

remuneration report.

AUSTRALIAN PIPELINE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Letter from the Chairman of the People and Remuneration Committee

Dear Securityholders,

On behalf of the Board and the People and Remuneration Committee, I am pleased to present APA's Remuneration Report for the financial year ended 30 June 2016.

FY2016 was another year of strong performance for securityholders, with APA continuing to deliver superior market returns. FY2016 has been marked by continued expansion in assets through major capital works and investments brought in-house, the completion of key business and technology projects, development of innovative and flexible services for our customers, especially on the East Coast Grid, and excellent financial returns.

People and Remuneration Committee

During the reporting period the Committee's name was changed to the People and Remuneration Committee to reflect the increasing emphasis of the work of the Committee beyond remuneration into key areas such as diversity, succession planning, talent development and organisational culture.

Executive remuneration framework

Total Fixed Remuneration ("TFR") for the Chief Executive Officer and Managing Director ("CEO/MD") and Senior Executives has increased this year as a function of consolidating APA's position relative to other Australian Stock Exchange (ASX) listed companies. As part of our conservative management of TFR and to maintain a market competitive remuneration package, APA's positioning policy is for the TFR quantum to be at least the median against comparable ASX listed companies.

The Board has concluded that the executive remuneration framework continues to be aligned with our business strategy and model. As mentioned in last year's report a minimum securityholding policy for the CEO/MD, Senior Executives and all the other participants in the Long Term Incentive ("LTI") plan has been implemented. In addition the extension of the performance measurement period for normalised Earnings Before Interest, Tax, Depreciation and Amortisation divided by Funds Employed ("EBITDA/FE") for the LTI plan to three years has been implemented, effective from FY2016. This will strengthen the alignment of management and securityholder interests.

This year's remuneration report

The Board is committed to transparency and strong governance. We recognise and welcome securityholders' interest in APA, including understanding our remuneration strategy and outcomes and have continued with the expanded format adopted last year. While, as a registered managed investment scheme listed on the ASX, APA is not covered by the remuneration reporting requirements of the Corporations Act, we have followed a similar format, as we recognise this will be familiar and understandable to many of our securityholders. We also present remuneration information on an accrual basis rather than a paid basis, to better allow securityholders to reconcile amounts awarded for the period with APA's performance in the period.

We welcome your feedback on the report and its contents, and look forward to your attendance at our FY2016 Annual General Meeting.



John Fletcher
Chairman of the Remuneration Committee

remuneration report. continued.

AUSTRALIAN PIPELINE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. What This Report Covers

This report details the remuneration arrangements for Non-executive Directors, the Executive Director and Senior Executives, the key management personnel ("KMP") listed below. These are the people with authority and responsibility for planning, directing and controlling the major activities of APA, directly or indirectly.

Name	Role	Duration of appointment
I) Non-executive Directors		
Leonard Bleasel AM	Chairman of APA Group	Full year
Steven Crane	Chairman of Audit and Risk Management Committee Member of People and Remuneration Committee	From 23 October 2015 Full year
John Fletcher	Chairman of People and Remuneration Committee and member of Audit and Risk Management Committee	Full year
Russell Higgins AO	Chairman of Health Safety and Environment Committee and member of Audit and Risk Management Committee	Full year
Patricia McKenzie	Member of Health Safety and Environment Committee and member of People and Remuneration Committee	Full year
Debra (Debbie) Goodin	Member of Audit and Risk Management Committee and member of Health Safety and Environment Committee	Commenced 01 September 2015
Michael Fraser	Member of Health Safety and Environment Committee and member of People and Remuneration Committee	Commenced 01 September 2015
Robert Wright	Chairman of Audit and Risk Management Committee and member of Health Safety and Environment Committee	Retired 22 October 2015
II) Executive director		
Michael McCormack	Chief Executive Officer and Managing Director ("CEO/MD")	Full year
III) Senior executives		
Peter Fredricson	Chief Financial Officer ("CFO")	Full year
Ross Gersbach	Chief Executive Strategy and Development	Full year
Robert Wheals	Group Executive Transmission	Full year
John Ferguson	Group Executive Networks	Full year
Kevin Lester	Group Executive Infrastructure Development	Full year
Nevenka Codevelle	Company Secretary & General Counsel ¹	From 31 October 2015
Elise Manns	Group Executive Human Resources ²	From 01 October 2015

1) Mark Knapman, Company Secretary, retired 30 October 2015.

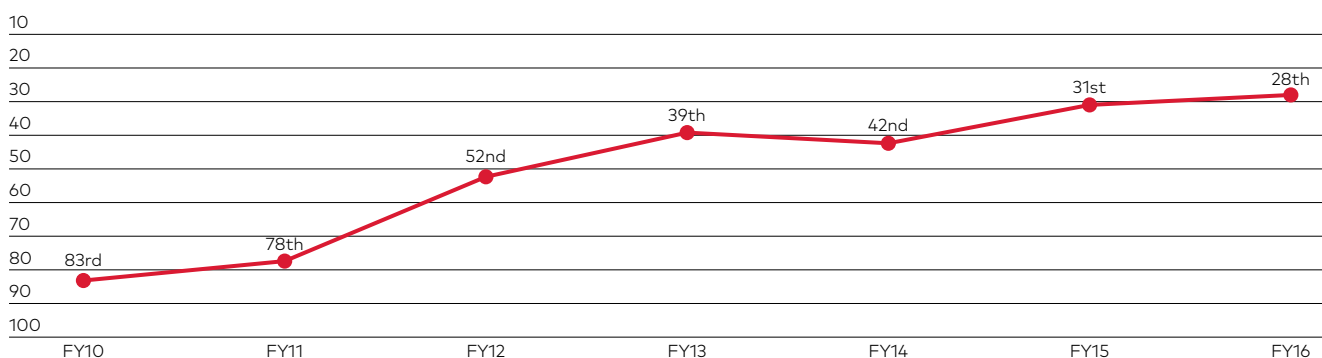
2) Peter Wallace, Group Executive Human Resources, retired 02 October 2015.

The named persons held their current positions during the financial year for the periods indicated. There have been no changes to KMP between the end of the financial year and the date this report was authorised for issue.

