

OUR PROSPERITY PROGRESS

Our Impact Plan 2024: Case studies



CASE STUDY

Growing and retaining talent in the Northern Territory

Charles Darwin University (CDU) in the Northern Territory boasts a unique multi-campus, with dual Higher Education and Vocational Education and Training status and a commitment to regional communities. With a focus on inclusive education and research, CDU aims to play an active role in shaping the future of northern Australia and the Asia-Pacific region.

In April 2022, KPMG and CDU signed a five-year memorandum of understanding (MOU), supporting CDU's 2021–2026 Strategic Plan to create a student experience where every student can connect and succeed. At the heart of this MOU is our mutual commitment to growing local capabilities and empowering regional talent to thrive.

In 2022, KPMG introduced a free Accelerator Program for graduating students to develop business skills and prepare for professional careers. The yearly program includes a series of workshops over five days, where students develop essential skills and knowledge in areas including problem-solving, presenting, and professional writing – all tailored to real-world client scenarios.

The Accelerator also offers a CV clinic, led by KPMG's Emerging Talent team, giving students an understanding of employer perspectives on job applications and graduate program expectations.

In the two years since its inception, the Accelerator has attracted 220 applications, with more than 50 students shortlisted for participation and most participants receiving full-time post-graduation offers of employment in the NT, helping local businesses attract and retain talent.

Student feedback demonstrates the value and practical outcomes the program offers, as highlighted by a recent participant who said, 'Through the Accelerator Program I developed so many valuable skills: from project tasks and teamwork dynamics to professional readiness. The friendly and supportive atmosphere among KPMG staff has made it an exceptional learning experience for me.' Furthermore, our work was recognised in 2023 when we were a finalist in the StudyNT awards for the International Student Employer of the Year. The awards acknowledge all the employers who contribute to the international student community and their career journeys.

In partnership with CDU, we will run the third round of the Accelerator Program in August 2024, and will continue to evolve our focus and explore new activities with CDU, including opportunities to meaningfully support First Nations students.

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CASE STUDY

Bolstering Australia's manufacturing capabilities and the deployment of green energy technology globally

Alpha HPA Limited (Alpha) is leading the next generation of critical minerals manufacturing in Australia through the greenfield development of the world's largest single site high purity aluminium (HPA) products refinery project in Gladstone, Queensland.

HPA is a critical mineral used in the manufacturing of crucial energy transition products such as LED lighting, semiconductors and lithium-ion batteries. Alpha's refinery will transform alumina feedstock sourced from Rio Tinto into HPA through a carbon-efficient, proprietary solvent extraction process.

KPMG supported Alpha through a complex greenfield project finance debt raise process, helping it overcome several challenges, including:

- Securing \$400 million in project funding.
- Introducing a new process for HPA production using solvent extraction techniques and ensuring lenders were comfortable with scale-up and commercialisation risks.
- Navigating complex environmental and technical due diligence to support the ESG credentials of the project and prove its broader Australian public benefit.

- Undertaking a new project debt raise in a high inflation environment, where industry-wide cost capital increases are of significant concern to lenders.

In April 2024, Alpha was able to announce the conditional approval of \$400 million in debt facilities, by which time the company's market capitalisation had grown to around \$1 billion.

The debt facilities were provided jointly by the Northern Australia Infrastructure Facility (NAIF) and Export Finance Australia (EFA), including the second-ever investment made under the Australian Government's \$4 billion Critical Minerals Facility (by the current government).

Securing concessional government lending was key to Alpha overcoming the distinct financing challenges associated with this project and bringing its innovative products to the market.

Successful construction of this project will bolster Australia's manufacturing capabilities while supercharging the deployment of green energy technologies globally. We will continue to support Alpha to achieve a final loan commitment through due diligence, documentation and satisfaction of conditions precedent across the remainder of 2024.

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CASE STUDY

Reducing the risks of sexual harassment in the Queensland resources industry

Following the 2022 formal inquiry into sexual harassment against women in the Fly-In-Fly-Out (FIFO) mining industry by the Western Australian Parliament, and the subsequent heightened public awareness of workplace sexual harassment nationally, Resources Safety & Health Queensland (RSHQ) publicly committed to preventing and responding to sexual harassment in the Queensland resources sector.

RSHQ is the independent health and safety regulator for the Queensland resources industry, responsible for administering health and safety legislation across mining, petroleum and gas, quarrying, and explosives.

RSHQ's commitment was bolstered by efforts in other jurisdictions to clearly define legislative obligations for employers to manage the risk of psychosocial hazards, including a positive duty on employers to prevent workplace sexual harassment.

