



Global
Infrastructure
Hub

A G20 INITIATIVE

Annual Report 2017



Global Infrastructure Hub Ltd

ACN 602 505 064

Annual report for the year ended 30 June 2017

Global Infrastructure Hub Ltd ABN 46 602 505 064

Annual report - 30 June 2017

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Your directors present their report on the Company for the year ended 30 June 2017.

Directors

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

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)
Osman Celik	Turkey	(appointed 19 September 2016, resigned 31 December 2016)
Mark Bowman	United Kingdom	(appointed 14 April 2015, reappointed 17 January 2017)
Song In-Chang	Republic of Korea	(appointed 24 February 2016, reappointed 17 January 2017)
Ludger Schuknecht	Germany	(appointed 9 December 2015)
Katherine Sierra	United States of America	(appointed 13 August 2015, reappointed 1 July 2017)
Ariel Sigal	Argentina	(appointed 4 April 2017)

(Alternate Members of the Permanent Board)

Junhong Chang	People's Republic of China	(appointed 14 April 2015, resigned 22 October 2016)
Quan Zheng	People's Republic of China	(appointed 14 April 2015, resigned 22 October 2016)
Nigel Ray	Australia	(appointed 17 August 2015)
Matthew Taylor	United Kingdom	(appointed 24 February 2016, reappointed 17 January 2017)
Jin Seoungcho	Republic of Korea	(appointed 24 February 2016, resigned 31 December 2016)
Hakan Tokac	Turkey	(appointed 17 April 2016, appointment expired 25 August 2016)
Raci Kaya	Turkey	(appointed 26 August 2016, appointment expired 31 December 2016)
Joerg Stephan	Germany	(appointed 7 April 2016)
Kunil Hwang	Republic of Korea	(appointed 17 January 2017)
Elke Baumann	Germany	(appointed 17 January 2017)
Li Hongxia	People's Republic of China	(appointed 17 January 2017)
Lu Jin	People's Republic of China	(appointed 17 January 2017)
Pablo Quirno	Argentina	(appointed 4 April 2017)

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 GI Hub 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

The GI Hub represents a significant and practical initiative by the G20 to progress its infrastructure agenda and to enhance engagement with the private sector.

Specifically, the G20 mandated the GI Hub to:

- Develop a knowledge-sharing network to aggregate and share information on infrastructure projects and financing between governments, international organisations, development banks, national infrastructure institutions and the private sector;
- Address key data gaps that matter to investors;
- Develop effective approaches to implement the voluntary G20 Leading Practices on Promoting and Prioritising Quality Investment, including model documentation covering project identification, preparation and procurement;
- Build the capacity of officials to improve institutional arrangements for infrastructure by sharing best practice approaches; and
- Enhance investment opportunities by developing a consolidated database of infrastructure projects, connected to national and relevant multilateral development bank databases, to help match potential investors with projects.

The GI Hub reports to the G20 and works collaboratively with governments, the private sector, development banks and international organisations.

Key strategy for achieving these objectives

The GI Hub was created by the G20 as a knowledge sharing organisation, with a mandate to grow the global pipeline of quality, bankable infrastructure projects.

The GI Hub mandate arose from a recognition by the G20 that infrastructure is critical to establishing productive economies and liveable cities. It is the only international organisation specifically dedicated to infrastructure, and that works across both developed and emerging economies.

Through operations across its five broad mandate areas the GI Hub aims to increase the effectiveness and efficiency of infrastructure markets. To achieve that goal the GI Hub needs to understand the issues that G20 and non-G20 countries face, and to identify best practice solutions to these problems where possible. The GI Hub operates in a manner that supports both public and private sector stakeholders, and avoids duplicating the work undertaken by Multilateral Development Banks (MDB)'s and International Organisations (IO)'s.

The GI Hub advocates systemic reform of the infrastructure market based upon market data. It uses existing data, where available, and searches out and creates new data sources where it is considered important. The GI Hub works primarily with governments and government agencies, but is informed in its actions by the priorities of the private sector.

The first raft of initiatives have now been completed and have been launched to market. The GI Hub is working to analyse the data created within these initiatives, and will use these tools to inform both the choice of future leading practices, as well as targeting the country engagement work. The Directors have monitored the creation of these initial projects and continue to monitor their take up and impact.

The use of web based technologies remains central to the GI Hub's operation, and the ability to access the GI Hub tools and products online across a variety of platforms and means is an important consideration in the development of any new initiatives. The GI Hub is continually looking to improve the accessibility and efficiency of the website, and this is important in driving greater reach and engagement.

