A G20 INITIATIVE

Annual Report 2016

Global Infrastructure Hub

Global Infrastructure Hub Ltd

ACN 602 505 064

Annual report
for the year ended 30 June 2016

Global Infrastructure Hub Ltd ABN 46 602 505 064
Annual report - 30 June 2016

Contents

Your directors present their report on the Company for the year ended 30 June 2016.

Directors

The following persons held office as directors of Global Infrastructure Hub Ltd ('the Hub') during the financial year:

Temporary Board		
Robert Milliner	Australia	
Permanent Board		
John Fraser	Australia (Chair)	(appointed 1 April 2015)
Robert Milliner	Australia	(appointed 24 December 2014)
Guangyao Zhu	People's Republic of China	(appointed 14 April 2015)
Heenam Choi	Republic of Korea	(appointed 14 April 2015 and resigned 23 February 2016)
Cavit Dagdas	Turkey	(resigned 30 June 2016)
Mark Bowman	United Kingdom	(appointed 14 April 2015)
Song In-Chang	Republic of Korea	(appointed 24 February 2016)
Ludger Schuknecht	Germany	(appointed 9 December 2015)
Katherine Sierra	United States of America	(appointed 13 August 2015)
(Alternate Members of the Permanent Board)		
Junhong Chang	People's Republic of China	(appointed 14 April 2015)
Quan Zheng	People's Republic of China	(appointed 14 April 2015)
Hoe Joeng Kim	Republic of Korea	(resigned 23 February 2016)
Nigel Ray	Australia	(appointed 17 August 2015)
Matthew Taylor	United Kingdom	(appointed 24 February 2016)
Shona Riach	United Kingdom	(appointed 17 August 2015, resigned 23 February 2016)
Jin Seoungho	Republic of Korea	(appointed 24 February 2016)
Hakan Tokac	Turkey	(appointed 17 April 2016)
Joerg Stephan	Germany	(appointed 7 April 2016)
Hae-Kyong Yu	Australia	(appointed 1 April 2015, resigned 4 April 2016)

Background

In November 2014 G20 Leaders agreed to a new initiative to lift quality public and private infrastructure investment (the Global Infrastructure Initiative). This included the establishment of a Global Infrastructure Hub, which will help to implement the G20's multi-year infrastructure agenda.

The Global Infrastructure Hub Ltd is established as a not-for-profit company, limited by guarantee, under the *Corporations Act 2001* (Commonwealth). The members of the Company are from the Commonwealth of Australia and New South Wales.

Mandate and objectives

Establishing the Hub is a significant and practical initiative by the G20 to drive progress on its infrastructure agenda and to move engagement with the private sector beyond business as usual.

The Hub will work to address data gaps, lower barriers to investment, increase the availability of investment-ready projects, help match potential investors with projects and improve policy delivery through a five point mandate covering:

1. Creation of a knowledge network
2. Identifying and addressing data gaps that matter to investors
3. Promoting leading practices that can be replicated at scale for transformational impact
4. Building the capacity of government officials by sharing best practice approaches; and
5. Building a global project pipeline to help match investors and projects

Mandate and objectives (continued)

The Hub will report to the G20 and work collaboratively with governments, the private sector, development banks and international organisations.

Key strategy for achieving these objectives

Through operations across its five broad mandate areas the Hub aims to increase the effectiveness and efficiency of infrastructure markets. To achieve that goal the Hub needs to maintain its legitimacy with both G20 and non-G20 countries, understand the issues that countries are facing, and to ensure that best practice solutions to these problems are made available, while working closely with both MDB and private sector stakeholders.

The Hub has initially focused on economic infrastructure, but recognises that the definition of economic infrastructure can include broader network related projects such as data services and that connectivity related issues are also important.

To fulfil what is essentially a global mandate, within its resource envelope, the Hub needs to utilise mechanisms which allow it to leverage its experience and knowledge beyond direct intervention. The use of web based technologies and the collection of data from these technologies is a critical part of fulfilling the Hub’s knowledge sharing function and, building on the work set out in the Knowledge Sharing Report provided to G20 Finance Ministers and Central Bank Governors on April 14-15 at their meeting in Washington DC, will remain a close focus for Board attention.

The initial spread of product created by the Hub has been carefully monitored by Directors. It is important that the GI Hub promote more effective government procurement, whilst also facilitating closer cooperation between international organisations (IOs), sovereign governments and the private sector.

As a G20 mandated entity the GI Hub recognises the importance of working with each G20 Presidency. The representation of the G20 ‘troika’ countries (past, present and future hosts) on the Board is an important institutional link between the Board and the G20.

