



*cutting through complexity*



# Recognition, prosperity and empowerment

**Our journey to reconciliation**

Reconciliation Action Plan  
2013-2015

## Our reconciliation journey partners

At KPMG we are inspired, challenged and guided by our friends who work to promote Indigenous excellence, rights, culture and economic prosperity.

We would like to recognise the contribution of our community partners to our reconciliation journey; some who have travelled with us since the beginning and are part of this shared story of reconciliation.

*Australian Human Rights Commission*

*Australian Indigenous Education Foundation*

*Jawun Indigenous Corporate Partnerships*

*National Centre of Indigenous Excellence*

*National Congress of Australia's First Peoples*

*Recognise*

*Reconciliation Australia*

*Ms Shelley Reys AO (Arilla)*

*Supply Nation*

*United Nations Global Compact*

During the past 2 years of our journey we have worked with, and learned from, these organisations and businesses:

### **Honorary work**

*Australian Indigenous Leadership Centre*

*Australian Indigenous Mentoring Experience (AIME)*

*Babana Aboriginal Men's Group*

*Cape Hope Foundation*

*EON Foundation Inc.*

*Kimberley Foundation*

*Koorie Heritage Trust*

*National Native Title Council*

*NT Thunder*

*Red Dust Role Models*

*Show Me The Way*

*The Lowitja Institute*

*Souths Cares*

*Tiwi Land Council*

### **Supply Nation**

*Black Olive Catering*

*Corporate Culcha*

*Indigiearth*

*Kallico Catering*

*Message Stick*

*Winangali*

### **Jawun**

*Balkanu*

*Babana Aboriginal Men's Group*

*Buki-Larrnggay Mulka Centre*

*Bungree Aboriginal Association*

*Cape York Aboriginal*

*Australian Academy*

*Cape York Institute*

*Cape York Partnerships*

*Darkinjung Aboriginal Land Council*

*Gujaga*

*Gumatj Association*

*Halls Creek Aged Care*

*Indigenous Employment Initiative*

*Kaiela Institute*

*Kimberley Group Training*

*KRED Enterprises*

*Lirrwi Yolngu Tourism*

*Aboriginal Corporation*

*Little Nuggets Early Learning Centre*

*MG Corporation*

*Mingaletta*

*National Aboriginal Islander Skills Development Association (NAISDA)*

*National Aboriginal Sporting Chance Academy (NASCA)*

*Ngallagunda Community*

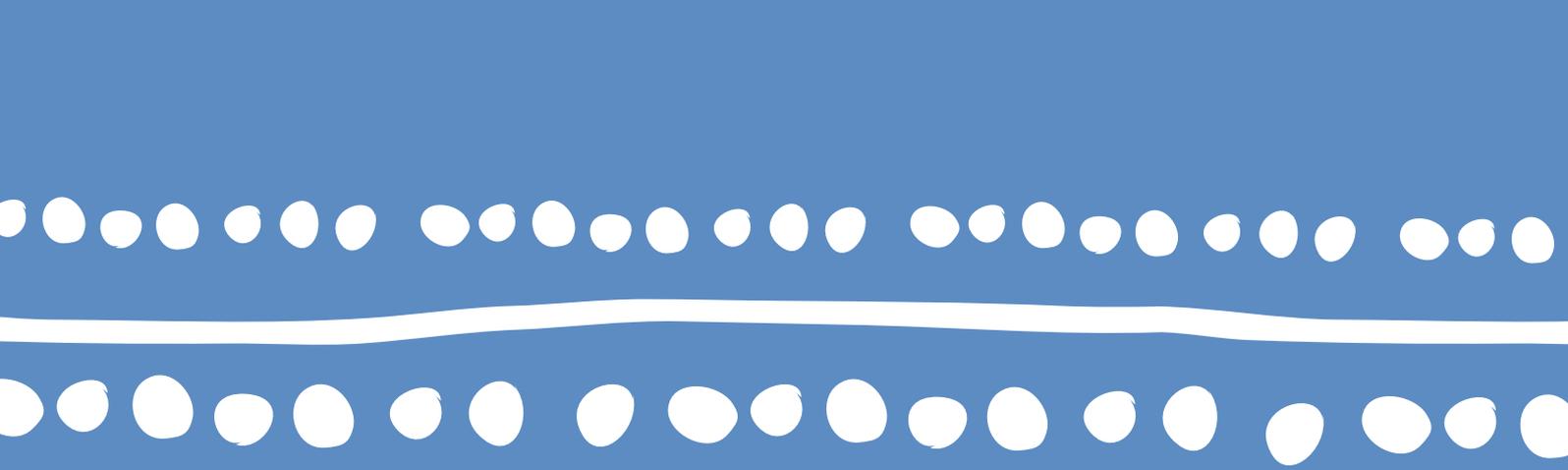
*Rumbalara Aboriginal Cooperative*

*Tribal Warrior Association*

*Warmun Art Aboriginal Corporation*

*Wunan*

*Wyanga Aged Care Program*



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## The future we imagine

KPMG recognises the First Australians as the oldest continuous living culture in the world. Sadly our nation's First Australians do not enjoy the same equality of rights, or life expectancy, as other citizens.

