APA

Australia's energy infrastructure partner

Tax Transparency Report 2025

August 2025



APA Group Tax Transparency Report 2025

APA Group (APA) is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own, manage and operate a diverse $27 billion portfolio of assets located right across Australia, including 15,000km of gas pipelines, some of the country's most efficient gas-fired power stations, critical transmission interconnectors, and renewable energy generation including wind and solar farms.

Our purpose is to secure Australia's energy future. In fulfilling our purpose, APA recognises its responsibility to pay its fair share of tax. APA is therefore committed to meeting the highest standards of tax governance. This means that APA:

- Will comply with all appropriate tax laws;
- Will only undertake transactions that have a clear commercial purpose; and
- Will not enter a transaction for the purpose of avoiding tax.

As part of this commitment APA has voluntarily adopted the Board of Taxation's Tax Transparency Code and therefore releases a Tax Transparency Report for each year ended 30 June.

Tax Governance and Oversight

Responsibility for tax risk resides with the APA Board. Levels of delegated tax risk and responsibility are specified in the APA Group Executive Delegation Policy and within APA's Enterprise Risk Management Framework.

APA's tax governance framework, which forms a part of APA's Enterprise Risk Management Framework, includes a documented tax policy, together with guides and procedures that are reviewed and updated regularly. APA has appropriate systems, processes and controls in place to identify, monitor, manage and escalate tax risks arising from material transactions undertaken and in its business affairs generally. Controls are tested regularly to ensure they are working appropriately. APA's tax governance framework broadly complies with the ATO's governance control guidelines.

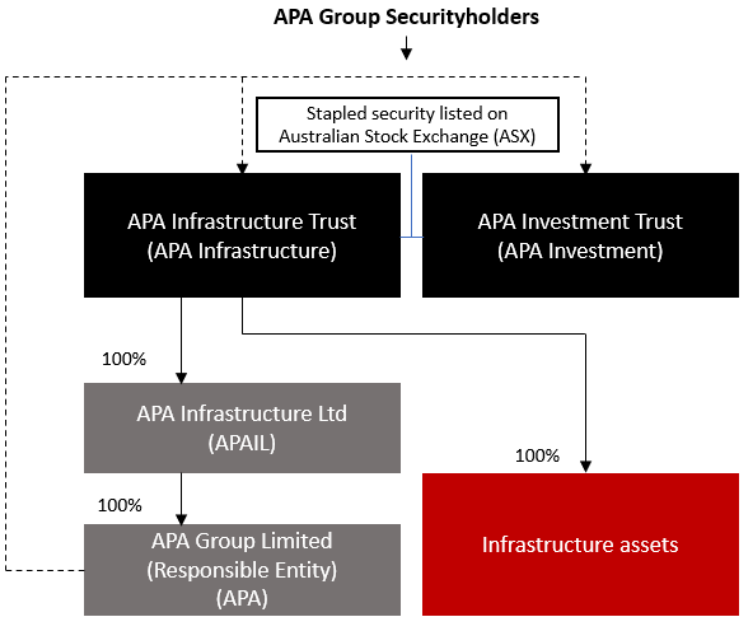
APA also maintains a formal Tax Compliance Plan which recognises required tax compliance obligations and sets out controls that are in place to ensure these are met.

APA has a highly experienced in-house tax team that reports six monthly to the Audit and Finance Committee of the Board confirming that material tax risks have been identified and dealt with in accordance with the APA tax policy. Additional oversight is provided by APA's internal and external auditors. In addition, APA uses a range of highly qualified external tax advisers to provide specific advice in respect of tax risks arising on material transactions.

Tax Risk Profile

Consistent with its approach to its business and recognising the need to provide sustainable securityholder value, APA considers itself to be a low-risk taxpayer. APA will not engage in aggressive tax planning, but will avail itself of available tax benefits, concessions, incentives and exemptions.

APA Group Structure



APA Group is a stapled trust structure comprising APA Infrastructure Trust (APA Infrastructure) and APA Investment Trust (APA Investment). In FY25, APA Group operated only in Australia.

APA Infrastructure is a Division 6C public trading trust which is treated as if it were a company for tax purposes. APA Infrastructure carries on APA's active businesses and is the head of the APA Infrastructure tax consolidated group (APA Infrastructure TCG). As head of the APA Infrastructure TCG, APA Infrastructure is liable for corporate tax of 30% in respect of its business activities.

APA Investment is a Division 6 "flow through" trust and provides funding to APA Infrastructure. Cross staple charges of interest by APA Investment are considered to be at appropriate arms length market rates. Net income derived by APA Investment is fully distributed annually to APA securityholders on a "present entitlement" basis and is taxed in the hands of securityholders at their applicable marginal tax rate.