The Hub also recognises the important role that the multilateral development banks (MDBs) and international organisations (IOs) play in creating and advancing emerging markets infrastructure programmes. They have an on the ground presence and skilled staff, are trusted partners, can provide project preparation support and have financial and guarantee based products to support private sector investment. In Chengdu on July 23-24 2016 G20 Finance Ministers and Central Bank Governors asked that the Hub ‘work with the MDBs to assess internal incentives with regard to crowding in private finance’ and to report to Deputies at their meeting on 1 December 2016 in Berlin. Reflecting its importance, Directors will be closely engaged in this work.

As we move into 2017, the future of the Hub beyond its initial four year mandate will become an increasing focus of the Board.

Principal activities

The Hub has made good progress in finalising establishment processes and progressing the major goals identified in the 2014-15 Annual Report. It has also produced its first completed deliverables, in the Field Guide to Infrastructure Resources, the GIH-EDHEC private investor survey and the risk allocation matrices.

Organisational

Over the last twelve months the Hub has completed the transition to becoming a fully established company. The Hub held a formal launch at an event hosted by Australian Treasurer Scott Morrison and NSW Premier Mike Baird at NSW Parliament House on 26 October 2015 and attended by GiH Chairman Mr John A. Fraser and independent, non-executive director Mr Robert Milliner.

Board meetings in 2015-16 have seen a full company policies and procedures document and a clear procurement policy detailing guidelines for procurement across all expenditure levels approved. Reporting on individual procurements is provided at each Board meeting.

Principal activities (continued)

Operational

The mandate received from G20 Leaders on 16 November 2014 remains the central point of reference for the Board in overseeing delivery of the Hub's work program. The GI Hub finalised several initial deliverables and made progress across all strategic priorities identified in the 2015-16 Business Plan.

Initial deliverables

In 2015-16 the key deliverables under the GI Hub's knowledge sharing efforts have been the conference held in Shanghai on February 25 2016, the Knowledge Sharing Report submitted to Ministers at their meeting on 14-15 April 2016 and the launch of the Field Guide to Infrastructure Resources on 8 April 2016. The Shanghai conference included keynote addresses by GI Hub Chairman Mr John A. Fraser and Board member Mr Zhu Guangyao.

Working with the EDHEC Risk Institute of Singapore, the GI Hub undertook a comprehensive survey on investor perceptions of infrastructure. The investor survey, released on 29 July 2016, to which 184 infrastructure leaders responded, provided solid evidence of investors' views on infrastructure as an asset class. Key findings included increasing investor appetite for infrastructure, preconditions for investment attraction, return expectations and growing interest in emerging markets.

A set of annotated risk allocation matrices for PPP transactions, in a variety of sectors, was prepared in collaboration with the international law firm Norton Rose Fulbright. The risk matrices were available in draft form from 25 April 2016 and were welcomed by G20 Finance Ministers and Central Bank Governors at their meeting in Chengdu on July 23-24 2016.

Progress against key priorities

Over the next six months the key deliverables from the Hub on which the Board will be most closely focused are the capability framework, the infrastructure needs assessment, the project pipeline and the assessment of internal MDB incentives in relation to crowding in private finance.

The first version of the Capability Framework will be completed in early 2017 and will allow users from both the public and private sector to measure the level of development of countries' infrastructure markets and to benchmark capabilities against best practices. A key focus for the Board will be how the Framework can be best presented to secure strong country support and engagement.

The Infrastructure Needs Analysis, to be completed by December 2016, will complement the Capability Framework tool by estimating the future annual investment required to meet infrastructure needs at the regional, sectoral and country level out to 2040; with users able to understand the impacts of various policy goals to meet Sustainable Development Goals and climate targets (a complementary online visualisation tool will be developed in early 2017 to aid with dissemination of key findings).

The Global Project Pipeline is a single, consolidated and dynamic international database of future government infrastructure projects. It will be live by the end of 2016, with an initial group of countries and projects listed. It will provide a platform for countries to present and market, on a voluntary basis, their projects to potential private sector investors.

The additional tasking from the G20 for the GI Hub to work with MDBs to assess their internal incentives in relation to crowding in private finance is a very important piece of work for the GI Hub, given the scale of additional private finance that can be bought to bear in addressing infrastructure needs in developing and emerging markets. The Board is focused on ensuring that recommendations are actionable but also based on a deep understanding of the MDB mandates and operating environment.

Stakeholder engagement remains a critical focus for the Board, to both raise awareness of the GI Hub and its work program and to develop relationships globally. The CEO provides a monthly update to the Board on operational activities, with similar updates sent to MDB partners and the OECD as well as to countries which provide financial sponsorship. Regular reporting on proposed travel and conference attendance is also sent to the Chair of the Audit and Risk Committee (Mr Milliner).