At KPMG we imagine a future where the cultures, histories and rights of Aboriginal and Torres Strait Islander peoples (Indigenous Australians) are understood, recognised and respected by all Australians. We want to play an active role in making this future a reality.

This Reconciliation Action Plan (RAP) is our commitment to embed reconciliation in our business. We believe we can have the greatest impact by using our professional skills in partnership with Indigenous Australia to bring about prosperity, positive recognition, and to foster reconciliation.

To do this we are focusing our energy, skills and imagination in three areas:

1. Supporting economic and social development
2. Recognising and promoting the rights of Indigenous Australians
3. Inspiring leadership for reconciliation

**We invite you to join this journey.**

## Our reconciliation journey 2006-2013

KPMG is committed to working to 'Close the Gap' between Indigenous and non-Indigenous Australians. Our commitment is extensive, award winning and involves our people intimately. Our approach to this commitment is to use our business skills and resources to work with Indigenous peoples to promote economic and social development.

In 2006 Doug Jukes, a former Chairman of KPMG Australia travelled to the Cape York Peninsular. His own journey prompted KPMG to empower our people to use their professional skills to boost the capacity and build the sustainability of Indigenous organisations and businesses. We did this by embarking on a partnership with Jawun Indigenous Corporate Partnerships in 2007.

Our partnership with Jawun was the catalyst for the firm to grow and deepen our work with Indigenous Australia. Building upon this strong foundation, we decided to publicly state our commitment to reconciliation through our first RAP in 2009. It was the right time to do this, reflecting our established programs and relationships.

Since then we have continued to grow our commitment. Key initiatives in our RAP to date have been:

- our evolving partnership with Jawun
- building the capacity of, and procuring goods and services from, Indigenous business
- developing Indigenous cultural awareness amongst our people
- encouraging our people to become leaders for reconciliation
- supporting the pathway into education and employment for young Indigenous people
- strengthening Indigenous not-for-profit organisations via our honorary work program
- promoting the campaign for constitutional recognition.

Our journey has given us the opportunity to put our values into action, to turn goodwill into tangible outcomes, and to evolve our Indigenous partners into friends.

Importantly, our journey has enabled us to create a positive impact on the economic and social circumstances of Indigenous Australians and their communities. In 2013 it has been valuable for us to pause, reflect, and to understand our social impact. We plan to achieve even more.

*It is important for us to understand the impact we are making and where we should focus our future efforts. For this reason, social impact is the driver of our RAP.*

*KPMG Australia is the first company to conduct a social impact assessment of its Reconciliation Action Plan. We encourage other businesses and organisations to do the same.*

## Supporting economic and social development

We are trusted advisers to government, not-for-profit and private sector clients regarding Indigenous policy, programs and service delivery.

Our corporate citizenship initiatives and our client work give us a deep understanding of the issues facing Indigenous communities. This enables KPMG to engage in reconciliation based on strong relationships and credentials.

Our people value working on projects in the Indigenous sector and these opportunities are always highly sought after. In every part of our business, every person has a role to play in building a prosperous and reconciled nation – to be part of the solution, not just an observer.

In 2013-2015 we will direct our efforts in four areas.

### Supporting Indigenous business

By supporting businesses owned by Indigenous people we are contributing to the economic independence of Indigenous communities. We do this in two ways: procuring goods and services from Indigenous owned businesses and by giving our professional skills to support these businesses to prosper.

By 2013, KPMG sourced over A\$1 million in goods and services from Indigenous owned businesses certified by Supply Nation.

We have embedded the use of Indigenous business into our supply chain and procurement processes and have won awards in 2012 from Supply Nation and the Chartered Institute for Procurement and Supply Australia for our efforts. In FY14 KPMG aims to go beyond by increasing our use of Indigenous owned suppliers and by encouraging our other suppliers to build their own relationships with businesses owned by Indigenous people. We aim to increase the economic prosperity of Indigenous Australia through these actions.

Additionally, we support the success of Indigenous businesses through programs such as Jawun, our honorary work program and our client work.

