

Leading from the top

Diversity and inclusion is a people and business issue, connected to the sustainability and profitability of our firm, the quality of our relationships with clients and the solutions we provide.

It influences our relationships with each other, our people, our clients, our suppliers and our community. Diverse teams are more likely to be innovative and commercial.

Our marketplace and our people are demanding change and we are determined to exceed their expectations. By fostering a collaborative environment we will support diverse thinking and a culture of inclusion so our highly talented people will achieve their potential.

Our strategic focus areas:

- Gender
- Flexibility
- Family
- Sexual Orientation and Gender Identity
- Generational
- Ethnicity
- Disability



**Gary Wingrove,
CEO, KPMG Australia**

In 2012, we began a 5 year strategy to embed diversity and inclusion across all areas of our business. Our purpose was to create diversity of thought and a culture of inclusion.

Since then, with the strong support of our executive team and board we have made considerable progress including embedding diversity and inclusion into the overall firm strategy.

Our Diversity & Inclusion strategy is a multi-year effort with seven focus areas – gender, flexibility, family, sexual orientation & gender identity, generational, ethnicity and disability.

We see gender equality as the window to a culture of inclusion – so we started with gender. If we are unable to fully utilise the talents of 50 percent of our people, we can't claim to have a truly diverse and inclusive workplace. In October 2013, KPMG publicly announced targets to increase women in partnership and women in senior leadership. These targets crystallised our intent and focus our efforts for change.

Since 2013, I have been a member of the Male Champions of Change, a group of male CEOs who advocate for and act to advance gender equality.

Some might see this as men talking for women and perpetuating the gender divide, but as one champion said, "Let's not pretend that there aren't already established norms that advantage men. Men invented the system. Men largely run the system. Men need to change the system." As male champions we are asked to step up beside women and work collectively to disrupt the status quo.

Gender equity is not the only part of building a diverse workplace, but it has proved for us an excellent place to begin. It focuses us on the value of diversity in building an innovative workplace and making diversity an everyday issue that is part of all our strategy and plans.

Building and valuing a diverse workforce takes purpose and dedicated action but the benefits are enormous both to ourselves and our clients.

Diversity is no longer a nice to have, a warm inclusive fuzzy feeling that all is right with our workplace and the world. It is a human rights issue and a business imperative.

This report is our first public report of our diversity and inclusion story. We have built from the success of our first Annual Diversity & Inclusion report that was prepared for internal purposes to now create even more transparency about the work we are doing.

We are certainly not at the end of our diversity journey and we still have a lot of work to do. But when I look back, I realise we have travelled far and our workplace is a much better place for both our people and our clients.

Our diversity imperative

At KPMG, we take a long term sustainable view on diversity, a coherent approach that is a leader-led, multi-year effort. Our Diversity & Inclusion (D&I) strategy is now in its third year.

Our strategy is to maximise diversity of thought by creating an inclusive culture. Diversity of thought is about valuing difference, such as gender, ethnicity, disability, sexual orientation and different age groups. These differences are the basis of our strategy. An inclusive culture is one where our behaviours show that we just don't respect difference, we go out of our way to seek out and value different perspectives.

Our D&I strategy is embedded within the firm strategy with measurable benchmarks.

This year, we have engaged a third party consultancy to review and validate our D&I strategy. They told us the work we are doing is making a positive change with a few areas where we needed more focus.

Measurement is more than just numbers, we want to understand what programs are the most successful and where we can improve them to achieve our goals.

WHY DIVERSITY MATTERS TO KPMG

- our clients and our people expect a diverse and inclusive workforce
- a diverse workforce drives greater collaboration and innovation
- we want to reflect the communities where we live and work and attract and retain highly talented people from all backgrounds
- we want to be relevant in a world where Asia plays a much bigger role
- we aim to lead the market, not follow it



L to R

David Li, Undergraduate

Diane Gedye, Executive Assistant

Perry Atkins, National Manager

Ian Martin, Partner

Natalie Passafaro, Marketing Co-ordinator



Gender – stand up & be counted

INCREASING THE NUMBER OF WOMEN IN SENIOR LEADERSHIP

We recognise that women are underrepresented at senior levels within our firm and this needs to change. In October 2013, KPMG Australia took a proactive stance to address gender diversity in our workplace by publicly announcing gender targets – specifically to increase the proportion of women in partnership to 25 percent and women in senior leadership roles to 40 percent by 1 July 2016.

These targets signal our commitment to drive significant change. As at October 2015, women are 20 percent of our partnership (up from 16 percent) and 35 percent of our senior leadership (up from 30 percent).

We are intentional about working towards our targets and a range of initiatives are informing and driving the changes required. Achieving the targets requires cultural change, shifting mindsets and behaviour to create an environment in which both women and men succeed and thrive.

Female Partner 1:1 interviews

We conducted 71 in depth 1:1 interviews with female partners to explore what was working well and what needs to change. This has informed our actions and focus to create a leader-led, multi-faceted, multi-year approach.

Gender analysis: performance, promotion and pay

We have established consistency tools showing performance rating and promotion analysis by gender – this is used in real time to enable managers to ensure outcomes are fair.

A pay equity analysis has been completed each year since 2012, taking an approach combining both representation and pay differentials, consistent with one of the approaches taken by the Workplace Gender Equality Agency (WGEA). Since we began, our gender pay gap has significantly reduced.

