



TRANSPARENCY

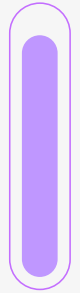
REPORT 2025

Contents

Transparency at a glance	3		
Foreword – Martin Sheppard	4		
Introduction – Julian McPherson and Julie Cleary	5		
<hr/>			
01	A system of quality management that sustains audit and assurance quality	6	
<hr/>			
02	Live by our Values-driven culture	7	
<hr/>			
03	Apply expertise and knowledge	11	
<hr/>			
04	Embrace digital technology	13	
<hr/>			
05	Nurture diverse, skilled teams	15	
<hr/>			
06	Associate with the right clients and engagements	20	
<hr/>			
07	Be independent and ethical	22	
<hr/>			
08	Perform quality engagements	26	
<hr/>			
09	Assess risks to quality	28	
<hr/>			
	10	Monitor and remediate	29
<hr/>			
	11	Communicate effectively	32
<hr/>			
	12	Statement on the effectiveness of the system of quality management	33
<hr/>			
	Appendix 1	Financial information	34
	Appendix 2	Partner remuneration	35
	Appendix 3	Network arrangements	36
	Appendix 4	Key legal entities and areas of operation	38
	Appendix 5	Details of those charged with governance	39
	Appendix 6	Public interest audit clients of the firm	40
	Contacts		45

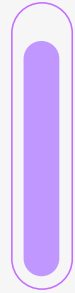
Transparency at a glance

Our people say



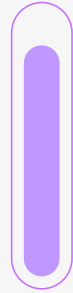
89% FY24: 88%

A commitment to audit quality is evident in our day-to-day behaviours



87% FY24: 87%

When providing independent assurance, the engagement teams I work with emphasise the importance of applying a sceptical mindset and our role in supporting the capital markets and protecting the public interest



86% FY24: 86%

The culture and tone set by Audit practice leadership promotes the importance of audit quality for audit and assurance engagements

Our people

Number

1,655 ↓ 2%

Client service staff

120 ↑ 3%

Audit partners

Ratio

1:14 FY24: 1:15

Partners to client service staff

Diversity

38% Firm target 40% by 2025

Female audit partners

16% Firm target 20% by 2025

Culturally diverse audit partners (self-declared)

1:3 FY24: 1:3

Directors, senior managers and managers to client service staff

Our technical excellence

23 years

Partner average years of experience at KPMG

63

Partners and staff in Department of Professional Practice

44 hours

Average hours of mandatory learning per partner and staff

100%

Mandatory learning completed

Independence & ethics

40

Instances of individuals identified by our compliance reviews not achieving full adherence to firm policies and procedures (firm-wide)

0

Qualifications of an Auditor's Independence Declaration

0

Whistleblower complaints related to audit quality – internal and external

100%

Annual independence training completed (firm-wide)

100%

Annual confirmation of compliance completed (firm-wide)

Quality of our work

100% FY24: 100%

Partners retaining Audit Accreditation

30% FY24: 35%

Audit partners reviewed through our internal monitoring program

88% FY24: 100%

Engagements supported by Second Line of Defence reviewers with no adverse monitoring findings

8.4 out of 10 FY24: 8.2

Client feedback – overall client satisfaction

0 FY24: 0

Audit opinions relating to KPMG Australia's clients examined by ASIC's audit surveillance that were reissued

Foreword



Martin Sheppard
Chairman, KPMG Australia

KPMG continues to invest in audit quality as part of our long-term, multi-year commitment to enhance the role we play in supporting capital markets, the economy and wider society.

At a global and a national level, we've invested in common technologies and formed strong alliances across the technology ecosystem, which combined, help us deliver enhanced audit quality at scale, and consistently. We've been an early investor in new technologies, enabling us to position the firm for a technology, and specifically AI enabled future for audit. KPMG Clara, our audit platform, and the greater embedding of AI agents are resonating with clients and the capital markets we serve.

As we embrace and leverage the potential emerging technology, we should never forget it is our people who use these technology tools. Equipping our people with the right training is central to the delivery of complex audits. This year has seen a particular upskilling of our people and building of teams fluent in ESG assurance reporting. As Australia faces a new era of mandatory climate-related reporting, auditors will play a crucial role in giving comfort to the market on these new disclosures.

With the macroeconomic and geopolitical environment creating uncertainty for companies, making estimates or forecasts in their reports

is challenging, with heightened impairment risks. KPMG has always focused on this and scepticism and independence in audit is more important than ever.

Amidst all these new developments, governance remains key, and KPMG has long led the way in this space with high levels of accountability and transparency. We maintain our strong governance model and commitment to audit quality with National Board oversight and support of our Audit Quality committee, and demonstrate transparency by disclosing the benchmarking of our performance.

There have been some important initiatives overseen by the Board this year, including the development an application of the KPMG Trusted AI Framework, and recognition through ISO AI accreditation (a world-first). For audit, this means we are evolving our audit approach using new technology but always with an eye to trust, which is the foundation of AI. The Board also supported our first Ethical Leadership Summit, bringing our firm's purpose, values and ethical culture to life.

Initiatives like these build on our long-term program of investment in our people and recognise the link between ethical decision-making, audit quality and our responsibility to capital markets.

Delivering audit quality is the sum of the parts – systems, capability and quality of our people along with our purpose, values and a strong ethical 'speak up' culture, which engenders and maintains trust with our partners, people and clients.

Audit is in KPMG's DNA and we look forward to building on this year's exciting progress and achievements.

Introduction



Julian McPherson
National Managing Partner,
Audit & Assurance



Julie Cleary
National Partner in Charge,
Enterprise Audit & Assurance

This year the Audit & Assurance practice had a dual focus of entering into new areas of focus to meet changing client needs while continuing to build on the many technology and people-based investments.

A big theme in FY25 was preparation and capacity-building for Australia's new era of mandatory climate reporting. We have made significant investments in our ESG assurance capabilities and formally expanded our Audit & Assurance Quality Transformation (AAQT) program to include ESG Assurance. This activity included the launch of the 'Explore New Frontiers' learning program so our assurance professionals feel confident they have the right support to deliver ESG assurance engagements.

More widely, the AAQT program – a multi-year initiative designed to continually enhance quality and improve our audit and assurance experience for our clients and people – continued apace.

Technology was again a key theme this year, with the acceleration of the use of AI across our audit and assurance clients – including capitalising on our market-leading position on responsible use of AI – with the development of technology/automated tools to increase efficiencies and transform financial reporting.

One area of increasing interest this year has been our AI Transaction Scoring methodology, with our clients benefiting from improved risk identification and insights on their financial statement audits. KPMG Australia uses this AI solution to address risks of error related to revenue and/or operating expenses and identify 'higher risk' transactions. AI eases routine tasks for audit teams, enabling them to concentrate on identifying and understanding audit risks more effectively. This approach prompts meaningful conversations with clients, with KPMG auditors able to clearly articulate why certain transactions are subject to further audit testing and scrutiny.

For our people, we continued to focus on sustainable working practices and staff wellbeing initiatives. In addition to the Edge of Excellence, Earhart and Women in Leadership programs, audit team members had the opportunity to participate in a range of activities including Jawun secondments with Indigenous regional communities and a range of volunteering opportunities. Members of the Audit & Assurance Ethical Champions Network attended the Ethical Leadership Summit, in March, in support of the firm's wider commitment to creating a culture that attracts and nurtures exceptional people, with ethical leadership front and centre.

KPMG has adopted the Australian Accounting and Assurance Public Policy Committee Voluntary Guidelines for Sustainable and Supportive Work Practices, as part of our commitment to the wellbeing of our people, including audit professionals.

We have achieved great success in the marketplace, with multiple audit wins as well as the retention of key existing audits. This is testament to the quality of our people and our brand, our market-leading technology tools and our commitment to delivering high quality audits.

With these successes and the investments we are undertaking, we remain excited and positive about the future.

01. A system of quality management that sustains audit and assurance quality

Consistent and strong controls within our firm's system of quality management (SoQM) help reduce quality issues, drive operational efficiencies, and enhance transparency and accountability. We are committed to continually strengthening the consistency and robustness of our SoQM.

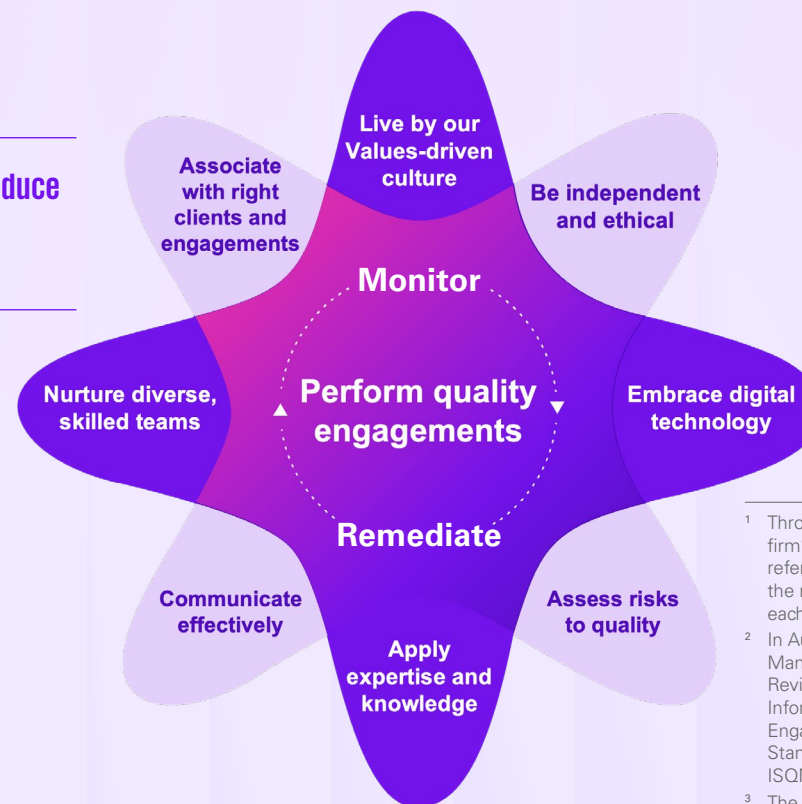
Audit quality is foundational to instilling confidence and public trust in the capital markets and it remains our highest priority. We¹ are committed to lead the profession in audit quality.

To provide more transparency on what drives KPMG audit and assurance quality, this report is structured around the KPMG Global Quality Framework. For KPMG, the Global Quality Framework outlines how we deliver quality and how every KPMG professional contributes to its delivery.

The drivers outlined in the framework reflect the 10 components of our SoQM, which align to the International Standard on Quality Management 1

(ISQM 1).² This Transparency Report describes how KPMG Australia³ effectively operates each SoQM component, supporting the consistent performance of quality engagements.

Our report has been prepared to comply with Section 332G of the *Corporations Act 2001* (the Act) and Regulation 2M.4A and Part 2 of Schedule 7A in the Corporations Regulations 2001. It covers the activities of KPMG Australia for the financial year to 30 June 2025, and all figures disclosed in this report are as at 30 June each financial year, unless otherwise stated.



KPMG's Global Quality Framework

¹ Throughout this document, 'KPMG', 'we', 'the firm', 'us' and 'our' refer to KPMG Australia. Any references to the KPMG global organisation mean the member firms of KPMG International Limited, each of which is a separate legal entity.

² In Australia, Auditing Standard ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Service Engagements, issued by the Auditing and Assurance Standards Board, is the Australian equivalent to ISQM 1.

³ The operations of KPMG Fiji and KPMG Papua New Guinea (PNG) are not captured unless otherwise stated. Refer to Appendix 4 'Key legal entities and areas of operation'. Audit activities in this report represent our Audit & Assurance – External audit division and the Audit & Assurance business unit within the Enterprise division. The Enterprise division serves mainly private and mid-market clients.



