shares (RPS) to its owners. The shares were redeemed in December 2021 and new redeemable preference shares were issued. The shares attract periodic interest payments and have a redemption date 10 years from issue.

Recognition and measurement

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

Derivatives that the Consolidated Entity does not elect to apply hedge accounting to or do not meet the hedge accounting criteria, are classified as 'financial assets/liabilities' for accounting purposes and accounted for at FVTPL.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Other financial instruments (continued)

Fair value measurement

For information about the methods and assumptions used in determining the fair value of financial instruments refer to note 18.

Hedge accounting

The Consolidated Entity designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. There are no fair value hedges in the current or prior year, hedges of foreign exchange and interest rate risk are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Consolidated Entity formally designates and documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Consolidated Entity expects the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Consolidated Entity actually hedges and the quantity of the hedging instrument that the Consolidated Entity actually uses to hedge that quantity of hedged item.

Derivatives are initially recognised at fair value at the date a derivatives contract is entered into and subsequently remeasured to fair value at each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative with a positive fair value is recognised as a financial asset, a derivative with a negative fair value is recognised as a financial liability.

The fair value of hedging derivatives is classified as either current or non-current based on the timing of the underlying discounted cash flows of the instrument. Cash flows due within 12 months of the reporting date are classified as current and cash flows due after 12 months of the reporting date are classified as non-current.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Other financial instruments (continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'finance costs' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Consolidated Entity expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Consolidated Entity discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in the cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Accounting for the forward element of foreign currency forward exchange contracts and foreign currency basis spreads of financial instruments

The Consolidated Entity designates the full change in the fair value of an FEC (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving FECs.

The Consolidated Entity separates the foreign currency basis spread from a financial instrument and excludes it from the designation of that financial instrument as the hedging instrument. Changes in the value of the undesignated aligned foreign currency basis spread associated with cross currency swaps are deferred in other comprehensive income.

Cash flow hedge and cost of hedging reserve

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment).

The cost of hedging reserve represents the effect of the changes in fair value of the forward currency basis spread of a financial instrument when the foreign currency basis spread of a financial instrument is excluded from the designation of that financial instrument as the hedging instrument (consistent with the Consolidated Entity's accounting policy to recognise non-designated component of foreign currency derivative in equity). The changes in fair value of the foreign currency basis spread of a financial instrument, in relation to a time-period related hedged item accumulated in the cash flow hedging reserve, are amortised to profit or loss on a rational basis over the term of the hedging relationship.

	2024 \$m	2023 \$m
Balance at beginning of financial year	(722)	(348)
Gain/(loss) recognised taken to equity:		
Loss arising on changes in fair value of hedging instruments	(88)	(643)
Changes in fair value of foreign currency basis spread during the year	43	(62)
Share of hedge reserve of associate	(6)	3
Amount reclassified to P&L for forecast transactions no longer expected to occur ¹	22	–
Amount reclassified to P&L for effective hedges	240	167
Tax effect	(62)	161
Balance at end of financial year	(573)	(722)

¹ Amount reclassified to P&L for forecast transactions no longer expected to occur include the hedge reserve opening balance in relation to the cross currency swaps terminated as result of the GBP 221 million Medium Term Notes buy back in May 2024.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Other financial instruments (continued)

In 2024, the foreign currency basis spread reserve balance at the beginning of financial year is (\$13 million) and at the end of financial year is \$48 million (2023: \$13 million at beginning of financial year).

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

In hedges of foreign currency capital equipment purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the Consolidated Entity or the derivative counterparty.

Hedge ineffectiveness for cross currency swaps is assessed using the same principles as for hedges of foreign currency capital equipment purchases. It may occur due to the credit value/debit value adjustment on the swap contracts which is not matched by the debts.

Impairment of financial assets

In relation to the impairment of financial assets, it is no longer necessary for a credit event to have occurred before credit losses are recognised. The Consolidated Entity applies an ECL model to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of a financial asset.

The Consolidated Entity recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost, for example, loans advanced to related parties and trade receivables. No impairment loss is recognised for investments in equity instruments. For trade receivables, finance lease receivables and contract assets, the Consolidated Entity applies the simplified approach to assessing ECL. Under the simplified approach, ECL on these financial assets is estimated using a provision matrix. This matrix is based on the Consolidated Entity's historical credit losses and reasonable and supportable information that is available without undue cost.

The amount of ECL under either approach is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Consolidated Entity recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. Aside from the additional disclosure requirements in note 18, the history of collection rates and forward-looking information that is available without undue cost or effort shows that the Consolidated Entity has immaterial expected loss on collection of debtors or loans.

Significant increase in credit risk

An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.

Definition of default

When there is a breach of financial covenants by the debtor.

Write-off policy

The Consolidated Entity writes off a financial asset when all reasonable attempts at recovery have been taken and failed e.g. debts that are considered irrecoverable, or where the cost of recovery is uneconomic, must be written off as a bad debt.

Notes to the consolidated financial statements (continued)
Capital Management (continued)
20. Issued capital

		2024 \$m	2023 \$m	
Shares				
62,127,252 shares, fully paid (2023: 62,127,252 shares, fully paid) ¹		117	117	
	2024 No. of shares in millions	2024 \$m	2023 No. of shares in millions	2023 \$m
Movements				
Balance at beginning of financial year	62	117	62	117
Balance at end of financial year	62	117	62	117

¹ Fully paid securities carry one vote per security and carry the right to distributions.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to issued capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Group Structure

21. Non-controlling interests

	2024 \$m	2023 \$m
Issued capital		
Balance at beginning of financial year	119	119
Balance at end of financial year	119	119
	119	119
Retained earnings		
Balance at beginning of financial year	–	–
Profit for the year	19	20
Distributions paid	(19)	(20)
Balance at end of financial year	–	–
	119	119

Notes to the consolidated financial statements (continued)

Group Structure (continued)

22. Joint arrangements and associates

The table below lists the Consolidated Entity's interest in joint ventures and associates that are reported as part of the Energy Investments segment. The Consolidated Entity provides asset management, operation and maintenance services and corporate services, in varying combinations, to the majority of energy infrastructure assets housed within these entities.