This year we have taken our analysis to an even more detailed level, with real time information to inform decisions around pay with a greater level of insight. The development of this analysis, which examines roles on a like-for-like basis reflects our absolute commitment to gender pay equity and to improve the information we provide to our decision makers.

A key factor in continuing to drive change is communication and commitment from senior

leadership with our CEO, Gary Wingrove, demonstrating a personal interest and commitment. He is an active member of the Male Champions of Change (MCC) program, a WGEA Pay Equity Ambassador and has signed, on behalf of the firm, the United Nations Women's Empowerment Principles.

Leadership Development

Our introduction of gender targets in 2013 meant we needed to refresh our leadership and talent strategy.

The Meridian program involves working with our most senior leaders to face the hard conversation around diversity and inclusion and to take on the challenge of change. As a result, more of our leaders have a greater understanding of different perspectives on gender and are speaking personally and passionately about gender diversity.

"One of the most important things we are trying to achieve is a diverse, inclusive and dynamic environment. It is critical that we attract, develop and retain the best talent. Our sponsorship program has been designed to develop and build capabilities so our talent see their future with KPMG."

Peter Nash, Chairman KPMG

Tasman is our Partner admission process and includes a series of selection and development components over a 12 month period. The development components are modelled on the 70:20:10 learning framework and include: workshops, an internal mentor, 360 degree feedback and a nominating Partner supporting candidates. This program has been an enabler for a significant shift in the gender pipeline for partnership. In July 2015, 56 percent of our internal partners promoted were women.

Bird-Walton is a new sponsorship program for women launched in 2015. Its primary intention is to support the achievement of our gender targets, enabling high potential women to take on more senior roles. It builds the capability of male leaders to be effective sponsors of women complimenting our leadership programs.

L to R

Kate Gibbons,
Senior Legal Counsel

Carolyn Ralph,
Partner,
Department of
Professional Practice

Nikki Harrison,
Senior Manager,
Workplace of the Future

Evaluating tax reform: a prism of gender equity

by **Grant Wardell-Johnson**,
Partner,
Tax Knowledge Centre

Tax reform is generally evaluated based on efficiency, equity and simplicity. There is also sustainability, consistency, transparency and stability, but what is often left out of the equation is gender.

In KPMG's submission on Tax Reform we argued that it was important to evaluate potential changes to the tax system through a prism of gender equity.

Underlying this thinking is the observation that one of the greatest single sources of productivity gain in our society is higher female participation in the workforce. We provided a number of specific recommendations and a broader evaluation of our tax system based on gender. The use of joint and family income in the tax system and the transfer system.

In the early 2000s our system of family and childcare assistance was changed significantly. Political discussion focused on different gender-based models of family contribution: the traditional breadwinner-homemaker, the primary-secondary earner and the dual-income model. The government of the day felt that the breadwinner-homemaker and primary-secondary models were being financially disadvantaged given the way in which family and child assistance payments were provided. It was thought that this could be addressed by basing at least some payments on joint or family income.

Unfortunately this gave rise to certain traps when one takes into account the interaction of the transfer system and the tax system. They continue to this day. Thus some women, moving from three to four days a week, in particular circumstances have very high effective marginal tax rates when you take into account the additional tax on higher income and the loss of assistance payments. This effective tax rate could be as high as 70 percent.

There are clearly economic benefits in eliminating this trap, but there are strong social and ethical concerns. Although the political rhetoric of the time was that the system provided women with "choice", the impact for many women was to deny choice as they remained out of the workforce for long periods due to the high effective marginal tax rates.

There is a deeper discussion here and it is a philosophical one. It concerns the role of an individual and the family as a unit of well-being. There will be different views. Some will be strongly held. But ultimately the most important unit of well-being must be an individual. It is the individual's capability to achieve what he or she values which is important. That is not to deny that the family may be an intrinsic part of what the individual values and their own sense of well-being and capability could be linked to the family. But the important concept of the family, should not prevent us from looking at how individuals are impacted within the family. The economics of our system should not be geared to sacrificing specific individual well-being for an abstract notion of family well-being.

Our solution to the problem of high effective marginal tax rates is to base family and child care assistance on the child and not joint or family income. This is not inexpensive in the short term, but will provide considerable benefits in the long term with increased female workforce participation.



Grant Wardell-Johnson, Partner,
Tax Knowledge Centre

Child care costs

This is related. We believe that childcare top-up payments, that is payments by employers for childcare costs beyond Government assistance, should not be subject to Fringe Benefits Tax. This would be the case for all forms of childcare provided the payment is treated as assessable income by the care provider. This will have immediate benefits as employers have an incentive to offer childcare assistance as part of an employment package. Again, there are long term benefits from greater female participation.

Looking at broader initiatives and the system as a whole overall women are often in a different position to men when considering general tax initiatives. Women tend to have less superannuation savings and, although there is very little data, it seems they are more likely to derive interest income than dividends or capital gains. Women tend to have a greater portion of wealth in home ownership rather than other assets. Potentially, consumption taxation may impact them disproportionately. These factors need to be part of the prism of evaluation. That does not mean they will be decisive ones, but they need to be considered.