02. Live by our Values-driven culture

Our Purpose – to inspire confidence and empower change – is underpinned by our Values: Integrity, Excellence, Courage, Together and For Better. These guide our culture, the decisions we make, the work that we do and the way we behave with each other, our clients and all our stakeholders.

Foster the right culture, starting with tone at the top

Our leadership plays a critical role in establishing our commitment to quality and the highest standards of professional excellence and ethics. A culture based on integrity, accountability, quality, objectivity, independence and ethics is essential in an organisation that carries out audits and other professional services on which stakeholders rely.

Tone at the top

At KPMG, our [Values](#) lie at the heart of the way we do things. To do the right thing, the right way. They form the foundation of a resilient and ethical culture ready to meet challenge with

integrity, so we never lose sight of our principal responsibility to serve the public interest.

We are committed to the highest standards of professional behaviour in everything we do. Ethics and integrity are core to who we are and within our [Global Code of Conduct](#) (the Code), we outline the responsibilities all KPMG people have to each other, our clients and the public. The Code shows how our Values and Purpose inspire our greatest aspirations and guide our behaviours and actions. It defines what it means to work at and be part of KPMG, as well as our individual and collective responsibilities.

Everyone at KPMG can expect to be held accountable for their behaviour consistent with the Code and is required to confirm

their compliance with it. Individuals are strongly encouraged to speak up if they see something that makes them uncomfortable or that is not in compliance with the Code or our Values. Everyone at KPMG is required to report any activity that could potentially be in violation of our Values, KPMG policies, professional standards and applicable laws or regulations.

To safeguard this principle of holding each other accountable, we, along with all other KPMG firms, have agreed to establish, communicate and maintain clearly defined channels to allow our people and third parties to make inquiries about, raise concerns in relation to, provide feedback on and notify reportable matters, without fear of reprisal, in accordance with applicable law or regulation.

Our global and independently operated whistleblower hotline is a mechanism for KPMG personnel, clients and other third parties to confidentially report concerns they have relating to activities of KPMG or KPMG personnel. We consider how to respond to each report received through the hotline and where necessary, investigate and take appropriate action.

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Our firm and personnel are prohibited from retaliating against individuals who have the courage to speak up in good faith. Retaliation is a serious violation of the Code, and any person who takes retaliatory action will be subject to our disciplinary policy.

In addition to the processes outlined above, the Global People Survey provides our leadership with insights related to upholding our Values, employee and partner attitudes to quality, leadership and tone at the top.

The KPMG multidisciplinary model

The KPMG global organisation is at its strongest when its over 275,000 people across 142 countries and territories, align behind a common set of values, are working together to provide quality services to some of the most important organisations in the world, from the public sector to finance to healthcare. Regardless of the sector or industry they operate in, our people leverage multidisciplinary knowledge and experience from across the organisation to deliver independent and rigorous audit and assurance, tax and consulting services to clients and stakeholders, earning their trust by meeting our commitment to deliver professional excellence. We firmly believe that our multidisciplinary model is the best way to serve clients and is essential to delivering the highest quality.

Clearly articulated strategy focused on quality, consistency, trust and growth

Our Audit & Assurance strategy

The strategy of our Audit & Assurance practice is built on a foundation of uncompromising quality.

We are committed to being a purpose-led organisation. Our Purpose and intent are embedded in our LEAP strategy. The four strategic pillars of Audit & Assurance’s LEAP strategy are: Leader in Quality, Client-centred Sustainable Growth, Innovate and Explore, and Inspired People.

Our Audit & Assurance Quality Transformation (AAQT)

In FY25, we continued to evolve and invest in our transformation by significantly upskilling our people, and building teams fluent in Environmental, Social and Governance (ESG) assurance reporting. This helps our clients meet their goals for a more sustainable future.

Additionally, we expanded our use of artificial intelligence (AI)-enabled technology across our audit and assurance engagements, with more teams using KPMG Clara analytics – AI Transaction Scoring platform in the performance of their audits, and further embedding the use of AI Clara Chat in their day-to-day work

which continues to support staff to improve productivity, research and efficiency in their audit and assurance engagements.

Three years into the project, we have seen positive improvements in our audit quality indicators. We are pleased with the increase in our internal audit file inspection outcomes, with 83% of engagements meeting KPMG’s internal requirements (FY24: 78%). Pleasingly, no audit opinions or financial statements were reissued as a result of findings from our internal audit file inspection program. We are focused on delivering a program for our audit professionals to feel confident that they have the support, tools and environment they need to consistently deliver a high-quality audit, whilst enabling compliance with the international quality management standards.

Defined accountabilities, roles and responsibilities related to quality and risk management

We are committed to building a culture based on integrity, quality, objectivity, independence and ethics, demonstrated through our actions.

The following individuals have leadership responsibilities for quality and risk management in our firm.



National Chairman

The Chairman is responsible for leading the National Board, ensuring it meets its responsibilities of upholding the highest professional

standards of governance, quality and integrity, and the overall strategic positioning of the firm. The National Chairman represents the firm both locally and internationally. Market-facing responsibilities include regular engagement with external stakeholders such as regulators, governments and clients.

The role of National Chairman is elected, voted on by the firm’s partners. Each term of office is three years, for a maximum of two terms. Martin Sheppard is KPMG Australia’s National Chairman, a position he has held since 1 September 2023.

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CEO

Under KPMG Australia’s Partnership Agreement, the National Board appoints a CEO to manage the firm. The CEO is the most senior executive charged with

responsibility for effectively managing the firm against the business strategy, plans and policies as approved by the National Board; and the implementation of regulatory and risk management procedures across the business. The CEO leads the firm’s principal management body, the National Executive Committee (NEC).

Andrew Yates is KPMG Australia’s CEO, a position he has held since 1 July 2021. In March 2024, Andrew Yates was reappointed CEO by the National Board for a second term of three years, to 30 June 2027.



Chief Risk Officer (CRO)

KPMG Australia has a centralised risk function, and partners with risk responsibilities report to the CRO, who is part of the NEC. Every year, the NEC participates in a facilitated process to identify and assess the key risks which may impact the achievement of the firm’s strategic objectives.

Paul Low, our CRO, retains responsibility for the monitoring and remediation of our SoQM and risk management. The CRO is supported by a team of partners and professionals in each of the firm’s service areas. Audit & Assurance has a dedicated Divisional Risk Management Partner (DRMP), Marcus McArdle, who is supported by an embedded network of Audit & Assurance risk management partners across our offices.



Ethics and Independence Partner (EIP)

Kevin Leighton, our designated EIP, has primary responsibility for the direction and execution

of ethics and independence policies and procedures. The EIP is responsible for communicating and implementing our policies and procedures, which are collated in our Australian Quality and Risk Management Manual (AQ&RMM). Our independence policies are set at or above the requirements of professional standards and the Act. The EIP also chairs the Ethics and Independence Disciplinary Committee which monitors any compliance and disciplinary outcomes. The EIP reports directly to the CRO.

Our partners and staff are always encouraged, and mandated in certain circumstances, to consult with the EIP.



National Head of Audit Quality

Shaun Kendrigan, our National Head of Audit Quality, is responsible for monitoring internal and

external audit quality indicators and driving actions for continuous improvement. Shaun is also the Partner in Charge of our Department of Professional Practice (DPP), the centre of technical excellence for audit and assurance and financial reporting.

Robust governance structures

Our governance structure includes committees that have risk and quality responsibilities to oversee and influence the firm’s audit quality agenda. These include those below.⁴

National Board

The National Board is the principal governance body for KPMG Australia. It is responsible for oversight and monitoring of the firm’s management to drive growth and the long-term prosperity of the firm while engendering trust from the firm’s partners, people, clients, and the wider community.

The Board approves and oversees execution of the firm’s strategy and ensures there are rigorous processes in place for identifying and managing risk and reputational matters.

Importantly, there is separation of the Board and management. We believe this is fundamental for the appropriate oversight and holding to account of the CEO and the firm’s key management body, the NEC, on all aspects of performance. As such, the National Chairman is not part of the firm’s executive.

In addition, the Board includes three independent directors.

The Board Audit Quality Committee

The Board Audit Quality Committee has direct oversight over audit quality, including the firm’s strategy, culture, investment plan and compliance with and excellence in our SoQM.

The Board Audit Quality Committee is comprised of at least three members of the National Board other than the National Chairman and contains one independent non-executive director.

⁴ Further details about the firm’s governance bodies are contained in ‘Governance structure’ in Appendix 3 ‘Network arrangements’.

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Audit & Assurance Executive Leadership Team (A&A Executive) and Enterprise Audit & Assurance Leadership Group (Enterprise A&ALG)

Our audit practice includes the Audit & Assurance division led by Julian McPherson (National Managing Partner, Audit & Assurance) and the Audit & Assurance Business Unit within the Enterprise division, led by Julie Cleary (Partner in Charge, Enterprise Audit & Assurance).

The A&A Executive is led by Julian. Members of the A&A Executive include Partners in Charge of each of the audit groups, structured by location, ESG and the National Head of Audit Quality.

The A&A Executive with the National Head of Audit Quality are responsible for setting the strategy to promote, support and drive continuous improvement in audit and assurance quality.

Audit and assurance quality is discussed by the National Head of Audit Quality during dedicated time at each meeting.

The Enterprise A&ALG is led by Julie. Members of the Enterprise A&ALG include the National Operations Manager, Enterprise Audit & Assurance Audit Quality and Learning leader, Data & Analytics Leader, ESG leader, and eight Office Leads across seven states/territories. Audit and assurance quality is discussed at each A&ALG meeting and at the Enterprise Audit & Assurance all partner monthly meeting.

Management Audit Quality Committee

The Management Audit Quality Committee, chaired by the National Head of Audit Quality, which includes the National Managing Partner, Audit & Assurance and the Partner in Charge, Enterprise Audit & Assurance as members, ensures the quality of audits and associated risks are a priority for leadership.

Specifically, its responsibilities include:

- evaluating proposed initiatives to ensure the objectives and outcomes align with maintaining or enhancing quality. Initiatives are developed to address matters arising from internal monitoring and external inspections, root cause analysis and other relevant quality indicators and data sources
- assessing the strategic prioritisation, resourcing and timetabling of actions to be delivered through the AAQT program
- implementing global initiatives to deliver outcomes in a globally consistent manner.



03. Apply expertise and knowledge

We are committed to and continue to build on our technical expertise and knowledge, recognising its fundamental role in delivering quality audit and assurance services.

Methodology aligned with professional standards, laws and regulations

Consistent audit and assurance methodology and tools

KPMG's audit and assurance methodology, tools and guidance drive a consistent approach to planning, performing and documenting audit and assurance procedures.

Key elements include:

- complying with the applicable standards, including Australian Standards on Auditing (ASAs), Australian Standards on Assurance Engagements (ASAEs), Australian Standards on Sustainability Assurance (ASSAs) and Australian Standards on Review Engagements (ASREs) and regulatory or statutory requirements

- identifying risks of material misstatements and the necessary audit response
- used by our audit and assurance professionals to drive consistent interpretation on the application of the applicable standards and regulatory requirements.

Technology-enabled standardised methodology and guidance

The KPMG standardised methodology and guidance are embedded within KPMG Clara, our global smart audit and assurance platform, and assist our engagement teams in meeting the ever-changing landscape of corporate reporting and related audit and assurance requirements.

In Australia, auditing and assurance standards and standards of quality management⁵ are legally enforceable and we customise the global methodology for differences in these standards, relevant laws and regulations, and for additional requirements we believe enhance the quality of our work.

Deep technical expertise and knowledge

Access to specialists

Specialist experience is an increasingly important part of the modern audit and assurance engagement and is a key feature of our multidisciplinary model. Our engagement teams have access to a network of KPMG specialists to consult or directly involve as team members.

These specialists receive the training they need to ensure they have the competencies, capabilities and objectivity to appropriately fulfil their role on our audit and assurance engagements.

