


KONNECTIONS

NEW ZEALAND'S MAGAZINE FOR OUR ALUMNI

A low-angle photograph of a construction site. In the center, a tall tower crane stands against a clear blue sky with some light clouds. To the left, a curved glass building is under construction. To the right, a tall, modern skyscraper with a glass facade is visible. The overall scene is one of active urban development.

REBALANCING
OF THE
CONSTRUCTION
SECTOR.



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Introducing our
new leaders

Welcome to the latest edition of *KONNECTIONS*

In this issue of *Konnections*, we're turning the spotlight on one of New Zealand's most important industries. The construction sector is consistently among the top contributors to GDP; as well as providing the all-important infrastructure that we need to grow the nation. This sector plays a critical role in Fuelling New Zealand's Prosperity – and we're proud to partner with many of the key players; in both the private sector and public infrastructure projects.

Of course, the industry has also faced its fair share of challenges in recent times. In the article on page 8, Geoff Lewis, head of KPMG's construction team, explains the background to the current industry issues, and the road ahead.

Whether it's mitigating risk, dealing with new contractual models, or fulfilling health & safety requirements – our people bring a wealth of real-world expertise to the table. We're working shoulder to shoulder with our construction clients, helping them overcome roadblocks and make the most of new opportunities. Speaking of which, Auckland alumni Tony Dowse has joined a new construction company that's currently building New Zealand's tallest residential building. You can read Tony's story on page 4.

We also follow the career adventures of several other alumni – all with very different but equally interesting stories. Audit alumni Jessie Watson has been based in South Sudan and Bangladesh, working with Doctors Without Borders; while Pete Mora has recently finished a two-year stint working in the Alberta oil and gas industry.

Finally, in this issue, we highlight some groundbreaking research KPMG launched earlier this year. This was the culmination of nearly a decade of research from KPMG Global into customer experience excellence – and we'd be delighted to share those findings with you and your organisation.

We look forward to connecting with you in person at our upcoming alumni events in Auckland and Wellington. Until then, we hope you enjoy the read.



Ross Buckley
Executive Chairman



Godfrey Boyce
Chief Executive



Aaron Woolsey
Alumni Partner



Ross Buckley

Godfrey Boyce

Aaron Woolsey

The career that Tony built

Construction is
different every day
.. and at the end of
each project, you've
been a part of a
team that's created
something tangible.

Tony Dowse
CFO, ICON Co





KPMG ALUMNI TONY DOWSE was recently appointed CFO for an exciting new name on the local construction scene. Australian-based **ICON Co** has launched a New Zealand arm, and is set to change the Auckland skyline with its inaugural project.

The 57-storey \$220m **Pacifica** apartment building on **Commerce Street**, currently being built using innovative technologies, will be one of the country's tallest buildings at 178m. Tony tells us about his new role with **ICON**, and his career in construction to date.

What's the background to **ICON** launching here?

"ICON is a well-known Australian operator with offices in Melbourne, Sydney and Brisbane. The company has been going 20 years, and is majority-owned by the Tokyo-based Kajima Corporation, which has a 148-year pedigree. The consolidated turnover is in excess of A\$20 billion.

"ICON's management saw an opportunity to expand across the Tasman. It's become particularly timely with the recent departure of Fletcher Building and Eberts, which left a gap in the local market for a company of this size and capability.

"I've come on board as the CFO for New Zealand; and I have counterparts in the different Australian regional offices. Our new operation is led by GM Daniel Ashby, who is one of New Zealand's most experienced

and respected high-rise commercial construction chiefs. I've worked with Dan on and off over the past 14 years; at Brookfield Multiplex, and later at Hawkins.

"ICON NZ launched in December 2017, so is still largely in start-up and has that new feel...as we establish our policies, procedures and governance structures in line with New Zealand's regulatory requirements. But at the same time, it's underpinned by a well-established Group with a very strong balance sheet."

Tell us about The **Pacifica** building.

"At 178m, it's going to be New Zealand's highest residential tower. The gross floor area is 43,768m²... comprised of 282 apartments, plus a 35-room hotel, amenities, retail and carparking. Work is already well underway, and it's due for completion in September 2020.

Tony Dowse CFO, **ICON Co**

Tony has recently been appointed CFO for **ICON Co**.

Tony has held a variety of Accounting and General Management roles across a range of industries from Construction through to Finance and Audit Services. Prior to **ICON**, Tony was the Financial Controller for Hawkins, which involved Financial Analysis, Management Reporting and Operations Management.

Tony's understanding of both 'the numbers' and construction activity, allows him to plan for and manage the building processes' impact on the financial aspects of a business.

"In building **Pacifica**, we're using some construction technology that's new to New Zealand – including a truck turn table, and jump-form technology. The jump-form in particular is attracting a lot of attention from our competitors and prospective clients.

"As a result, we're busy with negotiations and ECI work on a number of other major builds; with a combined build value in excess of \$600m. So the future's looking bright..."

What do you enjoy about working in construction?

"I like the variety and constant change. It has some unique challenges throughout the process... whether that's in design, in-ground, or even the weather. Construction is different every day...and at the end of each project, you've been part of a team that's created something tangible. You also get to work with some very talented and highly-qualified individuals, who have the smarts to build some pretty complex structures."

In previous roles, you've also been involved in some other large developments. Tell us about some of those.

"I was Regional Financial Controller for Brookfield Multiplex for eight years. Some of their larger projects – the likes of Metropolis Apartments, Sylvia Park Retail Precinct or the Sentinel Apartments in Takapuna – were effectively businesses in their own right, with their own teams of professionals. Working with these teams was always fulfilling, especially when the final product is something to be proud of."