2. Remuneration Outcomes and APA Performance

One of the key factors in determining the remuneration position of APA executives is market relativity, and within Australia, ranking on the ASX100 on market capitalisation is the most commonly used benchmark. The APA Group has delivered strong securityholding returns, sound financial performance and significant organisational growth year on year. This, together with the Boards desire to attract and retain a first class management team, has driven commensurate growth in remuneration levels in APA.

APA MARKET CAPITALISATION RANK AGAINST ASX100



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AUSTRALIAN PIPELINE TRUST AND ITS CONTROLLED ENTITIES
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2.1 Executive remuneration awarded FY2016

As part of our commitment to greater transparency and to better reflect the pay for performance relationship, the table below sets out remuneration earned by APA Executives in FY2016 and FY2015 on an accrual basis for the period rather than remuneration received during the period. For instance, short term incentive ("STI") values in the table below reflect STI earned in FY2016 but are due to be paid in the next financial year. This is identical to APA's approach in the FY2015 remuneration report.

Executive Director and Senior Executives	Awarded in FY2016				Awarded in FY2015	
	Total Fixed Remuneration ("TFR") \$	Awarded STI ¹ \$	Allocated LTI ² \$	Other \$	Total \$	Total ^{3,4} \$
Michael McCormack						
CEO/MD	1,765,000	1,814,861	1,471,679	–	5,051,540	4,792,174
Peter Fredricson						
CFO	835,000	604,331	464,156	–	1,903,487	2,103,250
Ross Gersbach Chief Executive Strategy and Development	852,000	584,685	473,606	–	1,910,291	2,232,013
Robert Wheals						
Group Executive Transmission	678,000	469,854	376,883	–	1,524,737	1,421,487
John Ferguson						
Group Executive Networks	587,000	411,194	326,299	–	1,324,493	1,261,530
Kevin Lester						
Group Executive Infrastructure Development	551,000	360,767	306,287	–	1,218,054	1,134,440
Nevenka Codevelle						
Company Secretary & General Counsel	413,075	270,489	205,618	–	889,182	– ³
Elise Manns						
Group Executive Human Resources	387,640	247,427	199,114	–	834,181	– ⁴
Total	6,068,715	4,763,608	3,823,642	–	14,655,965	15,254,364 ⁵

1) Awarded STI represents the amounts earned by the executives during the reporting period and are due to be paid in September 2016 as they are dependent on the approval by the Board and having the signed audited annual accounts.

2) Allocated LTI represents the value of reference units that were earned by the executives during the reporting period. Reference units will be allocated in August 2016 as they are dependent on the approval by the Board and the release of APA Group's annual results to the ASX.

3) Nevenka Codevelle not KMP FY2015.

4) Elise Manns not KMP FY2015.

5) FY2015 Total Includes Mark Knapman & Peter Wallace and \$430,666 final Retention Payments instalments.

Notes

– Mark Knapman, Company Secretary, retired 30 October 2015.

– Peter Wallace, Group Executive Human Resources, retired 02 October 2015.

2.2 APA performance and incentive plan outcomes FY2016

Strong performance against all major metrics has been achieved again in FY2016. The Group's superior performance led to strong at-risk remuneration outcomes. More detail on the link between APA performance and executive remuneration outcomes is provided below.

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2.3 Five year snapshot of APA performance

The following table provides a summary of APA's financial performance over the last five financial years. Included below are financial metrics related to incentive plan performance measures and additional disclosures reflecting APA's earnings and how this impacts securityholder returns.

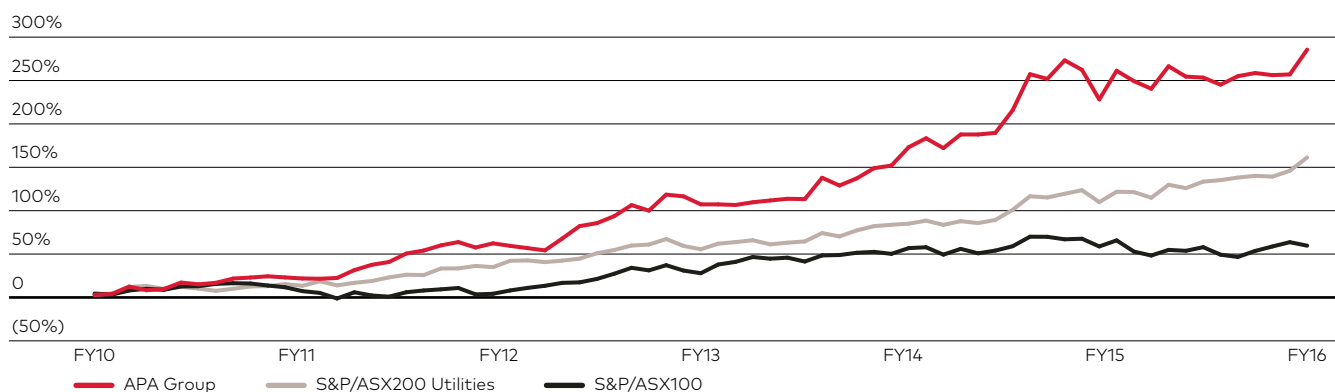
Normalised Financial Results ¹	FY2016	FY2015	FY2014	FY2013 ²	FY2012
EBITDA (\$m)	1,330.5	822.3	747.3	661.9	535.5
Profit after tax (\$m)	179.5	203.9	199.6	172.3	140.3
Operating cash flow per security (cents)	77.4	54.8	50.8	56.0	52.5
Earnings per security (cents)	16.1	20.5	23.1	22.7	21.9
Distribution per security (cents)	41.5	38.0	36.3	35.5	35.0
Closing security price at 30 June (\$)	9.24	8.24	6.89	5.99	4.99

1) Normalised financial results are the statutory financial results excluding significant items. The Directors consider these measures reflect the core earnings of APA. A reconciliation between statutory financial results and the normalised financial results is provided in section 6.

2) The balances for FY2013 have been restated for the effect of applying accounting standard AASB 119: Employee Benefits.

The chart below illustrates the movement in APA's return index over the last five financial years against the S&P/ ASX 100 and S&P/ ASX 200 Utilities return indices. A return index reflects the theoretical growth in value of a security holding over a specified period, assuming dividends are re-invested to purchase additional units at the closing price applicable on the ex-distribution date.