The need for specialists to be assigned to an engagement in areas such as information technology, tax, actuarial, financial risk management, forensic, valuations and climate change and sustainability is considered as part of the engagement acceptance and continuance process, as well as during the planning and conduct of the engagement.

⁵ AUASB standards are legally enforceable to audits, assurance or review engagements as required under the Act.

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Our commitment to audit and assurance quality by responding to significant external events and conditions

Significant external events and conditions, such as the impacts arising from climate change, geopolitical events, volatile interest rates and elevated levels of inflation may have significant financial statement implications, increasing complexity, subjectivity and uncertainty for matters such as management’s going concern assessment, asset impairments and asset valuations. Guidance is available to assist engagement teams address the financial reporting, auditing and assurance related matters arising from the impacts of these significant external events and conditions.

This includes access to online financial reporting resources highlighting potential financial statement implications of matters arising from significant external events.

Guidance is updated as new significant accounting, reporting, auditing and assurance events and conditions emerge.

ESG assurance quality

We are committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders.

We believe the same level of professionalism, quality, consistency and trust should apply to ESG reporting as to financial reporting. We have made significant investments in putting ESG at the heart of the organisation and remain steadfast in our commitment to serving the public interest. As part of our continuous improvement approach to quality, we have been implementing the following updates in FY25:

- enhancing the ESG assurance methodology and delivering KPMG Clara workflow – Assurance training
- investing in programs to strengthen KPMG professionals’ skills and experience, to deliver high-quality ESG assurance engagements and meet client needs, including access to technical ESG reporting and assurance subject matter professionals.

Our ESG assurance delivery model is subject to our SoQM in accordance with ISQM 1.

Policies on applicable requirements, standards and laws

At our firm, all personnel are expected to adhere to our firm’s policies and procedures, including independence policies, and are provided with a range of tools and guidance to support them. Our policies and procedures for audit and assurance engagements incorporate the relevant requirements of accounting, auditing, assurance, ethical, quality and risk management standards that are consistent with ISQM 1, and other relevant laws and regulations, including the Act.



04. Embrace digital technology

At KPMG, we are anticipating the technologies that will shape our near future and are driving an ambitious innovation agenda. We continue to transform the audit and assurance experience for our professionals and clients.

The alliances and leading technologies used across the KPMG global organisation are enhancing quality by increasing our ability to identify and respond to the issues that matter.

KPMG Clara

Our global intelligent audit and assurance technology platform, KPMG Clara integrates new and emerging technologies, with advanced capabilities that leverage data science, audit automation, data visualisation, and harnesses the power of AI. KPMG Clara brings new insights by helping auditors to see meaningful patterns across a business, whether conducting risk assessment, tracing transactions through a complex revenue process, or simply reconciling the accounts.

A fully digital approach is integral to how we perform quality audit and assurance engagements and interact with our clients. Policies and guidance are in place to establish and maintain appropriate processes and controls regarding the development, evaluation, testing, deployment and support of technology in our audits.

Intelligent, standards-driven audit workflows

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG firms. It enables delivery of KPMG audit and assurance methodologies, through data-enabled workflows which are aligned with the applicable standards, providing an empowered and seamless experience to auditors.

Digital data and emerging technologies


Our vision of the future

We are committed to continuously evolving our approach to quality and, as a technology-driven organisation, to harnessing innovative capabilities to deliver high-quality services.

Signalling our commitment to continual innovation, enhancement, and further digitalisation of the audit, we use KPMG Clara as a future-ready platform that is ready to harness the innovations of today and tomorrow.

Generative AI has been integrated directly into the KPMG Clara audit workflow, allowing our professionals, where permitted by clients and applicable laws, to more deeply interrogate audit documentation, search and apply KPMG's knowledge base, and benefit from the productivity-boosting capabilities of AI.

Technologies such as KPMG Clara analytics – AI Transaction Scoring mean KPMG audit teams can apply AI and machine learning algorithms to identify higher-risk transactions – focusing audit attention on meaningful outliers, automating analysis of low-risk transactions and enabling testing over the complete dataset.

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As we work to fully harness the power of AI, we remain equally committed to upholding ethical standards for AI solutions that align with our Values and professional standards, and foster the trust of KPMG clients, people, communities and regulations.

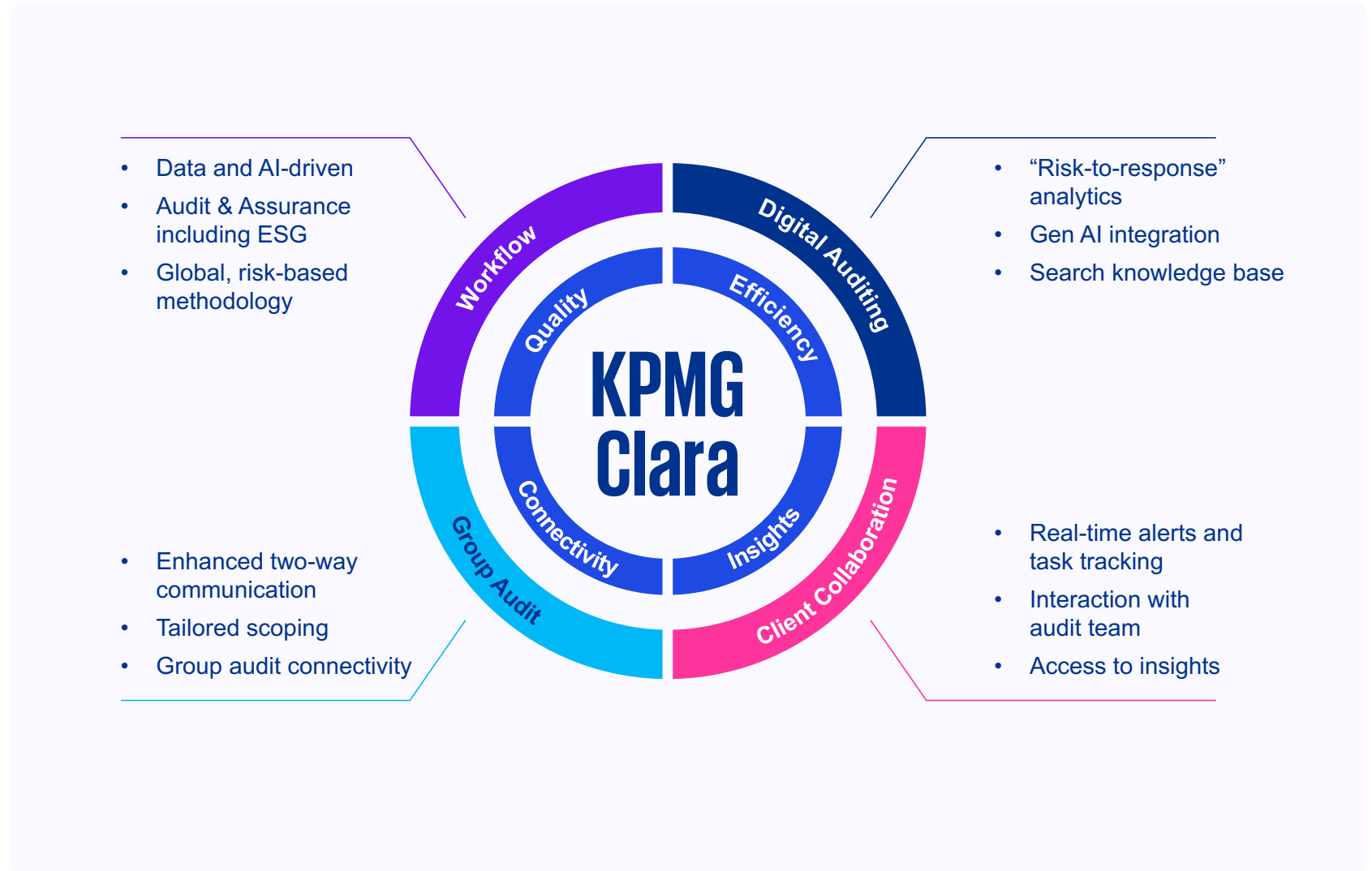
KPMG Trusted AI is our strategic approach and framework to designing, building, deploying and using AI solutions in responsible and ethical ways to help accelerate value with confidence.

Client confidentiality, information security and data privacy

The importance of maintaining client confidentiality is emphasised through a variety of mechanisms, including the Code and annual compliance attestations.

We have policies on information security, confidentiality, personal information and data privacy. We have a document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with the Act, and relevant professional standards.

We provide training on confidentiality, information protection and data privacy requirements to all our people annually.



05. Nurture diverse, skilled teams

Our people make the real difference and are instrumental in shaping the future of audit and assurance at KPMG. We put quality and integrity at the core of our practice. Our auditors have diverse skills and capabilities to address our clients' complex problems.

Recruit appropriately qualified and skilled people, with diversity of specialist skills, perspective and experience

One of the key drivers of quality is ensuring that KPMG professionals have the appropriate skills and experience, motivation and purpose to deliver high-quality audit and assurance services. This requires the right recruitment, development, reward, promotion, retention and assignment of professionals.

Recruitment

We recognise the importance of attracting appropriately qualified and skilled people. We continue to enhance the targeted nature of our search and recruitment approach, by further embedding incentives to attract new talent with the right skills, experience, and passion.

Our recruitment strategy is focused on drawing entry-level talent from a broad base, including helping build relationships with a younger, diverse talent pool at an early age by working with established universities and Chartered Accountants Australia and New Zealand.

We also recruit significant numbers at an experienced hire level.

All candidates apply and are employed following a variety of selection processes, which may include application screening, competency-based interviews, psychometric and ability testing, and qualification/reference checks. These leverage fair and job-related criteria to ensure that candidates possess the appropriate skills and experience to perform competently, are suitable and best placed for their roles.

Where individuals are recruited as partners or executive directors, prior to joining, a formal independence discussion and review of all financial relationships is conducted with them

by the EIP or a delegate. We do not accept any confidential information belonging to the candidate's former firm/employer.

Inclusion, diversity and equity programs

Inclusion, diversity and equity (IDE) underpins the KPMG Value of 'Together' and is vital to inspiring confidence and empowering change – our Purpose.

Fostering a culture that welcomes everyone – without exception – requires purposeful work. We issue guidance on best practices related to those areas where an evolved IDE focus can help make the greatest impact through the creation of an inclusive environment – including hiring, compensation, performance evaluation and promotions.

The Audit & Assurance People Advisory Board plays a critical role in bringing fresh thinking to our business challenges and helps develop initiatives that aim to enhance the experience of our Audit & Assurance team.

In FY25, we achieved 38% (FY24: 36%) of female audit partners – just short of the 40% target we set ourselves by 1 July 2025. We reaffirmed our commitment to achieving this target.

Cultural representation also continued to increase, with 16% of audit partners identified as 'non-Anglo/Celtic/European', up from 13% in FY24 and slightly short of our target of 20% by 2025.

Learn more about the KPMG commitment to have an inclusive culture built on trust in KPMG Australia's [Our Impact Plan 2025](#).

A SoQM that sustains audit and assurance quality	Live by our Values-driven culture	Apply expertise and knowledge	Embrace digital technology	Nurture diverse, skilled teams	Associate with the right clients and engagements	
Be independent and ethical	Perform quality engagements	Assess risks to quality	Monitor and remediate	Communicate effectively	Statement on the effectiveness of the SoQM	Appendices

Health and wellbeing

We are committed to protecting the health of our people, both physically and mentally, and providing an environment of empathy and support that allows our people to thrive and deliver high-quality work to our clients. Professional services can be a fast-paced and demanding environment, so we are focused on creating a culture where people can be open about their wellbeing – and reach out for support when they need it.