Principal activities (continued)

Assessing impact and success

While specific metrics will vary across different tools being developed key metrics that will be monitored and assessed by the Board include online usage of the tools and resources, media coverage received, recognition of key findings among influential infrastructure practitioners and the degree of engagement by G20 and non-G20 countries. In evaluating these metrics an overarching consideration for the Board will be whether knowledge sharing and collaboration between governments, the private sector and MDBs is being improved.

The Board is also focused on ensuring that the GI Hub remain relevant to G20 Finance Ministers and Central Bank Governors. It will be important for the GI Hub to make further contributions to support progress against emerging priorities for Finance Ministers and Governors, consistent with its mandate and with the priorities of each G20 President

Risk Management

The GI Hub's risk management framework focuses on ensuring that the GI Hub as an organisation can deliver on its mandate. The Business Plan for 1 July 2016- 31 December 2017 contains comprehensive reporting on management of individual risks.

The Board's risk management oversight of the GI Hub is driven through quarterly meetings of the Audit and Risk Committee. This committee consists of the GI Hub's two independent directors, the CEO and COO from GI Hub management and relevant partners from PWC (who fulfil the Chief Finance Officer function) and KPMG (independent auditor).

In 2015-16 the key categories of risk impacting on the GI Hub's organisational effectiveness were strategic and operational risks. Generally speaking the risk mitigation strategies developed and applied are proving effective for these types of risks and risk likelihoods are generally seen by GIH management as low to medium. Going forward project level risks, including delivery/execution and data availability, and stakeholder support will assume critical importance and will be closely monitored by the Board.

Extensive engagement with potential users of key tools, from both the public and private sector, is being undertaken to encourage strong stakeholder support. MDBs in particular are a key stakeholder group and one with whom the Board prioritises close consultation and engagement in order to ensure complementarity among products and tools and to avoid duplication.

Dividends - Global Infrastructure Hub Ltd

As a not-for-profit company, the Company does not pay dividends.

Review of operations

The surplus from ordinary activities amounted to $5,651,835 (2015: $5,011,615).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Event since the end of the financial year

On 1 July 2016, the Company received scheduled grant funding from the Australian Federal Government of $6,800,000. These funds were paid in accordance with the Grant Agreement signed 23 June 2016.

During September 2016, the Company received scheduled grant funding from the Mexican Government of the United Mexican States and The Government of New Zealand of $USD 250,000 and $NZD 250,000 respectively. These funds were paid in accordance with the Grant Agreements signed with each government.

Except from those mentioned above, no other matter or circumstance has arisen since 30 June 2016 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

Information on directors

John Fraser - Chair

Mr Fraser was appointed Secretary to the Treasury, effective 15 January 2015.

In this capacity, John is a member of the Board of the Reserve Bank of Australia; Chair of the G20 Global Infrastructure Hub; Chair of the Advisory Board of the Australian Office of Financial Management; and a member of the Australian Council of Financial Regulators.

Based in London, John was Chairman and CEO of UBS Global Asset Management from late 2001 to 2013. During this time, John was also a member of the UBS Group Executive Board and Chairman of UBS Saudi Arabia. In 2014, John remained as Chairman of UBS Global Asset Management, Chairman of UBS Saudi Arabia and Chairman of UBS Grocon Real Estate.

Prior to joining UBS and its predecessor organisations in 1993, John served for over twenty years with the Australian Treasury, including appointment as Deputy Secretary (Economic) from 1990 to 1993 and postings at the International Monetary Fund (1978-1980) and as Minister (Economic) at the Australian Embassy in Washington DC (1985-1988).

John was a member of the Australian Government's 1996 Audit Commission and a Board member of the Australian Stock Exchange (1997-2003).

John graduated from Monash University, Melbourne, in 1972 with a first-class honours degree in economics and, in 2013, was awarded an honorary Doctorate of Laws by the University. John is a member of the Monash Business School's Global Advisory Council and member of the Sir Roland Wilson Foundation, as well as an Honorary Professor at Durham University (UK). He was awarded a Centenary medal by the Commonwealth Government in 2001 for service to Australian society through business and economics.

Robert Milliner - Director

Robert Milliner is a Senior Adviser, International Affairs at Wesfarmers Limited, a Senior Adviser at UBS and a Senior Adviser to the Secretary General of the International Chamber of Commerce. He was the B20 Sherpa for Australia for 2014, a member of the Steering Committee for Turkey B20 2015 and Senior Adviser to China B20 2016. He has recently been appointed Special Adviser to Germany B20 2017.

He is also a director of AusNet Services Ltd., Chairman of the Board of the Foundation for Young Australians and a director of the Australian Charities Fund.

From 2004-2011 he was Chief Executive Partner of Australia's pre-eminent international law firm Mallesons Stephen Jaques (now King & Wood Mallesons). He was a partner of that firm for 28 years.

Robert was a director of the Business Council of Australia from 2005-2011, chaired the Business Reform Task Force and was a member of the Global Engagement Task Force.

