

KPMG Alumni News

JUNE / JULY 2022

Welcome to this combined June/July edition of the KPMG New Zealand Alumni News

Here we have our latest news, publications, and events, which we hope will be of interest to you.



New Zealand banks record another increase in quarterly profits, reveals KPMG's latest [Financial Institution Performance Survey](#) (FIPS) for the quarter ending March 2022.

Record results for the March 2022 quarter

The quarter resulted in a record profit result, with an 8.08% increase in Net Profit After Tax (NPAT) to \$1.74 billion, largely attributable to an increase in net interest income of 2.11% to \$2.99 billion.

This was driven off the back of loan growth and margin consolidation, alongside tightly managed operating expenses as banks look to position their businesses for the economic headwinds

Results at odds with dark clouds on the horizon

The sector's results might seem immune to the factors currently impacting the wider economy. However, we expect to see impacts flow into the sector results for the quarters ahead as New Zealand will undoubtedly experience delayed effects from the pandemic and the resulting inflationary pressures, increased interest rates, supply chain and labour shortage issues.

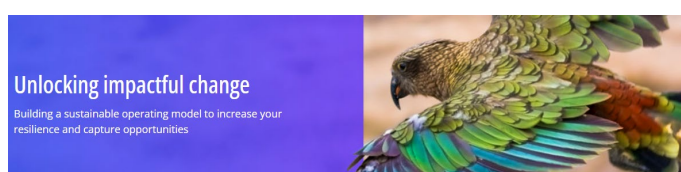


On 16 June we hosted over 70 Agribusiness leaders from across the motu to discuss insights from this year's KPMG Agri Agenda. Our Executive Chair, Matt Prichard joined Carol Ward, Scottie Chapman, Ministry for Primary Industries (MPI) Director-General - Ray Smith, and KPMG Global Head of Agribusiness Ian Proudfoot, in a panel session exploring priorities to drive growth and resilience. Read the full report [here](#).

Get in touch

[Ian Proudfoot](#)
Partner

[Francis Manuo](#)
Marketing & Communications Manager



As we reach climate tipping points, consumers are looking to the businesses they interact with to do the right thing. The changing regulatory environment is also forcing hands and leaders are under increasing pressure to move away from the status quo. It's time for organisations to challenge the perception that sustainability and business growth are mutually exclusive.

Our latest [insights](#) cover how to achieve top and bottom-line impact for your business - while changing the world.

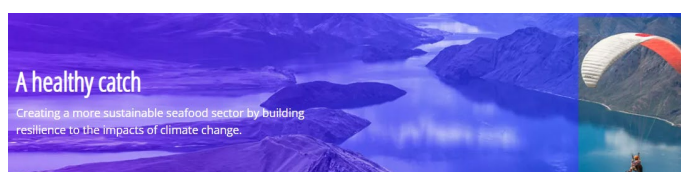
If you'd like to discuss how to unlock impactful change for your business, reach out to one of our KPMG IMPACT team.

Get in touch

[Simon Wilkins](#)
Partner

[Nicola Owbridge](#)
Director

[Dr Charles Ehrhart](#)
Partner



In a world-first study, New Zealand leaders and experts from government, iwi, industry, banking, research, and environmental NGOs came together to develop the Seafood Sector Adaptation Strategy through The Aotearoa Circle. Facilitated by KPMG New Zealand, and led by Charles Ehrhart, the study and strategy are showcased in KPMG's Global World Ocean Day campaign which kicked off this week. Find out more [here](#).

Get in touch

[Dr Charles Ehrhart](#)
Partner

[Simon Wilkins](#)
Partner



"Even if you work entirely remotely in Queenstown, you will still be impacted by the effects of sea level rise, along with all the other aspects of climate change on local and global economies."

Sarah Bogle from the Sustainable Value team shares her insights on why sea level rise matters in the latest issue of the Institute of Directors' *Boardroom* magazine.

Find out more about what sea level rise means from a business perspective, why a rapid transition to zero carbon is critical in putting an eventual halt to sea level rise, and why New Zealand of the future will look very different to the New Zealand of today.

Read the full article [here](#).

Get in touch

[Sarah Bogle](#)

Director

[Simon Wilkins](#)

Partner



Confidence in our business communities is essential to New Zealand's prosperity. High quality, independent audit is the cornerstone of that confidence.

Our 2022 Audit Quality Report dives into a range of aspects of audit quality, and how these are changing and developing over time. We mark the year against the framework used by KPMG to measure and deliver audit quality.

