

Update 3: KPMG - Majority of Staff Accept COVID-19 Salary Reduction Scheme - Australia

- Almost 99% of KPMG's 8,000 workforce have accepted its COVID-19 salary reduction scheme as the firm prepares for a phased transition back into the office
- As lockdown restrictions ease around the country, KPMG said the scheme, which required employees to take a 20% pay cut without a reduction in hours, was in response to declining revenue during the pandemic
- A spokeswoman said the roughly 90 staff who rejected the pay cut, which is in effect for four months, were 'from a cross-section of the business'
- She added partners were 'more significantly affected' than staff, taking an effective pay reduction of up to 36% for the four months, with further possible downside risk as owners of the business

Source(s)

<https://www.afr.com/companies/professional-services/majority-of-kpmg-staff-accept-pay-cut-proposal-20200519-p54uah>

Targets Affected:

KPMG

Guidance

Actions to consider:

- Consider implementing suggested actions related to 'Layoffs/Pay Cuts/Freezing of Hiring, Promotions, Appraisals, and Bonuses' under the 'COVID-19: Actions to Consider' section below / next page

Related Alerts

April 14, 2020

High

Update 2: KPMG - Plans to Reduce
Employee Pay by 20% Amid
Coronavirus Pandemic

April 2, 2020

Medium

Update 1: KPMG - Plans to Lay Off
Employees Amid Coronavirus Outbreak
- ~200 in Australia

March 31, 2020

Immediate

Update 1: Deloitte - Plans to Shut
Down for a Week in April 2020 Amid
Coronavirus Outbreak - Australia

March 30, 2020

High

Audit Firms - Postpone Promotions,
Appraisals, Bonuses, and Salaries
Amid Coronavirus Outbreak - India

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.