"My next role was Financial Controller with Hawkins Group. The first 3.5 years, when it was a family-owned business, was a combination of management accounting and commercial management. As part of an equity-raising, the business was sold to Downer in March 2017, and this brought about big changes to my role. I've been very impressed with what Downer brought to the business since assuming the reins. Their governance around tender review processes, along with their detailed analysis of project performance and cash management, is what's needed to combat the issues that have plagued the industry over recent years."

What's your view on the current state of the industry?

"The industry is extremely stressed, given the sustained historical highs in volume; coupled with the major changes in contract forms and risk transfer, which the industry has been slow to adapt to. There's a definite imbalance in the industry – where the expectations of developers are unrealistic, and often at the expense of construction companies, who take on massive commercial risk for inadequate returns."

"To avoid the pitfalls of the past, I think there needs to be more collaboration between all interested parties; with a focus on balanced procurement processes and project outcomes. Rather than award work on lowest price, developers need to weigh up the other attributes of the main contractor, then negotiate price on an open-book fixed-margin basis."

"Opening up international supply chains – as well as keeping consultants and advisors more accountable for their decisions – would be other useful steps."



"Like all construction companies, Multiplex also had its fair share of weathertight disasters. So making sure you have sufficient reserves to meet the cost of repairs – and getting the auditors to accept the provisioning – was always a challenge. Fortunately, KPMG were the auditors and they fully understood the need."



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You first joined KPMG in mid-1988 – not long after the 1987 sharemarket crash. What were those days like?

“At that time, the New Zealand business psyche was transitioning from the pre-crash mentality. Overnight there were a lot of people hurting...businesses were demanding more of their professional advisors, and this placed extra pressure on audit teams.

“We put in some long hours, but the partners and senior managers also stepped up to absorb the pressures. So it was a real team effort, and that created a pretty special working environment. They also thanked us by putting on regular social functions... every Friday night was a time to unwind.”

How did KPMG set you up for your later career in construction?

“I never aspired to a long-term career in CA, but KPMG was the ideal environment to evaluate the type of industry and future role I wanted.

“Being with the firm gave me invaluable exposure to different industries, systems, time management, work ethic and professionalism – and the all-important business network.

“The partners were great people... Chris Joyce, Keith Rushbrook, Joanna Perry, Russell Florence, Collin Reid and Jan Dawson; to name just a few. They were all highly-respected, and made KPMG a desirable place to work. It’s somewhere I can proudly put on my CV.”

What’s the best piece of career advice you’ve ever received?

“I’ve heard and received plenty of different advice over the years. But a couple of my favourites are: ‘Focus on your strengths, and build a team around you that complements your shortcomings’. And one that’s probably very relevant to the construction industry... ‘No-one ever lost money making a profit’.

REBALANCING OF THE CONSTRUCTION SECTOR

DIGGING INTO NEW ZEALAND'S
CONSTRUCTION INDUSTRY

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Our construction industry has never been busier ... but that success has brought its own set of problems

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For the layperson, the current state of our construction industry appears to be something of a contradiction.

On the one hand, we're seeing hi-vis jackets on every corner, and more cranes on our horizons than ever before.

At the same time, we read headlines of stalled projects, major contract losses, and company collapses.

So what's going on?

We talk to KPMG Director **Geoff Lewis**.



Geoff Lewis

Director and Head of Construction, KPMG NZ

Geoff leads KPMG's Construction Sector. Geoff's experience includes leading independent major project reviews and assurance, financial audit, project due diligence, and industry consultation and advice. He has a passion for working with his clients to build a strong and stable construction sector, which delivers high quality sustainable buildings and infrastructure over the long term.

What's the state of our industry – is it boom times, or bust?

"There's the paradox...because it's actually a bit of both. Our construction industry has never been busier – with building activity hitting record levels in the past three years. But that success has brought its own set of problems, which we'll explain next. So the irony is we often see more failures happening in the upside than in the downside."

What's changed; how did we get to this point?

"There have been a number of factors at play. Firstly, the types of projects we're undertaking have

increased in complexity, size and scale – particularly in commercial construction.

"Secondly, the contracting model has also been evolving. There's been a move away from build-only projects (where the design and construction is done separately), towards the design-and-construct model (where there's a single point of responsibility for delivering the entire project). At the same time, there are significant amendments to the standard form (NZ3910) contract conditions.

"You've probably also heard of PPPs, which stands for Public Private Partnerships. These have become the favoured procurement model for some of the Government's roading and social infrastructure projects. Private financiers put up funding, but distribute design and construction risk to contractors.



“New Zealand has adopted these new types of contractual models... which have been commonplace in countries such as the UK, Canada and Australia for some time. And that has fundamentally changed the allocation of risk between the different parties in the supply chain.”

So, who's taking on a bigger share of the risk?

“There are essentially three parties to a major construction project – the project owner, the lead contractor, and the sub-contractors. Allocation of risk depends on the type of contract and nature of the conditions.

“Under the old build-only model, where the design was still the responsibility of the project owner, the contractor could recover cost variations in response to the changes in design. But with the design-and-construct model, there's often a fixed-price competitive tender on a design that's not complete. And if you haven't priced appropriately for the uncertainties in design, that can have

a significant impact on time and cost once the project is underway.

“In this scenario, it's usually the lead contractor that's been the one stuck in the middle. They've taken a lot of risk from the project owner, but then they're not able to transfer or spread that risk to their sub-contractors, who don't necessarily understand the risk they've taken on, or have the financial capability to meet a claim if something goes wrong.”

What other factors are impacting project costs?

“Again, there are multi-faceted reasons. But in a nutshell, the boom in both residential and commercial construction has put a lot of pressure on resources and skills in New Zealand, particularly in Auckland, which has led to significant price escalation. So we're seeing the twin effects of increased demand and lack of supply causing significant inflationary pressure. The level of price increases has caught a lot of people by surprise.