PERCENTAGE CHANGE IN RETURN INDEX FROM BASE



2.4 Link between APA performance and awarded STI

STI is an annual cash-settled incentive subject to 12 month financial and non-financial performance. STI funding is dependent on normalised OCFPS, a measure of the average cash amount generated by the business for each stapled security issued (typically excluding such things as significant items). This measure is directly linked to APA's strategic goal of increasing cash flows over the medium term.

Executives are awarded an STI only if OCFPS is above the threshold level of performance set by the Board. OCFPS therefore acts as a gateway for awards under the STI plan. OCFPS is also the mechanism through which the aggregate amount available for STI payments is limited, ensuring strong alignment between individual performance and APA's ability to pay.

STI awarded is subject to Executives satisfying their performance against a balanced scorecard of pre-determined APA business unit and personal objectives.

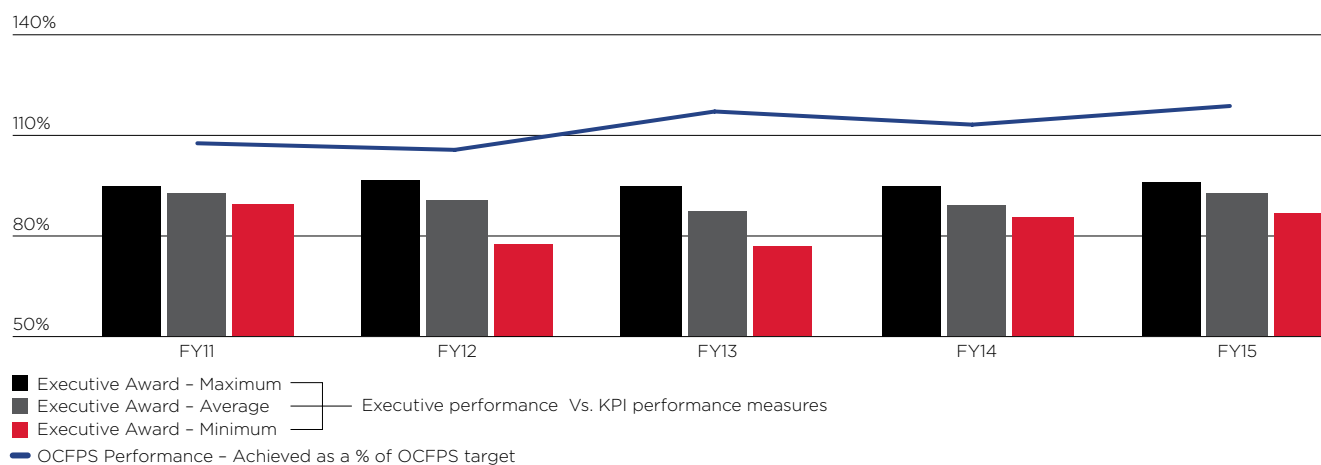
Executive STI Awarded	FY2016	FY2015	FY2014	FY2013	FY2012
Executive Award – Maximum	97.5%	96.0%	95.0%	95.0%	96.5%
Executive Award – Average	92.8%	92.6%	89.2%	87.2%	90.8%
Executive Award – Minimum	87.3%	86.8%	85.3%	77.0%	77.5%
OCFPS Performance as % of OCFPS target	112.8%	118.9%	113.1%	117.2%	105.6%

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2.5 STI Performance and Executive Awards

The chart below illustrates how Executive STI outcomes align with performance against the key business metric of OCFPS.



2.6 STI outcomes during FY2016

For FY2016, the STI outcomes for Executives, as a percentage of maximum opportunity, are set out in the table below.

Executives	STI earned		STI forfeited	
	%	\$	%	\$
Michael McCormack	91.4	1,814,861	8.6	170,764
Peter Fredricson	96.5	604,331	3.5	21,918
Ross Gersbach	91.5	584,685	8.5	54,315
Robert Wheals	92.4	469,854	7.6	38,645
John Ferguson	93.4	411,194	6.6	29,056
Kevin Lester	87.3	360,767	12.7	52,483
Nevenka Codevelle	97.5	270,489 ¹	2.5	6,936
Elise Manns	92.1	247,427 ¹	7.9	21,223

1) STI payments for Nevenka Codevelle and Elise Manns are pro-rated for period of time as KMP in FY2016

2.7 Link between APA performance and awarded LTI

LTI is a cash-settled incentive subject to two APA measures – Relative Total Securityholder Returns (“TSR”) (three year rolling average performance against S&P/ASX 100 companies) and growth in EBITDA/FE.

Both measures are weighted equally and are linked to building securityholder value. Relative TSR provides the most direct measure of securityholder return and reflects an investor’s choice to invest in APA or competitors. Security price growth is underpinned by earnings growth and EBITDA/FE is based on the integrity of earnings performance against funds employed which provides a measure of how efficiently the assets are being deployed.

The chart below presents APA’s TSR performance relative to S&P/ASX 100 companies (for FY2013 and FY2014 based on TSR end of year rank and for FY2015 and FY2016 based on 3 year rolling average) and EBITDA/FE as a function of improvements to historical actual.

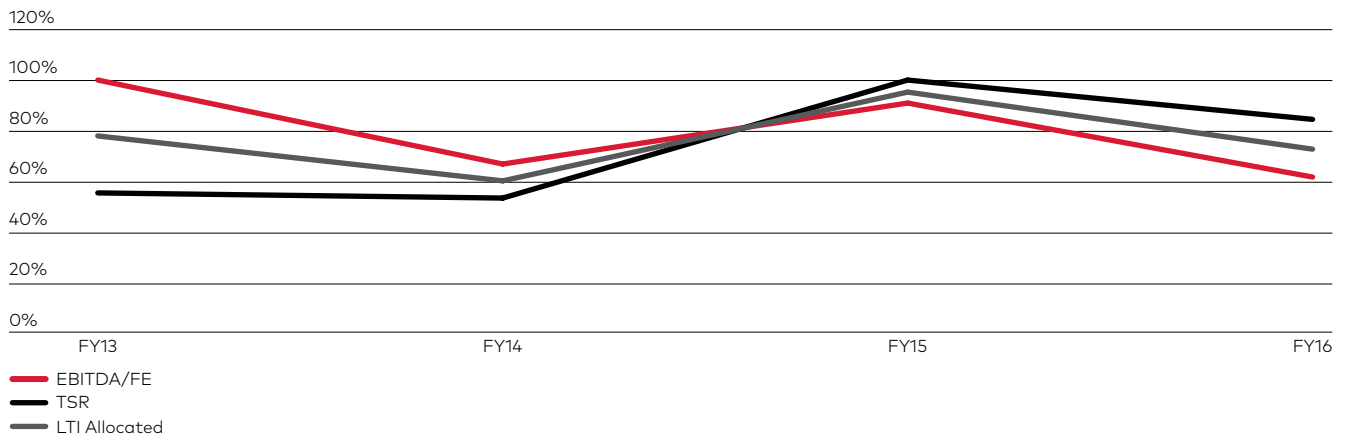
LTI awards as a percentage of maximum opportunity.