The ability of the organisation to engage with its stakeholders and contribute new and relevant information to the debates around infrastructure remain a focus for the Board. Strengthening these capabilities will be driven by a growth in the GI Hub communications functions, allowing more effective use of the GI Hub's tools as the basis for an expanded offering to countries.

Key strategy for achieving these objectives (continued)

The GI Hub has initially focused on economic infrastructure, an asset class that can include broader network related projects such as data services. It recognises the unique complications that cross border projects can raise and remains a close collaborator with the Global Infrastructure Connectivity Alliance. It is also increasingly considering the impact of infrastructure on social outcomes, and the implications for infrastructure delivery of the Paris Climate Agreement.

As a G20 mandated entity the GI Hub recognises the importance of working to support 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.

As the GI Hub continues through 2017 and into 2018, the GI Hub Management will present a proposal supporting renewal beyond its initial four year mandate, a decision on which will be made by December 2017

Principal activities

While the first 12 months were naturally focused on laying the foundations for the organisation and building the necessary networks with stakeholders, since then the GI Hub has increasingly been building its public profile and strengthening those relationships. It continues to work closely with the MDBs, other international organisations, and the private sector on a number of initiatives.

The GI Hub has made good progress in finalising establishment processes and progressing the major goals identified in the 2016-17 Business Plan. It has also delivered the first significant tranche of major projects and tools, including the Global Project Pipeline, the Risk Allocation Tool, the *InfraCompass* Tool and the report on MDB Internal Incentives to Crowd-In Private Finance in Infrastructure.

Organisational

Over the last twelve months the GI Hub has been operating at largely full capacity against its originally budgeted headcount. Some staff changes, primarily at Senior Director level have been made, with the organisation continuing to identify and address important skills gaps.

Board meetings in 2016-17 have shifted their focus from operational and policy matters to more strategic and project delivery related issues. Reporting on major initiatives is provided at each Board meeting, and in the latter half of the year the Board established a Subcommittee to undertake the review of the GI Hub activities in accordance with its original mandate. This review will form the basis of the report to the Finance Deputies and Central Bank Governors meeting in December 2017, with a final decision on the GI Hub's future being taken by the Finance Ministers at a meeting in March 2018.

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 GI Hub's work program. During the past 12 months, the GI Hub finalised several major deliverables and made progress across all strategic priorities identified in the 2016-17 Business Plan.

Deliverables

In 2016-17 the GI Hub has released a number of key deliverables.

In direct response to the mandate, the GI Hub developed the first Global Project Pipeline, launching the pilot version in December 2016 with 10 countries participating and 40 projects listed. Since then, users have registered from 107 countries, across more than 970 organisations with over 70% coming from the private sector. This initiative remains a strong focus for the Board, with an emphasis on expanding the reach and use of the tool and ensuring it is a useful product for governments and investors.

Two other major initiatives were also launched in mid-2016 and early 2017 - the PPP Risk Allocation Tool and the *InfraCompass* Tool (formerly the Capability Framework) respectively. Both were priorities in the 2015-16 Annual Report, and the Board has been closely monitoring their development and release strategies.

The former is a series of detailed, annotated risk allocation matrices for a number of sample infrastructure PPP transactions across several sectors. The tool allows users to determine the most appropriate allocation of risks in PPP contracts, depending on the nature of the project and the type of market in which it is being developed. The GI Hub management have advised that this tool is driving significant traffic to the online platform, and is being increasingly used by the public and private sectors, as well as in academia.

InfraCompass is a foundational document which provides an analysis of 49 countries' performance against key indicators of successful infrastructure markets. As an online tool, it provides functionality to allow users to compare countries, and provides comprehensive data that identifies best practice and opportunities for reform. The Board has requested the GI Hub management emphasise the update and further dissemination of this tool in the 2017-18 Business Plan, following the considerable interest its release has generated so far.

In response to a request from the G20 Finance Ministers, the GI Hub also delivered an independent review of the internal incentives structures of the major MDBs, making evidence-based recommendations for improvements in MDB approaches to facilitating private investment in infrastructure. This work was signaled in the 2015-16 Annual Report, and the Board is pleased with the immediate impact of the report already noticeable in changes to MDB processes and more importantly, in more rigorous and transparent reporting on this issue.

These headline tools have been supported by a full refresh and update of the GI Hub *Knowledge Platform* to incorporate the *Field Guide*. The Platform now provides a more integrated and user-friendly experience for the GI Hub's global audiences and facilitates the GI Hub's knowledge sharing function. This has been further delivered upon through the GI Hub attendance at or participation in conferences, forums, workshops and meetings in over 30 countries across public, private and not-for-profit sectors. A flagship conference hosted by the GI Hub in Mexico was also a success, with keynote addresses by the Ministers of Finance of both Mexico and Colombia and significant media coverage.