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It's a work in progress... at the end of the day, everybody in the supply chain wants the same thing.

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“In between bidding for the job and starting the build, the contractor might face worsening shortages in labour and resources, as well as rising cost of materials. This drives up their cost-to-build, and squeezes their margins to breaking point.

“The availability and lack of skilled resources can also impact on construction timeframes, which from a cost perspective, can increase project overheads and result in contract penalties for late delivery.”

What does this mean for the building itself?

“Project owners may favour the design-and-construct model because it gives them more certainty over cost and time, and they can redistribute the risk to the contractor. But it can also have a negative impact when things go wrong.

“If the project runs over time, it could impact commercial returns. Or if a contractor’s margins are squeezed too tightly, that could potentially have an impact on the quality of the build.

“Other project owners prefer to manage design themselves. Contracting on substantially-complete

design mitigates the risk of substantial variations. While this may take more time at the front end of a project, it often saves time at the end.”

What’s the key to solving this problem?

“If you had to sum it up, it’s about getting transparency around risk...so that risks can be appropriately priced and managed for all parties.

“For contractors, it’s critical that appropriate due diligence is completed in the bid phase of a project; particularly around project scope, contract and construction risk, stage of design, and the impact of this on pricing.

“Appropriate risk management practices – including legal review, risk allocation matrix, risk frameworks and risk registers – are also useful tools.”

Are things improving?

“It’s a work in progress. The receiverships and large contract losses we’ve recently seen have certainly highlighted some of the issues the industry faces.

“But we’re currently seeing a groundswell of industry leadership challenging contractors to take responsibility for understanding risk, pricing it appropriately, and implementing good project management practices.

“For example, the Registered Master Builders Association has just released guidelines to assist contractors to understand contractual terms and conditions when bidding.

“At the end of the day, everybody in the supply chain wants the same thing. They want to create infrastructure, buildings and housing that are of the highest quality, for the price, and that will sustain their purpose for as long as possible. But they need to be aligned in achieving this outcome.”

How does KPMG help clients address these issues?

“There are important areas to focus on for a successful construction project that is delivered on and in budget, including business case development, procurement and tendering, project management, risk management, programme, health and safety, and quality.





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“When working with construction clients, KPMG takes a multidisciplinary approach to assist our clients manage these areas. We have a dedicated Infrastructure and Construction team that pulls in expertise from across the firm – whether it’s in financial and commercial analysis procurement advice, project risk management or assurance, project controls, technology, or health and safety.

“We also collaborate with our construction counterparts across KPMG’s global network to deliver the right expertise, and work closely with KPMG Australia.”

What kind of
projects does
KPMG get involved
with?

“The projects are specific to our clients’ needs. We work with businesses and organisations across the sector, from successful group-

build residential housing companies, to large contractors, sub-contractors, property developers, and public infrastructure clients.

“Our team gets to work on some really interesting projects. In a recent client example, we provided an independent assessment of forecast margin across a number of their major building projects. We deployed a mix of QS, project management, engineering and finance expertise – along with some analytic technology – to provide insight into cost, construction programme and risk.

“We’ve advised on all of New Zealand’s PPP projects, both Government departments and bidders. Most recently, we advised a private sector party on their proposal to renew a local authority’s waste water treatment plant, including obtaining offers of financing from private financiers.”



What are some future trends in construction to watch for?

“There’s a growing trend towards pre-fabrication – it’s been mostly in the residential sector, but it’s also emerging in commercial projects. In India and China, multi-storey buildings are being erected in a short space of time.

“Pre-fabrication can provide more certainty around cost, as the design is substantially complete before the construction starts and processes are standardised in a controlled environment.

“Locally, the Government has asked for expressions of interest in off-site construction to achieve its Kiwibuild program; while a local New Zealand company is investing in panelization for its residential developments.

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Another trend is the move towards sustainability of building materials and construction methods... building companies and project owners will need to meet those expectations

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“Another trend is the move towards sustainability of building materials and construction methods. This is being driven by consumers, investors, public bodies and Government; who increasingly want to know that their building projects are environmentally and socially responsible. So building companies and project owners will need to meet those expectations.

“Technology adoption by the sector is slow, but there are some significant opportunities. For instance, KPMG Global’s Construction Survey notes that data and analytics will be used in future to improve transparency, and make better use of the vast data sets associated with major construction projects.”

What’s the short-term outlook for the local industry?

“The construction industry is one of the biggest employers and contributors to GDP; so its stability and profitability is vitally important to the New Zealand economy.

“In a nutshell, the market will need to rebalance in response to recent events. As we’ve mentioned, procurement methods and allocation of risk are immediate key issues for the industry and government. Industry bodies are now challenging themselves to improve risk management, and the Government is reviewing its procurement practices.

“We’re slightly different to the other markets; in that we have fewer large contractors with the financial capability to take on the big projects, and a highly fragmented subcontractor market. So the contracting model will need to evolve to meet the New Zealand market requirements, and this will be a space to watch.

“The escalation pressures are expected to continue in the short-term; and the impact of risk rebalancing is unknown, but could push up prices further. Forecasts indicate that we’ll see continued cost pressures for another 12 months or so, with things starting to ease by late 2020. Building consents in Auckland are rising, and Kiwibuild projects will get underway, continuing to put pressure in the housing sector.

“On the infrastructure side, there are a number of major projects in the pipeline, including the light rail project in Auckland. It’s possible that large-scale projects like this will attract offshore firms with specialist expertise and strong balance sheets into the New Zealand market. How they engage and partner with local firms on these projects will be important.

“We’re also seeing central Government and local authorities look at new and innovative ways to fund and finance our infrastructure. Many of our local authorities are constrained in their ability to borrow, which has led them to explore alternative ways to fund these projects.”