Year	EBITDA/FE	TSR	LTI Allocated
FY2013	100.0%	55.4%	77.7%
FY2014	66.7%	53.2%	59.9%
FY2015	90.8%	100.0%	95.4%
FY2016	62.9%	85.3%	74.1%

remuneration report. continued.

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2.8 LTI Performance and Executive Awards



2.9 LTI outcomes during FY2016

For FY2016, the LTI outcomes for Executives are set out in the table below:

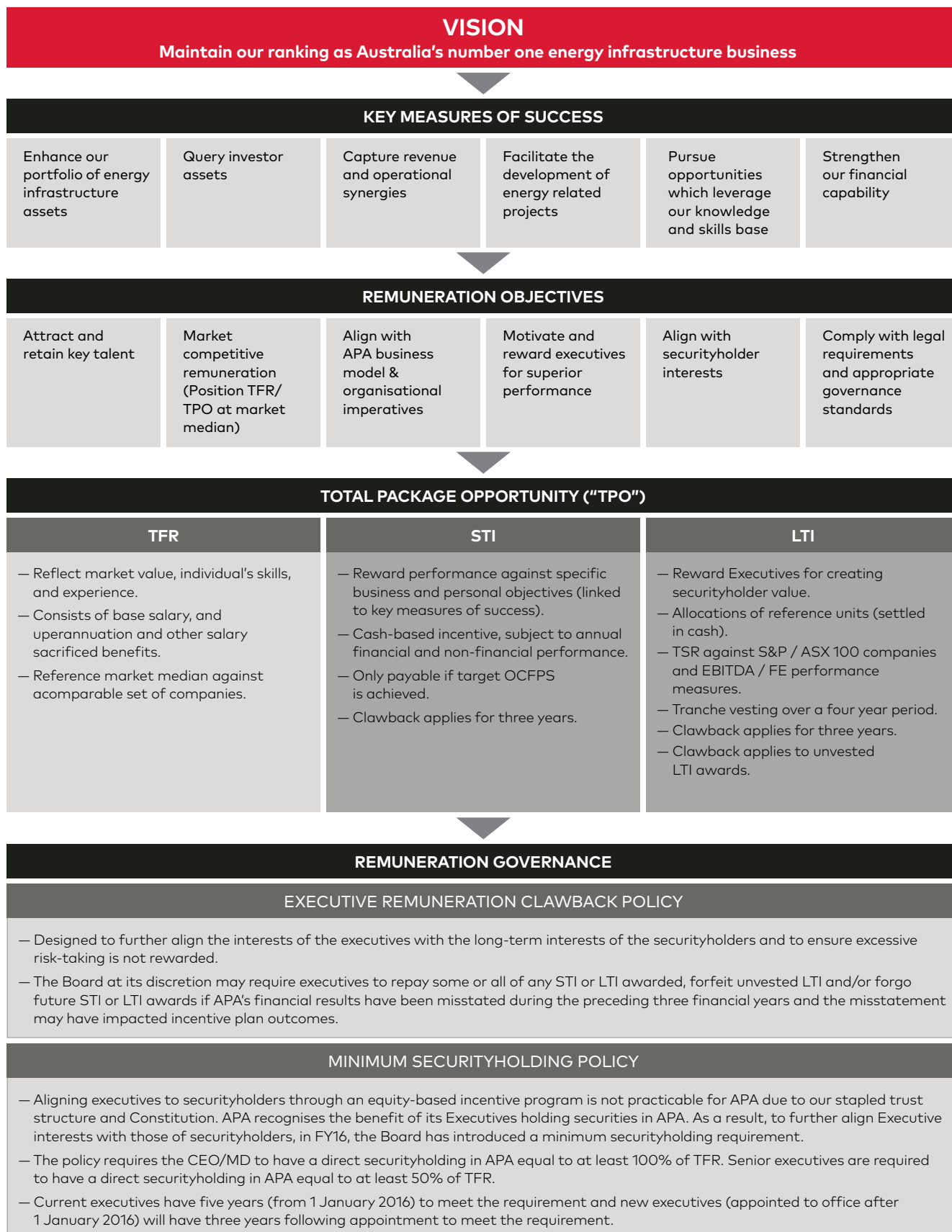
Executives	LTI earned	LTI forfeited
	\$	\$
Michael McCormack	1,471,679	513,946
Peter Fredricson	464,156	162,094
Ross Gersbach	473,606	165,394
Robert Wheals	376,883	131,617
John Ferguson	326,299	113,951
Kevin Lester	306,287	106,963
Nevenka Codevelle	205,618	71,807
Elise Manns	199,114	69,536

remuneration report. continued.

AUSTRALIAN PIPELINE TRUST AND ITS CONTROLLED ENTITIES
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3. Executive Remuneration Arrangements

3.1 Alignment of remuneration strategy with business strategy



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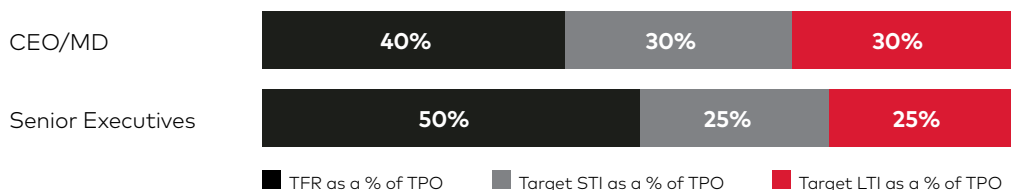
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3.2 Changes to the executive remuneration framework during FY2016

The three changes highlighted in previous reports have now been fully implemented. Firstly, TSR in the long term incentive plan was extended to the three previous years to more closely reflect the long-term performance of APA. Secondly, EBITDA/FE was also extended to the three previous years to strengthen the alignment of management and securityholder interests. Thirdly, a minimum securityholding policy has been applied.