**Throughout 2013-2015 we are excited to be working with a range of Indigenous owned social enterprises on a variety of projects, including supporting the Aboriginal Housing Company to redevelop 'the Block' in Redfern, Sydney.**

### New initiatives

- Indigenous recruitment manager
- Partnership with Aboriginal Housing Company
- Governance training
- Workshop series to support businesses and not-for-profits
- Enhanced commitment to Jawun program
- *Empowered Communities* program
- Identification of early childhood education project
- Expansion of AIEF mentoring to Sydney and Melbourne
- Linkage of AIEF mentees to employment opportunities
- Identification of projects in Western Sydney

### **Capacity building for Indigenous not-for-profit organisations**

We believe that building the capacity of the sector that works with, and services, Indigenous people is critical to successfully addressing some of Indigenous Australia's biggest and most pressing social issues.

Our people work with Indigenous owned and controlled community organisations, the not-for-profit sector that services Indigenous communities and with government to identify solutions and build capacity. We do this through offering our professional services on an honorary basis and via our client work.

In 2013, we committed to increase our support to Indigenous organisations through our partnership with Jawun. Our people will spend a combined 1,800 hours of professional time each year, honorary, working with Indigenous organisations. In 2013 we began to explore, with Jawun, ways that we can increase our peoples' involvement with, and impact on, Indigenous communities. To do this we will continue to work with Jawun to integrate our programs with our People Performance and Culture initiatives and our consulting model.

In addition, KPMG has allocated 20 percent of our planned honorary work for FY14 and FY15 to working with Indigenous organisations.

KPMG will refine our commitment to building capacity in Indigenous owned and controlled organisations by reviewing our honorary work priorities. We will also make further investments to develop our own Indigenous business sector skills and capacity so that our client work provides practical and culturally informed advice and continues to contribute to better program outcomes.

Key projects will include a focus on supporting good governance through the provision of training, resources and mentoring. Additionally, we will develop a new workshop program focused on sharing practical tools and methods to support the business operations of Indigenous not-for-profits.

### **Supporting *Empowered Communities***

In 2013, 25 Indigenous community leaders from eight regions across Australia created a proposed model for service and welfare provision for Indigenous people. They have called it *Empowered Communities*. KPMG people will be seconded to work with Indigenous communities to support the trial, and potential implementation, of the program.

### **Pathway from education to employment and economic participation**

Increasing educational attainment for Indigenous children is an important step towards a more prosperous future for Indigenous Australians. We acknowledge research that states a child's early education and social circumstances can affect their ability to academically succeed in later stages of schooling. In 2013-2015 we will re-focus our efforts to explore ways to support Indigenous children under 5 years.



**Increasing educational attainment amongst Indigenous children is an important step towards a more prosperous future for Indigenous Australians.**

## Professional services in action: Jawun and honorary work

KPMG people utilise their professional skills to build the capacity of Indigenous business, Indigenous owned and controlled community organisations and not-for-profit organisations who service Indigenous communities. In many cases, we do this work on an honorary basis, either directly with the organisation or through our partnership with Jawun.

In FY12 and FY13 our honorary program working directly with Indigenous organisations equated to over A\$1.5 million of professional time spent building capacity. In addition, and during the same period, 57 KPMG people were seconded to Indigenous organisations and businesses through our partner Jawun.

Since the commencement of our partnership in 2007 over 140 KPMG people have applied their professional skills to projects across all seven Jawun regions.

Our people are also active in supporting Indigenous high school students. Through our partnership with the Australian Indigenous Education Foundation (AIEF) in FY12 and FY13, 15 KPMG people had a mentoring or tutoring relationship with an Indigenous high school student. In the next 2 years we will expand our partnership with the AIEF to mentor children in Sydney and Melbourne. We will work with the students and the AIEF to identify opportunities to better facilitate employment and future study. We also partner with the Podmore Foundation to achieve similar outcomes for Indigenous students in Canberra.

**The Australian Bureau of Statistics (2012) reports that the largest Indigenous population in Australia lives in Sydney's Western Suburbs. It is critical that in the creation of a prosperous Australia this young and growing population is supported to achieve excellence. In 2013-2015 we will explore opportunities to expand our focus to Indigenous people living in Sydney's Western Suburbs.**

## Employment opportunities at KPMG

In previous years, KPMG has sought to improve employment opportunities for Indigenous Australians by supporting educational opportunities. We had anticipated this would translate to an increased number of Indigenous people seeking employment at KPMG. We realise we can do more. We recognise a long-term approach is needed to achieving this goal.

In 2013 we aim to employ our first dedicated Indigenous Recruitment Manager.