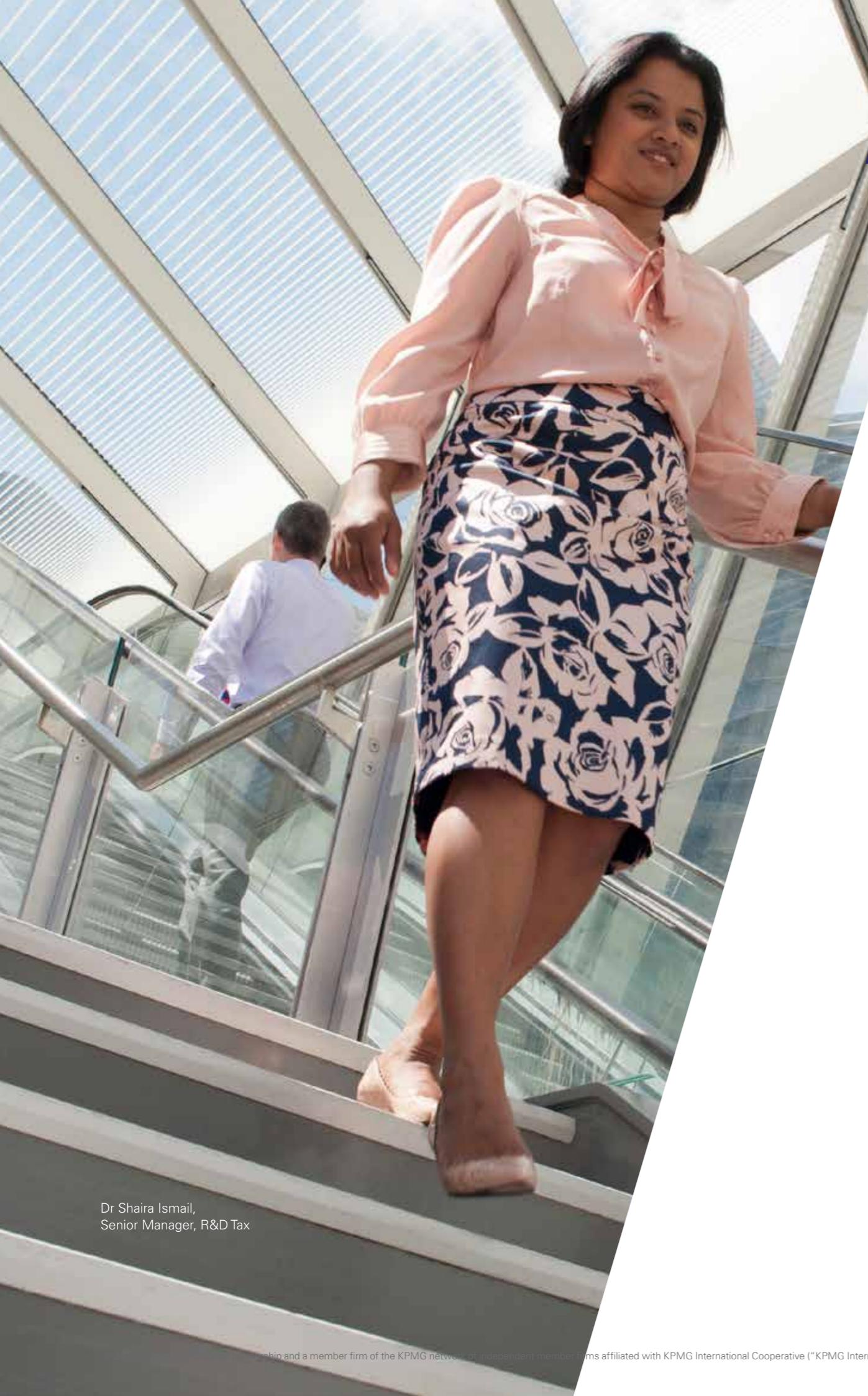
Gender-based Intergenerational accounts – a measure of our progress

An additional recommendation in the KPMG Submission concerns the presentation of intergenerational accounts. One of these looks at lifetime income, taxes and transfers, both historical and estimates of the future benefits cut by 10 year age groups and gender. This will focus our attention on the progress we are making as a society.

Hopefully we will see an Australia that is becoming both fairer and smarter as women take a more equal share in economic life. That is the vision splendid.

“ Hopefully we will see an Australia that is becoming both fairer and smarter as women take a more equal share in economic life. That is the vision splendid. ”

Grant Wardell-Johnson, Partner,
Tax Knowledge Centre



Dr Shaira Ismail,
Senior Manager, R&D Tax

Stomping on stereotypes

by **Shaira Ismail, Senior Manager, R&D Tax**

In the news this year was the report of Sophia Trowe a young girl from Middlesex who posted a letter to Clarkes shoes on her mum's twitter account after being told the Stomposaurus school shoes she wanted were not 'suitable' for girls.

The letter prompted a positive response from Clarkes, but also sparked support from TrowelBlazers, an online community for female archaeologists, geologists, and paleontologists, posting pictures of their footwear to Twitter under the tag #InMyShoes.

They said, "C'mon #WomenInScience I think @jane_trow needs some inspirational #InMyShoes pics for #SophiaTrow. Show the shoes you #science in!"