He has a Bachelor of Commerce and Bachelor of Laws (Hons) from the University of Queensland and a Master of Business Administration from the University of Western Australia. In 2010 he attended the Advanced Management Program at Harvard Business School.

Guangyao Zhu - Director

Guangyao Zhu is Vice Minister for the Ministry of Finance (MOF) of the People's Republic of China. He has been in this role since May 2010. Prior to this Mr Zhu was the Assistant Minister, MOF, from 2007 to 2010 and the Director General of International Affairs Department at MOF from 2005-2008 and 1998-2001. From 2001 to 2004 Mr Zhu served as an Executive Director of the World Bank Group.

Information on directors (continued)

Mr Zhu has also previously held a number of executive positions at the Ministry of Finance and the World Bank, including the Deputy Director General of Treasury Bond and Finance Department (1997- 1998) and Alternative Executive Director (Representing China) of the World Bank Group.

Mr Zhu holds a Bachelor of Economics from Beijing Technology and Business University (1982), as well as a Master of Economics from the Research Institute for Fiscal Science, MOF (1985).

Cavit Dagdas - Director

Mr Dagdas was the Acting Undersecretary of Turkey's Treasury until 30 June 2016. He commenced this role in September 2014, and was Deputy Treasury Undersecretary for 10 years prior to this.

In 1986 he began to work as assistant expert at State Planning Organization, General Directorate of Annual Programs and Conjectural Evaluation. From 1994 to 2001 he performed duty as the head of unit, the Deputy Director General and the Director General respectively.

In April 2002 he was assigned as the advisor to the Central Bank of the Republic of Turkey.

Mark Bowman - Director

Mark Bowman is Director General, International Finance at HM Treasury with responsibility for advancing the UK's economic and financial interests internationally and in the European Union. He leads HM Treasury's work with foreign finance ministries, central banks and international institutions; and is the UK's Finance Deputy at the G7 and G20, and represents the UK in the EU's Economic and Financial Committee. Mark is also a member of the Treasury's Executive Management Board.

Mr Bowman re-joined the Treasury in November 2013 from the Department for International Development (DFID) where he spent two years as Director General, Humanitarian, Security and International Finance which included oversight of DFID's humanitarian programmes, its work in the Middle East region and relations with the World Bank.

Immediately prior to joining DFID, Mr Bowman was Director, Strategy, Planning and Budget at HM Treasury and a member of the Executive Management Board. Mr Bowman initially joined the Treasury in 1995 as an economist and has filled a number of important roles including Principal Private Secretary to the Chancellor of the Exchequer (2001 to 2004), Director International Finance (2006 to 2008) and Director Budget and Tax (2008-10). He started his career as an Overseas Development Institute Fellow working in the Mozambican Ministry of Planning and Finance.

Song In-Chang - Director

Song In-Chang is Deputy Minister, International Affairs at the Ministry of Strategy and Finance of Korea (MOSF). He has been in this role since February 2016.

Prior to this Mr. Song was Director General of a number of offices within the Ministry of Strategy and Finance (2014-2016).

Mr. Song held a series of roles within the Ministry of Finance and Economy and MOSF from 2001- 2010, including Director of International Economic Affairs Division and Director of the Financial Hub Cooperation Division. From 2005-2007 he was also the Director, Secretary to the President for Human Resource Management.

Mr. Song was the Director for Korea, Australia, New Zealand and Egypt at the European Bank for Reconstruction and Development from 2010-2013, based in London.

Mr. Song has a B.A. Economics from Seoul National University (1986), an M.A. Economics, Graduate School of Public Administration, Seoul National University (1988), M.A. Economics, London School of Economics and Political Science (1997), and a Ph.D., Economics, University of York (2000).

Information on directors (continued)

Ludger Schuknecht - Director

Ludger Schuknecht is Chief Economist & heading the Directorate General Fiscal Policy and International Financial and Monetary Policy at the German Ministry of Finance. In this role he advises the Minister on economic policy issues in the domestic and international sphere.

In his previous position of Senior Advisor in the Directorate General Economics of the European Central Bank he contributed to the preparation of monetary policy decision making and the ECB positions in European policy coordination.

Before that he headed the ECB's fiscal surveillance section which followed assignments at the World Trade Organisation and at the International Monetary Fund.

His recent research focuses on public expenditure policies and reform and the analysis of economic boom-bust episodes. He wrote "Public Spending in the 20th Century: A Global Perspective" together with Vito Tanzi.

Katherine Sierra - Director

Katherine Sierra is a non-resident Senior Fellow of Global Economy and Development at The Brookings Institution.

Previously Ms Sierra was the Vice President for Operational Core Services (1999-2000) at the World Bank, Vice President for Human Resources (2001-2004), Vice President for Infrastructure (2004- 2007) and Vice President for Sustainable Development (2007-2010).