3.3 Approach to setting remuneration

Each executive's Total Package Opportunity ("TPO") consists of TFR plus STI plus LTI and is dependent on their role in the organisation and their capacity to influence outcomes. APA's executive remuneration is structured as a mix of fixed remuneration and 'at risk' components (STI and LTI). The equal emphasis on short and long-term performance (i.e., through STI and LTI awards) ensures executives are appropriately rewarded for delivering sustained APA performance. The proportion of fixed versus 'at risk' remuneration varies between roles within APA, reflecting the different capacity of executives to influence APA's operational performance and returns to securityholders.



3.4 Remuneration components

TFR

TFR is reviewed annually and is determined by reference to independent external remuneration benchmarking information, taking into account an individual's responsibilities, performance, qualifications and experience. APA's policy is to position TFR at least at the median against comparable ASX listed companies.

STI

The table below sets out the key elements of the executive STI plan.

STI plan element	Description						
STI opportunity	<p>STI opportunity is expressed as a percentage of TPO and varies by role.</p> <p>Target STI opportunities are set out in the table below. Maximum STI is 150% of target STI opportunity.</p> <table border="1"> <thead> <tr> <th>Participant</th> <th>Target STI as a % of TPO</th> </tr> </thead> <tbody> <tr> <td>CEO/MD</td> <td>30%</td> </tr> <tr> <td>Senior executives</td> <td>25%</td> </tr> </tbody> </table>	Participant	Target STI as a % of TPO	CEO/MD	30%	Senior executives	25%
Participant	Target STI as a % of TPO						
CEO/MD	30%						
Senior executives	25%						
Performance gateway	OCFPS acts as a gateway for awards under the STI plan. STI opportunity is only realisable if the OCFPS threshold level of performance set by the Board is met (i.e., the "gate opens").						
Plan funding	Provided the OCFPS threshold is met, the STI opportunity available may be modified based on the level of OCFPS performance achieved.						
Performance measures	<p>Once the "gate opens" and the STI is funded, STI awards are subject to performance against individual KPIs based on a balanced scorecard of APA-wide, business unit and personal objectives covering:</p> <ul style="list-style-type: none"> - <i>Financial measures</i>: cost control, revenue and cash generation and capital expenditure management, credit ratings. - <i>Health, Safety & Environment measures</i>: targets against key lead and lag indicators. - <i>Non-financial measures</i>: strategy delivery, customer and stakeholder management, project delivery, efficiency/improvement initiatives, leadership/talent development and reinforcement of our ethical and values-based culture. 						
Timing and delivery	All STI awards are paid in cash, usually in September of the new financial year, following the completion of the audit of the annual accounts.						
Clawback	The Board in its discretion may determine that some, or all, of an executive's STI award is forfeited in the event of misconduct or of a material misstatement in the year end financial statements in the preceding three years.						
Cessation of employment	If a participant resigns or is dismissed (with or without notice), all unvested STI awards are forfeited. If an employee leaves for any other reason, an STI award will be paid out based on the proportion of the period that has passed and performance at the time of cessation (subject to Board discretion).						
Change of control	Subject to Board discretion, and in line with market practice, 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.						

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LTI

The table below sets out the key elements of the executive LTI plan.

LTI plan element	Description						
Award vehicle	<p>As a stapled security and under our Constitution, the use of actual securities in the LTI plan would not be practicable. Instead, APA operates a reference unit incentive plan to create alignment with securityholders.</p> <p>Reference units exactly mirror the performance of APA securities and are settled in cash. To further align executives and securityholders, APA has introduced a mandatory securityholding policy, effective from FY2016, requiring executives to hold a substantial number of securities in APA (see Section 3.2 for further detail).</p> <p>Reference Units are valued at allocation based on the 30 trading day volume weighted average market price ("VWAP") of an APA security up to two days immediately preceding the announcement of APA's annual financial results to the ASX and as published in this Report.</p>						
LTI opportunity	<p>LTI opportunities for each participant are set as a percentage of TPO, vary by role and are shown in Section 3.3. Maximum LTI is 150% of target opportunity.</p> <table border="1"> <thead> <tr> <th>Participant</th> <th>Target LTI as a % of TPO</th> </tr> </thead> <tbody> <tr> <td>CEO/MD</td> <td>30%</td> </tr> <tr> <td>Senior executives</td> <td>25%</td> </tr> </tbody> </table>	Participant	Target LTI as a % of TPO	CEO/MD	30%	Senior executives	25%
Participant	Target LTI as a % of TPO						
CEO/MD	30%						
Senior executives	25%						
LTI allocation	The actual individual LTI allocation is determined at the completion of the financial year based on TSR performance against the S&P/ASX100 comparator group and EBITDA/FE performance.						
Performance measures and targets	<p>Awards are subject to two equally weighted measures: Relative TSR and EBITDA / FE.</p> <p>Relative TSR</p> <ul style="list-style-type: none"> – TSR measures the percentage change in security price, plus the value of dividends or distributions received during the period, assuming all dividends and distributions are re-invested into new securities. – APA Group's TSR is measured relative to a peer group comprising of S&P/ASX 100 constituents and is measured over three financial years. – Relative TSR has been selected as a LTI performance measure as it provides the most direct measure of securityholder return and reflects an investor's choice to invest in APA or direct competitors. Executives only derive value from the TSR component of the LTI plan if APA's performance is at least at the median of S&P/ASX 100 companies over a three year period. <p>EBITDA / FE</p> <ul style="list-style-type: none"> – EBITDA/FE reflects Earnings Before Interest, Tax, Depreciation and Amortisation divided by Funds Employed. EBITDA/FE hurdle is set as a percentage growth compared to budget and is measured over three financial years. The Board determines the EBITDA/FE target each year through the rigorous budget setting process to improve the capital efficiency of the organisation. – EBITDA/FE has been selected as an LTI performance measure as it helps determine the operating cash flow leverage being achieved based on the operating assets available to the business. It is a longer term performance measure based on the integrity of earnings performance against funds employed. 						
Retesting	There is no retesting of the allocation. However each vesting tranche is subject to the relevant price at vesting reflecting the movement in value of APA's securities each year.						
Timing and delivery	<p>An LTI allocation vests in three equal instalments over the three financial years following the allocation, with the initial one-third vesting at the end of the first financial year following the first award, one-third at the end of the second financial year, and one-third at the end of the third financial year.</p> <p>Upon vesting, the LTI is delivered in cash. The cash payment is equal to the number of units vesting on the vesting date multiplied by the VWAP published in the Annual Report.</p> <p>From FY2016, APA will require Executives to hold a number of APA securities. Executives may apply vested LTI amounts to the purchase of securities to fulfil the securityholding requirement. Executives are currently required to purchase APA Securities 'on market' and in accordance with APA Securities Trading Policy and within authorised trading windows.</p>						
Restrictions	LTI allocations of reference units do not entitle participants to vote at securityholders meetings nor to be paid distributions. No options or other equity instruments are issued to APA employees or Non-executive Directors under the LTI plan.						
Clawback	The Board in its discretion may determine that some, or all, of an executive's current year LTI allocation is forfeited in the event of misconduct or of a material misstatement in the year end financial statements in the preceding three years.						
Cessation of employment	If a participant resigns or is dismissed (with or without notice), all unvested reference units are forfeited. If an employee leaves for any other reason the Board determines the number of reference units which will lapse or are retained, subject to vesting on the original schedule.						
Change of control	Subject to Board discretion, and in line with market practice, if a change of control occurs, all previously allocated units will vest. A further number of units will be allocated based on the proportion of the period that has passed in the current financial year at the time of change of control and will also vest on change of control.						