Coming from a traditional conservative background, I understand, but am still surprised that traditional female stereotypes remain so real. In many ways I probably shocked, or perhaps more surprised my mother when I opted for what was considered a 'man's profession'. As I was detail oriented, organised and good at maths, my mother encouraged me to do accountancy. An ideal profession for a young woman.

But I enrolled, as the first woman in my family to go to university, in Mechanical Engineering majoring in Biomedical.

In 2000, I was one of only ten women among about 300 men within the Aerospace, Mechanical and Mechatronic Engineering degrees at my university. This was a world built on stereotypes. Success came easily to these boys and they expected it. They partied with each other, they had similar interests – many came from single sex schools, so in many ways I was from a completely different planet. And perhaps, I too was a stereotype to them. A sports mad, opinionated maths nerd who was pushing my way to the top in what had, up till then, been a man's world.

I thrived in the world of engineering and attribute much of my success in my current role to the emotional intelligence I gained at university. I learnt a lot from how men operated...they made no excuses about their ability and I realised I should do the same. They were confident and I could be too. With this confidence I completed my PhD, and made every effort to participate in careers fairs and open days at university with a focus on attracting more women to the engineering profession.

As I tutored Materials Engineering 1 and Computer Aided Design I did see a gradual increase in the proportion of women within the engineering degrees, primarily due to the efforts of other female engineers promoting their discipline and the foresight of the university in recognising the benefits of diverse thinking that comes from gender balance in the profession.

Gender stereotypes hurt both men and women, but continue to perpetuate at home, in business, in the media, and, so it seems, with shoes.

But I'm right up there with Sophie and with #womeninscience. We are not defined by either our gender, our career choice, or our choice of shoes.

Family support

**Anthony Robertson, Father,
Senior Analyst, Strategic & Operational Risk
Management**

"How many men learn about their child's progress through stories retold to them by their partner? How they learnt to hold their toys, rolled over for the first time, crawled for the first time, sat up for the first time?

Maybe for some being told is enough, but for others it leaves a feeling that you are missing out. After the birth of my first daughter, KPMG's parental leave policy allowed me to spend 4 months at home as her primary carer with no financial pressures, forming memories that I will remember for the rest of my life. Now, 3 years later, I am about to commence parental leave with my second daughter."

Parental leave transition

KPMG has invested in a dedicated parental leave coordinator to manage the experience of employees' transition to and from parental leave. We provide access to an online portal offering information and resources, including seminars and career coaching.

In addition, improved technology allows access to the full internal KPMG network meaning it is easier for our people to stay connected while on parental leave.

These changes have resulted in a 96 percent return to work after parental leave and our ongoing retention rate is the highest since implementation.

Parental leave support is available to men and women taking primary carer parental leave – although at this time, women are more than 90 percent of those taking primary carer parental leave.

“ How many men learn about their child's progress through stories retold to them by their partner? How they learnt to hold their toys, rolled over for the first time, crawled for the first time, sat up for the first time? ”

Anthony Robertson, Father,
Senior Analyst, Strategic & Operational
Risk Management



Anthony Robertson, Father,
Senior Analyst, Strategic & Operational
Risk Management

My family: two boys with two girls



Mark Davis (Left), Associate Director
Energy & Natural Resources

by **Mark Davis, Associate Director, Energy & Natural Resources**

I had the opportunity recently to attend a parents' symposium at my daughter's school. The event allowed me to immerse myself into the valuable insights and learnings from experienced people in education and parenting.

The audience comprised people from all walks of life – mums, dads, people of different colour and religion – but this difference meant nothing. We were all there for the same purpose, and that was to be the best parents we could be to our children.

To be amongst people where, regardless of your story, you were accepted as an equal, was an amazing experience. Because for me, as a father of two, and a gay man as well, I realise that the difference for some can be something to embrace or quite polarising.

I have pondered for some time about whether to write this story – I mean, why would anyone want to hear my journey? But, as time has gone on – and possibly a reflection on life as I turn 40 next year, I realised that sometimes having a voice may contribute to change.

It is probably worthwhile at this point to fill in some of the gaps – in particular, how did I come to this place of being a dad, or in my case, papa?

I met my partner Greg nearly 10 years ago. Like all new couples, we did the storm/norm/perform in our

relationship – and during that time we laid down our cards – what did we want on this journey together?

One of the things that Greg wanted to be was a father. Well, let me just say of all the things I was expecting, that wasn't on the agenda. I mean, how were two guys going to have a baby? Whilst I didn't do human biology at school, I still understood the mechanics of creating life – and for us, one piece wasn't part of the equation at hand.

We researched widely, spoke to many people – and received supportive and dissenting views – all of which were important in making our final decision. We were breaking new ground here.

It all finally came together nearly 5 years ago, in a birthing suite in Salem, Oregon. Together with our amazing surrogate, Mary, we welcomed into the world our first miracle, Eliana Rosalee De-An.

I reflect back on that moment – and like all parents – it is a true epiphany. A moment when something beyond words is given to you. This moment is permanently etched into my memory. When Eliana was passed to Mary, I stood with Greg in absolute awe, speechless and so emotional. It was at that moment that her little head came up, turned, looked me straight in the eye and grabbed my hand – as god is my judge that is what happened. My immediate thought was "that's my girl".