We are hopeful that the diverse nature of our workforce will become even more so, through a combination of:

- dedicated recruitment resources
- a clear strategy to inspire Indigenous people to consider employment opportunities at KPMG
- high school and tertiary scholarships
- mentoring programs
- work experience programs
- increased collaboration with our community partners
- cultural awareness training, and
- support for Indigenous staff in the firm.

# Recognising and promoting the rights of Indigenous Australians

We understand that there is a direct connection between good business and better lives. Our corporate citizenship extends beyond compliance and necessitates our involvement with the issues that shape our nation's identity and prosperity.

**In Australia, this means working to protect, promote and enhance the human rights of Indigenous Australians. This work is set to grow in 2013-2015. We will be focusing our efforts in three areas.**

## **Supporting self-determination of Indigenous Australians**

In 2013, KPMG was the first corporate to sign an Accord with the National Congress of Australia's First Peoples. Congress is the national, democratically elected, peak body for Indigenous Australians. KPMG has committed to work with Congress to build their capacity and assist them in promoting Indigenous peoples' rights, the recognition of Indigenous Australians in the Constitution, and other campaigns.

## **Recognition: a key ingredient in reconciliation**

KPMG believes that a key step towards reconciliation is to formally recognise the country's First Peoples in the Australian Constitution.

KPMG is championing the campaign for the formal recognition of Indigenous Australians in the Constitution.

In 2013, KPMG joined the *Journey to Recognition* to promote the campaign to the Australian public. We have committed to do all that we can to encourage KPMG people to recognise Indigenous Australians in the Constitution and to remove sections that enable discrimination based on race. Through our staff engagement strategy our people will be intimately involved in this important campaign for a vote that achieves recognition.

## **United Nations Global Compact**

KPMG International is a proud signatory to the United Nations Global Compact (UNGC), the world's largest voluntary corporate citizenship initiative that aims to influence the creation of a more sustainable and inclusive global economy. KPMG Australia is a founding member of the UNGC Network in Australia and currently chair the network.

The UNGC Guiding Principles provide the opportunity and framework to engage our people on human rights issues.

## Promoting, respecting and remedying Indigenous Peoples rights

In 2013, KPMG International issued a Human Rights Statement outlining our commitment to respect human rights within our sphere of influence. The rights of Indigenous Australians have been the priority in implementing our local response to the United Nations Global Compact and our own Human Rights Statement.

**In 2013-15 we will seek to further involve our people in our human rights initiatives and look for opportunities to further integrate our Human Rights Statement into daily practice.**

In 2012, KPMG formed a working relationship with the Australian Human Rights Commission. During the period of this RAP, KPMG will continue to support the work of the Commission, and will seek to identify opportunities for further collaboration and staff engagement.

### New initiatives

- Partnership with National Congress of Australia's First Peoples.
- Support for the Recognise campaign to acknowledge Indigenous Australians in the Constitution via a referendum.
- United Nations Global Compact Business Reference Guide to accompany the UN Declaration on the Rights of Indigenous Peoples.
- Collaboration with the Australian Human Rights Commission.



**“We have the opportunity right now to be part of significant change in the Nation through the campaign for constitutional recognition. KPMG’s integrity and leadership on this issue, and on reconciliation, is based on strong relationships, trust and respect. Most importantly, KPMG has taken the time to get it right.”**

Mick Gooda,  
Aboriginal and Torres Strait Islander  
Social Justice Commissioner

## United Nations Declaration on the Rights of Indigenous Peoples – A Business Reference Guide

The United Nations Global Compact engaged a number of LEAD\* businesses to participate in a global taskforce to enhance the understanding of the rights of indigenous peoples and to provide guidance on how business can respect and support these rights.

The Business Reference Guide to the UN Declaration on the Rights of Indigenous Peoples has been an international collaborative effort over more than 18 months. During the public consultation period, thousands of people across the globe have been reached, with comments on the draft Guide received from Indigenous peoples, companies, businesses, industry associations, academia, international organisations, not-for-profit organisations, expert advisers and other individuals.

Catherine Hunter, Head of Corporate Citizenship, KPMG Australia, participated in the inaugural taskforce and contributed as a member of the Global Compact multi-stakeholder Expert Group that was convened to assist with finalising the Guide. The Guide will be launched in December 2013 at the Business and Human Rights Forum in Geneva.

\*LEAD is an invitation only business platform of 50 companies most engaged with the UN Global Compact globally and locally.

## Inspiring leadership for reconciliation

KPMG is committed to inspiring leadership for reconciliation.