Name of entity	Principal activity	Country of incorporation	Ownership interest %	
			2024	2023
Joint ventures:				
SEA Gas	Gas transmission	Australia	50.0	50.0
SEA Gas (Mortlake)	Gas transmission	Australia	50.0	50.0
EII 2	Power generation (wind)	Australia	20.2	20.2
Associate:				
GDI (EII)	Gas distribution	Australia	20.0	20.0
			2024 \$m	2023 \$m
Investment in joint ventures and associates using the equity method			243	252
Aggregated information in respect of the joint ventures and associate is set out below:				
Joint Ventures				
Aggregate carrying amount of investment			218	225
The Consolidated Entity's aggregated share of:				
Profit from continuing operations			16	15
Other comprehensive income			(5)	3
Total comprehensive income			11	18
Associate				
Aggregate carrying amount of investment			25	27
The Consolidated Entity's aggregated share of:				
Profit from continuing operations			6	6
Other comprehensive income			(1)	–
Total comprehensive income			5	6

Notes to the consolidated financial statements (continued)
Group Structure (continued)
22. Joint arrangements and associates (continued)

Investment in associates

An associate is an entity over which the Consolidated Entity has significant influence and that is neither a subsidiary nor a joint arrangement. Investments in associates are accounted for using the equity accounting method.

Under the equity accounting method the investment is recorded initially at cost to the Consolidated Entity, including any goodwill on acquisition. In subsequent periods the carrying amount of the investment is adjusted to reflect the Consolidated Entity's share of the retained post-acquisition profit or loss and other comprehensive income, less any impairment.

Losses of an associate or joint venture in excess of the Consolidated Entity's interests (which includes any long-term interests, that in substance, form part of the net investment) are recognised only to the extent that there is a legal or constructive obligation or the Consolidated Entity has made payments on behalf of the associate or joint venture.

Carrying value of the investment in joint arrangement and associates are subject to impairment testing if there is objective evidence of impairment. No material indicators were identified in the joint arrangements and associates as at the date of the issuance of these financial statements.

Critical accounting judgements and key sources of estimation uncertainty – joint ventures and associates

Indicators that APA's investment in joint ventures and associates may be impaired include evidence of significant financial difficulty of the associate or joint venture; a breach of contract, the potential that the associate or joint venture will enter bankruptcy or other financial reorganisation, or the disappearance of an active market for the investment because of financial difficulties of the associate or joint venture.

Contingent liabilities and capital commitments

The Consolidated Entity's share of the contingent liabilities, capital commitments and other expenditure commitments of jointly controlled operations is disclosed in note 25.

The Consolidated Entity is party to the following joint operations and assets:

Name of venture	Principal activity	Output interest %	
		2024 %	2023 %
Goldfields Gas Transmission ¹	Gas pipeline operation – Western Australia	100.0	88.2

¹ On 1 November 2023, the Consolidated Entity acquired the remaining 11.8% of Goldfields Gas Transmission joint operations as part of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). Goldfields Gas Transmission is a 100% owned subsidiary as at 30 June 2024. Refer to note 24 for further details.

Interest in joint arrangements

A joint arrangement is an arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control such that decisions about the relevant activities of the arrangement (those that significantly affect the returns) require the unanimous consent of the parties sharing control.

The Consolidated Entity has two types of joint arrangements:

Joint ventures: A joint arrangement in which the parties that share joint control have rights to the net assets of the arrangement. Joint Ventures are accounted for using the equity accounting method; and

Joint operations: A joint arrangement in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. In relation to its interest in a joint operation, the Consolidated Entity recognises its share of assets and liabilities, revenue from the sale of its share of the output and its share of any revenue generated from the sale of the output by the joint operation and its share of expenses. These are incorporated into the Consolidated Entity's financial statements under the appropriate headings.

Notes to the consolidated financial statements (continued)

Group Structure (continued)

23. Subsidiaries

Subsidiaries are entities controlled by the Consolidated Entity. Control exists where the Consolidated Entity has power over the entities, i.e. existing rights that give them the current ability to direct the relevant activities of the entities (those that significantly affect the returns); exposure, or rights, to variable returns from their involvement with the entities; and the ability to use their power to affect those returns. The country of registration or incorporation is also their principal place of business.

Name of entity	Type of entity	Country of registration/ incorporation	Ownership interest	
			2024 %	2023 %
Parent entity				
APA Infrastructure Limited ¹				
Subsidiaries				
Agex Pty. Ltd. ^{2,3}	Body Corporate	Australia	100	100
APA (BWF Holdco) Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APA (EDWF Holdco) Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APA (EPX) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA (NBH) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA (Pilbara Pipeline) Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APA (SWQP) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA (WA) One Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA AIS 1 Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA AIS 2 Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APA AIS Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA AM (Allgas) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA BIDCO Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Biobond Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Country Pipelines Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA DPS Holdings Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA DPS2 Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA East Pipelines Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA EE Australia Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA EE Corporate Shared Services Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA EE Holdings Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA EE Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Electricity T&D Holdings Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APA Electricity T&D Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APA Ethane Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Facilities Management Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Group Limited ²	Body Corporate	Australia	100	100
APA Midstream Holdings Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Northern Goldfields Interconnect Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APA Operations (EII) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Operations Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Orbest Gas Plant Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APA Pipelines Investments (BWP) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Power Holdings Pty Limited ^{2,3}	Body Corporate	Australia	100	100

Notes to the consolidated financial statements (continued)

Group Structure (continued)