Still to this day, it moves me. We were blessed with nurturing this little life and soul. Just over 2 years later, we welcomed our second daughter, Saraya Avalee

De-Xuan into our lives. It was as amazing as our first journey. To be blessed with two miracles into my life to date, I am truly a lucky man.

So back to the purpose of penning this story, which was about the notion of being a parent and what family is? It astounds me when I look around and see the diversity of "family" that is in our world – it is an amazing thing and something which I think should be embraced and celebrated.

What does concern me is the minority who voice dissenting views, who say what Greg and I have is not family – that somehow – what we have, is wrong. Whilst I respect we all have our right to a view, I can say without hesitation and know in my heart, that these views are wrong.

My belief is that where there is love, where there is an emotional desire and readiness to be a parent and a family, then regardless of the make-up, that is the best place to start and most importantly, it is right. Whether this is a single person, a man and a woman, two women or in my case two gay men, if the right foundations to be a family are in place, then we should all be saying – it is ok.

I hope for this, not to prove a point and to say I was right; but to ensure a future for our daughters where because of who they are and whom they love, it will not impact their desire to be a parent and have a family. I want them to know that if they find the person they love and want to create a new life or, if they feel the want (and are ready) to walk this journey on their own, it's ok.

So, invigorated by a weekend of learning and reflection, I know in my heart, this was always the journey I was meant to walk. To enrich the diverse tapestry of the world we live in.

If everyone's family could have the love, joy and sense of purpose that Greg and I share with our girls, the world would be a much more beautiful place.

Mark Davis (Left) is an Associate Director in our Perth Energy & Natural Resources practice.

KPMG has a strong commitment to family and offers access to parental leave regardless of gender or sexual orientation. At this time, women are more than 90 percent of those taking primary carer parental leave.

Flexibility

by Victoria Hickey, Partner, CFO Advisory

I'm Victoria Hickey, a Partner in our CFO Advisory Practice specialising in providing clients with structured accounting advice on complex transactions. I'm a mother of two boys and I work flexibly.

One of the benefits about working flexibly is I have a Wednesday off. So, I actually have two Fridays a week. But really the greatest benefit is that Wednesday is about the kids and me. When I wake up on a Wednesday morning, the kids come running down the hallway saying, "Mum, Mum, Mum! You're not going to work." And sometimes I don't realise who's more excited – is it me, or is it the kids?

Working flexibly changes things. One is I get paid less than if I worked full time. But I get the opportunity to balance between having a rewarding career and time with my kids. For me, it was about determining what was more valuable. One of the biggest challenges I faced in setting up my flex arrangement was determining what working flexibly would look like and then feeling confident in the decision. Once you've got that confidence then you can set up the boundaries about how you're going to operate and how you're going to communicate with people.

Offering flexible working is a massive retention opportunity.

But flexibility doesn't have to be about being a working parent. There are many other opportunities for flexible arrangements to work. People may have other passions outside of work that can also be supported through offering them flexible arrangements.

With a couple of colleagues, we've set up a group called AMUMni. This began because we are passionate about helping people find their balance. So we get people together who are working parents and we talk about issues that affect them. It might be work issues or it might be children, it doesn't matter. Whatever it is, we just talk about and let people know other people are experiencing the same things and there's someone here to help.

When people ask me how do I make my flex arrangement work, like how do I really have the day off, my number one tip is get out of the house and take on the passion you have. Mine's my kids, so I take them out. If yours is something else then go and experience it. Just make sure you make it happen.

Victoria Hickey, Partner, CFO Advisory with her two boys.



Sexual orientation & gender identity

KPMG supports all our people and strives to offer equal opportunity for everyone we employ regardless of gender, race, disability, sexual orientation or age.

We have publicly stated our position on marriage equality and are very supportive of our LBGTI community within KPMG. Our parental leave policy is non discriminatory and parental leave and flexible working is available for everyone regardless of sexual orientation or gender identity.

We have a long running LBGTI network within KPMG including a trained support person for people who are transitioning.



Our network also shares their experience and expertise outside of KPMG in mentoring young LBGTI people in business and with pro-bono support to the LBGTI community.

KPMG was a founding member of Pride in Diversity and has maintained a place in their LBGTI Index since its inception.

The two percenters

by **Andrew North, Board Secretary**

On December 10, International Human Rights Day, few Australians will focus attention on the persecution of left-handed people.

Such persecution still exists, but not in mainstream Australian society. This is not because left-handers have suddenly become more or less "sinister" than they were in previous generations. Rather, it is Australian society that has changed, improved, and largely done away with the thoughtless prejudices that saw left-handers stigmatised for a natural, physical trait that they had no control over. For other minorities, we as a society are still changing and improving.

This year, I attended the Pride in Diversity Lesbian, Gay, Bisexual, Transgender and Intersex (LBGTI) Workplace Conference. KPMG is a key sponsor of this annual conference and is one of Pride in Diversity's Foundation members. This association is for me a clear demonstration of the firm's vision of empowering change, as well as inspiring confidence. It is not just about improving the bottom line through higher productivity, improved collaboration and diversity of thinking, and reduced staff turnover and absenteeism rates. There is a fundamental human rights element to this where all staff should be entitled to be physically and psychologically safe in their work environment.