Ms Sierra is also the Chair, Consultative Group for International Agricultural Research, as well as a member of the Advisory Council, Joint Institute for Strategic Energy Analysis, member of the National Research Council, Policy and Global Affairs Division Oversight Committee, on the Advisory Council for the American Society of Civil Engineers conference series, and a member of the External Advisory Council for the Ingersoll Rand Center for Energy Efficiency and Sustainability. She is the Chair of the Gold Medal Jury for the World Environment Center Sustainability Award.

Ms Sierra has a Bachelor of Arts (Anthropology and Hispanic Civilization), University of California Santa Barbara (1976), a Masters in City and Regional Planning from the Graduate School of Design at Harvard University (1978) and has also completed the General Managers Program at the Harvard Business School (1998).

Heenam Choi - Director

Dr Choi is the Deputy Minister for International Affairs of the Ministry of Strategy and Finance in October 2014.

Prior to becoming Deputy Minister for International Affairs, Dr Choi served as Director General of the International Finance Bureau (2013-2014), Director General of the International Financial Cooperation Bureau at the Ministry (2012-2013) and Director General of the Policy Strategy Bureau at the Presidential Committee for the G20 Summit (2010-2011); playing a crucial role in driving the agenda for the G20 Finance Ministers and Central Bank Governors Meetings during the Korean Presidency, and addressing global issues including IMF reforms.

In his previous capacity as Director of International Financial Policy Division (2007-2008), Dr. Choi was responsible for dealing with ROK bonds issuance and sovereign credit rating. Dr. Choi was Director of Foreign Exchange Market Division (2005-2007), where he was in charge of monitoring the FX market, managing official reserves and the FX Stabilization Fund. He also served as Director of the Policy Planning Division (2004-2005), and as Director of the Industry Division (2003-2004), coordinating industrial, SME, FDI, and agricultural policies.

From 1998 to 1999, he served as Assistant Secretary to the President for Finance and Economic Affairs at the Office of the President.

Dr. Choi's career at the international institutions includes IMF Alternate Executive Director (2011), and a three-year service as Advisor to Executive Director at IBRD (1999-2003). Dr. Choi earned a PhD in Economics from the University of Pittsburgh and graduated with an MBA in Finance and a BA in Economics from Hanyang University in Korea.

Meetings of directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2016, and the numbers of meetings attended by each director were:

	Full meetings of directors	
	A	**B**
John Fraser	4	5
Robert Milliner	5	5
Guangyao Zhu	5	5
Heenam Choi	2	2
Cavit Dagdas	4	5
Mark Bowman	4	5
Son In-Chang	2	3
Ludger Schuknecht	3	4
Katherine Sierra	5	5

A = Number of meetings attended
B = Number of meetings in 2015-16 held during the time the director held office

Members guarantee

The Company is incorporated under the *Corporations Act 2001* and is an Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $10. As at 30 June 2016, the number of members was 2 (2015: 2 members).

Insurance of officers and indemnities

(a) Insurance of officers

During the financial year, Global Infrastructure Hub Ltd paid a premium of $37,661 (2015: $17,676) to insure the director's and secretaries of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

This report is made in accordance with a resolution of directors.

Robert Milliner
Director

Sydney
20 October 2016

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Global Infrastructure Hub Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Kevin Leighton
Partner

Sydney

20 October 2016

Global Infrastructure Hub Ltd ACN 602 505 064
Annual report - 30 June 2016

Contents

These financial statements are the financial statements of Global Infrastructure Hub Ltd as an individual entity. The financial statements are presented in Australian currency.

Global Infrastructure Hub Ltd is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Global Infrastructure Hub Ltd
Level 23
68 Pitt Street
Sydney NSW 2000

A description of the nature of the entity's operations and its principal activities is included in the directors' report on page 1, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 20 October 2016. The directors have the power to amend and reissue the financial statements.

Global Infrastructure Hub Ltd
Statement of comprehensive income
For the year ended 30 June 2016

	Notes	**From 1 July 2015 to 30 June 2016 $**	From 24 December 2014 to 30 June 2015 $
Revenue from continuing operations	3	**12,687,822**	5,395,595
Other income	4	**96,799**	-
Employee benefits expense		**(3,781,893)**	(58,618)
Depreciation and amortisation expense	5	**(382,249)**	-
Marketing expense		**(120,894)**	-
Property expense		**(374,702)**	-
Travel expense		**(817,484)**	(34,934)
Professional fees		**(835,016)**	(54,615)
Events and conference expense		**(273,963)**	-
Other expenses		**(757,324)**	(237,494)
Finance costs	5	**210,739**	1,681
Surplus for the year/period		**5,651,835**	5,011,615
Other comprehensive income			
Other comprehensive income for the year/period		**-**	-
Total comprehensive income for the year/period		**5,651,835**	5,011,615
Surplus is attributable to:			
Members of Global Infrastructure Hub Ltd		**5,651,835**	5,011,615
Total comprehensive income for the year is attributable to:			
Members of Global Infrastructure Hub Ltd		**5,651,835**	5,011,615