23. Subsidiaries (continued)

Name of entity	Type of entity	Country of registration/ incorporation	Ownership interest	
			2024 %	2023 %
APA Power PF Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Reedy Creek Wallumbilla Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA SEA Gas (Mortlake) Holdings Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APA SEA Gas (Mortlake) Pty Ltd ²	Body Corporate	Australia	100	100
APA Services (Int) Inc. ⁶	Body Corporate	United States	–	100
APA Sub Trust No 1 ^{2,4,9}	Trust	–	100	100
APA Sub Trust No 2 ^{2,4,9}	Trust	–	100	100
APA Sub Trust No 3 ^{2,4,9}	Trust	–	100	100
APA Transmission Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA US Investments ⁶	Body Corporate	United States	–	100
APA VTS A Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA VTS Australia (Holdings) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA VTS Australia (NSW) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA VTS Australia (Operations) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA VTS Australia Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA VTS B Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA Western Slopes Pipeline Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APA WGP Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APA (Newman Storage) Pty Ltd ^{2,3,7}	Body Corporate	Australia	100	–
APA Pilbara Holdings Pty Ltd ^{2,3,7}	Body Corporate	Australia	100	–
APA DEWAP Pty Ltd ^{2,3,7}	Body Corporate	Australia	100	–
APA DEWAH Pty Ltd ^{2,3,7}	Body Corporate	Australia	100	–
APA GGT Holdings Pty Ltd ^{2,3,7}	Body Corporate	Australia	100	–
APA GGT Sub Pty Limited ^{2,3,7}	Body Corporate	Australia	100	–
APA GGT Pty Limited ^{2,3,7}	Body Corporate	Australia	100	–
APA Transmission (Roy Hill) Holdings Pty Ltd ^{2,3,7}	Body Corporate	Australia	100	–
APA Transmission (Roy Hill) Sub Pty Ltd ^{2,3,7}	Body Corporate	Australia	100	–
APA Transmission (Roy Hill) Pty Ltd ^{2,3,7}	Body Corporate	Australia	100	–
APA Pilbara Solar Holdings Pty Ltd ^{2,7}	Body Corporate	Australia	100	–
APA Pilbara Finance Pty Ltd ^{2,7}	Body Corporate	Australia	100	–
APA Transmission (Chichester) Pty Ltd ^{2,7,8}	Body Corporate	Australia	100	–
APA (Chichester) Pty Ltd ^{2,7,8}	Body Corporate	Australia	100	–
APA Transmission (Roy Hill) Finance Pty Ltd ^{2,3,7}	Body Corporate	Australia	100	–
APT (MIT) Services Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT AM (Stratus) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT AM Employment Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT AM Holdings Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Facility Management Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Goldfields Pty Ltd ^{2,3}	Body Corporate	Australia	100	100

Notes to the consolidated financial statements (continued)

Group Structure (continued)

23. Subsidiaries (continued)

Name of entity	Type of entity	Country of registration/ incorporation	Ownership interest	
			2024 %	2023 %
APT Management Services Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT O&M Holdings Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APT O&M Services (QLD) Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APT O&M Services Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APT Parmelia Holdings Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APT Parmelia Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
APT Parmelia Trust ^{2,4,10}	Trust	–	100	100
APT Petroleum Pipelines Holdings Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Petroleum Pipelines Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Pipelines (NSW) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Pipelines (NT) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Pipelines (QLD) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Pipelines (SA) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Pipelines (WA) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Pipelines Investments (NSW) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Pipelines Investments (WA) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT Sea Gas Holdings Pty Limited ^{2,3}	Body Corporate	Australia	100	100
APT SPV2 Pty Ltd ²	Body Corporate	Australia	100	100
APT SPV3 Pty Ltd ²	Body Corporate	Australia	100	100
Basslink Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
Basslink Telecoms Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
Central Ranges Pipeline Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
Darling Downs Solar Farm Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
Diamantina Holding Company Pty Limited ^{2,3}	Body Corporate	Australia	100	100
Diamantina Power Station Pty Limited ^{2,3}	Body Corporate	Australia	100	100
East Australian Pipeline Pty Limited ^{2,3}	Body Corporate	Australia	100	100
EDWF Holdings 1 Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
EDWF Holdings 2 Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
EDWF Manager Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
Epic Energy East Pipelines Trust ^{2,4,11}	Trust	–	100	100
EPX Holdco Pty Limited ^{2,3}	Body Corporate	Australia	100	100
EPX Member Pty Limited ^{2,3}	Body Corporate	Australia	100	100
EPX Trust ^{2,4,12}	Trust	–	100	100
Gasinvest Australia Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
GasNet A Trust ⁴	Trust	–	100	100
GasNet Australia Trust ^{2,4}	Trust	Australia	100	100
Goldfields Gas Transmission Pty Ltd ²	Body Corporate	Australia	100	100
Gorodok Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
Griffin Windfarm 2 Pty Ltd ²	Body Corporate	Australia	100	100

Notes to the consolidated financial statements (continued)

Group Structure (continued)

23. Subsidiaries (continued)

Name of entity	Type of entity	Country of registration/ incorporation	Ownership interest	
			2024 %	2023 %
InfraEnergy Solutions Pty Limited ^{2,3,5}	Body Corporate	Australia	100	100
Moomba to Sydney Ethane Pipeline Trust ^{2,4}	Trust	–	100	100
N.T. Gas Distribution Pty Limited ^{2,3}	Body Corporate	Australia	100	100
N.T. Gas Pty Limited	Body Corporate	Australia	96	96
Power Solutions 2 Holdco Pty Limited ^{2,3}	Body Corporate	Australia	100	–
Power Solutions 2 Pty Limited ^{2,3}	Body Corporate	Australia	100	–
Roverton Pty. Ltd. ^{2,3}	Body Corporate	Australia	100	100
SCP Investments (No.1) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
SCP Investments (No. 2) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
SCP Investments (No. 3) Pty Limited ^{2,3}	Body Corporate	Australia	100	100
Sopic Pty. Ltd. ^{2,3}	Body Corporate	Australia	100	100
Southern Cross Pipelines (NPL) Australia Pty Limited ^{2,3}	Body Corporate	Australia	100	100
Southern Cross Pipelines Australia Pty Limited ^{2,3}	Body Corporate	Australia	100	100
Trans Australia Pipeline Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
Votrant No. 1606 Pty Limited ²	Body Corporate	Australia	100	100
Votrant No. 1613 Pty Limited ²	Body Corporate	Australia	100	100
Western Australian Gas Transmission Company 1 Pty Ltd ^{2,3}	Body Corporate	Australia	100	100
Wind Portfolio Pty Ltd ^{2,3}	Body Corporate	Australia	100	100

¹ The parent of APA Infrastructure Limited, APA Infrastructure Trust and its wholly-owned Australian resident entities formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is APA Infrastructure Trust.

² These entities are members of the APA tax-consolidated group.

³ These wholly-owned subsidiaries have entered into a deed of cross guarantee with APA Infrastructure Limited pursuant to ASIC Corporations Instrument 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.