Reward and promotion

We have compensation and promotion policies that are informed by market data and linked to the performance review process. This helps our partners and employees understand what is expected of them, including audit quality accountabilities outlined in globally consistent audit role profiles and also in a mandatory audit quality goal. The results of our annual performance evaluation directly affect the promotion and remuneration of our partners and staff, and acknowledges the efforts required in achieving a high-quality audit and, in some cases, their continued association with KPMG Australia.

Reward decisions are based on consideration of personal, divisional and firm performance.

Assign an appropriately qualified team

A critical driver of quality management is the selection of the engagement team to deliver effective and high-quality audit and assurance services. At KPMG we have policies, procedures and controls in place to assign engagement partners and other professionals to a specific engagement on the basis of their skillsets, relevant professional and industry experience, and the nature of the assignment or engagement. Key considerations include partner experience and capacity (based on an annual partner portfolio review) to perform the engagement considering the size, complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement).

Audit engagement partners are responsible for determining that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, considering the nature and circumstances of the audit engagement, our policies and procedures, professional standards and applicable legal and regulatory requirements and any changes that may arise during the engagement. This may include involving specialists from our own firm, other KPMG firms or external experts.

When considering the appropriate competence expected of the engagement team as a whole, the engagement partner’s considerations may include the following:

- understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
- understanding of professional standards and legal and regulatory requirements
- appropriate technical skills, including those related to relevant information technology and specialised areas of accounting or auditing

- knowledge of relevant industries in which the client operates
- ability to apply professional scepticism
- understanding of our quality control policies and procedures
- Quality Performance Review (QPR) results and results of regulatory inspections.

We take care to assign the right people to the right clients. For engagements we deem to be ‘high risk’ we have a policy which can restrict the assignment of partners and staff who in the last 12 months have not performed to our standards.

AVERAGE STAFF RETENTION RATES

	FY25 (%)	FY24 (%)
Director	98	97
Senior manager	85	93
Manager	81	83
Senior team member	73	79
Team member	84	87

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Audit role profiles to drive quality

Driving a consistent approach to accountability for quality, we have a set of globally consistent role profiles, articulating the technical and behavioural competencies, and individual levels of accountability for contributing to audit quality and the SoQM. The role profiles offer KPMG personnel involved in audit delivery a clear articulation of their role and are updated annually to support the focus on continuous improvement. To connect the role profiles to goal-setting, a mandatory audit quality goal is in place.

Accreditation and licensing

All our partners who sign statutory audit reports are Registered Company Auditors. Registration is granted by ASIC after an assessment of qualifications and competency.

Our partners and directors are subject to additional internal accreditation and knowledge requirements in relation to International Financial Reporting Standards, US accounting and auditing standards, Assurance Accreditation framework, and an Engagement Quality Control Reviewer (EQCR) accreditation framework, acknowledging the need for specific skills in auditing. These frameworks specify the professional qualifications, training and experience and results needed from the firm's QPR Program to obtain and maintain accreditation.

For the year ended 30 June 2025, 100% (FY24: 100%) of our eligible audit partners and directors maintained their relevant internal accreditations.

PROFILE OF OUR AUDIT PERSONNEL

	FY25	FY24
Number of partners	120	116
Number of client service staff (excluding partners)	1,655	1,683
Ratio of partners to client service staff	1:14	1:15
Ratio of directors, senior managers and managers to client service staff below manager	1:3	1:3

AVERAGE YEARS OF EXPERIENCE WITH KPMG⁶

	FY25	FY24
Partner	23	23
Director	11	11
Senior manager	8	8
Manager	4	3

AVERAGE STAFF UTILISATION RATE IN THE AUDIT PRACTICE (%)

	FY25	FY24
Senior manager	59	62
Manager	62	68
Senior team member	80	80
Team member	76	74

⁶ This does not include an individual's relevant experience prior to joining KPMG. With the exception of partners, this table does not include time spent with other member firms.

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Invest in data-centric skills – including advanced AI solutions

We strategically invest in talent by partnering with world-class institutions to sustain strong leadership, while cultivating the skills and capabilities that will be needed in the future. In our firm, we recruit and train professionals who specialise in software, cloud capabilities and AI, who bring leading technology capabilities to the smart audit and assurance platform that we use. We provide training on a wide range of technologies to help ensure that field professionals not only meet the highest professional standards but are also educated in new technology responsibly. With this approach, we bring together the right people with the right skills and the right technology to perform exceptional audits.

Focus learning and development on technical expertise, professional acumen and leadership skills

Commitment to technical excellence and quality service delivery

All our professionals are provided with the technical learning and support they need to perform their roles. This includes access to internal specialists and the DPP for consultation. Where the right resource is not available in our firm, we access a network of highly skilled KPMG professionals in other KPMG firms. At the same time, policies require all KPMG audit and assurance professionals to have the appropriate knowledge and experience for their assigned engagements.

We require all our audit client service partners and staff to invest in continuing professional development (CPD). They must obtain a minimum of 30 CPD hours annually and at least 120 CPD hours over a three-year period.

Lifetime learning strategy⁷

We are committed to developing a culture of continuous learning in line with our desire to provide access to learning for a lifetime – where KPMG partners and employees can continually enhance their competencies and skills through functional, ethical and accelerated learning. With a focus on enabling excellence, our continuous learning culture helps our people make the difference for both clients and themselves.

Formal learning

Rapid advances in technology have made education and reskilling more important than ever. Providing our people with opportunities to learn and develop their careers is a key pillar of our LEAP Inspired People strategy.

Annual learning priorities for development and delivery are identified by the Audit Learning and Development department. Minimum learning requirements for audit professionals are established annually. Learning is delivered using a blend of learning approaches and performance support.

Mentoring and on-the-job coaching

Learning is not confined to a single approach – rich learning experiences are available when needed through coaching and just-in-time learning, and aligned with job-specific role profiles and learning paths.

Mentoring and on-the-job experience play key roles in developing the personal qualities important for a successful career in auditing, including professional judgement, technical excellence and instinct.

We support a continuous learning environment where KPMG partners and employees contribute to building the team capacity, coaching other team members and sharing experiences.

⁷ Besides the audit-specific initiatives listed out in this section, refer to KPMG Australia's 'Our Impact Plan 2025' for our firm-wide initiatives such as KPMG Eclipse Academy.

Enhanced partner knowledge

To further develop the audit quality skills of our audit partner candidates, we require candidates to have specific audit quality oversight experience as part of their progression to partner. They fulfil this via a role either as a Second Line of Defence (2LoD) reviewer, a Quality Performance reviewer, or through spending at least six months within a specialised audit quality group within the DPP or the broader Audit division.

LEARNING HOURS FOR NON-CA QUALIFIED (OR EQUIVALENT) STAFF

	FY25	FY24
Audit learning	181	156
Other learning	21	23
Total mandatory learning	202	179

Represents average learning undertaken by team members within their first two and a half years with KPMG.

LEARNING HOURS FOR OUR PARTNERS AND STAFF WITH A PROFESSIONAL DESIGNATION (E.G. CA OR EQUIVALENT)

	FY25	FY24
Audit learning	12*	22
Other learning	7	8
Total mandatory learning	19	30

In addition, specialised learning is mandated depending on the individual’s audit client profile, e.g. US audit and accounting, insurance, banking.

*During FY25, a one-off learning program has been conducted for the implementation of ESG assurance methodology and KPMG Clara workflow – Assurance. This five-day learning program includes a three-day offsite classroom interactive learning experience away from the distractions of the usual day-to-day work commitments. As a result, this learning program is not included in the audit learning hours listed above, as partners and staff will undertake it based on client needs. Accordingly, the program may be completed across FY25 and/or FY26. Our audit learning hours have been adjusted to reflect this additional time commitment.

Recognise quality

Personal development

Our approach to performance development, ‘Open Performance Development’, is built around the ‘Everyone a Leader’ performance principles which are supplemented by the ‘global audit technical core competencies’ to provide a holistic view of expectations.

Open Performance Development is linked to the KPMG Values and designed to articulate what is required for success – both individually and collectively. We know that by being clear and consistent about the behaviours and competencies we expect and rewarding those who demonstrate them, we will continue to drive a relentless focus on quality.

At the same time, we are driving a shift in our performance-driven culture, supported by and enacted through leading technology that allows us to embed audit quality into the assessment of performance and the decisions around reward.

We consider quality and compliance metrics in the overall performance assessment, promotion and remuneration of partners, directors and managers. Individuals are assessed on whether their quality indicators demonstrate that their audits are executed consistently in line with KPMG’s definition of audit quality. Indicators used in determining the quality rating include performance in our internal inspection programs, results of ASIC audit inspections/surveillance and completion of mandatory training.

For NEC members, cumulative results of these indicators for their functions’ contribution to audit quality, along with an individual’s influence and effectiveness contributing to that performance is considered. Our CEO also assigns members of the firm’s NEC an audit quality focused goal and an Audit Quality Role Profile which feeds directly into annual performance and remuneration outcomes. This is to ensure that all our senior leaders – not just auditors – understand and are held accountable for audit quality.



06. Associate with the right clients and engagements

Rigorous client and engagement acceptance and continuance policies are vital to being able to provide high-quality professional services.

Global client and engagement acceptance and continuance policies

KPMG International's global client and engagement acceptance and continuance policies and processes are designed to help KPMG firms identify and evaluate potential risks prior to accepting or continuing a client relationship or performing a specific engagement.

We evaluate whether to accept or continue a client relationship or perform a specific engagement. Where client/engagement acceptance (or continuance) decisions pose significant risks, additional approvals are required.

Accept appropriate clients and engagements

Client evaluation

Our evaluation of a prospective client includes an assessment of the client's risk profile and background information on the client, its key management, directors and owners. If necessary, the evaluation includes obtaining and assessing additional information required to satisfy applicable legal/regulatory requirements.

Engagement evaluation

We consider a range of factors when we are evaluating each prospective engagement including:

- potential independence and conflict of interest issues
- intended purpose and use of engagement deliverables

- public perception
- whether the services would be unethical or inconsistent with our Values.

In addition, the evaluation of an audit engagement includes an assessment of the competence of the client's financial management team and the skills and experience of KPMG professionals. Where we are providing audit services to public interest entities for the first time, additional independence evaluation procedures are performed and then approved by the EIP, including a review of any non-audit services provided to the client and of other relevant business, financial and personal relationships.

Similar independence evaluations are performed when an existing audit client becomes a public interest entity or additional independence restrictions apply following a change in the circumstances of the client.

Any potential independence or conflict of interest issues are required to be documented and resolved prior to acceptance.

A prospective client or engagement will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional standards and our policies, or if there are other quality and risk issues that cannot be appropriately mitigated.

We use a KPMG global web-based application to facilitate compliance with auditor independence requirements and identify potential conflicts of interest for prospective engagements.

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Continuance process

We undertake an annual re-evaluation of all audit clients and engagements to identify risks in relation to continuing our association and safeguards that need to be put in place.

In addition, clients and engagements are required to be re-evaluated if there is an indication that there may be a change to the risk profile, for example, significant changes in their business, financial position, ownership structure, or issues reflecting on their integrity. The DRMP or their delegate (including Audit & Assurance risk management partners),

independent of the audit team, assesses the circumstances of our continuance and their acceptability.

Withdrawal process

When we come to a preliminary conclusion that indicates we should withdraw from an engagement or client relationship, we must consult internally and identify any required legal, professional and regulatory responsibilities with respect to that relationship. We also consider further communications with those charged with governance and any other appropriate authority as required by professional obligations.

Manage portfolio of clients

High-risk clients

Clients are designated high risk when non-standard or additional risks are identified during acceptance or re-evaluation, and we are still capable of ensuring independence and audit quality. In these cases, we mandate additional risk management or quality control safeguards in the conduct of the audit.

Client portfolio management

We have policies and procedures to enable our firm to monitor the workload and availability of engagement partners and staff to provide sufficient time to complete their responsibilities.