Looking beyond the corporate world, the LBGTI community has benefited greatly from society's relatively recent support for its right to exist without harassment, arrest, or incarceration, to live without fear of violence, or discrimination in the workplace. Acceptance of Australia's lesbians, gays and bisexuals has sped along in recent years, with Victoria and New South Wales for example recently passing bills that expunge the criminal convictions of men who were charged with "unnatural offences" before the law was reformed in 1984. Marriage equality remains an interesting anomaly for Australia, but if countries such as Argentina, and even South Africa, can get there, Australia can too.

But back to the conference. The presentation that stood out for me was on intersex inclusion. While I was somewhat familiar with what intersex meant, this was a significant moment for me as I had never (to the best of my knowledge) met an intersex person

before. Nor had I really considered why intersex inclusion was as important as LGBT inclusion. I was struggling to relate this back to how this was an important workplace matter.

A quick note on terminology may help here. The L, G and B in "LGBT" refer to a person's sexual orientation. It's about being physically and emotionally attracted to someone of the same sex. T is for transgender (referred to these days as trans*) and relates to how a person's gender identity (male or female, or X) relate to their physical features. In highly simplistic terms, this is whether someone who physically presents as a man or a woman actually identifies psychologically as a man or a woman. Things are not as straightforward with intersex.

Intersex people are born with physical, hormonal or genetic features that are neither wholly male nor wholly female, or a combination of male and female. Many forms of intersex exist – it's an umbrella term rather than a single category. What struck me was not just how little I knew about the subject (intersex is as common as people with red hair, i.e. around 2 percent of the population), but also the ethical and health (physical and mental) complexities that are intrinsically linked to intersex.

Intersex people need clear messages from their employer that they are welcome and that identifying as intersex rather than male or female is okay.

Intersex is about variations in biology, not gender identity or sexual orientation.

Just like we look back at the treatment of left-handers throughout history, I expect future generations to look back with significant embarrassment and disappointment at how we have treated intersex people and others in the LBGTI community. The same I think can be said of Indigenous Australians and constitutional recognition. But we, as a society, are redeeming ourselves. Our understanding of intersex issues is steadily improving with legal rights for trans* and intersex people becoming ever stronger. Australia is leading the globe on LBGTI rights following the inclusion just last year of sexual orientation, gender identity and intersex status in The Commonwealth Sex Discrimination Act. KPMG has a strong commitment to an inclusive workplace through its Diversity & Inclusion strategy that includes LBGTI and a Transgender policy.

We should be proud.

Wonder women: leading innovation

by Naomi Criddle, Manager, People & Change

There are some extremely talented women in Australia, who are standing up leading innovation, creative industries, investment and entrepreneurship. But they are often just not seen.

Earlier this year I attended a 54-hour Women's Start Up Weekend here in Brisbane, which was organised and run by the team at River City Labs.

The reason behind the weekend was interesting. At their usual start up weekends, the River City Labs team noticed that there were often a large number of men heading along to their start up weekends, pitching ideas, swarming around to develop a concept, pivoting, designing, developing and marketing.

But there was a noticeable absence of women.

Which is interesting, and yet sad at the same time. There are extremely talented women in Australia, who are standing up leading innovation, creative industries, investment and entrepreneurship.

But we aren't turning up to these events.

So a new event was created to specifically encourage women, who had ideas, or who wanted to be part of a wild, crazy ride of a weekend, to come along, innovate, network, meet fellow creative thinkers and be part of something extraordinary.

And it was extraordinary. But as I stood up on the Friday night ready to pitch my idea to a bunch of strangers, I was utterly, UTTERLY terrified.

It was only 60 seconds but it honestly felt like I was about to heft myself off a cliff with no parachute and no way of knowing whether it was jagged rocks or soft, pillowowy marshmallows at the bottom.

What if they all hated my idea? What if they thought I was a crazy dreamer? What if my nerves got the better of me and I was a gnarly mess before the 60 seconds had even begun?

WHAT IF I FAILED?

Of course this was simply my inner voice going nuts, so I found my courage and was the first to stand up and pitch.

As a result of this 60 seconds of bravery, a team of amazing individuals swarmed around the idea of a simple and sophisticated platform matching individuals in corporate organisations with not for profits that shared their values, and needed their skills.

It wasn't until the insanity of such a concentrated weekend of awesome died down after the final pitches on Sunday night that I wondered about all the other amazing and creative women in Brisbane who weren't there.

What is preventing them from doing a Sheryl Sandberg, and leaning in and participating in developing something, which could potentially change the world?

Many organisations are now putting in place policies, mandates and programs to encourage, and ensure that women are getting a seat at the executive table. Many boards now have mandate to have a specific percentage of the board positions occupied by women.

More importantly there is now the UN Global Sustainable Goals which aim to improve gender equality globally.

So if we're on the right track at the executive level, how do we encourage this same level of diversity and equality in innovation?

Well, it starts with support and capability development mechanisms put in place to encourage women to; stand up and be heard when they have ideas, to participate in innovation and creative start up events, to share their stories, and embrace the fear of failure to be involved regardless of the outcome.

It also starts with organisations putting policies, processes and allowances in place to ensure they are continually tapping into this silent but abundant well of ideas, creativity and enthusiasm to support their transformational efforts.