⁴ These trusts are unincorporated and not required to be registered.

⁵ This entity's name was changed from N.T. Gas Easements Pty Limited on 27th April 2023.

⁶ These entities were deregistered on 31 May 2024.

⁷ The following subsidiary was acquired as part of the acquisition of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business) on 1 November 2023. Refer to note 24 for further details.

⁸ The following subsidiaries have entered into a deed of cross guarantee with APA Pilbara Finance Pty Ltd pursuant to ASIC Corporations Instrument 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.

⁹ Trustees of APA EE Holdings Pty Ltd and its related subsidiaries, which are included in the APA consolidated group.

¹⁰ Trustee of APT Parmelia Pty Ltd, which is included in the APA consolidated group.

¹¹ Trustee of APA East Pipelines Pty Ltd, which is included in the APA consolidated group.

¹² Trustee of APA (EPX) Pty Ltd, which is included in the APA consolidated group.

Notes to the consolidated financial statements (continued)

Group Structure (continued)

23. Subsidiaries (continued)

The consolidated statement of profit or loss and other comprehensive income of the entities party to the deed of cross guarantee is set out below.

	Cross Guarantee Group	
	2024 \$m	2023 \$m
Continuing operations		
Revenue	2,994	2,890
Share of net profits of associates and joint ventures using the equity method	12	12
	3,006	2,902
Asset operation and management expenses	(231)	(231)
Depreciation and amortisation expenses	(911)	(750)
Other operating costs – pass-through	(473)	(512)
Finance costs	(664)	(503)
Employee benefit expense	(470)	(395)
Other expenses	914	(82)
Fair value (losses)/gains on contracts for difference	(17)	12
Impairment of property, plant and equipment	(144)	–
Profit before tax	1,010	441
Income tax expense	(62)	(187)
Profit for the year	948	254
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gain on defined benefit plan	7	5
Income tax relating to gain on defined benefit plan	(3)	(1)
	4	4
Items that may be reclassified subsequently to profit or loss:		
Transfer of gain on cash flow hedges to profit or loss	262	41
Loss on cash flow hedges taken to equity	(45)	(579)
(Loss)/gain on associate hedges taken to equity	(6)	4
Income tax expense	(62)	160
	149	(374)
Other comprehensive income/(loss) for the year, net of income tax	153	(370)
Total comprehensive income/(loss) for the year	1,101	(116)

Notes to the consolidated financial statements (continued)
Group Structure (continued)
23. Subsidiaries (continued)

The consolidated statement of financial position of the entities party to the deed of cross guarantee is set out below.

	Cross Guarantee Group	
	2024 \$m	2023 \$m
Current assets		
Cash and cash equivalents	627	508
Trade and other receivables	583	866
Other financial assets	176	49
Inventories	82	55
Other	18	40
Current assets	1,486	1,518
Non-current assets		
Trade and other receivables	7	27
Other financial assets	850	979
Investments accounted for using the equity method	96	110
Property, plant and equipment	12,294	10,755
Goodwill	1,882	1,184
Other intangible assets	3,199	2,130
Other	35	34
Non-current assets	18,363	15,219
Total assets	19,849	16,737
Current liabilities		
Trade and other payables	3,082	3,484
Lease liabilities	20	17
Borrowings	1,896	202
Other financial liabilities	215	206
Provisions	159	159
Unearned revenue	13	13
Current liabilities	5,385	4,081

Notes to the consolidated financial statements (continued)

Group Structure (continued)

23. Subsidiaries (continued)

	Cross Guarantee Group	
	2024	2023
	\$m	\$m
Non-current liabilities		
Trade and other payables	940	37
Lease liabilities	50	51
Borrowings	10,950	11,321
Other financial liabilities	443	452
Deferred tax liabilities	1,515	1,095
Provisions	374	113
Unearned revenue	55	52
Non-current liabilities	14,327	13,121
Total liabilities	19,712	17,202
Net assets/(liabilities) ¹	137	(465)
Equity		
Issued capital	117	117
Reserves	(556)	(710)
Retained earnings	576	128
Equity attributable to equityholders of the parent ¹	137	(465)

¹ The working capital position as at 30 June 2024 for the Cross Guarantee Group is that current liabilities exceed current assets by \$3,899 million (2023: \$2,563 million) and total asset exceed total liabilities for the Cross Guarantee Group by \$137 million (2023: total liabilities exceed total assets by \$465 million). Excluding related party loans from APA Infrastructure Trust, total assets exceed total liabilities by \$3,430 million (2023: \$1,317 million). The Cross Guarantee Group has access to available committed, undrawn bank facilities of \$1,600 million as at 30 June 2024 (2023: \$1,600 million). Further to this, APA Group Limited, as the responsible entity for APA Infrastructure Trust and APA Investment Trust, has agreed to provide financial support, to enable the Cross Guarantee Group to pay its debts as and when they fall due. Refer to note 2, working capital position, for further details.

Notes to the consolidated financial statements (continued)

Other items

24. Acquisition of Pilbara Energy System

On 1 November 2023, the Consolidated Entity completed the acquisition of 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business) for a total cash consideration of \$1,703 million. The acquisition included the remaining 11.8% interest in the Goldfields Gas Transmission (GGT) joint operations, resulting in an increase in the Consolidated Entity's interest in GGT joint operations from 88.2% to 100%, granting it full ownership over GGT joint operations.

The Pilbara Energy System is an energy infrastructure business underpinned by contracted operational assets (gas and solar power generation, gas transmission, battery energy storage systems (BESS) and electricity transmission), together with an extensive pipeline of development projects (wind, solar, gas reciprocating engines, BESS and associated electricity transmission), located in Western Australia's Pilbara region. The acquisition provides APA with a significant growth platform to develop and operate remote-grid energy solutions for Australia's resources industry, complementing APA's already strong development and operational capability in key resources areas such as Mount Isa and Gruyere.