APA Group Distributions

APA pays distributions from both APA Infrastructure and APA Investment. APA makes distributions to securityholders based on available free cash flows. Distributions are made on a profits first basis. Where there are insufficient profits in any period, returns of capital are made to securityholders.

Australian resident securityholders are subject to income tax at their applicable tax rate on APA Infrastructure profit distributions received. Where tax has been paid by APA Infrastructure, profit distributions will include applicable franking credits which can be used by securityholders to offset their tax liabilities.

Where tax has not been paid by APA Infrastructure, profit distributions will generally be fully taxed in the hands of resident securityholders[1]. This is consistent with Australia's dividend imputation regime.

Non-resident securityholders are subject to withholding tax of up to 30% on unfranked APA Infrastructure profit distributions. No withholding tax is deducted from fully franked APA Infrastructure profit distributions.

APA Investment profit distributions are taxed in the hands of Australian resident securityholders at their applicable marginal tax rate.

Non-resident securityholders are generally subject to withholding tax of 10% on the interest component of APA Investment profit distributions (subject to any double tax agreements with Australia as applicable).

Returns of capital by APA Infrastructure and APA Investment are "tax deferred" to securityholders. This means that the amount of the capital return reduces the cost base of the units held with tax only being paid once the cost base reduces below nil or the units are sold for consideration in excess of their reduced cost base.

Distributions paid by APA during the 2025 financial year (paid in September 2024 and March 2025) totalled $728 million. This comprised of franked dividends of $125 million, unfranked distributions of $544 million and returns of capital of $22 million from APA Infrastructure, and profit (interest) distributions of $28 million and a tax deferred component of $9 million from APA Investment.

[1] Securityholders should always consider their own tax position in determining assessability of APA distributions and should seek their own tax advice.

Reconciliation of Accounting Profit to Income Tax Expense[2]

Financial Year 2025

	$M
Profit before tax	**247**
Income tax expense calculated at 30%	**(74)**
Non-assessable trust income (APA Investment)	**9**
Non-deductible expenses[3]	**(63)**
Non assessable income	**-**
	(128)
Franking credits received	**1**
Other[4]	**10**
Income Tax Expense	**(117)**

Effective Tax Rate Financial Year 2025

The accounting effective tax rate for 2025 is 47.4% (FY24: 7.0%).

[2] Figures are based on provisional tax numbers.
[3] Predominantly amortisation/write off of contract intangibles that are not deductible for tax.
[4] Relates to previously unbooked capital losses and unders/overs.

Reconciliation from Income Tax Expense to Provisional Income Tax Payable / Tax Loss[5]

	$M
Profit/(loss) Before Tax	**247**
Adjustments made in determining income tax expense[6]	**179**
Adjusted Profit Before Tax	**426**
Accounting depreciation & amortisation	**733**
Tax depreciation	**(569)**
Capitalised expenditure deductible for tax	**(259)**
Capitalised interest deductible for tax purposes	**(42)**
Hedging adjustments	**(101)**
Unrealised revaluation of the unhedged debt	**45**
Movement in provisions and accruals	**13**
Other various adjustments	**38**
Gross Taxable Income	**284**
Tax losses utilised	**(37)**
Taxable income after loss utilisation	**247**
Tax @ 30%	**74**
Imputation credit offset	**(1)**
Income Tax Payable in respect of the FY25 tax year	**73**

[5] Figures are prepared in conjunction with the 2025 published annual report and based on provisional tax numbers calculated.
[6] A majority of this amount consists of non-deductible amortisation of contract intangibles and APA Investment's trust income which is not taxed at the trust level but at the securityholder level.

The more significant tax timing differences in the above reconciliation relate to the following (aside from tax depreciation and accounting amortisation):

- Expenditure that was capitalised for accounting purposes but is immediately deductible for tax purposes in 2025 of $259 million (excludes capitalised interest);
- Hedging adjustment of $101 million which relates to a mark to market (MTM) fair value revaluation net gain, which is not assessable for tax purposes;
- Unhedged debt revaluation of $45 million which relates to the MTM losses on unhedged debt which is not deductible for tax purposes; and
- Interest capitalised for accounting purposes but immediately deductible for tax purposes of $42 million.

Taxes Paid During FY25

The table below shows taxes paid by APA either in its own capacity or on behalf of employees, contractors, customers, and/or securityholders during the year ended 30 June 2025. All taxes shown are payable in Australia.

APA taxes paid in its own capacity	**$M**
Corporate Income Tax[7]	74
Fringe Benefits Tax	1
Payroll Taxes	30
Stamp Duty	1
Subtotal	*106*
Taxes paid on behalf of others	**$M**
Goods & Services Tax	184
Employee Pay-As-You-Go Withholding	156
Withholding taxes (securityholders)[8]	5
Subtotal	*345*
Grand total	**451**

[7] Australian corporate income tax paid in FY25 income tax year.
[8] Withholding tax on distributions paid in September 2024 and March 2025.