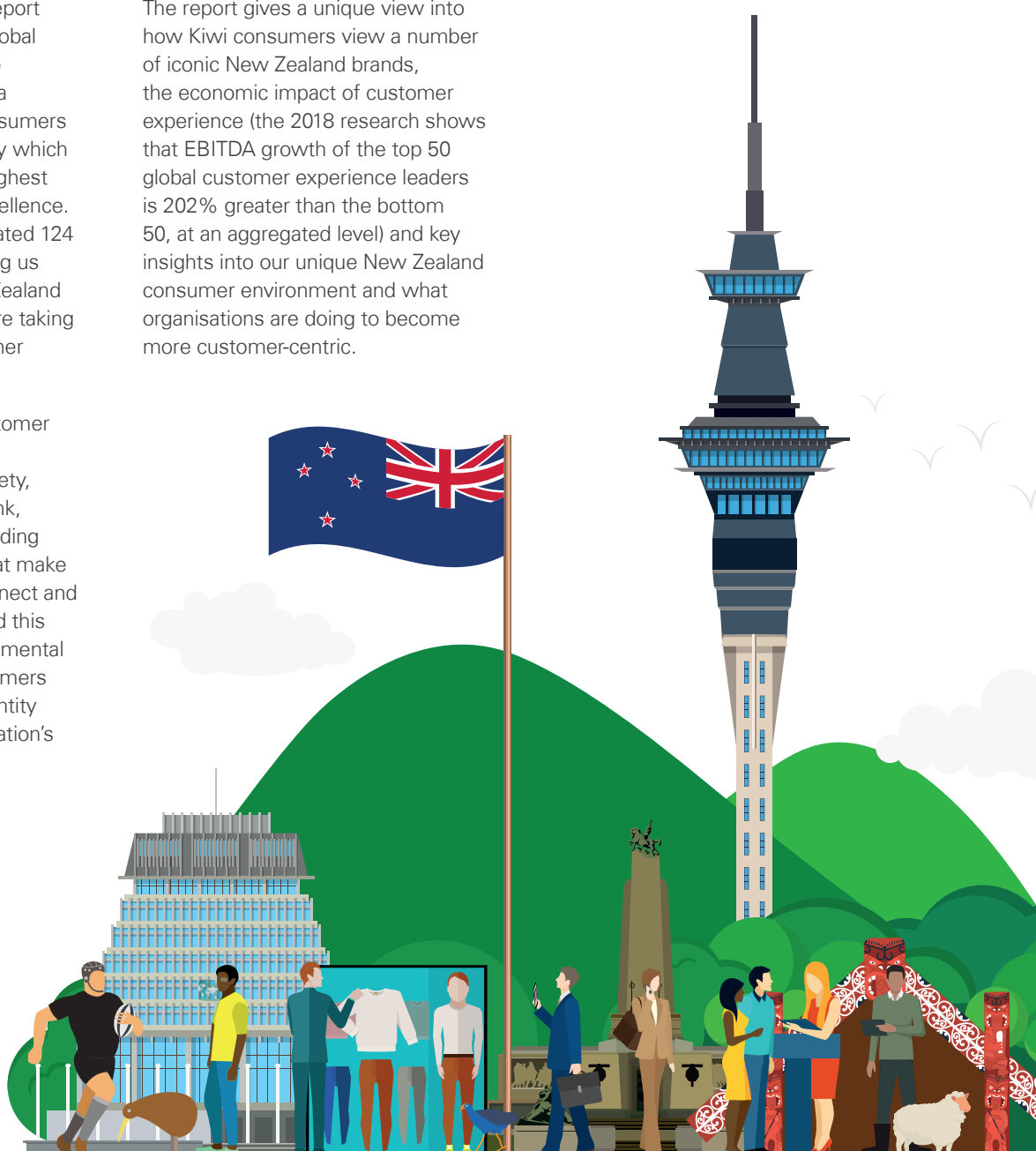
The New Zealand Customer Experience Excellence Report

This year, our Customer Experience team launched the inaugural KPMG New Zealand Customer Experience Excellence Report, revealing what New Zealand consumers value most from their favourite brands.

This New Zealand-focused report comes off the back of the Global KPMG Customer Experience Excellence report, based on a survey of almost 55,000 consumers across 14 markets, to identify which brands consumers ranked highest for customer experience excellence. 2,504 Kiwi consumers evaluated 124 New Zealand brands, allowing us to identify the top ten New Zealand brands and the actions they're taking to deliver exceptional customer experiences.

The top three leaders of customer experience for New Zealand, Farmlands Co-operative Society, Air New Zealand and Kiwibank, excelled at consistently providing personalised experiences that make it easy for consumers to connect and interact with them. We found this success started with a fundamental understanding of their consumers and a strong belief in the identity and purpose of each organisation's mission.

The report gives a unique view into how Kiwi consumers view a number of iconic New Zealand brands, the economic impact of customer experience (the 2018 research shows that EBITDA growth of the top 50 global customer experience leaders is 202% greater than the bottom 50, at an aggregated level) and key insights into our unique New Zealand consumer environment and what organisations are doing to become more customer-centric.



The Six Pillars of Customer Experience Excellence

Brands were ranked across the KPMG 'Six Pillars of Customer Experience Excellence';



Personalisation
Using individualised attention to drive emotional connection.



Integrity
Being trustworthy and engendering trust.



Expectations
Managing, meeting and exceeding customer expectations.



Resolution
Turning a poor experience into a great one.



Time and Effort
Minimising customer effort and creating frictionless processes.



Empathy
Achieving an understanding of the customer's circumstances to drive deep rapport.