We see such potential in our Partners, staff, clients, governments and communities. We are committed to doing all that we can to inspire these individuals so that, together, we can promote reconciliation between Indigenous and non-Indigenous Australians.

### Leadership at all levels

We support other businesses and not-for-profits wishing to increase their involvement in reconciliation by sharing our own experience and mentoring others.

**In 2013-2015 we will seek to formalise, through Reconciliation Australia, our role as a business mentor. Additionally, we will continue our participation in shaping the policy agenda and advocating for solutions through our membership of the Business Council of Australia's Business Indigenous Network.**

Leadership for KPMG's reconciliation strategy is derived from the firm's internal Reconciliation Advisory Council. Convened by KPMG's Chairman and Corporate Citizenship team, it comprises six Partners and reports to the KPMG Board and National Executive Committee.

**In 2013, KPMG will invite Indigenous leaders to join our Reconciliation Advisory Council and provide expert advice to guide our future reconciliation strategies.**

KPMG encourages our Partners and staff to demonstrate leadership in its many forms. Our leaders are passionately involved in reconciliation. Peter Nash, Chairman KPMG Australia, is a Board member of Reconciliation Australia. Gary Wingrove, CEO KPMG Australia, is a board member of Jawun and Catherine Hunter, Head of Corporate Citizenship, is the Chairperson of the UNGC Network Australia.

We see the leadership of Partners and staff, as *RAP Champions*, being critical for creating reconciliation. Our goal is to create more champions who have a clear understanding of

their role to promote reconciliation within the workplace to their clients, families, friends and local communities.

A new 'staff engagement strategy' will ensure our campaigns, activities and communications are tailored for different audiences and are focused on gradually increasing the level of engagement everyone at KPMG has with reconciliation. Our current suite of staff engagement activities – National Reconciliation week, NAIDOC week and other local community events – will be expanded to include opportunities to mark the UN International Day of the World's Indigenous Peoples.

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**We see the leadership of Partners and staff, as *RAP Champions*, being critical for creating reconciliation.**  
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## Cultural awareness

Cultural awareness training is an important enabler for our Partners and staff when demonstrating leadership. Formal, class-room style, cultural awareness training conducted by the Indigenous consultancy, Arilla, is targeted at the firm's leaders, staff responsible for implementing the RAP, and client teams. Our people who work directly with Indigenous organisations, businesses and policy also gain additional cultural understanding through first-hand experience and tailored programs. In 2013-2015 we will explore ways to expand the reach of cultural awareness training by using innovative approaches to formal and informal training.

In 2013 we re-affirmed our commitment to embed the *Acknowledgement of Country* into daily practice. We will continue to encourage staff to *Acknowledge Country*, and arrange *Welcome to Country*, in their daily work. To accompany our employment program we will be examining our People, Performance and Culture policies and practices to ensure they champion an inclusive approach to the different Indigenous cultures inherent in our workforce.

## Support for Reconciliation Australia

Reconciliation Australia is a key partner in our journey. We are committed to growing and deepening our work to support the success of Reconciliation Australia. KPMG has provided our professional services on an honorary basis, participated in leadership workshops and activities, and we intend to continue this collaboration. A successful and sustainable reconciliation movement, led by Reconciliation Australia, is critical in both our own success, and the nations.

## Reporting

Reporting provides an opportunity to objectively reflect on, and communicate, our impact, to refocus efforts to drive improvements and to acknowledge the contributions of our people and community partners.

Our recent social impact assessment has enabled us to better understand our progress towards reconciliation. It has also given us insights into where we benchmark and techniques for monitoring our future progress.

KPMG will continue to report transparently, and endeavour to learn from our findings, by reporting externally via the:

- Reconciliation Australia impact questionnaire
- KPMG Annual Report, and
- KPMG International's *Communication on Progress* against the UNGC principles.

Internally, we have established mechanisms to track and monitor progress against our commitments.

## New initiatives

- Expand cultural awareness training
- Staff engagement strategy

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**We are committed to growing and deepening our work to support the success of Reconciliation Australia.**

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## Message from Reconciliation Australia

Congratulations to KPMG on the release of their third Reconciliation Action Plan (RAP), the latest plan to reflect the company's ongoing support for reconciliation and the aspirations of Aboriginal and Torres Strait Islander peoples.

With this new *Elevate RAP*, KPMG joins a select group of organisations with a proven track record of effective engagement with Aboriginal and Torres Strait Islander peoples and of meeting challenging targets across their RAP. KPMG has demonstrated a history of achievement in the three core areas of the RAP – respect, relationships and opportunities; they also recognise the importance in having their RAPs assessed and monitored.