07. Be independent and ethical

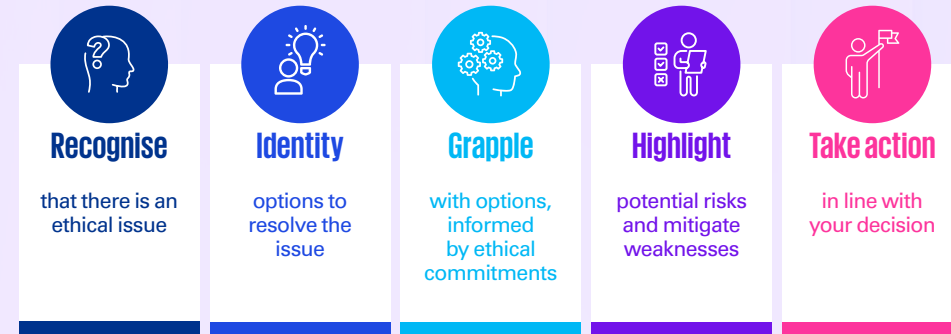
Auditor independence is a cornerstone of international professional standards and regulatory requirements.

Act with integrity and live our Values

We know that trust is earned by doing the right thing. We are committed to the highest standards of professional behaviour throughout our firm in everything we do. Ethics and integrity are core to who we are. Within our Code, we outline the responsibilities KPMG people have to each other, our clients and the public. It shows how our Values inspire our greatest aspirations and guide all of our behaviours and actions. At our firm, we provide annual training to all partners and employees on the Code, anti-bribery and corruption, and compliance with laws, regulations and professional standards.

KPMG's ethical decision-making framework R.I.G.H.T (recognise, identify, grapple, highlight, take action) is centred on building and reinforcing trust, and supports our Purpose, Values and the Code. A model shared across the organisation, R.I.G.H.T helps KPMG people to make ethical decisions, especially when faced with a challenging situation or ethical dilemma, and it also reminds them that they do not have to make these decisions alone.

The Ethics Champions Network provides an additional channel for partners and staff to navigate ethical dilemmas or report unethical behaviour. This enables us to identify and act on instances of misconduct quickly.



Maintain an objective, independent and ethical mindset⁸

Our independence policies and procedures incorporate the IESBA Code of Ethics combined with Australia-specific provisions,⁹ covering areas such as firm and personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services. Our EIP is responsible for communicating and implementing independence policies and procedures.

Automated tools help identify potential independence and conflict of interest issues and facilitate compliance with these requirements. Our compliance with independence requirements is part of the global KPMG Quality & Compliance Evaluation (KQCE) program.

⁸ Refer to KPMG Australia's 'Our Impact Plan 2025' for more information on the firm's ethical culture.

⁹ APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

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Personal financial independence

Our people are required to be free from prohibited financial interests in, and prohibited financial relationships with, our audit and assurance clients, their management, directors and, where required, significant owners. All KPMG partners are prohibited from owning securities of any audit client of any KPMG firm.

We use a web-based independence compliance system to assist our people to comply with personal independence investment policies. The system facilitates monitoring by identifying and reporting impermissible investments and enabling detection of other non-compliant activity (i.e. late reporting of an investment acquisition).

We monitor the compliance of partners and client service staff as part of our program of independence compliance audits.

Employment relationships

Any KPMG professional providing services to an audit or assurance client, irrespective of function, is required to notify the EIP if they intend to enter into employment negotiations with that client. For partners, this extends to

any audit client of any KPMG firm that is a public interest entity. Specific prohibitions, and in some instances cooling-off periods, apply to accepting certain roles at audit and assurance clients.

Firm financial independence

Our firm is required to be free from prohibited interests in, and prohibited relationships with, audit clients, their management, directors and, where required, significant owners.

KPMG’s independence compliance system records direct and material indirect investments in listed entities and funds (or similar investment vehicles) as well as in non-listed entities and funds. In Australia, it is extremely rare that our firm will hold any direct or material indirect investments in listed or non-listed entities and funds.

All KPMG borrowing and capital financing relationships, as well as custodial, trust and brokerage accounts that hold member firm assets must also be recorded.

On an annual basis, we confirm compliance with independence requirements as part of the KQCE program.

Business relationships/suppliers

We have policies and procedures in place to ensure our business relationships with audit and assurance clients are maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements, such as those promulgated by the SEC.

Non-audit services

Given the risk of creating a real or perceived independence issue, the regulatory rules and associated KPMG systems relating to the provision of non-audit services to an audited entity are extensive. KPMG’s mandatory conflicts and independence checking system supports our compliance with independence requirements. Information on all prospective engagements, including detailed service descriptions, deliverables and estimated fees, are required to be entered as part of the engagement acceptance process. When the engagement is for an audit client, an evaluation of potential independence threats and safeguards is also required to be included in the submission.

Lead audit engagement partners are required to maintain group structures in the system for their public interest entity and certain other audit clients including their related entities/affiliates. They are also responsible for identifying and evaluating any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats. Any proposed non-assurance services to be provided to public interest entity audit clients of the firm require review and approval by both the lead audit engagement partner and the EIP or delegate and, consistent with IESBA requirements, pre-concurrence from those charged with governance at the client is needed.

Our firm is prohibited from evaluating the performance of, or compensating audit partners on selling non-audit services to any audit clients.

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Fee dependence

We will consult with our Regional Risk Management Partner where total fees from a public interest entity audit client are expected to exceed 10% of the annual fee income of our firm for two consecutive years. If the total fees from a public interest entity audit client and its related entities were to represent more than 15% of the total fees received by our firm in a single year, this would be disclosed to those charged with governance at the audit client. Where the total fees continue to exceed 15% for two consecutive years, we would engage a partner from another KPMG firm as the EQCR and the fee dependency would be publicly disclosed. In FY25, there was no fee dependency (FY24: none).

Independence training and confirmation

We monitor the compliance of partners and client service staff with independence requirements of the Act, professional ethical standards, and our internal policies. The monitoring includes the performance of personal independence compliance audits on a sample basis, and partner rotation compliance audits on a sample of engagements. Our annual KQCE program also tests a sample for compliance with these requirements.

Our compliance testing identified 40 (FY24: 49) instances of individuals not achieving full adherence to our policies. The primary source of non-compliance was failure by individuals to enter or update all of their, their spouse's or, their spousal equivalent's or their dependant's investments, including superannuation funds, into our investments tracking system on a timely basis.

All our partners and client service professionals must complete independence training upon joining the firm, and annually thereafter. We also require our people to complete an annual confirmation stating that they have remained in compliance with our independence requirements and firm policies during the previous year. There was a 100% completion rate for this confirmation, issued in November 2024.

Independence breaches

All KPMG personnel are required to report an independence breach to the EIP or delegate as soon as they become aware of it. Breaches of independence requirements of the IESBA Code of Ethics combined with Australian specific provisions are required to be reported to those charged with governance as soon as possible, except where alternative timing for less significant breaches has been agreed with those charged with governance.

We have a disciplinary policy in relation to breaches of independence policies, incorporating incremental sanctions reflecting the seriousness of any violations.

Avoiding conflicts of interest

The firm and our personnel are responsible for identifying and managing conflicts of interest, which are circumstances or situations that have, or may be perceived to have, an impact on the firm's and/or our partners' or employees' ability to be objective or otherwise act without bias.

We use the mandatory conflicts and independence checking system for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

KPMG and our personnel are prohibited from offering or accepting inducements, including gifts and hospitality to or from audit and assurance clients, unless the value is trivial and inconsequential.

The Commercial Conflicts Resolution Committee (CCRC) is responsible for reviewing, maintaining oversight of, and making decisions relating, but not limited to, commercial conflicts, including proposed engagements, communications, or expressions of thought leadership, and external appointments which may detrimentally impact our relationship with one or more of our clients, be inconsistent with the firm's values or purpose, or have adverse brand and reputational impacts.

Our policies and procedures include assessing existing or potential conflicts of interest and risk – including reputational, human rights and environmental considerations – through our client and engagement processes and systems. Our people are prompted in our systems to consider whether an opportunity has the potential to give rise to a potential commercial conflict. Such matters are directed to a Risk Management Partner (or delegate) for review and assessment, and where required, the CCRC for consideration.

Prospective clients or engagements with conflicts that cannot be eliminated or safeguarded to an acceptable level (e.g. through the implementation of system information barriers and ethical divider memorandums) are rejected under our policies.

Audit partner rotation

Rotation requirements limit the number of years partners can provide audit services to a client.

All audit partners (including EQCRs) are subject to the rotation provisions of the Act and Australian professional and ethical requirements. These requirements place limits on the number of consecutive years that partners in certain roles may provide audit services to a client, followed by a ‘time-out’ period during which time these partners are restricted in the roles they can perform.

Where relevant, the rotation requirements of foreign regulators such as the US SEC and other local regulatory requirements are also considered. Our rotation requirements also address audit partners on engagements which are not ordinarily subject to any regulated rotation provisions. KPMG’s Global Partner Rotation System is an automated system allowing us to track and comply with increasingly complex regulations governing partner rotation for audits of public interest entities, which also facilitates the identification of suitable qualified and experienced partners during succession planning.

Have zero tolerance of bribery and corruption

We have zero tolerance for bribery and corruption. Along with the Code, our anti-bribery and corruption program is designed to ensure we uphold the highest standards of professional integrity. This includes detailed policies applicable to all KPMG firms and their personnel, as well as training, compliance procedures and an international whistleblower hotline.¹² During the year, there were no reports of bribery or corruption for the Australian firm.

ETHICS AND INDEPENDENCE

	FY25	FY24
Number of partners and staff subject to an independence compliance audit	272	313
Total number of qualifications of an Auditor’s Independence Declaration¹⁰ – listed companies and listed registered scheme audit clients	0	0
Total number of qualifications of an Auditor’s Independence Declaration¹⁰ – other audit clients	0	2 ¹¹

¹⁰ Required by the Act section 307C.

¹¹ The two qualifications were due to two partners (or their spousal equivalent) holding a financial interest in an audit client with the lead audit engagement partner being located in the same office. All financial interests were disposed of as soon as practical. The partners did not provide any services to the respective audit clients on behalf of the firm nor were the partners a member of the respective audit teams.

¹² Refer to KPMG Australia’s ‘Our Impact Plan 2025’ for information on our work against corruption.



08. Perform quality engagements

How an audit is conducted is as important as the result. Everyone at KPMG is expected to demonstrate behaviours consistent with our Values and follow all policies and procedures in the performance of effective and efficient audits.

Encourage a culture of consultation

We encourage a culture of consultation that supports engagement teams throughout their decision-making processes and is a fundamental contributor to audit and assurance quality. Our engagement teams are required to consult subject matter experts when difficult or contentious matters arise on an engagement.

To help with this, we have established protocols for consultation and documentation of significant matters, including procedures to facilitate resolution of differences of opinion on engagement issues.

In addition, KPMG audit, assurance, reporting and risk management manuals also include specific consultations on certain matters.

Critically assess audit evidence using professional judgement and scepticism

The nature and extent of the audit evidence we gather is responsive to the assessed risks. We consider all relevant audit evidence obtained during the course of the audit, including contradictory or inconsistent audit evidence. Each team member needs to exercise professional judgement and maintain professional scepticism throughout the audit engagement. Professional scepticism involves a questioning mind and remaining alert to contradictory, or inconsistencies in, audit evidence. Professional judgement encompasses the need to be aware of and alert to biases that may pose threats to sound judgements.

Direct, coach, supervise and review

Embedding ongoing coaching and review

We promote a coaching culture as part of enabling our people to achieve their full potential. Coaching fundamentals are embedded in the audit training curriculum and we support a continuous learning environment where our partners and professionals contribute to building the knowledge and skill of the team, coaching other team members and sharing experiences while directing, supervising and reviewing their work.