The Pilbara Energy System and the Goldfields Gas Transmission joint operation qualify as a business as defined in AASB 3 Business Combinations. Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method of accounting, the purchase consideration is allocated to the identifiable assets acquired and liabilities assumed (the identifiable net assets) on the basis of their fair value at the date of acquisition which is the date on which control is obtained. The excess of the consideration transferred and the acquisition-date fair value of APA Group's pre-existing equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

The acquisition accounting required under AASB 3 has been finalised at 30 June 2024. Details of the purchase consideration, the fair value of the identifiable net assets and goodwill arising from the acquisition are set out below.

	2024
Purchase consideration:	\$m
Cash paid	1,703
Fair value of pre-existing 88.2% interest in GGT joint operations ¹	1,433
Total consideration	3,136

¹ As part of the requirements under AASB 3, the Consolidated Entity's pre-existing 88.2% interest in the GGT joint operations was remeasured to its acquisition-date fair value of \$1,433 million. The difference between the fair value and the carrying amount of the Consolidated Entity's pre-existing interest in GGT joint operations on acquisition date of \$1,051 million was recognised as a remeasurement gain in the Consolidated Statement of Profit or Loss. This amount has been included in other income.

Notes to the consolidated financial statements (continued)

Other (continued)

24. Acquisition of Pilbara Energy System (continued)

	2024 \$m
Fair value of identifiable net assets acquired	
Current assets	
Cash and cash equivalents ¹	93
Trade and other receivables ²	27
Inventories	10
Other assets	10
Current assets	140
Non-current assets	
Property, plant and equipment	1,693
Other intangible assets ³	1,350
Non-current assets	3,043
Total assets	3,183
Current liabilities	
Trade and other payables	30
Unearned revenue	2
Borrowings	2
Provisions	3
Current liabilities	37
Non-current liabilities	
Unearned revenue	45
Borrowings	66
Provisions	55
Deferred tax liabilities ⁴	542
Non-current liabilities	708
Total liabilities	745
Fair value of identifiable net assets	2,438

¹ Cash and cash equivalents include \$88 million cash acquired and \$5 million attributable to the pre-existing 88.2% interest in the GGT joint operation.

² Fair value of the trade and other receivable represents their gross contractual values. No material contractual cash flows are expected to be uncollectable.

³ Included in other intangible assets are identifiable customer contracts and development assets which arose as a result of the business combination and other intangible assets.

⁴ Deferred tax liabilities primarily relate to the liability recognised at acquisition due to the difference between the fair value and the corresponding tax base.

Goodwill

	2024 \$m
Total consideration (including fair value of pre-existing 88.2% of interest in GGT joint operations)	3,136
Less: Fair value of identifiable net assets acquired	(2,438)
Goodwill	698

The goodwill on acquisition primarily arises from the deferred tax liability recognised at acquisition due to a difference between the fair value and the corresponding asset tax bases. The remaining goodwill consists of the access to an established workforce, the non-contractual customer relationships and early-stage development projects that do not meet the separability criterion under AASB 138 Intangible Assets, and the synergies and other benefits expected from integrating the Pilbara Energy System assets into APA Group's existing business that do not qualify for separate recognition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Notes to the consolidated financial statements (continued)

Other (continued)

24. Acquisition of Pilbara Energy System (continued)

	2024
Cash flows on acquisition	\$m
Cash paid	(1,703)
Cash acquired	88
Net cash flows on acquisition	(1,615)

Cash paid and cash acquired disclosed in the table above are exclusive of the cash balance relating to the pre-existing 88.2% interest.

Acquisition and estimated stamp duty costs of \$72 million and integration-related costs of \$14 million were expensed in the current period and are included in other expenses.

Included in the consolidated net profit for the financial year ended 30 June 2024 is statutory revenue of \$169 million and profit before tax of \$23 million contributed by the Pilbara Energy System business. The Consolidated Entity's underlying net profit includes underlying earnings before interest, tax, depreciation and amortisation (EBITDA) of \$89 million from the Pilbara Energy System business.

If the acquisition had occurred on 1 July 2023, it is estimated that the acquired business would have contributed \$249 million to statutory revenue and \$38 million to statutory profit before tax for the financial year ended 30 June 2024. It is estimated that the acquired business would have contributed \$133 million to the Consolidated Entity's current year underlying EBITDA if the acquisition occurred on 1 July 2023. In determining these amounts, it is assumed that the fair value adjustments and adjustments for difference in accounting policies that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2023.

Critical accounting judgements and key sources of estimation uncertainty – Fair values of net identifiable assets acquired

Judgement is required to determine the fair values of assets acquired and liabilities assumed in a business combination in particular the fair valuation of the identifiable intangible assets, which may have an impact on the resultant goodwill. The Consolidated Entity engaged independent experts to advise on the purchase price allocation and the valuation of material assets acquired.

Notes to the consolidated financial statements (continued)

Other (continued)

25. Commitments and contingencies

	2024 \$m	2023 \$m
Capital expenditure commitments		
APA Group – plant and equipment	209	213
APA Group's share of jointly controlled operations – plant and equipment	–	15
	209	228
Contingent liabilities		
Bank guarantees	47	57

The Consolidated Entity is subject to a range of operational matters, which can at times raise exposure to assets and liabilities that are uncertain and cannot be measured reliably. This includes our exposure to matters such as regulatory requirements, changes in law, climate change policy, changes to licensing and recognised practising codes including health, safety and environment, employee entitlements, environmental laws and regulations, occupational health and safety requirements, technical and safety standards and asset construction and operation compliance requirements. The preparation of the financial statements requires management to make judgements and estimates and form assumptions that affect the amounts of contingent assets and liabilities reported in the financial statements.

These judgements, estimates and assumptions are based on the most current facts and circumstances and are reassessed on an ongoing basis, the results of which form the basis of the reported amounts that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. This may materially affect financial results and the financial position to be reported in future periods. The Consolidated Entity continues to assess these judgements, estimates and assumptions relating to the disclosure of contingent assets and liabilities.

Contingent assets and liabilities relate predominantly to possible benefits or obligations whose existence will only be confirmed by uncertain future events and present obligations where the transfer of economic resources is not probable or cannot be reliably estimated. Therefore such amounts are not recognised in the financial statements.

As at 30 June 2024 and 30 June 2023 the Consolidated Entity had no material contingent liabilities, other than the bank guarantees disclosed above.

The Consolidated Entity had nil contingent assets as at 30 June 2024 and 30 June 2023.