The GI Hub's relationship with the MDBs has been an area of focus for the Board, and the directors are pleased to see that these are strengthening and new linkages are being forged through formal Memorandum of Understandings (MoUs) and ongoing projects or partnerships with these institutions.

A final initiative flagged in the 2015-16 Annual Report was the Infrastructure Needs Analysis, which has since been renamed the *Global Infrastructure Outlook*. While the Board had anticipated its release earlier, the tool was launched in July 2017 and garnered an unprecedented level of media coverage. The report forecasts a global infrastructure investment need of US\$97 trillion to 2040, and provides the first country and sector level forecasts of needs and gaps ever released. It will remain a priority item for the Board, who are anticipating its use to continue to build the profile of the GI Hub and uptake of its other tools and resources.

Principal activities (continued)

Progress against key initiatives

The GI Hub has made significant progress against the original mandate, with the completion and launch of several major initiatives. A summary is provided below.

PROJECTS LAUNCHED			
Mandate area	Project	About	Release date
Addressing Data Gaps	Global Infrastructure Outlook	An online interactive platform showing infrastructure investment needs in 50 countries to assist governments and private sector in prioritising and planning future spending	Launched July 2017 outlook.gihub.org
Addressing Data Gaps	GI Hub and EDHECinfra Global Investor Study	A global study by GI Hub and EDHEC Infrastructure Institute, investigating investor expectations for infrastructure globally.	Released July 2016
Leading Practices	Allocating Risk in Public Private Partnerships	A guide to typical risk allocation in infrastructure projects between public and private sector partners.	Launched August 2016 ppp-risk.gihub.org
Leading Practices	Report on Multilateral Development Banks	Advice to the G20 Finance and Central Bank Deputies on how the MDBs can 'crowd-in' private finance for public infrastructure.	Released December 2016
Project Pipeline	Project Pipeline	A free online platform with early stage data on government infrastructure projects to help the private sector.	Launched December 2016 pipeline.gihub.org
The Knowledge Network	Infra Compass	An online interactive platform with data and analysis of 49 countries which pinpoints leading practices for planning, procurement and delivery of public infrastructure.	Launched May 2017 infracompass.gihub.org
The Knowledge Network	Knowledge Platform	The Knowledge Platform is the gateway to the GI Hub's tools, products and resources. Users will find contextual information by browsing under relevant country or sector, or can filter the database to provide specific information.	Relaunched April 2017 gihub.org
Capacity Building	Regional PPP Seminar, Athens	A two day conference jointly hosted by the EBRD, the World Bank and the GI Hub, focussed on mechanisms for increasing private investment in public infrastructure.	March 2017
Capacity Building	2017 GI Hub Conference, Mexico City	A 1.5 day conference held in partnership with Mexico's Ministry of Finance and Public Credit focussing on mobilising private investment to deliver public infrastructure projects.	May 2017

Principal activities (continued)

In addition to the initiatives that are 'live' the GI Hub also has a range of additional projects underway that will continue to deliver against the original mandate areas.

INITIATIVES UNDER DEVELOPMENT			
Mandate area	Project	About	Release date
Addressing Data Gaps	Investor perceptions and expectations of infrastructure as an asset class	Further research of investor's perceptions and expectations from investing in infrastructure as an asset class. Released in a form that can inform policy makers and investor markets of benchmark level of performance of infrastructure.	October 2017
Leading Practices	Showcase Projects	Papers outlining key ingredients and success factors of leading infrastructure projects (such as the UK Thames Tideway Tunnel and the Turkish Elazig Hospital projects).	Ongoing (previous releases in April 2016, June 2017, August 2017)
Leading Practices	Infrastructure Prioritisation and PPP Project Selection	Working with the World Bank Group to develop new, user-friendly, tools for governments in emerging markets - to assist both with the prioritisation of infrastructure projects and with the identification of projects best suited for development as PPP transactions.	Mid 2017
Leading Practices	Managing PPP Projects After Contract Signing (formerly PPP Concession Management)	Examination of 250+ projects globally to understand major issues arising post procurement and how they were handled. Findings will then be workshopped with the ultimate goal of developing and disseminating guidance on leading practices in the neglected area of PPP contract management, including renegotiations.	Late 2017
Leading Practices	Inclusive Infrastructure	Looking at inclusivity and social equity in the planning, design, and implementation of major infrastructure project, this work will create a practical tool for governments grappling with these issues in the context of large-scale infrastructure projects.	Late 2017
The Knowledge Network	Connectivity Alliance	Work with World Bank, MDBs and other members of the Connectivity Alliance to support improved design and delivery of infrastructure connectivity projects.	Ongoing
Building Capacity	Country Assignments	Respond to opportunities for wholesale improvement to infrastructure planning or programs in target countries.	Ongoing