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4. Executive Contracts

4.1 Contractual arrangements

Remuneration arrangements for executives are formalised in individual employment agreements. The terms of the contractual arrangements for executives are set out in the table below:

Executive	Contract type	Notice period	Termination entitlement (without cause)
CEO/MD	Permanent	12 months	52 weeks TFR
Senior Executives	Permanent	6 months	13 weeks TFR

4.2 Sign-on / termination payments provided to executives

APA did not pay any sign-on payments during FY2016. APA made the following termination payments during FY2016.

Executive	Position Held	Terminated	Payments at time of Termination	On-going Payments
Mark Knapman	Company Secretary	Retired 30 October 2015	Statutory Entitlements plus 3 months TFR in lieu of notice plus pro rata STI plus pro rata LTI Allocation	Unvested reference units will vest in accordance with the original vesting schedule
Peter Wallace	Group Executive Human Resources	Retired 02 October 2015	Statutory Entitlements plus 6 months TFR in lieu of notice plus pro rata STI plus pro rata LTI Allocation	Unvested reference units will vest in accordance with the original vesting schedule

5. Remuneration Governance

5.1 Role of People and Remuneration Committee

The People and Remuneration Committee has been established by the Board to oversee executive and Non-executive Director remuneration. The role of the People and Remuneration Committee is to ensure the provision of a robust remuneration and reward system that aligns employee and investor interests and facilitates effective attraction, retention and development of employees. The People and Remuneration Committee's activities are governed by its Charter (a copy of the Charter is available on APA's website).

In addition to making recommendations regarding APA's broad remuneration strategy and policy (including diversity matters), the People and Remuneration Committee is responsible for:

- recommending the CEO/MD's performance objectives, remuneration and appointment, retention and termination policy to the Board;
- reviewing and approving executives' remuneration (based on recommendations from the CEO/MD);
- reviewing and recommending the Remuneration Report to the Board; and
- reviewing senior succession plans and talent.

5.2 Composition of People and Remuneration Committee

The members of the People and Remuneration Committee, all of whom are independent Non-executive Directors, are:

- John Fletcher (Chairman);
- Steven Crane;
- Patricia McKenzie; and
- Michael Fraser.

The Chairman of the Board attends all meetings of the People and Remuneration Committee and the CEO/MD attends by invitation, where management input is required. The People and Remuneration Committee met three times during the year.

5.3 Use of external advisors

The People and Remuneration Committee seeks external professional advice from time to time on any matter within its terms of reference. Remuneration advisors are engaged by the People and Remuneration Committee and report directly to the Committee.

During FY2016, the following remuneration information was obtained and considered by the People and Remuneration Committee:

- Ernst & Young provided remuneration benchmarking information, undertook a review of APA's executive remuneration framework and assisted with remuneration governance;
- Egan & Associates provided fee and remuneration benchmarking information for Non-executive Director fees and certain members of the executive team, respectively; and
- Orient Capital (Link Group) provided TSR benchmarking analysis.

remuneration report. continued.

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6. Non-executive Director Arrangements

6.1 Determination of Non-executive Director fees

The Board seeks to attract and retain high calibre Non-executive Directors who are equipped with diverse skills to oversee all functions of APA in an increasingly complex environment.

Selection and appointment of new Directors, Board succession and related matters were handled by the Board until December 2015 when a Nomination Committee was established comprising of APA Group's Non-executive Directors.

The Board determines Board fees and Committee fees annually. It acts on advice from the People and Remuneration Committee which obtains external benchmark information from independent remuneration specialists. Such information includes market comparisons paid by comparable S&P/ASX 100 organisations.

Non-executive Director fees comprise:

- a Board fee;
- an additional fee for serving on a committee of the Board; and
- statutory superannuation contributions.

Non-executive Directors do not receive incentive payments nor participate in incentive plans of any type.

One off 'per diems' may be paid in exceptional circumstances. No payments have been made under this arrangement in this reporting period or the prior reporting period.

The Board members are subject to a minimum securityholding requirement of 100% of annual base fees in line with the changes introduced for the CEO/MD and executives.

Superannuation is provided in accordance with the statutory requirements under with the Superannuation Guarantee Act.

Following external benchmarking and a review of APA's performance relative to other companies, Board fees and Committee fees were increased effective 1 January 2016 (see table below).

Board and Committee fees per annum (excluding statutory superannuation) are outlined below. The Board Chairman does not receive additional fees for attending committee meetings.