Notes to the consolidated financial statements (continued)

Other (continued)

26. Director and Executive Key Management Personnel remuneration

Remuneration of Directors

The aggregate remuneration of Directors of the Consolidated Entity is set out below:

	2024 \$	2023 \$
Short-term employment benefits	1,742,212	1,673,901
Post-employment benefits	165,545	149,671
Total remuneration: Non-Executive Directors	1,907,757	1,823,572
Short-term employment benefits	2,475,001	4,112,061
Post-employment benefits	27,399	31,563
Cash settled security-based payments	–	138,770
Equity settled security-based payments	900,215	2,575,647
Total remuneration: Executive Directors	3,402,615	6,858,041
Total remuneration: Directors ¹	5,310,372	8,681,613

Remuneration of Executive Key Management Personnel

The aggregate remuneration of Executive Key Management Personnel of the Consolidated Entity is set out below:

	2024 \$	2023 \$
Short-term employment benefits	5,966,026	6,528,421
Post-employment benefits	102,746	72,854
Cash settled security-based payments	92,405	179,992
Equity settled security-based payments	1,802,626	3,286,021
Total remuneration: Executive Key Management Personnel ^{1,2}	7,963,803	10,067,288

¹ During FY23, the remuneration for the former Chief Executive Officer and Managing Director, Rob Wheals up to 30 September 2022 and current Chief Executive Officer and Managing Director, Adam Watson from 1 October 2022 (previously Chief Financial Officer and Key Management Personnel), are included in both the remuneration disclosure for Directors and Executive Key Management Personnel. During FY23, the remuneration for Group Executive Strategy & Commercial, Julian Peck to 25 August 2022 and Group Executive Commercial Development, Ross Gersbach to 22 August 2022 are included in the remuneration disclosure for Executive Key Management Personnel.

² During FY24, APA appointed Garrick Rollason as Chief Financial Officer on 16 October 2023 and Petrea Bradford as Group Executive Operations on 28 August 2023. Their remuneration is included in the remuneration disclosure of Key Management Personnel.

Notes to the consolidated financial statements (continued)

Other (continued)

27. Remuneration of external auditor

	2024 \$	2023 \$
Amounts received or due and receivable by Deloitte Touche Tohmatsu for:		
Audit or review of the financial reports:		
Group	1,216,200	1,165,300
Subsidiaries	150,500	138,500
Total audit or review of the financial reports^{1,2}	1,366,700	1,303,800
Audit or review of the regulatory financial reporting to the Australian Energy Regulator and Economic Regulation Authority		
Subsidiaries	627,600	597,800
Total audit or review of the financial reports	627,600	597,800
Audit or review of the National Greenhouse and Energy Reporting³		
Group	135,000	124,650
Total audit or review of the National Greenhouse and Energy Reporting	135,000	124,650
Statutory assurance services required by legislation to be provided by the auditor		
Agreed-upon procedures in relation to ASIC Regulatory Guide 231 requirements ⁴	12,900	12,300
ASIC compliance plan audit	24,100	23,000
Financial services licence audit	9,500	9,100
Total statutory assurance services required by legislation to be provided by the auditor	46,500	44,400
Other assurance services ⁵	823,600	335,525
Total assurance services	2,999,400	2,406,175
Non-audit services⁶	208,505	335,549
Total remuneration of external auditor	3,207,905	2,741,724

¹ Audit or review in the year ended 30 June 2024 included procedures over the acquisition of Pilbara Energy System (PES) and the audit of subsidiary financial statements for PES.

² Audit or review in the year ended 30 June 2023 included procedures over the payroll review for relevant periods up to 30 June 2023, together with procedures over the acquisition of Basslink and the audit of subsidiary financial statements for Basslink.

³ Service provided includes assurance procedures on the energy and emissions reports and submissions required under the relevant National Greenhouse and Energy Reporting legislations, and review of APA Group's National Greenhouse and Energy Reporting systems and controls.

⁴ Service provided includes agreed-upon procedures in relation to ASIC Regulatory Guide 231 requirements.

⁵ Services provided were in accordance with the external auditor independence policy. These services include:

- agreed upon procedure engagements in relation to the FY24 equity raise,
- assurance procedures relating to the FY24 hybrid debt raise,
- assurance engagements relating to APA's Climate Transition Plan and reported sustainability metrics, and
- APA's Emissions-Intensity Determination Applications in accordance with the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 for South-West Queensland Pipeline and Goldfields Gas Transmission Pipeline.

⁶ Services provided were in accordance with the external auditor independence policy. Non-audit services mainly comprise provision of technology licensing and related support services that are provided by an entity acquired by the external auditor during FY22, including the provision of support services to meet the data reporting requirements of the Wholesale Electricity Market (WEM) in Western Australia.

Notes to the consolidated financial statements (continued)
Other (continued)

28. Related party transactions

(a) Equity interest in related parties

Details of the percentage of ordinary securities held in subsidiaries are disclosed in note 23 and the details of the percentage held in joint operations, joint ventures and associates are disclosed in note 22.

(b) Responsible Entity – APA Group Limited

The Responsible Entity is wholly owned by APA Infrastructure Limited.

(c) Transactions with related parties within the Consolidated Entity

Transactions between the entities that comprise the Consolidated Entity during the financial year consisted of:

- Dividends;
- Asset lease rentals;
- Loans advanced and payments received on long-term inter-entity loans;
- Management fees;
- Operational services provided between entities; and
- Payments of distributions.

The above transactions were made on normal commercial terms and conditions. The Consolidated Entity charges interest on inter-entity loans from time to time.

All transactions between the entities that comprise the Consolidated Entity have been eliminated on consolidation.

Refer to note 23 for details of the entities that comprise the Consolidated Group.

APA Group Limited

Management fees of \$7 million (2023: \$10 million) were paid to the Responsible Entity of APA Infrastructure Trust and APA Investment Trust as reimbursement of costs incurred on behalf of the Consolidated Entity. No amounts were paid directly by the Consolidated Entity to the Directors of the Responsible Entity, except as disclosed at note 26.