But ultimately, the drive to have more women standing up, leaning in and leading innovation starts here. It starts with us and it starts now.

Naomi Criddle,
Manager, People & Change



Generational

Why gen Y?: This is why

by **Simon Kuestenmacher,**
Snr Consultant, Demographics
& Nathan Sowell,
Executive, Deal Advisory

Apparently, because we were born between 1981 and 1999, we are millennials. We are also called Generation Y, which makes more sense because when we look at how businesses are structured, we wonder Y?

We are said to be "entitled", "entrepreneurial", "impatient", and "social media savvy". Employers sense that we have something to give but they don't understand us:

Why did you show up at 10am?
 You want to work from a café?
 You think you are ready to lead a team?
 Where's your tie?

If companies could survive without us, many happily would. But they can't.

BY 2020, FIVE GENERATIONS WILL BE SHARING THE WORKPLACE

More than half of our workforce are Gen Y or millennials and they are our future.

In their words...

... invest in us emotionally and give us the autonomy to pursue work we are passionate about. Provide us with the training, opportunity and feedback necessary to master our skills.

Most importantly, ensure the company's purpose resonates through every aspect of our job."

By 2025, millennials will represent a staggering 42 percent* of the Australian workforce. Millennials will also be the largest consumer-base for most industries and companies can't sell to people they don't understand, so they are compelled to understand us.

Companies ask millennials to manage their social media. They want us to catch customers' attention and they want us to apply new ideas but still work within the old model.

Millennials question the status quo: this creates friction.

Millennials sense how fast the old model is becoming outdated. Population growth, emerging technologies and environmental change are changing the world faster than ever before. No one knows what the future will look like, but millennials sense the rapid change resulting from our values.

We are embracing the sharing economy and choose to opt out of owning assets, we yearn to introduce mindfulness and co-operation to our jobs. Our generation's sense for equality already results in large environmental and equal rights legislations. Change is happening but we want it to happen faster. As a result, we are impatient and question the status quo.

Why do I have to work from the office?
 Why can't I do this in a more efficient way?
 Why don't those being led choose who leads them?
 Why do I need approval to test out a new idea?

Millennials are strong

As every generation before us, we disrupt and reinvent Australian business culture as soon as we rise above the most junior positions in the workforce. This time around, hierarchies, time sheets, job titles and corner offices will have to go. Anything else that cannot justify 'Y' it exists will go, along with them. We grew up with short-term contracts, travelled for our education and started work during the global financial crisis. This reinforced the entrepreneurial nature of us.

We can handle uncertain environments and are willing to step into unexplored territories. These qualities will enable us to develop organisations that will thrive in the sea of change.

And we prefer not to jump ship. When we are emotionally invested we stay loyal to our company. We utilise our social networks to help fulfil the purpose of the company. We collaborate with other corporations to fulfil the project goals and we are extremely flexible.

Our flexibility will be crucial in navigating a hyper-networked fast paced age.

Flattening hierarchies and integrating us into inter-generational leadership teams will allow organisations to benefit from millennials' strengths. Business offering such work environments will attract the smartest, most innovative and most disruptive. And they will thrive.

Business simply offering generous salaries will get stuck with the millennials happy to follow in the footsteps of the previous generations. Such organisations will be unable to disrupt markets, innovate and to be true market leaders.

We will change the world in collaboration with older generations.

The tides of change are rolling in. The momentum created by disruptive technologies, emerging markets and shifting values require business to adapt or die.

Millennials have the pent up energy, when channelled into creative and engaging work, to undertake enormous organisational change. Millennials' desire to co-operate rather than compete feels like softness to older generations but it will enable us to change the business world without demolishing previous successes.

So invest in us emotionally and give us the autonomy to pursue work we are passionate about. Provide us with the training, opportunity and feedback necessary to master our skills. Most importantly, ensure the company's purpose resonates through every aspect of our job.

Together, we can create great intergenerational workplaces in which every generation will thrive.

Nathan Sowell (right) joined KPMG from Texas where he dealt in historic cars and ate large steaks. Settled into Melbourne he is now a cycling lenti lover. He is a member of our Deal Advisory team.

Simon Kuestenmacher (left) recently sported a ponytail and worked in academia. Now he wears suits and works in our Demographics practice.



* KPMG Demographics based on data from the Australian Bureau of Statistics



Susan Ferrier,
National Managing Partner, People,
Performance & Culture

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Predictions and possibilities of the future

by **Susan Ferrier, National Managing Partner, People, Performance & Culture**

Late last year, in an article for Bloomberg Business, Tim Cook, CEO of Apple, announced to the world he was gay. He is probably the first CEO of the Fortune 500 companies to openly admit this.

He said that he had been lucky enough to work for a company that encourages creativity and innovation and knows it can only flourish when you embrace people's differences.

In his statement he referred to himself as an engineer, an uncle, a nature lover, a fitness fanatic, a son of the south, a sports fan and many other things. Inspired by Tim, here is my version – I am an HR professional (ex lawyer), wife and mother, a daughter of the red dusty western plains of New South Wales, a netball tragic and a proud feminist.

He also said,

"Part of social progress is understanding that a person is not defined only by one's sexuality, race, or gender."