Principal activities (continued)

Progress against key priorities

Over the next six months the Board will, in addition to their normal duties, be engaged with reviewing the operations of the GI Hub and determining the future for the organisation. This will include the finalisation of the review being undertaken by the subcommittee of Mr Robert Milliner and Ms Katherine Sierra, both independent directors, and presentation of those findings to the Board in September 2017.

While this will take considerable Board level focus, there are also a number of key deliverables from the GI Hub that the Board will wish to monitor. These are the Leading Practice initiatives on addressing inequality and PPP process benchmarks, phase 2 of the *Project Pipeline*, the *Concession Management Tool* and the *Global Repository of Benchmark Data on the Performance of Infrastructure as an Asset Class*.

In response to market feedback, the GI Hub will coordinate the development of benchmarks for financial and non-financial performance of infrastructure assets. The Board recognises that as an independent, not-for-profit entity backed by the G20 and well respected by MDBs and other international organisations, the GI Hub is uniquely well-placed to lead in the development of such a database. Work on this project is underway, and the first meaningful results are expected in mid-to-late 2018.

Phase 2 of the *Project Pipeline* is designed to increase the scale and global coverage of the tool, by adding to the number of countries and projects engaging with the tool, and investing in targeted improvements to its operation and delivery. In addition to providing a platform for governments to list projects in a consistent and comparable manner, it will also serve as a means of coordinating cross-jurisdictional projects. Increasing the integration of the *Global Project Pipeline* with other GI Hub tools will provide further benefits to both the GI Hub and its stakeholders, by capturing, sharing and analysing more and relevant data. This initiative is a core element of the GI Hub's 2014 mandate, and therefore one of great interest to the Board.

The GI Hub's Leading Practices stream of work has already produced some very successful tools, most notable so far being the *PPP Risk Allocation Tool*. The Board expect this to continue further with the late 2017/early 2018 launch of the *Concession Management Tool*. This project will create a new and authoritative reference tool for practitioners based on thorough examination of 250+ projects, and detailed case studies of 25 projects. It will be designed to provide informed guidance to public sector officials to enable them to better manage PPP project concession contracts.

Stakeholder engagement remains a critical focus for the Board, to both raise awareness of the GI Hub and its work program, build interest in and uptake of its tools, drive enhanced capacity building in the public sector, and to develop relationships globally. Using its flagship tools as a basis, the GI Hub will engage more deeply with countries on reform opportunities and continue to track country progress over time. Practical workshops, seminars and roadshows on the *PPP Risk Allocation Tool*, the *PPP Concession Management Tool*, *InfraCompass*, the *Global Infrastructure Outlook* and the *Global Project Pipeline* are all planned, and will take place over the coming year in key regions and countries. These events are designed to be 'hands-on' for practitioners, and will help embed the GI Hub tools as go-to resources for governments.

Targeted changes to reporting and communications activities have been requested by the Board, and will be implemented over the course of the year. The CEO will continue to provide regular updates to the Board on operational activities, with similar updates sent to MDB partners and the GI Hub's donor countries. Regular reporting on CEO and senior executive travel and conference attendance is also sent to the Chair of the Audit and Risk Committee (Mr Milliner).

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 usage of the GI Hub created tools and resources by private and public sectors, media coverage of the GI Hub and its tools, recognition of the GI Hub data, findings, and initiatives among influential infrastructure practitioners and the degree of engagement with the GI Hub by G20 and non-G20 countries.

Principal activities (continued)

In evaluating these metrics an overarching consideration for the Board will be whether knowledge sharing, capacity building and collaboration between governments, the private sector and MDBs is being improved, and whether gaps in market data, or indeed market failures, are being remedied by the GI Hub's work. It is important to the Board that the GI Hub does not duplicate existing efforts by other entities, but rather acts as a hub and facilitator of knowledge sharing.

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. Representation of the G20 'troika' countries on the Board is central in providing those linkages, and helping cement relationships.

Risk Management

The GI Hub's risk management framework is designed to ensure the GI Hub as an organisation can deliver on its mandate, while complying with relevant Australian corporate legal, financial and reporting requirements.