APA Group Limited, in its capacity as trustee and Responsible Entity of APA Infrastructure Trust and APA Investment Trust, has guaranteed the payment of principal, interest and other amounts as provided in the senior debt facilities of APA Infrastructure Limited, the principal borrowing entity of APA Group.

(d) Transactions with associates and joint ventures

The following transactions occurred with the Consolidated Entity's associates and joint ventures on normal market terms and conditions:

	Dividends from related parties	Capital return to related parties	Sales to related parties	Purchases from related parties	Amount owed by related parties	Amount owed to related parties
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
SEA Gas	–	–	2,367	–	171	–
Energy Infrastructure Investments	–	–	43,298	–	8,192	–
EII 2	3,446	13,489	892	–	1,472	–
GDI (EII)	7,457	–	68,924	–	6,507	–
	10,903	13,489	115,481	–	16,342	–
2023						
SEA Gas	4,790	–	2,360	–	–	30
Energy Infrastructure Investments	–	–	42,151	–	6,152	–
EII 2	4,276	–	855	–	369	–
GDI (EII)	7,163	–	63,106	–	5,786	–
	16,229	–	108,472	–	12,307	30

Notes to the consolidated financial statements (continued)

Other (continued)

29. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information below, are the same as those applied in the consolidated financial statements.

	2024 \$m	2023 \$m
Financial position		
Assets		
Current assets	789	688
Non-current assets	22,404	21,835
Total assets	23,193	22,523
Liabilities		
Current liabilities	2,390	645
Non-current liabilities	20,178	21,660
Total liabilities	22,568	22,305
Net assets	625	218
Equity		
Issued capital	117	117
Retained earnings	673	293
Reserves	(165)	(192)
Total equity	625	218
Financial performance		
Profit for the year	781	254
Other comprehensive income/(loss)	26	(252)
Total comprehensive income	807	2

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

APA Infrastructure Limited has entered into a deed of cross guarantee with a number of its wholly-owned subsidiaries. These subsidiaries are listed in full in note 23.

Contingent liabilities of the parent entity

Refer to note 25 for contingent liabilities. Bank guarantees are issued by the parent entity.

Notes to the consolidated financial statements (continued)

Other (continued)

30. Adoption of new and revised Accounting Standards

Standards and Interpretations affecting amounts reported in the current period

New and amended Accounting Standards that are effective for the current period:

- AASB 17 Insurance Contracts
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (insofar as the Standard relates to editorial corrections that are effective for the current period and apply to AASB 17)
- AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
- AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules

The Consolidated Entity has adopted the new and amended Standards that are relevant to its operations. The adoption of the new and amended Standards do not have a material impact on the Consolidated Entity's accounting policies or any of the amounts recognised in the financial statements.

The Consolidated Entity is not expected to be within the scope of the Pillar Two from 1 July 2024 as it does not have any active operations in foreign jurisdictions in entities it controls. The Consolidated Entity will continue to assess the impact of Pillar Two income taxes legislation, in particular if there is a change in the jurisdictions in which it operates or changes in the law. As at 30 June 2024, the Consolidated Entity does not expect any material exposure to Pillar Two top up taxes.

Standards and Interpretations issued not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations on issue but not yet effective are not expected to have material impact on the Consolidated Entity's accounting policies or any of the amounts recognised in the financial statements.

31. Events occurring after reporting date

On 28 August 2024, the Board announced the retirement of Debra Goodin and Peter Wasow and the appointment of Samantha Lewis and David Lamont as Directors of APAIL. The appointment of Samantha Lewis and David Lamont will be effective 1 October 2024. To ensure a smooth transition, Debra Goodin will remain on the Board until late February 2025. Peter Wasow will retire at the conclusion of the Annual Meeting in October 2024.

Final dividend declaration

On 28 August 2024, the Directors declared and paid a final dividend of 568.2 cents per share (\$353 million) to the sole equity holder, APA Group Limited as Responsible Entity and Trustee of APA Infrastructure Trust.

Other than the events disclosed above, there have not been any events or transactions that have occurred subsequent to year end that would require adjustment to or disclosure in the financial statements.

Declaration by the Directors of APA Infrastructure Limited

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that APA Infrastructure Limited will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standards and giving a true and fair view of the financial position and performance of the Consolidated Entity;
- (c) in the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board;
- (d) the Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001;
- (e) in the Directors' opinion, the consolidated entity disclosure statement included in note 23 to the financial statements is prepared in accordance with the Corporations Act 2001 and is true and correct at reporting date; and
- (f) At the date of this declaration, APA Infrastructure Limited is within the class of companies affected by ASIC Corporations Instrument 2016/785. The nature of the deed of cross guarantee is such that each company, which is party to the deed, guarantees to each creditor, payment in full of any debt in accordance with the deed of cross guarantee. In the Directors' opinion, there are reasonable grounds to believe that APA Infrastructure Limited and the companies to which the ASIC Class Order applies, as detailed in note 23 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

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

On behalf of the Directors



Michael Fraser
Chairman



Adam Watson
CEO and Managing Director

SYDNEY, 28 August 2024

28 August 2024

The Directors
APA Infrastructure Limited
Level 25, 580 George Street
Sydney NSW 2000

Dear Directors

Auditor's Independence Declaration to APA Infrastructure Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of APA Infrastructure Limited.

As lead audit partner for the audit of the financial statements of APA Infrastructure Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Jamie Gatt
Partner
Chartered Accountants

Independent Auditor's Report to the Members of APA Infrastructure Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of APA Infrastructure Limited ("APAIL") and its subsidiaries (the "Consolidated Entity") which comprises the consolidated statement of financial position as at 30 June 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 and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

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

- Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards 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 Consolidated Entity 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 Company, 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. APA Group refers to APA Infrastructure Trust and APA Investment Trust, as the parent of APAIL.