Timely partner and manager involvement

We value timely involvement of partners and managers in conducting quality audits. In FY25, we extended the requirement of timely audit planning completion to audits of public interest entities that are deemed to be high risk, in addition to audits of listed entities. During FY25, 96% (FY24: 95%) of our audits of these entities complied with the audit planning milestones that mandate the timely completion of planning activities to enhance audit quality.

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Second Line of Defence (2LoD)

2LoD reviewers work with specific audit teams to help enhance audit quality by conducting independent reviews for in-progress audits and providing real-time support and coaching to audit teams in key audit areas (revenue and significant risk areas bespoke to the specific audit) before the audit opinions are signed.

All 2LoD reviewers are specifically trained, high-performing senior staff. They coach teams to develop and robustly evidence risk assessment, audit approach, and execution of procedures in the key audit areas.

Seven out of eight engagements supported by 2LoD reviewers had no adverse findings when subsequently subjected to either an internal or external monitoring program in FY25 (FY24: eight out of eight).

Engagement Quality Control (EQC)

The EQC review is an important part of our approach to quality management. An EQC review is an objective evaluation of the significant judgements made by the

engagement team and its related conclusions, performed by the EQCR, and completed on or before the date of the report. The EQCR's evaluation of significant judgements includes an evaluation of the engagement team's assessment of significant risks, including fraud risks, the related responses including engagement documentation and whether the related conclusions are appropriate. The EQC review is completed only after the EQCR is satisfied that all significant matters they raised have been resolved.

An EQCR is an independent audit partner, and is appointed to: all listed engagements and any related review(s) of interim financial information, non-listed entities with a high public profile, engagements that require an EQC review under applicable laws or regulations, and other engagements, including certain audit and assurance engagements, as designated by our DRMP or our National Managing Partner, Audit & Assurance.

Appropriately support and document conclusions

Reporting

Engagement leaders form all opinions and conclusions for audit, assurance and review engagements based on the work performed and evidence obtained. In preparing auditors' and assurance reports, engagement leaders have access to reporting guidance and technical support through consultations with our DPP or Audit & Assurance Risk Management Partner network, especially where there are significant matters to be reported to users of the auditors' report (e.g. a modification to the opinion or the inclusion of an 'emphasis of matter' or 'other matter' paragraph).

Engagement documentation

Our audit documentation is completed and assembled in accordance with our policy and applicable auditing standards. We have implemented safeguards to protect the confidentiality and integrity of client and firm information, and we have reduced the time period permitted to assemble audit documentation.

A SoQM that sustains audit and assurance quality	Live by our Values-driven culture	Apply expertise and knowledge	Embrace digital technology	Nurture diverse, skilled teams	Associate with the right clients and engagements	
Be independent and ethical	Perform quality engagements	Assess risks to quality	Monitor and remediate	Communicate effectively	Statement on the effectiveness of the SoQM	Appendices

09. Assess risks to quality

The quality of KPMG audit and assurance services rests on the foundational SoQM and our approach to ISQM 1 emphasises consistency and robustness of controls within our processes.

Identifying risks to quality and implement effective responses

KPMG International performs an annual iterative risk assessment process (I-RAP) to determine the baseline expected quality objectives, quality risks and process risk points and controls (responses to those risks).

This consistent global approach:

- sets the minimum controls to be implemented within all KPMG firms' SoQM processes in response to globally identified risks to meeting SoQM quality objectives
- defines the SoQM methodology used by KPMG firms in their annual evaluation of SoQM to demonstrate the SoQM controls are implemented and operating effectively.

In Australia, we also perform our own annual I-RAP, taking into account our facts and circumstances in determining whether there are any incremental quality objectives, quality risks, process risk points and controls (responses to those risks).



10. Monitor and remediate

Integrated quality monitoring and compliance programs enable us to identify quality deficiencies, perform root cause analysis and develop, implement and report remedial action plans, both for individual audit engagements and the overall SoQM.

Rigorously monitor and measure quality

To ensure our work continues to meet the needs of the capital markets we use a broad range of mechanisms to monitor our performance, respond to feedback and seek opportunities for improvement.

We use both internal monitoring and external inspections against accepted relevant benchmarks to evaluate our performance, understand the quality of our audit and assurance work, prioritise areas for improvement and take appropriate actions.

Internal monitoring and compliance program

The KPMG International programs evaluate:

- engagement performance in compliance with the applicable professional standards, applicable laws and regulations and key KPMG International policies and procedures
- our firm's compliance with KPMG International key policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

The internal monitoring and compliance programs also contribute to the evaluation of our SoQM operating effectiveness.

These programs include:

- Audit QPR
- KQCE
- Global Quality & Compliance Review (GQCR).

The results of the integrated monitoring and compliance programs are communicated and we establish action plans to make improvements where needed.

Audit QPR program

The Audit QPR program assesses engagement-level performance and identifies opportunities to improve engagement quality.

Risk-based approach

The Audit QPR program is designed by Global Quality & Risk Management. We conduct the annual QPR program in accordance with KPMG International QPR instructions which promote consistency across the KPMG global organisation. Responsibility for the Audit QPR program lies with the DRMP. Reviews are overseen by an independent experienced lead reviewer from another KPMG member firm. QPR results are reported to KPMG International.

Engagement partners and directors are reviewed at least once in a four-year cycle. A risk-based approach is used to select engagements.

Of the engagements that did not significantly meet all of our internal inspection program requirements, one was a financial statement audit of a public interest entity (FY24: four). Pleasingly, no audit opinions or financial statements were reissued as a result of findings from our internal audit file inspection program (FY24: none). We have already designed new initiatives for our Audit Quality Transformation program to ensure the underlying drivers of findings are being remediated.

QPR PROGRAM (AUDIT)

	FY25	FY24
Number of QPR financial statement audit reviews performed	41	40
Partners reviewed as a percentage of total partners¹³	30%	35%
Engagements that met our internal inspection program requirements	83%	78%

KQCE program

The KQCE program encompasses the testing and evaluation requirements of our SoQM which are necessary to support our compliance with ISQM 1, and compliance with quality and risk management policies.

The SoQM Statement of Effectiveness as of 30 September 2024 is available at section 12. The SoQM Statement of Effectiveness as of 30 September 2025 will be published in late 2025 on the [KPMG Australia Transparency Report website](#).

Global Quality & Compliance Review (GQCR) program

The GQCR program is a KPMG International monitoring program. The objective of the GQCR program is to assess a firm’s compliance with selected KPMG International policies, including those related to governance and SoQM. Firms are selected for review using a risk-based approach, which considers a number of factors, including financial conditions, country risks, results of monitoring programs and people surveys, with each firm subject to a GQCR at least once in a four-year cycle.

The GQCR team comprises partners and managers who are independent of the firm subject to review.

Internal monitoring and compliance program reporting

Findings from the monitoring and compliance programs are disseminated to our professionals through written communications, internal training tools, and periodic meetings with leadership.

Findings are also emphasised in subsequent monitoring and compliance programs to gauge the extent of continuous improvement.

Lead audit engagement partners are notified of Audit QPR results that did not significantly meet all of our internal inspection program requirements, if relevant to their respective cross-border engagements.

Remediation and monitoring

We develop remedial action plans to respond to findings identified through our monitoring and compliance programs. Progress on action plans is monitored and results are reported, as appropriate, to Audit leadership.

Audit Quality Indicators (AQI) dashboard

Our AQI dashboard tracks relevant internal quality measures and data points, and helps us analyse and understand issues that may trigger a risk. The monthly dashboard is made available to the Management Audit Quality Committee, Board Audit Quality Committee and Audit Executive, with key indicators included in reporting to the NEC.

Obtain, evaluate and act on stakeholder feedback

Regulators

We invest in continuous improvement and rectify any identified deficiencies in audit quality. We also believe that the regulator has an important role to play in enhancing public confidence in the audit process.

Australian Securities and Investments Commission (ASIC)


ASIC conducts an annual risk-based audit surveillance which focuses on promoting the improvement and maintenance of audit quality and compliance with the requirements of the Act, Auditing and Assurance Standards, and Professional and Ethical Standards.

In terms of identifying which audit files to review, ASIC uses a risk-based approach to select files based on potential concerns arising from their financial reporting work and any identified priority areas. As such, it considers more complex, challenging, and high-risk audits.

On 30 October 2024, ASIC’s oversight of financial reporting and audit for 2023–2024 was published. The report summarises findings from ASIC’s financial reporting and audit surveillances and other complementary work for the period 1 July 2023 to 30 June 2024. ASIC’s annual reports on their surveillance programs are available on their [website](#).

In FY25, ASIC selected two (FY24: one) audit files as part of the audit surveillance process. ASIC reviewed select areas of the file requiring higher judgement or estimation.

¹³ Note that partners reviewed as a percentage of total partners, only includes partners performing financial statement audits from a broader population of partners and engagements selected for internal monitoring. The overall percentage of partners reviewed will vary year on year depending on the rotation schedule of our smaller offices and their relative size and repeat selection criteria.

A SoQM that sustains audit and assurance quality	Live by our Values-driven culture	Apply expertise and knowledge	Embrace digital technology	Nurture diverse, skilled teams	Associate with the right clients and engagements	
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ASIC routinely communicates findings from audit file reviews to directors of the relevant entity as each audit surveillance is completed, in line with RG 260.¹⁴

As well as the audit surveillances, ASIC may conduct focused reviews of aspects of our quality control systems.

In October 2024, ASIC commenced a specific review that focused on auditor’s compliance with independence and conflict of interest obligations under the Act, as part of its wider ongoing work to improve the quality of financial reporting in Australia. As part of this review, ASIC also sought information about the systems and controls relied upon in audit engagements to ensure compliance with their independence and conflicts of interest requirements. ASIC will release its findings later this year.

We take the findings from ASIC’s work seriously and believe that the process provides valuable insights to improve the quality of our audits. We conduct an evaluation of all matters identified by ASIC. We also undertake analysis of ASIC’s thematic findings, perform deep-dive analysis to identify possible root causes of issues raised and design solutions as appropriate. We integrate feedback from monitoring activities, including ASIC audit surveillances, into our AAQT program which is shared and discussed with ASIC.

Foreign regulators

Our audit practice is registered with the US PCAOB, Japanese¹⁵, Canadian¹⁶, UK¹⁷ and German¹⁸ authorities. This is necessary to conduct audits of Australian clients who, owing to overseas stock exchange listing requirements, file financial statements in those jurisdictions. The PCAOB inspected our firm during FY24. The inspection included a review of three engagements and an evaluation of our SoQM. The PCAOB released its final report on 22 August 2024, and it is available on their [website](#).

In March 2025, the PCAOB confirmed that we had lodged inaccurate ‘Form AP’ (Auditor Participant) documents for two clients. This finding has no impact on client financial statements, audit quality, or the audit opinions of those two clients. Our firm amended the forms in a timely manner once the issue had been identified and has undertaken remediation of underlying Form AP processes.

Chartered Accountants Australia and New Zealand (CA ANZ)

CA ANZ promotes the Chartered Accountant (CA) designation. CA ANZ has advised that it considers the work of ASIC in determining the scope and timing of any review of the large firms to reduce duplication. In March 2021, CA ANZ completed a Quality Review of our practice which focused on our system of quality control, risk management, monitoring activities and the outcomes of those activities, including action plans and remediation programs.

Client feedback

KPMG Australia’s Client Insights Program actively solicits feedback from clients on the quality of our services. This feedback is considered at an individual audit team level and a firm level to inform our client service and quality processes.

CLIENT FEEDBACK	FY25	FY24
Overall satisfaction ¹⁹	8.4	8.2

Monitoring of complaints

The global and independently operated Whistleblower Hotline is one of a number of channels for reporting concerns about potentially illegal, unethical or improper conduct. Callers’ reports are handled confidentially, and anonymously if they prefer.

In FY25 there were no internal complaints regarding audit quality (FY24: none). There were no external complaints received (FY24: none) via direct correspondence regarding audit quality at KPMG in Australia.