The Business Plan for 1 July 2017 - 30 June 2018 contains comprehensive reporting on management of individual risks associated with projects and initiatives.

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 the GI Hub management and relevant partners from PwC (who manage the outsourced finance function) and KPMG (independent auditor).

In 2016-17 categories of risk impacting on the GI Hub's organisational effectiveness were strategic and operational risks, however given its evolution to a fully established and staffed entity, project risks were also assessed.

Generally speaking the risk mitigation strategies developed and applied are proving effective for the types of risks and risk likelihoods are generally seen by the GI Hub management as low to medium. Notable exceptions include delivery/execution and data availability for major projects, as well as stakeholder support. These remain of critical importance and will be closely monitored by the Board. Changes to internal review and reporting processes, as well as staffing changes, will provide the GI Hub management and the Audit and Risk Committee with more and more timely financial metrics to help manage risks in that area.

In order to mitigate risks around capacity building, stakeholder support and uptake, the GI Hub continues to undertake extensive engagement with potential users of key tools, from both the public and private sector, in order to encourage strong stakeholder support. MDBs in particular remain 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

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

Review of operations

The deficit from ordinary activities amounted to \$1,020,917 (2016: surplus of \$5,651,835).

Event since the end of the financial year

No matter or circumstance has arisen since 30 June 2017 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

Information on directors

Mr John Fraser - Chair

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

In this capacity, Mr Fraser 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, Mr Fraser was Chairman and CEO of UBS Global Asset Management from late 2001 to 2013. During this time, he was also a member of the UBS Group Executive Board and Chairman of UBS Saudi Arabia. In 2014, Mr Fraser 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, Mr Fraser 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).

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

Mr Fraser 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. Mr Fraser 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.

Mr Robert Milliner - Director

Mr 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. Mr Milliner 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 and Special Adviser to Germany B20 2017.

Mr Milliner 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 Mr Milliner 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.

Mr Milliner 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.

Mr Milliner 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.

Mr Guangyao Zhu - Director

Mr 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).

Mr Osman Celik - Director

Mr Celik was born in 1964 in the eastern Turkish province of Erzincan. After earning a BA in economics from Middle East Technical University, he worked as an economist at the State Institute of Statistics (now the Turkish Statistical Institute) in 1986-1987.

Mr Celik served as chief specialist at the Project Evaluation and Preparation Department at Faisal Finans Kurumu from 1988 to 1995.

In 1995-1999, he operated as project and marketing manager at Ihlas Finans Kurumu, then was promoted to deputy CEO, a post he filled until 2005. He worked at Türkiye Finans Katılım Bankası from 2006 to 2015

Since June 2015 Mr Celik has served as CEO and board member of Türkiye Finans.

Mr Mark Bowman - Director

Mr 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. Mr Bowman 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.

Mr Song In-Chang - Director

Mr Song 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.

Information on directors (continued)

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).

Mr Ludger Schuknecht - Director

Mr 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 Mr Schuknecht 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.

Ms Katherine Sierra - Director

Ms 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).

Mr Ariel Sigal - Director

Mr Sigal is Chief of Cabinet of the Treasury Ministry. Prior to his current position, Mr. Sigal was a member of the Board of Banco Macro, Argentina's most valuable Argentine bank by market cap and an advisor to hedge funds on Latin America and global macro risks.

Ariel Sigal is a former Managing Director and Chairman of Latin America for Deutsche Bank. Before joining Deutsche Bank, Mr. Sigal was Head of the Latin America Structuring and Derivatives Marketing group at JP Morgan, New York and he has also worked for JP Morgan, Buenos Aires, Citibank, N.A. and Price Waterhouse.

Mr. Sigal is a former board member of the Brazilian American and the Colombian American Chambers of Commerce. Among his philanthropic activities, Mr. Sigal is a member of the executive board and former President of the Board of Tzedaka Foundation, a member of the board of Fundacion arteBA, a leading local arts foundation and a member of the board of Boca Social, the philanthropic arm of Argentina's largest sports club

Born in Buenos Aires, Argentina, Mr. Sigal earned his CPA from the Universidad de Buenos Aires and received his Masters degree in Finance at CEMA, Argentina.

Meetings of directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2017, and the numbers of meetings attended by each director were:

	Full meetings of directors	
	A	B
John Fraser	2	2
Robert Milliner	2	2
Guangyao Zhu	2	2
Mark Bowman	-	2
Son In-Chang	2	2
Ludger Schuknecht	-	2
Katherine Sierra	2	2
Ariel Sigal	1	1

A = Number of meetings attended

B = Number of meetings in 2016-17 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 2017, the number of members was 2 (2016: 2 members).