This *Elevate RAP* continues KPMG's approach of working in partnership with Aboriginal and Torres Strait Islander people; using the professional skills of KPMG staff to boost the capacity and build the sustainability of Aboriginal and Torres Strait Islander businesses and organisations. It is clear that KPMG's ongoing commitment to reconciliation through this RAP is heartfelt and reflects the organisation's deep

thinking about where KPMG can best contribute and make a difference and a focus on building stronger relationships and empowering communities.

The translating of the targets in KPMG's RAPs into the strong personal relationships that have grown between company employees and Aboriginal people in Redfern, Cape York and other sites across Australia, and the benefits that these friendships have created is a result that truly exemplifies the spirit of reconciliation.

KPMG now allocate 20 percent of their honorary work to support Aboriginal and Torres Strait Islander organisations and businesses, a significant increase since their first RAP and a standard that sets the benchmark against which others will be measured.

I would also like to acknowledge the ground breaking partnerships that KPMG have formed with the National Congress of Australia's First Peoples and its promotion of the United Nations Declaration on the Rights of Indigenous peoples.

KPMG were also notable by becoming an early supporter of the campaign to recognise Australia's First Peoples in the constitution and are a national sponsor of the *Journey to Recognition*.

This demonstrates a genuine commitment to work with Aboriginal and Torres Strait Islander peoples on the issues that matter to them.

On behalf of Reconciliation Australia I thank all those who have helped create this RAP and congratulate them for the leadership they have shown.

*Leah Armstrong*  
CEO, Reconciliation Australia



## Local and global alignment

Two frameworks have informed the development of our RAP impact areas; Reconciliation Australia's *Relationships, Respect and Opportunities* framework and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

The matrix below demonstrates how our reconciliation impact areas map to these frameworks.

Impact area	Focus area	Relationships	Respect	Opportunities	UNDRIP
<b>Supporting economic and social development</b>	Supporting Indigenous business	✓		✓	Articles 4 and 20
	Capacity building for Indigenous not-for-profit organisations	✓	✓	✓	Articles 4 and 23
	Supporting <i>Empowered Communities</i>	✓		✓	Articles 4 and 20
	Pathway from education to employment and economic participation	✓	✓	✓	Articles 4, 17 and 21
	Employment opportunities at KPMG	✓	✓	✓	Articles 17 and 21
<b>Recognising and promoting the rights of Indigenous Australians</b>	Supporting self-determination of Indigenous Australians	✓	✓		Articles 3, 5, 18, 19 and 33
	Recognition: a key ingredient in reconciliation	✓	✓		Articles 2 and 18
	Promoting, respecting and remedying Indigenous Peoples rights	✓	✓		Article 1
<b>Inspiring leadership for reconciliation</b>	Leadership at all levels	✓	✓		Article 15
	Cultural awareness	✓	✓		Articles 11, 12, 25, 26 and 31
	Support for Reconciliation Australia	✓			
	Reporting	n/a	n/a	n/a	

## Journey of discovery: Understanding KPMG's impact

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This is the first Assessment of Social Impact that KPMG has conducted on their Reconciliation Action Plan (RAP), it is also the first of its kind in Australia. KPMG wanted to better understand the impact and social value that efforts towards reconciliation from their FY12 and 13 RAP have had on:

- the Indigenous individuals, communities, and businesses KPMG has worked with
- the Australian business community, and
- their own people.

The following pages summarise the findings of the assessment. It communicates clear and measurable progress in KPMG's internal environment, social and governance activities, it provides a guide for organisations striving to understand how to value these important elements of performance and opportunities to strengthen the transformative potential of their RAP. The assessment of KPMG's RAP provides a synthesis of information and data on inputs, outputs and

outcomes, through: analysis of key documentation; interviews and focus groups with internal and external stakeholders; surveys; analysis of available datasets; and case studies which provide a qualitative perspective on experiences and outcomes.

### Key findings

#### Respect

KPMG is deeply respected by their Indigenous partners and the business community when it comes to reconciliation. Integrity and credibility have enabled KPMG's engagement to be more intensive, broader, deeper and with longer terms; growth in the provision of cultural awareness; sensitivity to Indigenous issues through leading participation in symbolic action; and fostered a focus on strengthening the firm's wider community relationships and networks.

Knowledge generated through cultural awareness training, has been a compelling and fundamental vehicle to spreading transformative impact in people's own spheres of

influence and personal lives, leading to increased levels of personal and professional commitment. KPMG people are empowered to be involved and contribute to building capability and creating a shared sense of ownership and responsibility throughout the organisation. The impact on knowledge, attitudes and behaviours or involvement has played an extremely important role in shaping RAP outcomes and in broader, and more personal reconciliation.