Perform root cause analysis and design and implement remedial action plans

Our SoQM provides the foundation for consistent delivery of quality engagements and our Root Cause Analysis (RCA) program is an integral element of the monitoring and remediation component of the SoQM, driving enhancements to audit quality. Leveraging inputs from internal monitoring programs, external inspections and other activities, we identify audit quality issues and undertake root cause analysis corresponding to the nature and severity of the issues. We continue to strengthen our root cause analysis process and have designed our RCA program in accordance with globally consistent RCA training materials and KPMG International’s RCA guide.

We design and implement remedial actions that respond to the identified root causes of the audit quality issues and subsequently monitor the effectiveness of such actions. The RCA remedial action plans and monitoring results are reported to regional and global leadership.

Our National Managing Partner, Audit & Assurance is responsible for audit quality, including the remediation of audit quality issues. Our Management Audit Quality Committee monitors implementation of the remediation plans.

¹⁴ RG 260 Communicating findings from audit files to directors, audit committees or senior managers. Refer to www.asic.gov.au

¹⁵ Japanese Financial Services Authority.

¹⁶ Canadian Public Accountability Board.

¹⁷ UK Financial Reporting Council.

¹⁸ Wirtschaftsprüferkammer.

¹⁹ This is the score out of 10.

11. Communicate effectively

We recognise that another important contributor to upholding audit and assurance quality is to obtain and promptly act upon feedback from key stakeholders.

Provide insights, and maintain open and honest two-way communication

Communicate with those charged with governance

A financial statement audit has two main deliverables, the formal audit report and s307C independence declaration, accompanying the signed financial report. These are the observable elements to shareholders. We stress the importance of keeping those charged with governance informed of issues arising throughout the audit through guidance and supporting resources. We achieve this through a combination of reports and presentations, attendance at audit committee or board

meetings, and ongoing discussions with management and members of the audit committee.

The role of audit committees is key in supporting quality auditing by overseeing the relationship between company and auditor and challenging what auditors do and how they do it.

In recognition of the demanding and important role that audit committees play for the capital markets and of the challenges that they face in meeting their responsibilities, the Audit Committee Institute (ACI) aims to help audit committee members enhance their commitment and ability to implement effective audit committee processes.

GLOBAL PEOPLE SURVEY KEY RESULTS (EXTERNAL AUDIT AND ASSURANCE)

	FY25	FY24
In the engagement teams I work with, a commitment to audit quality is evident in our day-to-day behaviours	89	88
When providing independent assurance, the engagement teams I work with emphasise the importance of applying a sceptical mindset and our role in supporting the capital markets and protecting the public interest	87	87
The culture and tone set by Audit practice leadership promotes the importance of audit quality for audit and assurance engagements	86	86
Employee engagement index	72	73

Conduct and follow up on the Global People Survey (GPS)

Only with engaged, talented people can we deliver audits in line with our audit quality expectations. Annually, partners and staff are invited to participate in KPMG's GPS to share their perception on their experience of working at KPMG. Results can be analysed by several factors, including functional or geographic area, partner/staff level and gender to provide additional focus for action.

Through the GPS, our firm measures our people's engagement and gains additional insight about what drives engagement for our people. The GPS includes specific audit

quality questions for those individuals who participated in an audit in the previous 12 months, giving us a particular dataset for audit quality related matters.

The survey also provides our leadership and KPMG International leadership with insights related to quality and risk behaviours, audit quality, upholding the KPMG Values, and employee and partner attitudes to quality, leadership and tone at the top.

We monitor the GPS results and take appropriate actions to communicate and respond to the findings of the survey.



12. Statement on the effectiveness of the system of quality management

Statement on the effectiveness of the System of Quality Management of KPMG Australia as at 30 September 2024

As required by the International Auditing and Assurance Standards Board (IAASB)'s International Standard on Quality Management (ISQM1), Australian Auditing and Assurance Standards Board (AUASB)'s Auditing Standard ASQM1 and KPMG International Limited Policy, KPMG Australia (the "Firm") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm. The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

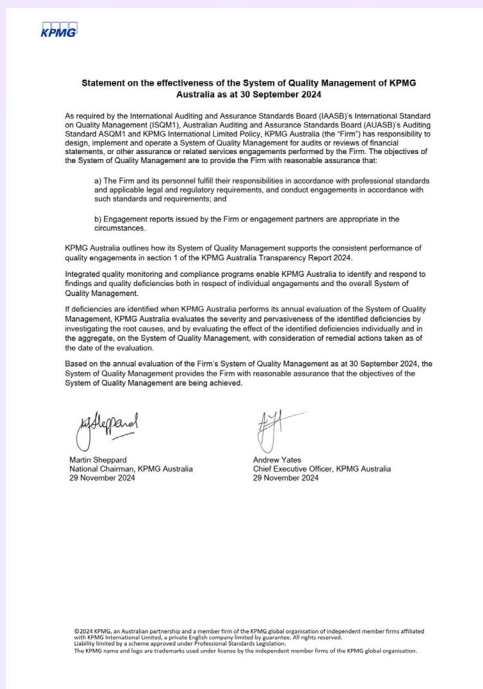
- a) The Firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- b) Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

KPMG Australia outlines how its System of Quality Management supports the consistent performance of quality engagements in section 1 of the KPMG Australia Transparency Report 2024.

Integrated quality monitoring and compliance programs enable KPMG Australia to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management.

If deficiencies are identified when KPMG Australia performs its annual evaluation of the System of Quality Management, KPMG Australia evaluates the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of the Firm's System of Quality Management as at 30 September 2024, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.





Appendix 1 Financial information

This section sets out financial information on the firm that shows the importance of statutory audit work to our overall business and results.

In breaking down the performance, total revenue (includes recoverable expenses) generated in Australia was \$2.283 billion (FY24: \$2.345 billion), and total revenue generated in Fiji and Papua New Guinea was \$32 million (FY24: \$41 million).

REVENUE ²⁰	FY25 (\$B)	FY24 (\$B)
Total revenue for the financial years ending 30 June,²¹ (includes recoverable expenses)	2.315	2.386
TOTAL REVENUE BREAKDOWN		
	FY25 (%)	FY24 (%)
Audits of financial statements²²	21	19
Assurance and other services for audit clients²³	6	5
Services for non-audit clients	73	76

²⁰ Aggregated revenues generated by KPMG firms, from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was EUR 2.6 billion during the year ended 30 September 2024. The aggregated EU/EEA statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30 September 2024.

²¹ Please refer to 'Our Impact Plan 2025' for details of the work undertaken by Grant Thornton.

²² Includes audits and reviews conducted of financial statements, prepared pursuant to sections 292, 295, 302 and 303 of the Act. Includes nil revenues generated from the statutory audit of annual and consolidated financial statements to Australian clients considered EU public interest entities (definition contained in Appendix 6).

²³ Includes nil revenues from other services to Australian clients considered EU public interest entities (definition contained in Appendix 6).



Appendix 2 Partner remuneration

KPMG Australia sets out clear performance and conduct expectations for partners. The remuneration model is designed to reward performance and behaviours consistent with our LEAP strategy, the Code and Values.

As outlined in our Partnership Agreement, our NEC and the Partner Remuneration and Nominations Committee (PRNC) ensure that the system for allocating the profit pool to partners is administered fairly and equitably and is subject to a formal Board approval process.

Any matters of conduct that may have arisen during the performance year are also considered, and appropriate remuneration consequences applied. The model promotes clarity and transparency among the partnership regarding their own remuneration and that of other partners.

Guidance has been established for the application of consequences to partners when incidents occur which relate to ethics and independence, quality, or other behavioural matters. The potential consequences include cautions, warnings, financial penalties, and separation from the partnership. Each year, incidents and recommended consequences are reported to the PRNC by the firm's Ethics & Independence Disciplinary Committee, CRO, Divisional Risk Management Partners, Head of Audit Quality, and National Managing Partner, People & Inclusion. The Chief Risk Officer oversees a robust process to ensure the recommended consequences in relation to all reported incidents are fairly considered and appropriate. The PRNC ensures the quality

issues are appropriately considered and the recommended consequence is consistent with the firm's guidance.

Additionally, the PRNC observed that the assessment of the performance of audit partners considered the conduct and execution of their audits with no attribution for success in selling non-audit services in respect of their audit accounts. This practice was consistently and rigorously applied.

There are two components to partner remuneration: a base distribution of profits reflective of role and seniority; and a variable distribution of profits, expressed as a percentage of base remuneration, reflective of performance against previously agreed goals, including audit quality.

Compensation is based on factors including results of internal and external audit inspections and other relevant quality metrics.

In FY25, 10 (FY24: 12) audit partners had their remuneration impacted through an adjustment to their performance bonus or performance rating due to such matters.

The PRNC makes recommendations on the policies for partners' remuneration and hears appeals from partners regarding their remuneration. The CEO remuneration is determined having regard to both the financial and non-financial performance of the firm, including the strength of leadership behaviours, consistent with our strategy and Values.



Appendix 3 Network arrangements

Legal structure

KPMG Australia is part of a global organisation of independent professional services firms affiliated with KPMG International.

In many parts of the world, regulated businesses (such as audit and legal firms) are required by law to be locally owned and independent. KPMG member firms²⁴ do not, and cannot, operate as a multinational corporate entity. KPMG member firms are generally locally owned and managed. Each KPMG member firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm's obligations or liabilities.

Member firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

Our firm and all other KPMG firms are party to membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organisation are members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients, directly or indirectly. Professional services to clients are exclusively provided by member firms.

Each firm is part of one of three regions (the Americas, ASPAC and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating officer, representation from any subregions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within their region and assists in the implementation of KPMG International's policies and processes within the region.

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

KPMG International and the KPMG member firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International or any of its related entities have any such authority to obligate or bind any member firm.

Further detail on the revised legal and governance arrangements for the KPMG global organisation can be found in the 'Governance and leadership' section of the [KPMG International Transparency Report](#).

²⁴ The name of each audit firm that is a member of the organisation and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available here: <https://home.kpmg.com/xx/en/home/about/governance/list-of-kpmg-eu-eea-audit-firms.html>.

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Responsibilities and obligations of KPMG firms

Member firms have agreed with KPMG International to comply with KPMG International’s policies including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multinational clients, manage risk, and deploy global methodologies and tools.

Each KPMG firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG Values.

A firm’s status as a KPMG member firm and its participation in the KPMG global organisation may be terminated if, among other things, it has not complied with the policies set by KPMG International or any of its agreements with KPMG International.

Professional indemnity insurance

Insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis.

Governance structure

KPMG International

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team. Further details on KPMG International’s governance structure can be found in the [KPMG International Transparency Report](#).

KPMG Australia

The National Board is the principal governance and oversight body of KPMG Australia.

The National Board is responsible and accountable to partners for:

- the stewardship of the Partnership for the benefit of current and future partners
- the successful conduct of the firm
- enhancing the image and profile of the firm
- the implementation of issues voted on by the partners.

The current standing committees of the National Board are the:

- Audit, Finance & Risk Committee
- Audit Quality Committee
- Governance, Regulation & Compliance Committee
- Nomination Committee.

The National Executive Committee is the principal management body of KPMG Australia. It is responsible for driving the financial performance of the business, the development and execution of strategy, and establishing the processes to monitor and enforce policy compliance. As at 30 June 2025, it was led by the Chief Executive Officer, and its members included the National Managing Partners of each of Audit & Assurance, Consulting, Tax & Legal, Enterprise, Deal Advisory & Infrastructure, Clients & Markets, People & Inclusion, OGC & Regulation, along with the CRO, Chief Financial Officer, Chief Digital Officer and the Chief Operating Officer & Head of Corporate Affairs.

Through the CRO’s membership of the NEC, the CRO provides regular updates and escalates key messages from the Service Delivery Risk Committee (which they chair), the Ethics and Independence Disciplinary Committee, the Commercial Conflicts Resolution Committee and the Risk Management and OGC function.