KPMG can trace its history in Australia back to the late 1800s when society and business practices were very different.

In a photo at a dinner at KPMG in 1949, all the men are wearing black tie. Only one of them has his jacket off. It looks like a fairly homogeneous group of fellas!

In the same year as this photo, George Orwell published his book 1984. Within 12 months of it being published, the book had sold 50,000 hard backs in the UK and in the US, sales were 300,000.

The predictions in 1984 of the future startled, scared and excited the world – they made people gasp with delicious disbelief at the predictions. The book became a phenomenon.

And some of the predictions such as the pervasive technology and interestingly, monitoring of citizens by the state, have come partly true, as we have seen in the last few years – so Orwell was indeed someone who could see into the future in a compelling and insightful way.

However – and thank goodness – not all of Orwell's predictions have come true. The workplace of the future has not turned out to be the workplace envisaged by Orwell. And I think this is in part, due to our humanity – due to the way humans connect – the way we seek purpose and meaning in the world and the way our brains are wired to seek relationships.

Today, we no longer gasp in disbelief about predictions of the future. We seem to embrace the massive changes that are sweeping through our societies carried on the waves of technology and globalisation and in the most part, we seem to be retaining that sense of humanity – holding on to a sense that it is the relationships that are vital for us to be happy, creative human beings.

And we will be able to meet all the possibilities of the future because we are now making more of the diverse potential of all our people – our different thinking and our different experiences, from all walks of life, all backgrounds and faiths.

If we are able to bring our whole selves to work, be appreciated for our unique talents, we are more engaged, more productive, more innovative, more creative and more inspiring.

“ If we are able to bring our whole selves to work, be appreciated for our unique talents, we are more engaged, more productive, more innovative, more creative and more inspiring. ”

Susan Ferrier,
National Managing Partner, People,
Performance & Culture



Our journey

The Diversity & Inclusion strategy aligns with and is an important part of the firm's strategy



Contact us

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People Performance & Culture

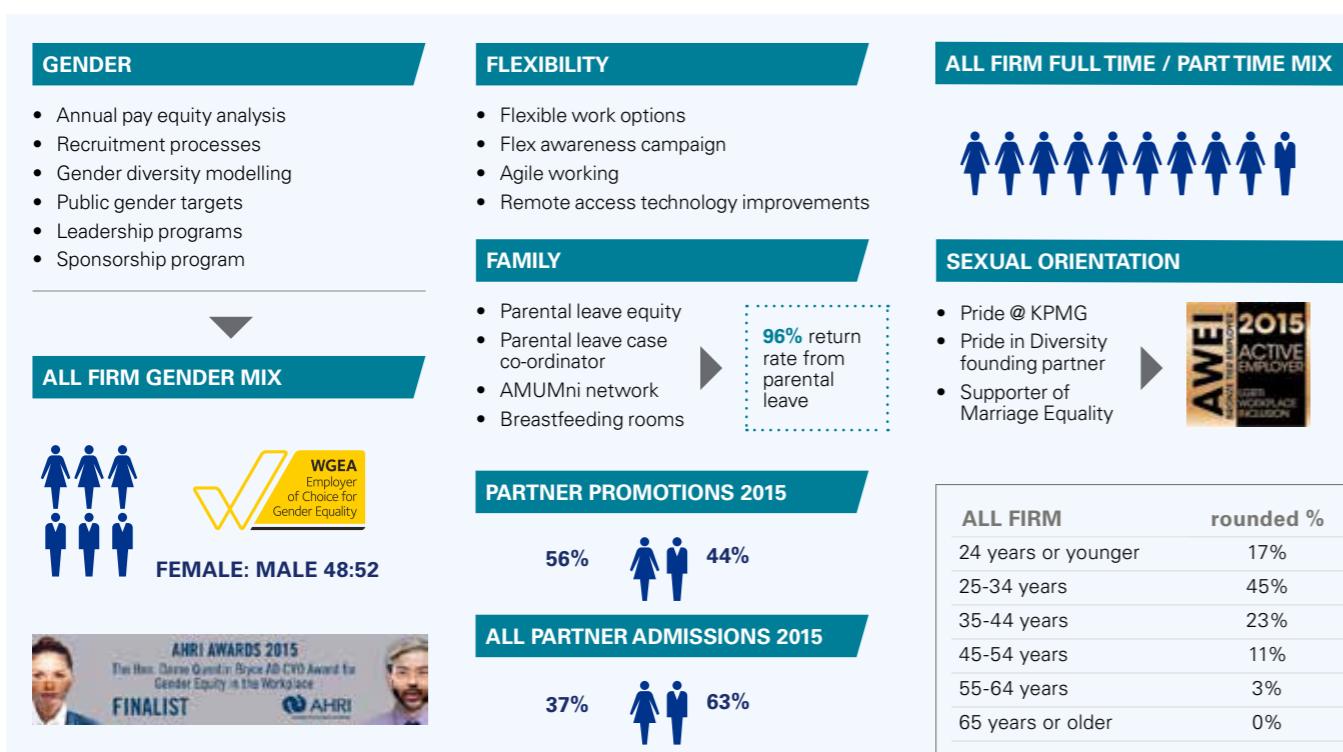
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Making the change real

Annual Diversity & Inclusion Report

December 2015

kpmg.com.au

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