Key audit matter	How the scope of our audit responded to the key audit matter
Acquisition of Pilbara Energy System As disclosed in Note 24, APA Group entered into an agreement to acquire 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the “Pilbara Energy System business” or “PES business”). This acquisition has been accounted for in accordance with AASB 3 <i>Business Combinations</i> (“AASB 3”). As part of the acquisition, the remaining 11.8% of Goldfields Gas Transmission Pipeline (“GGTP”) was acquired by APA Group through the acquisition of the PES business. Management determined that APA Group had obtained control of the GGTP and under AASB 3 were required to fair value their previously held interest. This resulted in a gain on revaluation of \$1.05 billion. Accounting for the acquisition is complex and requires significant judgement requiring management to determine: - the fair value uplift and resulting gain on revaluation of the previously held interest in GGTP; - the fair value of the consideration; - the fair value of acquired assets including property, plant and equipment (“PPE”) and assumed liabilities; and - the fair value of the identifiable intangible assets such as customer contracts and development assets, which are recognised separately from goodwill; the tax consequences of the acquisition. whether information obtained during the measurement period was reflective of the facts and circumstances that existed at acquisition date.	Our procedures performed in conjunction with our valuation and taxation specialists, included but were not limited to: - obtaining and assessing management’s position paper on the treatment of the acquisition; - obtaining the share sale agreement (“SSA”) from management and assessing the accounting treatment is in line with AASB 3; - obtaining the final completion workbook to confirm the final completion payment adjustment had been calculated in line with the SSA; - obtaining the opening balance calculation performed by management for all material balance sheet items and challenging management’s judgements made in determining the fair value of assets acquired, liabilities assumed, and consideration paid; - in conjunction with our specialists, assessing the valuation of property, plant and equipment and intangible assets performed by management’s experts and challenging the assumptions utilised and methodology applied; - in conjunction with our taxation specialists, assessing the allocable cost amount calculation performed by management’s experts and challenging the assumptions utilised and methodology applied; and - obtaining and assessing management’s application of AASB 3 in relation to the calculation of the fair value of the previously held interest of GGTP and the resulting gain on acquisition. We have also assessed the appropriateness of the disclosures included in Note 24 to the financial statements.

Key audit matter	How the scope of our audit responded to the key audit matter
Carrying value of assets As at 30 June 2024, APA Group's balance sheet includes property, plant and equipment of \$12.5 billion, goodwill of \$1.9 billion allocated across several cash generating units ("CGUs") and other intangible assets of \$3.3 billion as disclosed in Notes 10 and 11. Management conducts annual impairment tests (or more frequently if impairment indicators exist) to assess the recoverable amount of property, plant and equipment and intangible assets including goodwill. This assessment is performed through the preparation of discounted cash flow value in use models. The impairment test requires the exercise of significant judgement in respect of factors such as future supply and demand, impacts of climate change, discount rates, as well as economic assumptions such as inflation. Management also considers the ongoing review of useful lives as part of the carrying value of assets assessment as outlined in Note 12. As a result of this, an impairment charge of \$144 million was recorded at 30 June 2024 to the Moomba Sydney Ethane Pipeline ("MSEP"). MSEP is a single user pipeline and with the loss of that customer and no demand for ethane transportation in Australia, management have determined the most reasonable and supportable assumption at this time to be that the asset will not be utilised for the foreseeable future and therefore have written down the current book value of MSEP to \$ nil.	Our audit procedures, in conjunction with our valuation specialists, included but were not limited to: - obtaining an understanding of the process flows and key controls associated with the impairment models prepared by management and the carrying value paper reviewed by the Board of Directors used to estimate the recoverable amount of each asset and impairment charges, where applicable; - obtaining and assessing the position papers prepared by management to support the carrying value assessment for the assets; - evaluating the process used by management in the determination of those assets or CGUs requiring further impairment analysis due to the existence of an impairment indicator or goodwill including: - assessing management's determination of APA Group's assets and CGUs that should be tested for impairment, the level at which goodwill is monitored and consistency with the assessment of segment reporting; - evaluating management's recoverable value assessment based on a number of factors including historical results, economic data and industry forecasts and considering the potential impact of climate change, where applicable; and - assessing and challenging the useful lives adopted by management by obtaining independent third-party reports, contractual arrangements, regulatory returns and asset management plans. - evaluating management's methodology and their documented basis for key assumptions utilised in the MSEP discounted cash flow impairment model, including: - obtained and assessed the MSEP Board paper; - performing inquiries of senior management to understand the potential alternative uses for MSEP; - challenging management on the reasonableness and supportability of assumptions within alternative use scenarios; - assessing the appropriateness of the impairment model methodology for the selected scenario, including key inputs and assumptions used in the model using our knowledge of the business and the industry; and - considering management's determination of the completeness of assets to be impaired and evaluate whether the requirements under AASB 136 <i>Impairment of Assets</i> have been followed. We have also assessed the appropriateness of the disclosures included in Note 12 to the financial statements.

Key audit matter	How the scope of our audit responded to the key audit matter
Information Technology (“IT”) systems APA Group’s technology environment is integral to the operations of the business. The technology environment related to financial reporting is complex, with a degree of automation, varying levels of integration, transformation and a combination of automated and manual controls which govern the integrity of APA Group’s financial reporting process. The assessment of the technology environment forms a key component of our external audit and is considered a key audit matter.	Our procedures in conjunction with our IT specialists, included but were not limited to: • updating our understanding of the technology environment and the identification of key financial systems, controls and processes relevant to the financial statements; • evaluating the design and implementation of the key IT controls of relevant financial reporting systems and processes of APA Group; and • where we identified matters relating to IT systems or application controls relevant to our audit we designed and performed additional procedures, including the identification and testing of manual controls and performed alternative substantive procedures.

Other information

The directors of APA Infrastructure Limited (“the directors”) are responsible for the other information. The other information comprises the information included in the Consolidated Entity’s annual report for the year ended 30 June 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.

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.

Responsibilities of the directors for the financial report

The directors of the Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity, 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 Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity's audit. We remain solely responsible for our audit opinion.

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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report of APA Group Limited, as Responsible Entity for APA Infrastructure Trust, the parent company of APA Infrastructure Limited, which is included on pages 7 to 26 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of APA Group Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors have voluntarily presented the Remuneration Report of the APA Group Limited, as Responsible Entity for APA Infrastructure Trust, which has been prepared in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

The logo for Deloitte Touche Tohmatsu, featuring the company name in a stylized, handwritten-style script.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'Jamie Gatt'.

Jamie Gatt
Partner
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Jimmy McGarty'.

Jimmy McGarty
Partner
Chartered Accountants