Service Delivery Risk Committee

- Oversight of risk management arrangements relating to service delivery to clients.
- Discuss business risks, including emerging risks, and their potential impact, as they affect service delivery.
- Recommend improvements to firm systems and processes as needed.
- Support the efficient application of risk management practices across the firm.

Ethics and Independence Disciplinary Committee

- Deal with referrals of non-compliance with the firm’s ethics and independence policies.
- Determine disciplinary sanctions with the approval of the National Executive Committee and/or the National Board.
- Recommend improvements to firm policies, systems and processes as needed.

Risk Management and OGC function

- Promote processes and structures to support risk management and quality.
- Develop risk and quality policies, systems and procedures.
- Support the implementation of risk and quality systems and procedures to comply with local and global requirements.
- Monitor and test risk and quality policies, systems and procedures.
- Create tools and templates to support the management of compliance obligations.
- Provide support and guidance to all professionals on application of appropriate policies and systems.



Appendix 4 Key legal entities and areas of operation

KPMG Australia is part of a global organisation of independent professional services firms, with more than 270,000 partners and employees working in member firms spanning over 140 countries and territories around the world.

KPMG Fiji and KPMG PNG remain separate firms to KPMG Australia and are not required to publish a transparency report under section 332 of the Act. As such, their operations are not captured as part of this report unless expressly stated otherwise.

KPMG Australia's primary focus is to serve clients based in Australia. KPMG Australia operates in Australia through the KPMG Partnership (ABN 51 194 660 183) (Australian Partnership) and other associated entities. Our headquarters are split between Sydney and Melbourne, with offices in every state and territory capital within Australia, as well as offices in Geelong, Gold Coast, Newcastle, Parramatta, Townsville and Wollongong.

Appendix 5 Details of those charged with governance

The Board comprises the National Chairman, the CEO, seven other members from our Brisbane, Melbourne and Sydney offices, and three independent members. The Board met 14 times in the year to 30 June 2025.

Board members as at the date of this report are:

National Chairman Martin Sheppard, Melbourne

Chief Executive Officer Andrew Yates, Sydney

Andrew O'Connor, Brisbane

Brett Mitchell, Sydney

Carmel Mortell, Melbourne

Corrina Bertram, Melbourne

Guy Holland, Sydney

Kim Lawry, Sydney

Minh Dao, Sydney

Patty Akopiantz, Independent Board member

Jane Hemstritch, Independent Board member

Mike Baird, Independent Board member

NEC members as at the date of this report are:

Andrew Yates, Chief Executive Officer

Julian McPherson, National Managing Partner – Audit & Assurance

Paul Howes, National Managing Partner – Consulting

Naomi Mitchell, National Managing Partner – Enterprise

Stan Stavros, National Managing Partner – Deal Advisory & Infrastructure

Ben Travers, National Managing Partner – Tax & Legal

Eileen Hoggett, Chief Operating Officer and Head of Corporate Affairs

Paul Low, Chief Risk Officer

Dorothy Hisgrove, National Managing Partner – People & Inclusion

Louise Capon, OGC & Regulation

John Munnely, Chief Digital Officer

Cassandra Hogan, National Managing Partner – Clients & Markets

Brad Miller, Chief Financial Officer



Appendix 6 Public interest audit clients of the firm

The Australian listed companies, listed registered schemes, registrable superannuation entities, Authorised Deposit-Taking Institutions²⁵, General Insurers²⁶, Life Companies²⁷ and EU public interest entities²⁸ for which KPMG Australia is statutory auditor for the financial years ended in the 12 months to 30 June 2025 are:

3P Learning Limited

AAI Limited

Agriculture Bank of China – Sydney Branch

Alpha HPA Limited

AMA Group Limited

Amotiv Limited

Ampol Limited

Ansell Limited

Anteris Technologies Global Corp

ANZ Australian Staff Superannuation Scheme

ANZ Group Holdings Limited

ANZ Lenders Mortgage Insurance Pty Limited

APC Minerals Ltd

Appen Limited

Artrya Limited

Aspire Mining Limited

Aussie Broadband Limited

Austral Gold Limited

Australian Agricultural Company Limited

Australian Ethical Investment Limited

Australian Ethical Retail Superannuation Fund

Australian Military Bank Ltd

Australian Mutual Bank Ltd

Australian United Investment Company Limited

Australian Unity Limited

Australian Unity Office Fund

Auto & General Insurance Company Limited

Avanteos Superannuation Trust

Bank of Communications Co. Ltd

Barclays Bank PLC – Australia branch

Barristers' Sickness and Accident Fund Pty Limited

Bell Financial Group Limited

Berkley Insurance Company

Beyond Bank Australia Limited

Bhagwan Marine Limited

Biotron Limited

Boss Energy Ltd

Bubs Australia Limited

Burgundy Diamond Mines Limited

Buru Energy Limited

BWP Trust

Calix Limited

Capral Ltd

Capricorn Metals Ltd

Carlton Investments Limited

²⁵ Within the meaning of the *Banking Act 1959*.

²⁶ Within the meaning of the *Insurance Act 1973* and Non-operating Holding Companies (NOHC) as per section 18.

²⁷ As registered under section 21 of the *Life Insurance Act 1995* and NOHC as per section 28A.

²⁸ Within the meaning of Directive 2006/43/EC issued by the European Parliament and of the Council, where a public interest entity is an issuer whose transferable securities are admitted to trading on a regulated market, specific to the EU jurisdiction.



Appendix 6 Public interest audit clients of the firm

Centaurus Metals Limited	Corrvas Insurance Pty Ltd	EML Payments Limited	Generation Development Group Limited
Centuria Capital Fund	Count Limited	Employers Mutual Limited	Gold Road Resources Limited
Centuria Capital Group	Coventry Group Limited	Energy Resources of Australia Limited	Goodman Group
Centuria Capital Limited	Credit Union Australia Ltd	Euroz Hartleys Group Limited	Goodman Industrial Trust
Centuria Capital No 2 Fund	Credit Union SA Ltd	Everest International Reinsurance Ltd	Goodman Limited
Centuria Industrial REIT	CTI Logistics Limited	EVT Limited	Group 6 Metals Limited
Centuria Office REIT	Cue Energy Resources Limited	Far East Gold Ltd	GWA Group Limited
Chrysos Corporation Ltd	Delta Lithium Limited	Fiducian Group Limited	Hallmark General Insurance Company Ltd
Citibank, N.A.	Dexus	Fiducian Superannuation Fund	Hallmark Life Insurance Company Ltd
Cochlear Limited	Dexus Convenience Retail REIT	Finbar Group Limited	HealthCo HealthCare & Wellness REIT
Codan Limited	Dexus Industria REIT	Fire and Emergency Services Superannuation Fund	Helia Group Limited
Colonial First State FirstChoice Superannuation Trust	Dexus Operations Trust	First American Title Insurance Company of Australia Pty Limited	Helia Indemnity Pty Limited
Community First Credit Union Limited	Dexus Property Trust	FleetPartners Group Limited	Helia Insurance Pty Limited – New Zealand Branch
Convenience Retail REIT No 1	Diversified United Investment Limited	Fulcrum Lithium Ltd	Heritage and People's Choice Limited
Convenience Retail REIT No 3	Dome Gold Mines Ltd	Gateway Bank Ltd	HMC Captial Limited
	Dusk Group Limited		



Appendix 6 Public interest audit clients of the firm

HomeCo Daily Needs REIT	Insurance Manufacturers of Australia Pty Limited	Lovisa Holdings Limited	Next Science Limited
Hospitality Employers Mutual Limited	IOOF Portfolio Service Superannuation Fund	MA Financial Group Limited	Nick Scali Limited
Iluka Resources Limited	IVE Group Limited	Macmahon Holdings Limited	Nickel Industries Limited
IMB Ltd	Johns Lyng Group Limited	Matrix Composites & Engineering Ltd	Nido Education Limited
Indue Limited	Jupiter Mines Limited	Mayfield Group Holdings Limited	Norfina Limited
Industria Trust No 2	KEB Hana Bank	Metrics Credit Partner Master Income Trust	NorthStandard Limited
Industria Trust No 3	Kogan.com Ltd	Metrics Income Opportunities Trust	Noumi Limited
Industria Trust No 4	Korvest Ltd	Metrics Real Estate Multi-Strategy Active Trust	NuEnergy Gas Limited
ING Bank (Australia) Limited	Latitude Group Holdings Limited	Metrics Real Estate Multi-Strategy Fund	Nufarm Limited
ING Bank N.V. – Sydney Branch	Lendlease Corporation Limited	Metrics Real Estate Multi-Strategy Passive Trust	Nuix Ltd
ING Superannuation Fund	Lendlease Group	Mitchell Services Limited	Oasis Superannuation Master Trust
Inghams Group Limited	Lendlease Trust	Mitsui Sumitomo Insurance Company Limited	OFX Group Limited
Insignia Financial Ltd	Liberty Financial Group Limited	MLC Super Fund	oOh!media Limited
Insurance Australia Group Limited	Liberty Financial Group Trust	Monash IVF Group Limited	Optus Insurance Services Pty Limited
Insurance Australia Limited	Linius Technologies Limited	Motorcycle Holdings Limited	Ora Banda Mining Limited



Appendix 6 Public interest audit clients of the firm

Orica Limited	Prospech Limited	Regis Resources Limited	Sompo Japan Insurance Inc - Australia Branch
Orora Limited	PWR Holdings Limited	Reliance Worldwide Corporation Limited	South32 Limited
Pacific Smiles Group Limited	Qantas Airways Limited	Retail Food Group Limited	Southern Cross Benefits Limited
Pearl Gull Iron Limited	Qualitas Limited	Retirement Portfolio Service	Southern Cross Electrical Engineering Limited
Perpetual Credit Income Trust	Qualitas Real Estate Income Fund	Rex Minerals Limited	SPSL Pooled Superannuation Trust
Perpetual Equity Investment Company Limited	Qudos Mutual Ltd	Ridley Corporation Limited	Statecover Mutual Limited
Perpetual Limited	RAA Insurance Holdings Limited	Rio Tinto Limited	Steadfast Group Limited
Perpetual Super Wrap	RAA Insurance Limited	Santana Minerals Limited	Stewart Title Limited
Perpetual WealthFocus Superannuation Fund	RACT Insurance Pty Ltd	SCOR Global Life Australia Pty Limited	Sumitomo Mitsui Banking Corporation
Perpetual's Select Superannuation Fund	RACT Investment Holdings Pty Ltd	SCOR Reinsurance Asia-Pacific Pte Ltd	Suncorp Group Limited
Peter Warren Automotive Holdings Ltd	Reece Limited	Servcorp Limited	Suncorp Insurance Holdings Limited
Pilbara Minerals Limited	Regal Asian Investments Limited	Seven West Media Limited	Sunrise Energy Metals Limited
PM Capital Global Opportunities Fund Limited	Regal Investment Fund	SG Fleet Group Limited	Swiss Re Asia Pte Ltd
Police Credit Union Limited	Regal Partners Limited	Sky Metals Limited	Swiss Re Life & Health Australia Limited
Police Financial Services Limited	Regional Australia Bank Ltd	Smartgroup Corporation Limited	TAL Dai-ichi Life Australia Pty Ltd



Appendix 6 Public interest audit clients of the firm

TAL Life Insurance Services Limited	Vault Minerals Limited
TAL Life Limited	Veris Limited
Tanami Gold NL	VGI Partners Global Investments Limited
The Bank of New York Mellon Corporation – Australia branch	Waratah Minerals Limited
The Bank Of Nova Scotia	WAW Credit Union Co-operative Ltd
The Bendigo Superannuation Plan	Westpac Banking Corporation
The Northern Trust Company	WiseTech Global Limited
Treasury Wine Estates Limited	Youi Holdings (Pty) Ltd
Tuas Limited	Youi Pty Ltd

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