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**“[KPMG is] seen as a leader, they are listened to and have a significant presence in the Indigenous space.”**  
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Siobhan Toohill, Head of Sustainability and Community, Westpac

## Relationships

KPMG has continued to lead the business community to innovate ways by which businesses can provide greater economic opportunity for Indigenous people and communities. Through commitment to contracts with Indigenous suppliers, KPMG has engaged new businesses and encouraged business colleagues to explore similar procurement opportunities. This has seen KPMG awarded as a business leader in supporting the growth and diversity of Indigenous suppliers.

Sufficient lead time has enabled sponsorship at the highest levels of the firm and a degree of exclusivity in a number of key relationships. There is growing recognition that the style of leaders KPMG wants to develop correlates with people who have had 'out of the box' experiences.

Participation in mentoring programs, honorary work and Jawun secondments has enabled KPMG staff to progress their own professional and personal development. KPMG people have achieved this through growing leadership potential, skills transfer, performance, confidence and maturity which aligns strongly with KPMG's global values and behaviours. This is being further explored through KPMG's talent and leadership endeavours.

## Opportunities

A modest percentage of resources is expended on Indigenous employment relative to investment in other RAP activities. The target to support mainstreaming of Indigenous employment has proved to be complex. In comparison, KPMG's most significant efforts are around business and economic impact through honorary work, Jawun secondments and support for Indigenous suppliers.

Through continued corporate support for Supply Nation, Indigenous owned businesses have reportedly employed more Indigenous Australians from the growth, recognition of Indigenous business and supplier diversity of which KPMG plays a role.

Furthermore, meaningful and trusted mentoring relationships were reported, which encouraged a foundation of mutual respect, shared responsibility, skills development, critical reflection and a passion and commitment to seek understanding and acknowledgement of the diversity that exists.

## Return on investment

Outcomes that are not quantified cannot be counted, evaluated or compared. Just because some outcomes are not financial does not mean that they do not have a value.

KPMG sought to place a value on the impact of the RAP to provide another 'lens' through which to view performance. Results show a return of \$12 million in social and economic value on an investment of \$5 million.

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**“Corporate thinking can allow the space to innovate and to think about innovation. Within all the [Jawun] regions KPMG is influencing all four key criteria for Jawun – good governance, capability building, developing leaders and innovation.”**

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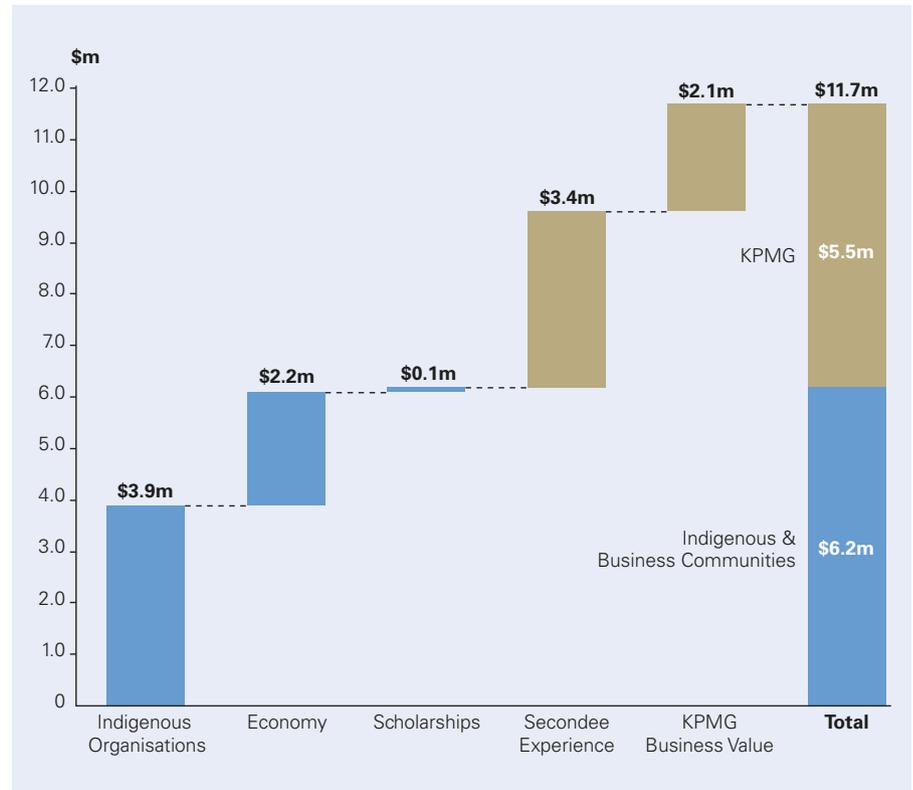
Karyn Baylis,  
CEO Jawun

The result indicates a solid return on KPMG's investment in RAP activities of \$2.40 in social and economic benefit for every dollar invested. The main beneficiaries of KPMG's RAP are Indigenous business and communities which receive 53 percent of the total benefit, with the remaining 47 percent of the benefits being recognised by KPMG and its employees.