View the full report [here](#).



As our world becomes increasingly interconnected, sustainable supply chains and procurement are becoming a strategic priority for organisations around the world. As an island nation with high import and export values, this may be especially true in New Zealand.

Sustainable supply chains and procurement have a positive impact on people and planet, reflecting the commitment an organisation has to protecting workers' rights, lowering its environmental footprint, embedding sustainability across key products and services, and increasing its resilience to shocks and stresses.

If you'd like to find out more about how to make sustainable supply chains and procurement a strategic priority within your organisation, get in touch with our [KPMG IMPACT](#) team. We partner with organisations to help them be more sustainable, resilient, inclusive and focused on their impact, drawing on multi-disciplinary skills from across KPMG.

You can download the full report [here](#).

Get in touch

[Dr Charles Ehrhart](#)

Partner

Global Thought Leadership

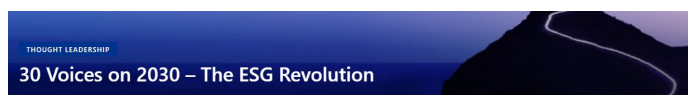


Welcome to the latest edition of our Agri-Food 2030 series, focusing on the future Irish consumer. [The previous entry in our series, which can be read here](#), focused on the pressures from government, regulators and society at large on the Food & Agri sector to adapt to a changing society.

Our latest report focuses specifically on the Irish consumer, identifying several trends which will create not only new challenges for farmers, processors, and food retailers across Ireland, but also countless new opportunities to take advantage of.



Read our Thought Leadership document by selecting the image and opening the link.



The discussion on Environmental, Social and Governance (ESG) has moved past any concept of whether to act. Rather the discussion is how to take action in a way that addresses the expectation of regulators, shareholders and workforce.

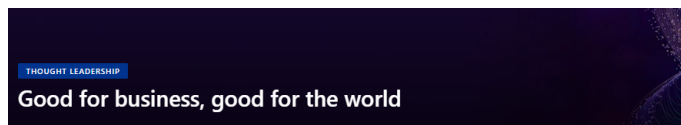
We spoke to 30 industry leaders and surveyed 245 more across grocery, food manufacturing, fashion and beauty, industrials, telco, tech, air travel, investment, energy, and recycling.

One voice captured the response in a single breath, "I have never seen such rapid change as I have with the ESG cause."

Some companies have started action, but all concede that they have a long way to go and by 2030 the job of achieving their ESG goals will be far from over.



Read our Thought Leadership document by selecting the image and opening the link.



Social responsibility is not new to family businesses. However, issues related to sustainability, climate risk, poverty and uncertainty in many parts of the world are rising in importance. Leaders are turning their attention to 'people, planet and profit' goals to generate value for the environment, create jobs, contribute to community prosperity and deliver long-term value to the family as well as the business.

Better together: Profitability with responsibility

The old days of 'corporate social responsibility' are being replaced by a much broader strategic mindset, and family businesses with the families' purpose and values embedded in the business have an opportunity to make important contributions to the community of global leaders who are setting out on new paths to do what's good for their business and for the world.

We're pleased to have this opportunity to share their many insights and guidance for family business leaders globally who are looking for new ways to progress their companies' social and environmental agendas. There is no 'one-size-fits-all' approach, and we're happy to be able to share three very different, but equally impactful progressive approaches to social responsibility ranging from purpose-driven innovators to established industry leaders.

Read our Thought Leadership document by selecting the image and opening the link.



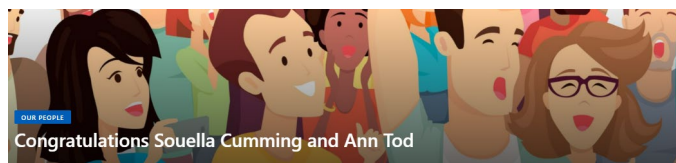
The financial services sector is undergoing unprecedented change.

To explore the future ahead, KPMG asked 30 Voices to place themselves in 2030 and reflect back on the last eight years. The 30 Voices in this report are senior executives representing every facet of the financial services industry, from incumbents to challengers, big tech firms to investors, academics and more. Taken together, these Voices culminate in a valuable collection of insight and expertise. Their predictions span five areas in which KPMG envisages dramatic change

Read our Thought Leadership document by selecting the image and opening the link.



Community @ KPMG



Congratulations to Souella on her Queen's Birthday and Platinum Jubilee Honour – Souella has been made an Officer of the New Zealand Order of Merit (ONZM) for her services to governance.