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Global Infrastructure Hub Ltd
Balance sheet
As at 30 June 2016

	Notes	**2016 $**	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	6	**9,981,972**	5,397,276
Trade and other receivables	7	**229,890**	455,468
Total current assets		**10,211,862**	5,852,744
Non-current assets			
Property, plant and equipment	8	**1,017,671**	105,990
Intangible assets	9	**51,339**	-
Total non-current assets		**1,069,010**	105,990
Total assets		**11,280,872**	5,958,734
LIABILITIES			
Current liabilities			
Trade and other payables	10	**344,005**	943,566
Employee benefit obligations	11	**273,417**	3,553
Total current liabilities		**617,422**	947,119
Non-current liabilities			
Total non-current liabilities		**-**	-
Total liabilities		**617,422**	947,119
Net assets		**10,663,450**	5,011,615
EQUITY			
Retained surplus	12	**10,663,450**	5,011,615
Total equity		**10,663,450**	5,011,615

The above balance sheet should be read in conjunction with the accompanying notes.

Global Infrastructure Hub Ltd
Statement of changes in equity
For the year ended 30 June 2016

	Retained surplus $	Total equity $
Balance at 24 December 2014	-	-
Surplus for the year/period	5,011,615	5,011,615
Other comprehensive income	-	-
Total comprehensive income for the year	**5,011,615**	**5,011,615**
Balance at 30 June 2015	**5,011,615**	**5,011,615**
Balance at 1 July 2015	5,011,615	5,011,615
Surplus for the year/period	5,651,835	5,651,835
Other comprehensive income	-	-
Total comprehensive income for the year	**5,651,835**	**5,651,835**
Balance at 30 June 2016	**10,663,450**	**10,663,450**

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

	Notes	From 1 July 2015 to 30 June 2016 $	From 24 December 2014 to 30 June 2015 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**14,053,403**	5,395,595
Payments to suppliers and employees (inclusive of goods and services tax)		**(8,334,177)**	(20)
Net cash inflow from operating activities	17	**5,719,226**	5,395,575
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,284,254)**	-
Payments for intangibles		**(61,015)**	-
Net cash (outflow) from investing activities		**(1,345,269)**	-
Cash flows from financing activities			
Interest paid		**(3,170)**	-
Interest received		**213,909**	1,701
Net cash inflow from financing activities		**210,739**	1,701
Net increase in cash and cash equivalents		**4,584,696**	5,397,276
Cash and cash equivalents at the beginning of the financial year/period		**5,397,276**	-
Cash and cash equivalents at end of year/period	6	**9,981,972**	5,397,276

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

Contents of the notes to the financial statements

1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Global Infrastructure Hub Ltd.

(a) Basis of preparation

(a) Special purpose financial report

In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports.

The special purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

The special purpose financial statements include only the disclosure requirements of the following AASBs and those disclosures considered necessary by the directors to meet the needs of members:
AASB 101 *Presentation of Financial Statements*
AASB 107 *Statement of Cash Flows*
AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
AASB 1048 *Interpretation and Application of Standards*
AASB 1054 *Australian Additional Disclosures.*

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis.

(iii) New and amended standards adopted by the company

The Company has applied the following standards and amendments for first time in their annual reporting period commencing 1 July 2015:

- AASB 2014-1 *Amendments to Australian Accounting Standards* (including Part A: *Annual Improvements 2010-2012 and 2011-2013 Cycles* and Part B: *Defined Benefit Plans: Employee Contributions - Amendments to AASB 119)*

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

The Company also elected to adopt the following two amendments early:

- AASB 2015-1 *Amendments to Australian Accounting Standards - Annual Improvements to the Australian Accounting Standards 2012-2014 Cycle),* and
- AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure initiative: Amendments to AASB 101.