RSHQ engaged KPMG to develop a guideline for managing the risk of workplace sexual harassment in the Queensland resources industry to help operationalise this commitment. To develop this guideline, we conducted extensive consultation with key stakeholders in government and industry as well as special interest groups and workers.

The guideline includes:

- Key information about sexual harassment and how it manifests within the Queensland resources sector, drawing on the lived experience of workers.
- Practical guidance on managing the risk of workplace sexual harassment that can be tailored to various levels of organisational maturity and readiness across key areas of risk management, leadership, culture, knowledge, and support.
- Actions that can be implemented to assist in meeting risk management obligations and increase organisational risk management maturity.

This guideline is the first of its kind that is specific to the resources industry and will play a crucial role in reducing the risk of workplace sexual harassment and protecting the health, safety, and wellbeing of resources sector workers in Queensland.

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CASE STUDY

Driving systemic change in tertiary training on eating disorders

Eating disorders are a growing concern in Australia, with approximately one-third (31.6%) of Australian adolescents engaging in disordered eating behaviours.

Accessing appropriate treatments remains challenging, with gaps in the abilities of health professionals – including psychologists, nurses and dietitians – to adequately diagnose, treat and refer patients presenting with eating disorders.

KPMG was engaged by the National Eating Disorder Collaboration (NEDC) – an initiative of the Australian eating disorder sector funded by the Australian Government – to help develop a stronger understanding of how tertiary education can be enhanced to improve the availability and quality of professional care for the prevention and treatment of eating disorders.

Tertiary education plays a critical role in equipping future health professionals. Our work involved identifying gaps in graduate competencies across Australian tertiary institutions and developing a preliminary action plan to address these, including:

- Supporting the development of a survey that was disseminated across every university in Australia, to understand the current gaps in eating disorder content.

- Consulting with more than 45 experts from 15 of Australia's leading universities and health institutions.
- Facilitating a series of workshops with universities, health institutions and health departments to collaboratively build solutions to address tertiary training gaps.

This project was one of the world's first holistic national reviews of eating disorder content across multiple health professions and enabled the NEDC to bring together stakeholders from education, health and government sectors to develop actionable initiatives to enhance tertiary curricula across Australia.

The resulting report has provided the NEDC and its collaborators with a case for systematic change to tertiary training for health students, receiving attention from domestic and international organisations addressing this growing and significant public health challenge.

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CASE STUDY

Restoring an accessible and sustainable Australian beauty brand

Sukin was launched in Australia in 2007 with the goal of making natural beauty products more accessible to consumers. The brand is synonymous with being affordable, sustainable, cruelty-free and vegan. Committed to 100% recycled packaging, Sukin offsets its carbon emissions and partners with TerraCycle to divert packaging from landfill, and Greening Australia to protect the Great Barrier Reef.

Sukin was purchased by BWX in 2015, with BWX listing on the Australian Stock Exchange later that year. After its acquisition, Sukin's products were manufactured at BWX's facility in Dandenong before being transferred to a dedicated new facility in Clayton in 2022.

By late 2022, Sukin was facing a severe shortage of working capital. The company was unable to purchase the raw materials it required for manufacturing, resulting in key products being out of stock and an inability to meet customer orders.

KPMG were appointed as Sukin's Receivers and Managers. Our strategy involved a short stabilisation period to recommence Sukin's operations and return fulfilment to acceptable levels before marketing the business to potential purchasers. This involved the following initiatives:

- Investing \$14.5 million in raw materials to replenish stock levels. This increased orders delivered in full from less than 50% in March 2023 to 99% by March 2024, and increased units produced from 1.9 million in the three months ended 30 April 2023 to 3.3 million in the three months ended 31 March 2024.
- Creating operating efficiencies, including reducing two shifts per day down to one shift, while also achieving greater output.
- Investing extensively in new product development and marketing to support Sukin's market share throughout the receivership period.

As a result of these initiatives, Sukin's gross monthly sales increased from \$4.2 million in April 2023 to \$7.5 million in March 2024.

Our operational improvements ultimately resulted in a positive sale outcome, with the Australian manufacturer PNB Consolidated purchasing the business in January 2024. This transaction kept the Sukin business and all its operations in Australia, with the majority of its 100-strong workforce transferring to the purchaser and maintaining continuity of business for its suppliers.

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CASE STUDY

Enhancing emergency response capabilities in WA

Established in 2012, the Department of Fire and Emergency Services (DFES) plays an indispensable role in orchestrating responses to natural disasters and emergency incidents in Western Australia.

With over 1,800 staff and 26,000 committed volunteers, DFES collaborates with government agencies to conduct land and sea search and rescue missions, provide critical assistance during road and traffic emergencies, and offer emergency management guidance to local, state and national stakeholders.