KPMG took a conservative approach to the benefits calculation and believe the result, although understated, is a representation of 'fair value' which resonates with the overall findings of a profound and genuine 'impact footprint'.

A breakdown of these benefits is shown on the right.

### KPMG's RAP benefits by Stakeholder



Source: KPMG 2013

**“The work that KPMG completed has helped to build the financial capability of the business.”**

John Norman,  
Treasurer Koorie Heritage Trust



**“Every KPMG person is intensely and incredibly skilled... they work with brilliant clients... and change the potential of companies every day. Imagine if they applied the same gifts, the same passion, the same skill, imagination and the same sense of global awareness to our communities. [Our people] must say ‘I’m a leader’ here to deliver transformation for our clients and our communities. These are equally as valuable.”**

Lord Michael Hastings,  
Global Head of Corporate Citizenship

**Key learnings identified:**

A number of key learnings have been identified that will be prioritised for action by KPMG's Reconciliation Advisory Council and addressed in the 2013-2015 RAP. These lessons include:

- Activities that are planned and managed to operate synergistically and consistently on multiple levels have resulted in a strong multiplier effect, however there must be a trade-off between the flexibility of delivered RAP activities and the ability to identify best practices.
- KPMG's contribution to honorary work has been highly valued by their partners. KPMG has been able to apply their professional expertise in a highly targeted way to best benefit capability building and enterprise development.
- Internal and external communications could be enriched through a more strategically driven approach to reinforce awareness, understanding and engagement of the broader firm and the marketplace.
- Mainstreaming Indigenous employment has been constrained and translating relationships with Indigenous liaison officers at universities to Indigenous scholarship outcomes could be improved. This is coupled with limitations in connecting to students and building relationships into student communities to engage with them meaningfully around the opportunities. This has in turn influenced the link between channeling Indigenous candidates from school, to university and into employment at the firm.
- Through this assessment of social impact, KPMG's Indigenous partners have offered unwavering support to continue to assist KPMG in new pathways on their reconciliation journey. Offers to collaborate in new activities and further give voice to Indigenous Australians within the firm will contribute to truly integrative collaboration.



### Maintaining momentum

Looking ahead, there are opportunities to build on KPMG's strengths and maintain the momentum of their reconciliation journey. KPMG can enhance and evolve efforts to strengthen their vision and create greater social impact through:

- linking KPMG's corporate strategy and values to the RAP and the UN Declaration on the Rights of Indigenous Peoples to better integrate and align with good practice
- developing a robust communication strategy to continue to build awareness, knowledge, understanding and action amongst employees and grow KPMG's reach and leadership on reconciliation in the business community
- committing to greater action to increase Indigenous employment numbers via:
  - deepening relationships and support for Indigenous scholarships and student pathways to employment and success within KPMG
  - realigning and reinvigorating university partnerships
  - continuing to build cultural awareness, diversity and expertise in mentoring within KPMG, and
  - creating an innovative Indigenous employment strategy
- deepening relationships with Indigenous organisations to better align KPMG people with their organisational business goals to create greater targeted impact and prosperity through mentoring, secondments and honorary work
- creating more formal opportunities for Indigenous partners to work with KPMG and continue to give a greater voice within to guide enhancements in the future.

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**“We have a really powerful story to tell about reconciliation. The nature of people who work at KPMG is that they embrace community initiatives and so they become more involved. If we can tell our story better we will engage more of our people on a deep and personal level.”**

.....

Peter Nash,  
Australian Chairman KPMG

In 2013, KPMG commissioned Supply Nation certified Indigenous design agency, *Gilimbaa*, to produce an artwork that reflects the diversity of Indigenous Australia and KPMG's commitment to reconciliation.

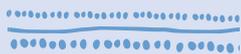
*Desert*



*Salt-water*



*Fresh-water*



*Rainforest*



*Torres Strait Islands*





**To find out more and join us:**

## **Corporate Citizenship**

corporatetcitizenship@kpmg.com.au

kpmg.com.au/corporatetcitizenship



Our Reconciliation Action Plan is proudly produced in partnership with Indigenous owned businesses certified by Supply Nation.

## **kpmg.com.au**

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