As these amendments merely clarify the existing requirements, they do not affect the Company's accounting policies or any of the disclosures.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by company
AASB 9 *Financial Instruments*	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	Following the changes approved by the AASB in December 2014, the Company no longer expects any impact from the new classification, measurement and derecognition rules on the Company's financial assets and financial liabilities. While the Company has yet to undertake a detailed assessment of the debt instruments currently classified as available-for-sale financial assets, it would appear that they would satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets. There will also be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The new hedging rules align hedge accounting more closely with the Company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward as the standard introduces a more principles-based approach. The new standard also introduces expanded disclosure requirements and changes in presentation. The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses. The Company has not yet assessed how its own hedging arrangements and impairment provisions would be affected by the new rules.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by company
AASB 15 *Revenue from Contracts with Customers*	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2018), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.	Management is currently assessing the impact of the new rules and has identified the following areas that are likely to be affected: • extended warranties, which will need to be accounted for as separate performance obligations, which will delay the recognition of a portion of the revenue • consignment sales where recognition of revenue will depend on the passing of control rather than the passing of risks and rewards • IT consulting services where the new guidance may result in the identification of separate performance obligations which could again affect the timing of the recognition of revenue, and • the balance sheet presentation of rights of return, which will have to be grossed up in future (separate recognition of the right to recover the goods from the customer and the refund obligation) At this stage, the Company is not able to estimate the impact of the new rules on the Company's financial statements. The Company will make more detailed assessments of the impact over the next twelve months.	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the Company: 1 July 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Global Infrastructure Hub Ltd's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

1 Summary of significant accounting policies (continued)

(c) Grant income

Grants received from countries which have made financial commitment to the Hub are recognised on cash basis, at the fair value in the year to which they are referable where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

(i) Interest income

Interest income is recognised using the effective interest method.

(e) Income tax

The Company is a not-for-profit entity and not subject to income tax.

(f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

1 Summary of significant accounting policies (continued)

(h) Trade receivables (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Computer hardware	3 - 4 years
- Furniture fixtures and fittings	3 years
- Other plant and equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(j) Intangible assets

(i) Website

The Global Infrastructure Hub maintains a public website and through this website we communicate to the public, our supporters and stakeholders about the activities of the Global Infrastructure Hub. The website is the platform for the delivery of aspects of the mandate and a valuable source of information.

Furthermore the website will host several tools being developed by the Global Infrastructure Hub in accordance with their mandate the first of which has been developed. The website currently hosts a searchable database containing a library of information relevant to stakeholders on global infrastructure.

1 Summary of significant accounting policies (continued)

(j) Intangible assets (continued)

(ii) Amortisation methods and useful lives

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Website 3 years

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(m) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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

2 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

(a) Significant estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. There are not areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

3 Revenue

	From 1 July 2015 to 30 June 2016 $	From 24 December 2014 to 30 June 2015 $
From continuing operations		
Other revenue		
Government grants (a)	**12,687,822**	5,395,595
	12,687,822	5,395,595

(a) Government Grants

Government grants were received during the year as follows:

	From 1 July 2015 to 30 June 2016 $	From 24 December 2014 to 30 June 2015 $
	-	-
Australia	**7,700,000**	3,400,000
United Kingdom	**2,036,776**	1,995,595
Saudi Arabia	**1,404,465**	-
Republic of Korea	**630,878**	-
Mexico	**348,875**	-
People's Republic of China	**343,668**	-
New Zealand	**223,160**	-
	12,687,822	5,395,595

4 Other income

	From 1 July 2015 to 30 June 2016 $	From 24 December 2014 to 30 June 2015 $
Singapore project funding	**95,000**	-
Net foreign exchange gains	**1,722**	-
Other income	**77**	-
	96,799	-

5 Expenses

	From 1 July 2015 to 30 June 2016 $	From 24 December 2014 to 30 June 2015 $
Depreciation		
Computer hardware	**58,893**	-
Furniture fixtures and fittings	**283,397**	-
Other property, plant and equipment	**30,283**	-
Total depreciation	**372,573**	-
Amortisation		
Website	**9,676**	-
Total amortisation	**9,676**	-
Total depreciation and amortisation	**382,249**	-
Finance costs		
Interest received	**(213,909)**	(1,701)
Interest and finance charges paid	**3,170**	20
	(210,739)	(1,681)

6 Cash and cash equivalents

	2016 $	2015 $
Current assets		
Cash at bank and in hand	**6,179,512**	5,397,276
Deposits at call	**3,802,460**	-
	9,981,972	5,397,276

7 Trade and other receivables

	2016			2015		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Other receivables	**82,667**	**-**	**82,667**	80,274	-	80,274
Prepayments	**147,223**	**-**	**147,223**	375,194	-	375,194
	229,890	**-**	**229,890**	455,468	-	455,468

8 Property, plant and equipment

	Computer hardware $	Furniture fixtures and fittings $	Other property, plant and equipment $	Total $
Year ended 30 June 2015				
Opening net book amount	-	-	-	-
Additions	-	-	105,990	105,990
Depreciation charge	-	-	-	-
Closing net book amount	-	-	105,990	105,990
At 30 June 2015				
Cost	-	-	105,990	105,990
Accumulated depreciation	-	-	-	-
Net book amount	-	-	105,990	105,990
Year ended 30 June 2016				
Opening net book amount	-	-	105,990	105,990
Additions	140,534	1,143,720	-	1,284,254
Depreciation charge	(58,893)	(283,397)	(30,283)	(372,573)
Closing net book amount	81,641	860,323	75,707	1,017,671
At 30 June 2016				
Cost	140,534	1,143,720	105,990	1,390,244
Accumulated depreciation	(58,893)	(283,397)	(30,283)	(372,573)
Net book amount	81,641	860,323	75,707	1,017,671