Fees	Effective 1 January 2016		Effective 1 January 2015	
	Chairman \$000	Member \$000	Chairman \$000	Member \$000
Board	440	154	400	140
Audit and Risk Management Committee	42	21	38	19
Health Safety and Environment Committee	35	17.5	32	16
People and Remuneration Committee	35	17.5	32	16

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AUSTRALIAN PIPELINE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

7. Additional Key Management Personnel Disclosures

7.1 Fees paid to Non-executive Directors

The following table sets out fees paid to Non-executive Directors in FY2015 and FY2016 in accordance with statutory rules and applicable accounting standards.

Year ended 30 June	Short-term employment benefits	Post-employment benefits		Total \$
	Salary/fees \$	Superannuation \$	Retirement Benefit \$	
Leonard Bleasel AM				
FY2016	420,000	39,900	–	459,900
FY2015	385,000	36,100	–	421,100
Steven Crane				
FY2016	194,250	18,462	–	212,712
FY2015	169,500	15,912	–	185,412
John Fletcher				
FY2016	186,500	33,073	–	219,573
FY2015	173,500	29,397	–	202,897
Russell Higgins AO				
FY2016	200,500	19,073	–	219,573
FY2015	185,500	17,397	–	202,897
Patricia McKenzie				
FY2016	180,500	17,170	–	197,670
FY2015	166,500	15,620	–	182,120
Debbie Goodin¹				
FY2016	154,583	14,692	–	169,275
FY2015	–	–	–	–
Michael Fraser²				
FY2016	151,833	14,447	–	166,280
FY2015	–	–	–	–
Robert Wright				
FY2016	60,258	5,724	54,500³	120,482
FY2015	188,500	17,679	–	206,179
Total				
FY2016	1,548,424	162,541	54,500	1,765,465
FY2015	1,268,500	132,105	–	1,400,605

1) Debbie Goodin commenced 01 September 2015.

2) Michael Fraser commenced 01 September 2015.

3) Robert Wright retired 22 October 2015. Following changes in superannuation regulations in 2003, the Board terminated the Non-executive Directors' retirement benefit plan. Benefits to participating Non-executive Directors accruing up to the termination date were quantified and preserved for payment on retirement of those Non-executive Directors. Robert Wright was the only Non-executive Director entitled to a preserved benefit under the plan and this was paid on his retirement from the Board on 22 October 2015.

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AUSTRALIAN PIPELINE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

7.2 Total remuneration earned and received by executives

The following table outlines the total remuneration earned by executives during FY2015 and FY2016, calculated in accordance with the applicable accounting standard AASB 2: *Share-based Payment*. This requires the three equal instalments to be accounted for over a four year period, that is, the year of service to which the allocation is awarded plus the following three year period during which vesting rights are satisfied.

Year ended 30 June	Short-Term Employment Benefits			Post-Employment	LTI Plans		Total \$
	Salary/Fees \$	STI \$	Non-Monetary \$	Super-annuation \$	Security-Based Payments ¹ \$	Other Payments ² \$	
Michael McCormack							
FY2016	1,730,000	1,814,861	–	35,000	1,581,283	–	5,161,144
FY2015	1,500,000	1,609,447	–	35,000	1,564,212	–	4,708,659
Peter Fredricson							
FY2016	800,000	604,331	–	35,000	543,124	–	1,982,455
FY2015	745,000	561,600	–	35,000	570,885	202,000	2,114,485
Ross Gersbach							
FY2016	805,078	584,685	11,922	35,000	576,019	–	2,012,704
FY2015	792,295	589,844	11,922	18,783	622,328	228,666	2,263,838
Robert Wheals							
FY2016	648,000	469,854	–	30,000	384,858	–	1,532,712
FY2015	560,000	408,162	–	30,000	344,570	–	1,342,732
John Ferguson							
FY2016	552,000	411,194	–	35,000	345,605	–	1,343,799
FY2015	489,000	361,560	–	35,000	318,204	–	1,203,764
Kevin Lester							
FY2016	516,000	360,767	–	35,000	309,242	–	1,221,009
FY2015	444,000	311,757	–	35,000	215,410	–	1,006,167
Nevenka Codevelle³							
FY2016	388,367	270,489	–	24,708	51,404⁴	–	734,968⁴
FY2015	–	–	–	–	–	–	–
Elise Manns⁵							
FY2016	357,640	247,427	–	30,000	49,772⁴	–	684,839⁴
FY2015	–	–	–	–	–	–	–
Mark Knapman							
FY2016	157,699	61,600	–	34,999	262,163	236,224⁶	752,685
FY2015	474,005	260,406	–	34,995	272,908	–	1,042,314
Peter Wallace							
FY2016	132,057	68,504	–	20,427	331,385	305,278⁶	857,651
FY2015	497,000	361,893	–	35,000	334,123	–	1,228,016
Total Remuneration							
FY2016	6,086,841	4,893,712	11,922	315,134	4,434,855⁴	541,502	16,283,966⁴
FY2015	5,501,300	4,464,669	11,922	258,778	4,242,640	430,666	14,909,975

1) Cash settled security-based payments. Reference units subject to Board allocation in August 2016 based on an estimated VWAP of \$9.4614.

2) Other payments include Loyalty Payment instalments. Refer to "Executive contracts" section for more information.

3) Nevenka Codevelle, Company Secretary and General Counsel from 31 October 2015.

4) This information has been corrected to rectify typographical errors contained in the version of the Remuneration Report for the year ended 30 June 2016 released to ASX on 24 August 2016.

5) Elise Manns, Group Executive Human Resources from 02 October 2015.

6) Termination payment.

Note: Volume Weighted Average Price ("VWAP") is calculated over 30 trading days and 2 days prior to the release of APA results on 24 August 2016.

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AUSTRALIAN PIPELINE TRUST AND ITS CONTROLLED ENTITIES
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7.3 Outstanding LTI awards

The following table sets out the movements in the number of LTI reference units and the number of LTI reference units that have been allocated to executives but have not yet vested or been paid, and the years in which they will vest.