Insurance of officers and indemnities

(a) Insurance of officers

During the financial year, the GI Hub paid a premium of \$27,694 (2016: \$37,661) 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

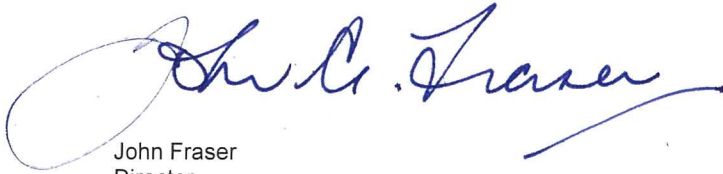
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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 14.

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

A handwritten signature in blue ink, appearing to read 'John Fraser', with a large, stylized initial 'J' and a long horizontal flourish extending to the right.

John Fraser
Director

Sydney
11 October 2017



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 2017 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.

A stylized, handwritten signature of the KPMG firm, appearing as 'KPMG' in a cursive script.

KPMG

A handwritten signature of Kiki Peterson, appearing as 'Kiki Peterson' in a cursive script.

Kiki Peterson
Partner
Sydney
11 October 2017

Global Infrastructure Hub Ltd ACN 602 505 064

Annual report - 30 June 2017

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These financial statements are the financial statements of Global Infrastructure Hub Ltd as an individual entity. The financial statements are presented in Australian dollars (\$).

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 11 October 2017. 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 2017

	Notes	2017 \$	2016 \$
Revenue from continuing operations	3	10,356,249	12,687,822
Other income	4	-	96,799
Employee benefits expense		(5,127,107)	(3,781,893)
Depreciation and amortisation expense	5	(541,773)	(382,249)
Marketing expense		(204,134)	(120,894)
Property expense		(403,981)	(374,702)
Travel expense		(1,103,514)	(817,484)
Professional fees		(3,232,198)	(835,016)
Events and conference expense		(18,120)	(273,963)
Other expenses		(1,020,253)	(757,324)
Net finance income/(expenses)	5	273,914	210,739
(Deficit)/surplus for the year		(1,020,917)	5,651,835
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income for the year		(1,020,917)	5,651,835
(Deficit)/surplus is attributable to:			
Members of Global Infrastructure Hub Ltd		(1,020,917)	5,651,835
Total comprehensive (loss)/income for the year is attributable to:			
Members of Global Infrastructure Hub Ltd		(1,020,917)	5,651,835

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 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	8,883,978	9,981,972
Trade and other receivables	7	383,153	229,890
Total current assets		9,267,131	10,211,862
Non-current assets			
Property, plant and equipment	8	646,028	1,017,671
Intangible assets	9	565,702	51,339
Total non-current assets		1,211,730	1,069,010
Total assets		10,478,861	11,280,872
LIABILITIES			
Current liabilities			
Trade and other payables	10	399,440	344,005
Employee benefit obligations	11	436,888	273,417
Total current liabilities		836,328	617,422
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		836,328	617,422
Net assets		9,642,533	10,663,450
EQUITY			
Retained surplus	12	9,642,533	10,663,450
Total equity		9,642,533	10,663,450

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 2017

	Retained surplus \$	Total equity \$
Balance at 1 July 2015	5,011,615	5,011,615
(Deficit)/surplus for the year	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
Balance at 1 July 2016	10,663,450	10,663,450
(Deficit)/surplus for the year	(1,020,917)	(1,020,917)
Other comprehensive income	-	-
Total comprehensive income for the year	(1,020,917)	(1,020,917)
Balance at 30 June 2017	9,642,533	9,642,533

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

Global Infrastructure Hub Ltd
Statement of cash flows
For the year ended 30 June 2017

	2017	2016
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	10,356,249	14,053,403
Payments to suppliers and employees (inclusive of goods and services tax)	(11,048,177)	(8,334,177)
Net cash (outflow)/inflow from operating activities	17 (691,928)	5,719,226
Cash flows from investing activities		
Payments for property, plant and equipment	(18,193)	(1,284,254)
Payments for intangible assets	(666,300)	(61,015)
Net cash (outflow) from investing activities	(684,493)	(1,345,269)
Cash flows from financing activities		
Interest and finance charges paid	(4,584)	(3,170)
Interest received	283,011	213,909
Net cash inflow from financing activities	278,427	210,739
Net (decrease)/increase in cash and cash equivalents	(1,097,994)	4,584,696
Cash and cash equivalents at the beginning of the financial year	9,981,972	5,397,276
Cash and cash equivalents at end of year	6 8,883,978	9,981,972

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

Contents of the notes to the financial statements

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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 ('the GI Hub').