These Six Pillars are the DNA of every outstanding customer experience and lay the foundation for consumers to identify the leaders in each country. "The pillars allow a psychological understanding to be paired with the economic values that give us far more insight than legacy customer experience indicators such as NPS (Net promoter score)" says Simon Hunter, KPMG Partner.

Excelling at customer experience

KPMG's dedicated customer experience team can help with a number of critical customer issues, ranging from customer strategy to profitability and experience excellence. Get in touch today to further discuss the report and the services we can offer. For further information please contact:



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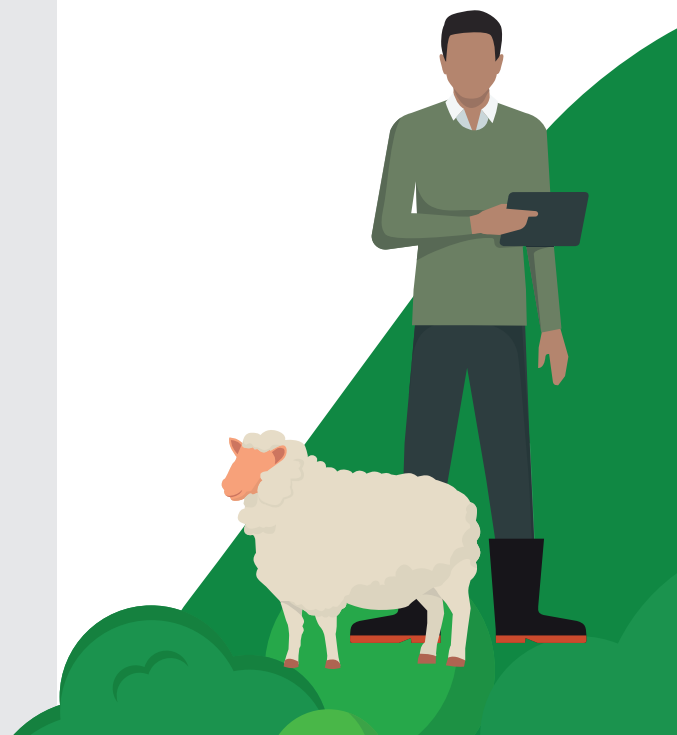


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Fuelling community prosperity

The Big Hoot

This year, KPMG was a proud sponsor of the Haier Big Hoot, raising funds for the Child Cancer Foundation. The event saw 47 owl sculptures designed by renowned artists, and 60 'owlets' designed by school children (including one by our partner school, Edmund Hillary School), form a community trail across Auckland.

At the conclusion of the trail, the large owls were auctioned off, raising an impressive total of \$383,000 for the Child Cancer Foundation. With winning bids ranging from \$3,750 to \$17,000, the KPMG owl sculpture, Full Moon Ruru, was sold under the hammer for \$7,250. KPMG also donated a further \$3,000 directly to the Child Cancer Foundation thanks for the generosity of our people and their communities.



Helping out at Hamilton Zoo

The KPMG Hamilton Enterprise team used their volunteer day this year to assist at Hamilton Zoo, with one volunteer reflecting "it made me realise how enormous a task the Zoo Keepers face each and every day and that we can help out and make a difference!"

"A big thank you to the KPMG team that came out and made a big difference here at the Zoo," said a representative from the Zoo. "We really appreciated all the work that you were able to achieve... it would be great to have your team out here again in the future."



Stephen Parkinson from True Colours accepting the donation – pictured with KPMG Partner Lauder Erasmus and ANZ Relationship Manager James Hancox.

Techweek gives back

This year, KPMG presented around the country for Techweek '18 – New Zealand's largest tech event. At our Techie Brekkie in Hamilton, an event co-hosted with ANZ, we took the opportunity to donate all proceeds from the event to True Colours, a cause close to the hearts of one of our ANZ colleagues, True Colours is a Waikato based charity-supporting children with serious illnesses and their families.

Volunteers 'boost' literacy in Ashburton

Boost is a literacy programme established after two benefactors left money to the Advance Ashburton Foundation for child literacy. It currently involves 41 tutors (6 of whom are from the KPMG Ashburton office), and 145 children. Each child is partnered up with a reading partner, because they have been identified by their school as someone who needs a learning boost. "We all leave each session with a great deal of pride to see the children making such great improvements in their reading, writing, and confidence," says one KPMG volunteer.



FUELLING PROSPERITY

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Auditors without borders

Jessie Watson's South Sudan experience

Back in early 2017, a typical workday for Jessie Watson was spent in a sweltering office – nursing an ice pack to combat the 40 degree heat – with the occasional smattering of not-so-distant gunfire in the background.

It was literally a world away from KPMG Auckland's comfortable harbourside offices; but the alumni Audit Assistant Manager has special memories of her time in South Sudan with Medecins Sans Frontieres (Doctors Without Borders).

For six months in 2017, Jessie took leave from KPMG in Auckland to work as the Finance and HR Manager for the MSF project in Wau, a city in northwestern South Sudan. It's where 30,000 local people lived in makeshift shelters of bamboo and plastic in a crowded camp around the UN base, seeking safety from heavy fighting in the area.

Jessie explains: "The internally-displaced persons' camp was super-congested, and living conditions were sub-optimal to say the least, but the Wau residents were so fearful of the violence that they'd rather stay there than return to their homes."

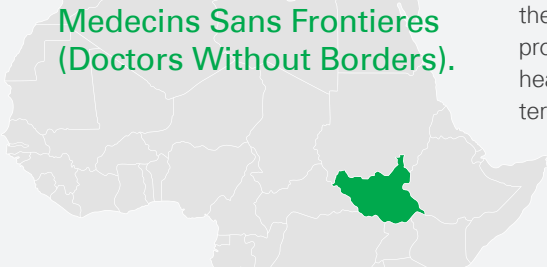
Medecins Sans Frontieres (MSF) set up a 20-bed paediatric hospital in the camp, and also ran an outreach programme supporting four rural health centres in opposition-held territory.