Executives	Grant date (financial year)	Opening balance at 1 July 2015	Allocated	Paid	Closing balance at 30 June 2016	Units subject to allocation by the Board in August 2016 ²	Reference units allocated that have not yet vested or been paid and the financial years in which they will vest ¹			
							FY2017	FY2018	FY2019	FY2020
Michael McCormack	FY2012	66,077		(66,077)	-		-	-	-	-
	FY2013	123,278		(61,639)	61,639		61,639	-	-	-
	FY2014	135,141		(45,047)	90,094		45,047	45,047	-	-
	FY2015		188,295		188,295		62,765	62,765	62,765	-
	FY2016					155,544	-	51,848	51,848	51,848
	Total						169,451	159,660	114,613	51,848
Peter Fredricson	FY2012	26,300		(26,300)	-		-	-	-	-
	FY2013	45,134		(22,567)	22,567		22,567	-	-	-
	FY2014	47,250		(15,750)	31,500		15,750	15,750	-	-
	FY2015		63,954		63,954		21,318	21,318	21,318	-
	FY2016					49,056	-	16,352	16,352	16,352
	Total						59,635	53,420	37,670	16,352
Ross Gersbach	FY2012	29,772		(29,772)	-		-	-	-	-
	FY2013	49,580		(24,790)	24,790		24,790	-	-	-
	FY2014	49,833		(16,611)	33,222		16,611	16,611	-	-
	FY2015		67,479		67,479		22,493	22,493	22,493	-
	FY2016					50,055	-	16,685	16,685	16,685
	Total						63,894	55,789	39,178	16,685
Robert Wheals	FY2012	11,320		(11,320)	-		-	-	-	-
	FY2013	27,954		(13,977)	13,977		13,977	-	-	-
	FY2014	31,500		(10,500)	21,000		10,500	10,500	-	-
	FY2015		48,375		48,375		16,125	16,125	16,125	-
	FY2016					39,831	-	13,277	13,277	13,277
	Total						40,602	39,902	29,402	13,277
John Ferguson	FY2012	11,057		(11,057)	-		-	-	-	-
	FY2013	25,800		(12,900)	12,900		12,900	-	-	-
	FY2014	28,980		(9,660)	19,320		9,660	9,660	-	-
	FY2015		42,963		42,963		14,321	14,321	14,321	-
	FY2016					34,485	-	11,495	11,495	11,495
	Total						36,881	35,476	25,816	11,495

1) Reference units multiplied by 30 trading days VWAP to be paid in cash September 2016.

2) Reference units subject to Board allocation in August 2016 based on a VWAP \$9.4614.

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AUSTRALIAN PIPELINE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

7.3 Outstanding LTI awards (continued)

Reference units allocated that have not yet vested or been paid and the financial years in which they will vest¹

Executives	Grant date (financial year)	Opening balance at 1 July 2015	Allocated	Paid	Closing balance at 30 June 2016	Units subject to allocation by the Board in August 2016 ²	FY2017	FY2018	FY2019	FY2020
Kevin Lester	FY2013	21,190		(10,595)	10,595		10,595	–	–	–
	FY2014	26,460		(8,820)	17,640		8,820	8,820	–	–
	FY2015		39,273		39,273		13,091	13,091	13,091	–
	FY2016					32,370	–	10,790	10,790	10,790
	Total						32,506	32,701	23,881	10,790
Nevenka Codevelle ³	FY2016					21,732	–	7,244	7,244	7,244
	Total						–	7,244	7,244	7,244
Elise Manns ⁴	FY2016					21,042	–	7,014	7,014	7,014
	Total						–	7,014	7,014	7,014
Mark Knapman ⁵	FY2012	13,073		(13,073)			–	–	–	–
	FY2013	21,268		(10,634)	10,634		10,634	–	–	–
	FY2014	21,897		(7,299)	14,598		7,299	7,299	–	–
	FY2015		30,219		30,219		10,073	10,073	10,073	–
	FY2016					–	–	–	–	–
Total						28,006	17,372	10,073	–	
Peter Wallace ⁶	FY2012	13,606		(13,606)	–		–	–	–	–
	FY2013	24,924		(12,462)	12,462		12,462	–	–	–
	FY2014	29,166		(9,722)	19,444		9,722	9,722	–	–
	FY2015		43,620		43,620		14,540	14,540	14,540	–
	FY2016					–	–	–	–	–
Total						36,724	24,262	14,540	–	

1) Reference units multiplied by 30 trading days VWAP to be paid in cash in September 2016.

2) Reference units subject to Board allocation in August 2016 based on VWAP of \$9.4614.

3) Nevenka Codevelle, Company Secretary and General Counsel from 30 October 2015.

4) Elise Manns, Group Executive Human Resources from 2 October 2015.

5) Mark Knapman retired 30 October 2015.

6) Peter Wallace, retired 02 October 2015.

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AUSTRALIAN PIPELINE TRUST AND ITS CONTROLLED ENTITIES
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7.4 Loans to KMP and related parties

No loans have been made to KMP and related parties.

7.5 Securityholdings

The following table sets out the relevant interests of KMP in APA securities:

Year ended 30 June	Opening Balance at 1 July 2015	Securities Acquired	Securities Disposed	Closing Balance at 30 June 2016
Non-executive Directors				
Leonard Bleasel AM	614,216	–	–	614,216
Steven Crane	130,000	–	–	130,000
John Fletcher	88,250	–	–	88,250
Russell Higgins AO	122,719	–	–	122,719
Patricia McKenzie	19,986	2,903	–	22,889
Debbie Goodin	–	19,000	–	19,000
Michael Fraser	–	25,000	–	25,000
Robert Wright	52,592 ¹	–	–	–
Executive Director				
Michael McCormack	278,120	21,880	–	300,000
Senior executives				
Peter Fredricson	21,788	1,212	–	23,000
Ross Gersbach	485	10,000	–	10,485
Robert Wheals	2,000	15,000	–	17,000
John Ferguson	2,622	10,000	–	12,622
Kevin Lester	7,369	12,000	–	19,369
Nevenka Codevelle	–	800	–	800
Elise Manns	–	5,900	–	5,900

1) Robert Wright retired as a director of APA Group on 22 October 2015. His Final Director's Interest Notice (Appendix 3Z) lodged with the ASX on 22 October 2015 reflected a final holding of 52,592.

KMP are subject to APA's Securities Trading Policy. A Director or Designated Person (as defined in this policy) with price-sensitive information relating to APA (which is not generally available) is precluded from trading in APA securities.

7.6 Other transactions with KMP of APA and the Responsible Entity and related parties

Leonard Bleasel AM holds 10,000 subordinated notes that were issued by APT Pipelines Limited, a subsidiary of APT.

Other than Non-executive Director fees, executive compensation and equity and debt holdings disclosed in this report, there are no other transactions with the KMP of APA and the Responsible Entity.