(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 2016:

- AASB 2014-4 *Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation*

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.

(iv) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 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.

Title of standard	AASB 9 <i>Financial Instruments</i>
Nature of change	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Impact	The Company's assessment of the impact of this new standard is that it will either not apply or if it does apply, it will not impact materially the financial report.
Mandatory application date/ Date of adoption by Company	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed AASB 9, early adoption in phases was only permitted for annual reporting years beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Company does not intend to adopt AASB 9 before its mandatory date.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Title of standard	AASB 15 Revenue from Contracts with Customers
Nature of change	<p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.</p> <p>The standard permits either a full retrospective or a modified retrospective approach for the adoption.</p>
Impact	The Company's assessment of the impact of this new standard is that it will either not apply or if it does apply, it will not impact materially the financial report.
Mandatory application date/ Date of adoption by Company	<p>Mandatory for financial years commencing on or after 1 July 2019, but available for early adoption.</p> <p>Expected date of adoption by the Company: Financial year ending 30 June 2020.</p>
Title of standard	AASB 16 Leases
Nature of change	<p>AASB 16 was issued in February 2017. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.</p> <p>The accounting for lessors will not significantly change.</p>
Impact	<p>The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of \$549,369.00, see note 15. However, the Company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows.</p> <p>Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16.</p>
Mandatory application date/ Date of adoption by Company	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Company does not intend to adopt the standard before its effective date.

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 the GI Hub's functional and presentation currency.

1 Summary of significant accounting policies (continued)

(b) Foreign currency translation (continued)

(ii) Transactions and balances

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

(c) Grant income

Grants received from countries which have made financial commitment to the GI 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 of the 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 development costs

Website development costs are capitalised only if the costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, costs are recognised in profit or loss as incurred. Subsequent to initial recognition, website development costs are measured at cost less accumulated amortisation and any accumulated impairment losses.

Furthermore the website will host several tools being developed by the GI 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 shorter of the life of the GI Hub or the following periods:

- | | |
|---------------------|---------|
| • Website | 3 years |
| • Computer software | 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

	2017 \$	2016 \$
From continuing operations		
Government grants (a)	10,356,249	12,687,822
	10,356,249	12,687,822

(a) Government Grants

Government grants were received during the year as follows:

	2017 \$	2016 \$
Australia	6,800,000	7,700,000
United Kingdom	-	2,036,776
Saudi Arabia	1,326,760	1,404,465
Republic of Korea	649,576	630,878
Mexico	329,123	348,875
People's Republic of China	333,393	343,668
New Zealand	241,476	223,160
Indonesia	675,921	-
	10,356,249	12,687,822

4 Other income

	2017 \$	2016 \$
Singapore project funding	-	95,000
Net foreign exchange gains	-	1,722
Other income	-	77
	-	96,799

5 Expenses

	2017 \$	2016 \$
<i>Depreciation</i>		
Computer hardware	19,235	58,893
Furniture fixtures and fittings	340,318	283,397
Other property, plant and equipment	30,283	30,283
Total depreciation	<u>389,836</u>	<u>372,573</u>
<i>Amortisation</i>		
Website development costs	20,461	9,676
Computer software	131,476	-
Total amortisation	<u>151,937</u>	<u>9,676</u>
 Total depreciation and amortisation	 <u>541,773</u>	 <u>382,249</u>
<i>Net finance (income)/expenses</i>		
Interest received	(278,498)	(213,909)
Interest and finance charges paid	4,584	3,170
	<u>(273,914)</u>	<u>(210,739)</u>

6 Cash and cash equivalents

	2017 \$	2016 \$
Current assets		
Cash at bank and in hand	2,108,057	6,179,512
Deposits at call	6,775,921	3,802,460
	<u>8,883,978</u>	<u>9,981,972</u>

7 Trade and other receivables

	2017 Current \$	2017 Non- current \$	2017 Total \$	2016 Current \$	2016 Non- current \$	2016 Total \$
Other receivables	218,584	-	218,584	82,667	-	82,667
Prepayments	164,569	-	164,569	147,223	-	147,223
	<u>383,153</u>	<u>-</u>	<u>383,153</u>	<u>229,890</u>	<u>-</u>	<u>229,890</u>