"The hospital treated kids with everything from severe acute malnutrition, measles and malaria, to gastro and respiratory infections; while the outreach team provided support for patients who would otherwise be unable to cross the military checkpoints into town to access medical care."

As project admin for the MSF team, Jessie was responsible for implementing supply and purchase controls, reviewing monthly project costs against budget to ensure transparent and traceable expenditure, and day-to-day accounting duties such as payroll and month-end reporting.

Upon arriving at her new workplace, one of the first tasks was the safe hand-over; which quickly highlighted some of the challenges that lay ahead.

"It was 35 degrees and I got locked in the safe room – which was a



Jessie with admin assistants Shahid and Razi overlooking the Kutupalong Rohingya refugee "megacamp", in Bangladesh.



A mother sits with her child, who is recovering from burn injuries at MSF's medical facility in Kutupalong, Bangladesh. Photo credit: Dalila Mahdawi/MSF

defunct bathroom littered with rat droppings – where I had to count the money, literally dripping sweat over the cash...!”

Hyperinflation is a major problem in the country, and the banks often run out of currency; which made the cash management part of the job particularly difficult.

“Sometimes there’d be money in your account, but the bank physically didn’t have the liquidity, so I always made sure to ring the bank manager a couple of days before we needed the cash. When I went to withdraw money, I’d get taken into a vault where I’d be dwarfed by the stacks of South Sudanese Pounds.”

The other part of Jessie’s job was recruitment and HR manager for the 80 or so local staff. This role often brought her face-to-face with the emotional realities of living in a war zone.

“For example, it was part of my job to have ‘disciplinary meetings’ with any staff member who didn’t turn up for their shift. But often you’d learn the reason was because their brother had been shot, or their house had been looted. They told me this very matter-of-factly. Almost every week someone would request compassionate leave due to a family member being killed. I found that pretty hard.”

Although the international MSF team lived in a relatively safe environment, there were still regular reminders of how volatile life was for the South Sudanese staff.

“It was a bit unnerving when you heard gunfire the first few nights, and one morning I woke up to the sound of mortar rounds. However the national staff were incredibly committed to their work, and even went out to the hospital for their shifts when the town was on military lockdown.”

On a number of occasions, Jessie crossed the checkpoints out to the opposition-held areas where the outreach programmes were run. The philosophy of MSF is to be neutral and impartial in the aim of administering humanitarian assistance to populations in need; regardless of race, religion or political affiliation.

// IT WAS A BIT UNNERVING WHEN YOU HEARD GUNFIRE THE FIRST FEW NIGHTS, AND ONE MORNING I WOKE UP TO THE SOUND OF MORTAR ROUNDS. //

During her time in Africa, Jessie also found time to “trudge up Kili” (aka Mount Kilimanjaro) with her mother, who travelled from New Zealand to meet her in Tanzania.

“We made it to the top for the token summit photo before our guides half-carried, half-dragged us down the scree slope. It took us seven hours up from base camp and three hours down, and I’ve never been more stoked to see a tent in my life...”

After South Sudan, she returned to KPMG for the busy audit season, before embarking on another three month mission with the MSF Emergency Cell. They opened a project in Bangladesh in response to the Rohingya refugee crisis, which saw over 700,000 Rohingya flee from the Myanmar military across the border into Southern Bangladesh.

“There was a huge logistics team which built a 50-bed paediatric hospital and three health centres in six weeks. Each health centre saw around 120 patients per day, while the hospital was dealing with a diphtheria outbreak as well as supporting a vaccination campaign. We also had a water and sanitation team drilling boreholes and setting up a water distribution system to ensure a sustainable clean water supply. Our national staff team grew from 18 to over 300 in three months, so it was all go!”

Currently, Jessie is living in London, working as a treasury analyst for Omnicom.

Reflecting on her time with MSF, she encourages other alumni to offer their skills to the organisation. In addition to medical personnel, MSF needs project administrators, finance co-ordinators and logistics experts to run their different programmes around the world.

“The finance work itself is fairly straightforward, you don’t necessarily need to be a CA to do it, but it’s more about managing people and problem-solving. You also need to be pretty tolerant...you’re with people 24/7, and you don’t have a lot of alone time.”

Her advice for anyone considering a similar adventure is to manage their own expectations going into it.

“You definitely need patience, and to adjust your expectations around what is achievable – whether that’s due to resource constraints, or the pace at which other people work. I found that quite a contrast coming from KPMG, where everybody is super switched-on and things happen really fast.

“I think this experience gave me a better level of resilience, and sense of perspective. In terms of accepting that you can’t always do everything perfectly, but you can still make a difference.”

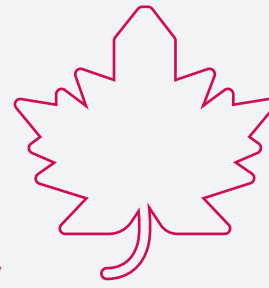
To find out more about working with MSF, visit: www.msf.org.nz/join-our-team/



Jessie with Marcello, logistician supervisor, and Kuol, a driver in Wau, South Sudan.

The French connection

Dan Shelley & Audrey Landry



Dan and Audrey on their wedding day, at Chateau Frontenac in Quebec City.

Two years ago, Dan Shelley had one stressful day at the office. He was about to undergo an important job interview at KPMG in Montreal – as well as ask his prospective father-in-law for permission to marry his daughter – all in a foreign language he'd only just learned.

Fortunately, he got both the job, and the girl. Dan and Audrey Landry, who first met on secondment at KPMG Auckland in 2014, are now married and living in Montreal. They recently welcomed their first baby, William, who they are raising to be bilingual.