9 Intangible assets

	Website $	Total $
At 30 June 2015		
Cost	-	-
Accumulation amortisation	-	-
Net book amount	-	-

9 Intangible assets (continued)

	Website $	Total $
Year ended 30 June 2016		
Opening net book amount	-	-
Additions - acquisition	61,015	61,015
Amortisation charge	(9,676)	(9,676)
Closing net book amount	51,339	51,339
At 30 June 2016		
Cost	61,015	61,015
Accumulated amortisation	(9,676)	(9,676)
Net book amount	51,339	51,339

10 Trade and other payables

		2016			2015	
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Trade payables	**259,912**	**-**	**259,912**	876,476	-	876,476
Accrued expenses	**39,569**	**-**	**39,569**	67,090	-	67,090
Other payables	**44,524**	**-**	**44,524**	-	-	-
	344,005	**-**	**344,005**	943,566	-	943,566

11 Employee benefit obligations

		2016			2015	
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Leave obligations	**210,144**	**-**	**210,144**	3,553	-	3,553
Superannuation payable	**63,273**	**-**	**63,273**	-	-	-
	273,417	**-**	**273,417**	3,553	-	3,553

(a) Leave obligations

The leave obligations cover the Company's liability for annual leave.

The current portion of this liability includes all of the accrued annual leave and personal/carers leave, The entire amount of the provision of $210,144 (2015 - $3,553) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

12 Retained surplus

Movements in retained surplus were as follows:

	2016 **$**	2015 $
Balance 1 July 2015/ 24 December 2014	**5,011,615**	-
Net surplus for the year/period	**5,651,835**	5,011,615
Balance 30 June	**10,663,450**	5,011,615

13 Remuneration of auditor

During the year the following fees were paid or payable for services provided by the auditor of the entity, its related practices and non-related audit firms:

(a) KPMG

(i) Audit and other assurance services

	to 30 June 2016 $	From 24 December 2014 to 30 June 2015 $
Audit and other assurance services		
Audit and review of financial statements	**25,000**	-
Total remuneration for audit and other assurance services	**25,000**	-

14 Contingent liabilities and contingent assets

The Company had no contingent liabilities or assets at 30 June 2016 (2015: Nil).

15 Commitments

(a) Lease commitments: company as lessee

(i) Non-cancellable operating leases

	2016 **$**	2015 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**288,008**	-
Later than one year but not later than five years	**467,031**	673,677
Later than five years	**-**	-
	755,039	673,677

(ii) Rental expense relating to operating leases		
Minimum lease payments	**365,026**	673,677

16 Events occurring after the reporting period

On 1 July 2016, the Company received scheduled grant funding from the Australian Federal Government of $6,800,000. These funds were paid in accordance with the Grant Agreement signed 23 June 2015.

During September 2016, the Company received scheduled grant funding from the Mexican Government of the United Mexican States and The Government of New Zealand of $USD 250,000 and $NZD 250,000 respectively. These funds were paid in accordance with the Grant Agreements signed with each government.

Except from those mentioned above, no other matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

17 Cash flow information

Reconciliation of surplus after income tax to net cash inflow from operating activities

	2016 **$**	2015 $
Surplus for the year/period	**5,651,835**	5,011,615
Depreciation and amortisation	**382,249**	-
Interest paid	**3,170**	-
Interest received	**(213,909)**	(1,701)
Change in operating assets and liabilities:		
Decrease (increase) in trade and other receivables	**225,578**	(455,468)
(Decrease) increase in trade and other payables	**(599,561)**	837,576
Increase in employee benefit obligations	**269,864**	3,553
Net cash inflow from operating activities	**5,719,226**	5,395,575

As stated in note 1(a) to the financial statements, in the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Corporations Act 2001* requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in note 1.

In the directors' opinion:

(a) the financial statements and notes set out on pages 11 to 28 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the entity's financial position as at 30 June 2016 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

Robert Milliner
Director

Sydney
20 October 2016

KPMG

Independent audit report to the members of Global Infrastructure Hub Ltd

We have audited the accompanying financial report, being a special purpose financial report, of Global Infrastructure Hub Ltd (the company), which comprises the balance sheet as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the special purpose financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1 to the financial statements so as to present a true and fair view which is consistent with our understanding of the company's financial position, and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion the financial report of Global Infrastructure Hub Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

KPMG

KPMG

Kevin Leighton
Partner

Sydney

20 October 2016