8 Property, plant and equipment

	Computer hardware \$	Furniture fixtures and fittings \$	Other property, plant and equipment \$	Total \$
At 1 July 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
Year ended 30 June 2017				
Opening net book amount	81,641	860,323	75,707	1,017,671
Additions	18,193	-	-	18,193
Depreciation charge	(19,235)	(340,318)	(30,283)	(389,836)
Closing net book amount	80,599	520,005	45,424	646,028
At 30 June 2017				
Cost	158,693	1,143,720	105,990	1,408,403
Accumulated depreciation	(78,094)	(623,715)	(60,566)	(762,375)
Net book amount	80,599	520,005	45,424	646,028

9 Intangible assets

	Website development costs \$	Computer software \$	Total \$
At 1 July 2015			
Cost	-	-	-
Accumulated amortisation	-	-	-
Net book amount	-	-	-
Year ended 30 June 2016			
Additions	61,015	-	61,015
Amortisation charge	(9,676)	-	(9,676)
Closing net book amount	51,339	-	51,339
Cost	61,015	-	61,015
Accumulated amortisation	(9,676)	-	(9,676)
Net book amount	51,339	-	51,339
Year ended 30 June 2017			
Opening net book amount	51,339	-	51,339
Additions	-	666,300	666,300
Amortisation charge	(20,461)	(131,476)	(151,937)
Closing net book amount	30,878	534,824	565,702
At 30 June 2017			
Cost	61,015	666,300	727,315
Accumulated amortisation	(30,137)	(131,476)	(161,613)
Net book amount	30,878	534,824	565,702

10 Trade and other payables

	Current \$	2017 Non- current \$	Total \$	Current \$	2016 Non- current \$	Total \$
Trade payables	147,411	-	147,411	259,912	-	259,912
Accrued expenses	213,646	-	213,646	39,569	-	39,569
Other payables	38,383	-	38,383	44,524	-	44,524
	399,440	-	399,440	344,005	-	344,005

11 Employee benefit obligations

	2017			2016		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Leave obligations	370,218	-	370,218	210,144	-	210,144
Superannuation payable	66,670	-	66,670	63,273	-	63,273
	436,888	-	436,888	273,417	-	273,417

(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 \$370,218 (2016: \$210,144) 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:

	2017	2016
	\$	\$
Balance 1 July	10,663,450	5,011,615
Net (deficit)/surplus for the year	(1,020,917)	5,651,835
Balance 30 June	9,642,533	10,663,450

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

	2017	2016
	\$	\$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	30,000	25,000
Total remuneration for audit and other assurance services	30,000	25,000

(ii) Other services

<i>Other services</i>		
Consulting services	969,250	-
Total remuneration for other services	969,250	-

13 Remuneration of auditor (continued)

(a) KPMG (continued)

Total remuneration of KPMG	999,250	25,000
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14 Contingent liabilities and contingent assets

The Company had no contingent liabilities or assets at 30 June 2017 (2016: Nil).

15 Commitments

(a) Lease commitments: company as lessee

(i) Non-cancellable operating leases

	2017 \$	2016 \$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	360,454	288,008
Later than one year but not later than five years	188,915	467,031
	<u>549,369</u>	<u>755,039</u>

(ii) Rental expense relating to operating leases

Minimum lease payments	436,133	365,026
------------------------	---------	---------

16 Events occurring after the reporting period

No 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 (deficit)/surplus for the year to net cash (outflow)/inflow from operating activities

	2017 \$	2016 \$
(Deficit)/surplus for the year	(1,020,917)	5,651,835
Depreciation and amortisation	541,773	382,249
Interest and finance charges paid	4,584	3,170
Interest received	(283,011)	(213,909)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(153,263)	225,578
Increase/(decrease) in trade and other payables	55,435	(599,561)
Increase in employee benefit obligations	163,471	269,864
Net cash (outflow)/inflow from operating activities	<u>(691,928)</u>	<u>5,719,226</u>

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 15 to 31 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 2017 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.



John Fraser
Director

Sydney
11 October 2017



Independent Auditor's Report

To the shareholders of Global Infrastructure Hub Ltd

Opinion

We have audited the Financial Report of Global Infrastructure Hub Ltd (**the Company**).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* to the extent described in Note 1 and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Balance sheet as at 30 June 2017
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes to the financial statements including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter – basis of preparation and restriction on use

We draw attention to Note 1 to the Financial Report, which describes the basis of preparation.

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 and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the shareholders of Global Infrastructure Hub Ltd and should not be used by parties other than the shareholders of Global Infrastructure Hub Ltd. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the shareholders of Global Infrastructure Hub Ltd or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in Global Infrastructure Hub Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. This includes the Directors' report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the shareholders.
- implementing necessary internal control 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.
- assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company and or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.



KPMG



Kiki Peterson
Partner
Sydney
25 October 2017