Dan was originally from the UK, and Audrey from Canada, when they met in 2014 as part of the Auckland Audit team.

A keen rugby supporter, Dan had come to New Zealand to follow the English side in the 2011 Rugby World Cup.

"I stayed for three weeks and had a fantastic time. While I was there I met up with a KPMG partner and senior manager for lunch – and six months later I was on a plane back to New Zealand. That was for a two-year contract that turned into four and half years."

Originally from Quebec, Audrey started as a grad with KPMG Montreal in 2010. Keen on the outdoors, she figured New Zealand would be an ideal secondment destination.

ON OUR FIRST DATE, AFTER HE'D WALKED ME HOME, DAN'S CAR BROKE DOWN IN THE KPMG CARPARK. ON OUR SECOND DATE, WE WENT TO THE CINEMA AND HIS HOUSE GOT ROBBED. SO I'M LUCKY THAT HE DECIDED TO PERSEVERE WITH THE RELATIONSHIP...!

"I loved my time in New Zealand, and always say I had the best portfolio of clients ever. The variety was great – I worked with several vineyards, and Les Mills, and I'm still in touch with some of the people over there."

Similarly, Dan remembers working on a diverse portfolio, including some of New Zealand's largest companies with global interests.

"We had teams all over the world we'd coordinate with, and some interesting accounting issues we were working through. I also had the chance to work on some listed clients for the first time, and getting to work closely with the Board and management of these entities was an invaluable learning experience."

Their secondment was also remembered, of course, as the time when their romance began. However as Audrey recalls, things didn't go particularly smoothly at the start.

"On our first date, after he'd walked me home, Dan's car broke down in the KPMG carpark. On our second date, we went to the cinema and his house got robbed. So I'm lucky that he decided to persevere with the relationship...!"

In 2016, Dan took time off work from KPMG Auckland to complete an intensive French language course at a university in Quebec. His father-in-law was driving him to the job interview at KPMG, which was the opportunity for "the talk".

"Audrey's Dad doesn't speak much English, so I was pretty much using the French I'd learned in the past five weeks, and trying to explain the reasons I wanted to marry his daughter. Then I went straight into my interview at KPMG Montreal...which was in French as well. So it was quite a stressful day..!"

Dan went on to plan a romantic getaway for the marriage proposal, which took place while glamping on a remote West Coast beach south of Auckland. The couple returned to KPMG Montreal in August 2016, where they were both promoted to Senior Managers last September.

They also got married last year, in Audrey's home town of Quebec City, at the very romantic Chateau Frontenac, which is one of the most photographed places in Canada.



Their baby William, born June 2018.

Then in June this year, Dan and Audrey welcomed their baby son William; and Audrey is now on maternity leave.

"I'm still getting used to not working!" she says.

"But we're really lucky in that William is already sleeping 7-8 hours a night, so we can play all day and he keeps me entertained."

French is the official majority language in Quebec, but many people also speak English; and the couple have a plan to ensure William will be fluent in both.

"We've agreed that Audrey will always speak to him in French, and I'll always speak to him in English; and that's how we'll do it as he grows up. We haven't decided yet if he'll go to a French or English daycare or school, or a bilingual one, but there are lots of options."

The other member of the family is Allie, the couple's adopted rescue cat from New Zealand. During her time in New Zealand, Audrey volunteered at the Mangere SPCA every other weekend.

"We flew Allie back to Canada with us and she's loving it here."

The other link to New Zealand is the game that brought Dan over to New Zealand all those years ago.

"We still get up at 4am to watch the All Blacks – wearing our shirts – and we haven't missed any big games since we got back. We even went to see them live in Chicago when they were there. I guess we'll need to get some All Blacks gear for William..."



Allie, the "ex-pat cat" from New Zealand.

Just Married



Kylie Whitworth and Mark Blyth, KPMG NZ Corporate Finance alumni, were married in February this year. The couple tied the knot at Rippon Winery in Wanaka, Central Otago, and even managed a bit of snow. They currently live in New York City.

The good oil

Pete Mora's Canadian experience



The Mora family on the Icefields Parkway, the spectacular mountain road running between Banff and Jasper National Parks.

Fluctuating oil prices, billion-dollar project budgets, fire-ravaged oil wells, and social unrest in developing nations. These were just some of the BAU events facing auditor Peter Mora during his recent secondment to KPMG Calgary.

As Pete and his family prepare to return home to KPMG Wellington, he reflects on a busy two years working on a multinational oil and gas portfolio.

Back in 2015, Senior Audit Manager Pete and his wife Kate decided it was time to “have a bit of an adventure” while their children were still young.

“We didn’t want too much of a culture shock, but we thought Calgary would offer something different, given that it has a pretty real winter!”

The opportunity to work in a global hub for the oil and gas industry was another big drawcard – and it certainly lived up to expectations. Shortly after arriving, Pete was seconded for six weeks to Enbridge, a \$70 billion-value company which operates the world’s longest crude oil and liquids transportation system.

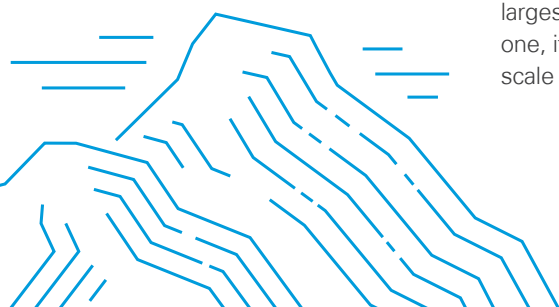
“I was tasked with running their impairment testing programme for the year-end audit. Enbridge is about ten times the size of New Zealand’s largest listed company; so from day one, it was fairly eye-opening from a scale perspective.”