This honour reflects Souella's many career achievements, her work with St John and her commitment to supporting other women to achieve in the business world and more generally.

This honour follows her investiture as a Dame of Grace of the Order of St John in 2019.

Congratulations Souella on her achievement and the wonderful work that she does with St John and Zonta.



In mantle of the Dame of Grace inside the Priory Church of the Order of St John, St John's Gate, London.

Congratulations Ann Tod, who has been made a Member of the New Zealand Order of Merit for her services to netball.

This achievement recognises Ann's 20-year contribution to, and passion for, netball through her involvement from grassroots through to the international stage, including significant roles in governance and finance.

Congratulations Ann on this amazing achievement and the exceptional contribution you have made to Netball, KPMG and the wider community.



In New Zealand 1 in 5 people are said to have a disability — and 80% of these are hidden.

Our KPMG Accessibility Network (KAN) are proud to launch the [Sunflower Initiative](#). The Hidden Disabilities Sunflower is a not-for-profit scheme that originated in 2016 when London Gatwick Airport wondered how they could recognise passengers that may have a hidden disability, and how they could help them.

We are delighted to launch this initiative to show our commitment to inclusion, diversity, and equity by making our workplace more welcoming, inclusive, and supportive of people with disabilities. As more organisations join the scheme, our impact grows with more awareness and support.

The Hidden Disabilities Sunflower discreetly indicates to people around the wearer, including staff and colleagues, that they need additional support, help or a little more time.

Join us now in wearing the Sunflower and play your part in making the world a better place for people living with hidden disabilities. You can show your support for the initiative by wearing the supporter's lanyard.

Fair Food – Feeding People, Not Landfill

For Mike Lowe it was a privilege to take the KPMG Forensic team out for a day to help support an awesome charity [Fair Food](#) and those less fortunate than us. They helped hand sort 1,218 kilos of food, equating to 3480 meals to help feed the community rather than going to landfill. We'd highly recommend this for a team volunteering event - the team at Fair Food were a pleasure to work with and made the team feel truly welcome.

Check out their website link above if you'd like to get involved or donate.





Kam na mauri! Happy Kiribati Language Week!

This year's theme for Te Taetae ni Kiribati – Kiribati Language Week is Ribanan, karikirakean ao kateimatoan ara katei ma ara taetae ni Kiribati, which means - Nurture, enhance and sustain the Kiribati language and culture!

Aligning with the Pacific Language Weeks overarching theme of sustainability, the Kiribati theme is about keeping the traditional art and modern technology skills to nurture, preserve and promote the Kiribati language into the future.



To celebrate Eid al-Adha on 10 July, some of the Wellington EN@K team recently hosted a henna night.

Eid literally means a “festival” or a “feast” in Arabic. There are two major festivals in the Islamic calendar each year – Eid al Fitr (which happens earlier in the year) and Eid al-Adha (which happens later).

The two Eid festivals recognise, celebrate and recall two distinct events that are significant to the story of Islam.

Henna (also known as Mehendi) is a temporary dye made out of herbal paste that is used to decorate the body for celebration. Muslims often use henna to celebrate Eid or weddings. Henna can last anywhere from a few days to a few weeks.



Reporting Updates

Keeping you informed and up to date in the world of corporate reporting

In our [June](#) issue of Reporting News our Financial Reporting looks at Principal versus Agent : Software Reseller (IFRS Revenue from Contracts with Customers) and Banks' climate-related disclosures – Benchmarking how banks reported against TCFD recommended disclosures in 2021.

In Business Reporting we look at Climate Change, Championing an Integrated Mindset to Drive Sustainable Value Creation and TNFD releases a second iteration beta framework including initial guidance on metrics.

In our [July](#) issue we share the latest changes and developments in financial reporting, covering; Post-implementation review of IFRS 10, 11 and 12; Earnings per share – IAS 33 handbook; KPMG's video on IFRIC agenda decision – Electronic payments; Key areas to consider for lessees applying NZ IFRS 16 Leases in years after first-time adoption; Approach to oversight of financial statements; and IFRS Interpretation Committee's (IFRIC's) final agenda decisions.

[Register here to receive Reporting News by email.](#)

We value your connection with us and invite you to visit our [Alumni website](#) to stay abreast of all the latest news and happenings at KPMG New Zealand. Please reach out to us by emailing alumni@kpmg.co.nz if you would like additional information regarding any of the above topics.



Aaron Woolsey

KPMG New Zealand Alumni Partner

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