To enhance DFES's operational response capabilities and assistance to impacted communities, KPMG was engaged by DFES in FY24 to support a major incident review of the 2023 Kimberley Regional Flood Event. The floods left a trail of devastation, including widespread property damage, disruption to transport links and essential services like water and electricity, as well as economic setbacks due to losses in businesses and agriculture resulting in large numbers of the community displaced and subsequent long tail recovery efforts.

Key components of our review included:

- Collecting evidence and observations from internal and external stakeholders.
- Analysing the collected data and deriving insights and lessons from these observations.
- Identifying and addressing gaps in operational capabilities across the preparedness, response and recovery phases.
- Providing actionable recommendations for future approaches to managing natural disasters.

Our ongoing collaboration with DFES aims to support them to enhance their operational capabilities during emergency response to support both the safety of responders and the community of WA.

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CASE STUDY

Supporting the mining and metal industry's contribution to sustainability

The global mining sector is emerging as a crucial player in mitigating climate change, with the world needing an estimated six times the mineral inputs of today to reach net zero by 2050.²¹ The industry is also an important contributor to several of the UN SDGs such as SDG 8, to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'.

As an industry body bringing together more than a third of the global mining and metals industry, the International Council on Mining and Metals (ICMM) and its members work together for a safe, just and sustainable world enabled by responsibly produced minerals and metals.

To achieve this, the ICMM members fund investment in initiatives that support societies to thrive now and, in the future, developing mining operations that pay taxes and royalties, contributing to the path to net zero, enterprise development and job creation and by making social investments in services and infrastructure.

Underpinning these initiatives are ongoing efforts to demonstrate accountability and earn society's trust in the sector. One way the ICMM does this is through the transparent disclosure of its members' social and economic contributions, with tax being a crucial element.

In FY23, KPMG Australia supported the ICMM in preparing its annual Members' Tax Contribution Report for 2022 and 2023. In collaboration with the ICMM, our multidisciplinary team refreshed and enhanced the report to be more transparent, insightful and demonstrative of the industry's importance to economies, governments and communities.

Some findings from the 2023 report show that ICMM members:

- Paid corporate income tax and royalties totalling more than US\$54 billion to tax authorities globally.



- Paid over US\$39 billion in salaries, wages and related payments to more than 561,000 people globally.
- Invested more than US\$187 billion in partnerships with global suppliers.
- Contributed more than US\$1 billion to local communities to address social needs.
- Produced many of the metals and minerals needed to accelerate the global energy transition.

Our support enabled the ICMM to:

- Highlight the indispensable role of mining in the path to net zero and the importance of strong mineral resources governance.
- Provide deeper insights on the social and economic contributions of mining in achieving sustainability outcomes.
- Position itself and its members in conversation on 'fair share' and global tax policy.

We continue to work with the ICMM and its members to explore ways of expanding their reporting to provide a more comprehensive reflection of mining's impact on society.

²¹ IEA (2021), [The Role of Critical Minerals in Clean Energy Transitions](#), IEA, Paris.

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CASE STUDY

Instilling confidence in Australian Unity's Community & Social Value through assurance

Australian Unity is a long-established, wellbeing-focused company in Australia that specialises in promoting wellbeing through a diverse range of health, wealth and care services. In 2021, it created the Community & Social Value Framework (CSV Framework) in partnership with leading social impact specialists, Social Ventures Australia, to measure and publicly report on the societal benefits it generates across three key areas: promoting lifelong wellness, enabling economic empowerment, and building strong communities. The CSV Framework acts as a tool for internal strategic decision-making, underpins strategic alignment to organisational purpose and assists the company in delivering social value to its members, customers and the broader community.

KPMG's Climate Change & Sustainability team, with support from KPMG Banarra social impact specialists and from External Audit, provide limited assurance over Australian Unity's CSV Framework disclosures in their annual 'Our Impact' report. Through this work, KPMG contributes to the confidence to Australian Unity's board and external stakeholders in their social impact disclosures.

Australian Unity reported \$1.76 billion in community and social value for the 2023 financial year and has pledged to maintain transparency and consistency in its reporting efforts. Quantification of social impact is emerging practice. Models and calculations underpinning Australian Unity's CSV Framework are bespoke, built on business activity data, assumptions and estimates, often referencing internal business insights and external research. The rigour of external limited assurance, supplemented by specialist input of business knowledge by the KPMG Financial Statement Audit team and from social impact specialists, contributes to the confidence of the board and external stakeholders when they read the social value creation story. In 2023, Australian Unity also used the CSV Framework to secure a \$50 million sustainability-linked loan, directly linked to CSV Framework annual performance improvement. KPMG's independent limited assurance underpins reporting to Australian Unity's lenders in this regard.