The company was proposing to build the Northern Gateway Pipelines, a \$7.9b twin pipeline project from Alberta to the coast of British Columbia that would export oil to Asia.

“They’d already invested a billion dollars getting the project to that stage; and while I was there, the Trudeau Government officially announced it was rejecting the project. As you can imagine, that was not a very happy afternoon at the office.”

Another much smaller but interesting client is Canadian-based Wilton Resources, which features two former presidents of OPEC on its advisory board. Formed before the 2014 oil price crash, the company has been trying to arrange an oil development and production-sharing agreement in Africa or the Middle East.

“They don’t make money, but they’re able to raise capital based purely on the reputation of their management, which is something I hadn’t seen before.”





Corbin, the young ice-hockey fan.



A weekend bike ride around South Calgary.

In the course of client work, Pete saw plenty of activity that's par for the course in this high-stakes industry. He cites the example of one of his clients, a Canadian-based producer that operates a number of offshore assets.

"When I came on the file, they owned assets in Tunisia but they had to close down operations because of social unrest in the region. As auditors, we spend a lot of time asking how much these assets are worth...but no-one can reliably say when or if they'll be able to produce.

"On another of their projects, in Romania, one of their wells caught on fire. They had to fly in a crew from Canada, who fought the fire for 10 days. Eventually they had to abandon the well."

In other examples, there was the \$3.5m client payment to a Tunisian operation that "required us to do a lot of work to ensure it was not a breach of the Corruption of Foreign Public Officials Act". In another case, Pete and his team became immersed in the intricacies of the Albanian legal system, and worked with their KPMG counterparts in that country.

"The Albanian Government had frozen our client's bank accounts. The same client has more than \$80m of disputed tax balances that have been paid to the Albanian Government.

"During this secondment, I've encountered a number of things you wouldn't even consider might happen...and often involving very substantial amounts of money."

Pete's time in Calgary also coincided with some tough economic times for the region, as a result of slumping oil prices. Although Alberta is starting to climb out of its two-year recession, the effects are still obvious.

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DURING THIS SECONDMENT, I'VE ENCOUNTERED A NUMBER OF THINGS YOU WOULDN'T EVEN CONSIDER MIGHT HAPPEN...AND OFTEN INVOLVING VERY SUBSTANTIAL AMOUNTS OF MONEY.

"Out of my window at work I look directly across to one of Canada's tallest buildings...and more than half of the building is unoccupied. Some landlords are allowing tenants to occupy space with no base rent charges, just to keep the building ticking over.

"The downturn has turned everybody's attention to doing things better. When oil prices were really good, it was all about finding the next

barrel of oil. So in a lot of ways, it's been a correction. But it's still pretty tough, even for the good operators."

The past two years has also created some special family memories.

"We've seen and done some incredible things. We experienced our first White Christmas; and on Christmas Day, we had about eight deer turn up our back yard...which was pretty cool. We've also spent a lot of time exploring British Columbia; it's an easy day-trip up to Banff and Lake Louise."

Pete and Kate's youngest son, Corbin, has even become obsessed with Canada's national sport.

"He's only 2½ and the ice-hockey season has been over for six months...so we don't really know how it's happened!"

The local temperatures have also offered plenty of variety.

"We've experienced everything from a low of minus 37, to a high of 37. At the moment, we've got the wild fires happening...we can taste and smell the smoke."

Pete has just returned to KPMG Wellington, bringing with him many valuable connections among the world's biggest oil and gas clients.

"It's definitely something for the CV...to be able to say I've done oil and gas in Alberta."

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We understand that business is more than just transactions – it's about people and the strength of relationships.

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To find out more, contact

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Our Christchurch team have moved

KPMG Christchurch offices are now at The Terrace, Level 5, 79 Cashel Street, Christchurch



Work hard, play hard

Our people out and about in businesses, the community, and social events.



▲ Volunteering at Auckland Zoo.



▲ Hosting Pt England School at KPMG, Auckland.

◀ Donating a worm farm to Ronald McDonald House, Christchurch.



The Auckland Risk Team volunteers on Motutapu Island.



Julia Jones takes two students to the NZX as part of AUT's Shadow a Leader programme, Auckland.



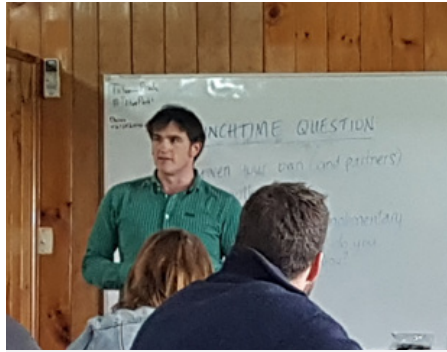
Taita College mentoring programme, Wellington.



Jesse Phillips attends trip to the US as part of the 6th Annual Infrastructure NZ Delegation.



Hosting Techie Brekkie as part of Techweek '18, Hamilton.



Trevor Knyvett presents at a Millennium Farming workshop, Levin.



Our Wellington office makes reusable beeswax food wraps.



Ian Proudfoot presents the 2018 Agribusiness Agenda at Fieldays, Hamilton



Our graduates enjoy Grad Camp 2018 at Te Aroha Marae.



Our graduates volunteer at Tikipunga High School.



Edmund Hillary School Book Drive, delivering over 400 donated books, Auckland.



The Big Hoot owl trail fun run, Auckland.



FUELLING
PROSPERITY

Wellington Alumni Event 2018

When: 1 November, from 5 PM

Where: KPMG, 10 Customhouse Quay, Wellington



FUELLING
PROSPERITY

Auckland Alumni Event 2018

When: 14 November, from 5:30 PM

Where: KPMG, 18 Viaduct Harbour Avenue, Auckland



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