



Australian Regional Capacity Index

KPMG Economics & Tax Centre

October 2019

—

KPMG.com.au

Contents

Introduction 04	Economic capacity sub-index 05	Socio-economic sub-index 07
Community sub-index 09	Australian Regional Capacity Index 12	Conclusion 16
Data Appendix 17	Notes and References 27	Contacts 29

Executive Summary

- The ARCI attempts to show the relative regional resilience for each state and territory in Australia, and implicitly each region’s capacity for adaption and adaptability. It does not attempt to measure absolute growth, either economic or population; rather it seeks to quantifiably assess the settings available to achieve growth in a post-shock environment.
- Over the past four years Australia has experienced a range of domestic and global influences, some of which have been positive and some negative, and despite these influences our analysis reveals the ACT continues to be the most resilient jurisdiction, albeit it has taken a marked downwards trajectory in the past two years.
- The past three years have shown marked decline for Tasmania, which is of some real concern after some improvement was made earlier in the period. In the case of Tasmania and the NT, this reflects a relatively narrow economic base, low levels of economic dynamism and lower life expectancy in these two jurisdictions.
- Our analysis also found a strong correlation between the change for each jurisdiction’s ARCI and growth in real GSP between 2014 and 2018. That is, those jurisdictions that achieved the greatest positive change in their ARCI measure also achieved the greatest annual increase in their GSP; and correspondingly those who went backwards in their ARCI measure also recorded the lowest annual increase in GSP.
- We have also found there is a close relationship between relativity values calculated by the Commonwealth Grants Commission to achieve Horizontal Fiscal Equalisation (HFE)³ with the GST payments to States and Territories and ARCI z-scores for all jurisdictions.

Table1. ARCI Index Z-Scores, 2014 and 2018

Jurisdiction	2014	2018
New South Wales	-0.25	-0.13
Victoria	0.16	0.23
Queensland	-0.33	-0.17
South Australia	-0.04	-0.15
Western Australia	-0.13	-0.17
Tasmania	-0.17	-0.42
Northern Territory	-0.54	-0.33
Australian Capital Territory	0.81	0.62
Australia	0.00	0.00

Introduction

Regions are complex, multi-faceted, and continually changing. In seeking to define and measure regional resilience KPMG Economics developed the Australian Regional Capacity Index (ARCI) in 2015¹.

The single statistic is made up of 12 equally weighted indicators, classified into one of three capacity types:

- regional economic indicators, which capture concepts of industrial diversification, business dynamics, regional affordability measured as a product of housing costs and income levels, and income equality;
- socio-demographic indicators, which capture concepts of life expectancy, educational attainment, female labour force participation and poverty;
- community connectivity indicators, which capture how familiar with and civically active a region's residents are as expressed by incarceration rates, net overseas migration, participation in sport and voter participation.

The KPMG ARCI incorporates each of the 12 resilience capacity indicators, weighing each indicator equally, creating the effect that individual indicators are 'worth' the same as each other in the composite measure. In this regard, the KPMG ARCI "values" economic diversification the same as female labour force participation which is "valued" the same as voter participation.

Each indicator is shown as a z-score², which represents by how many standard deviations a region's performance deviates from the average. The RCI for a region is therefore the average of its z-scores for each of the 12 indicators.

Our previous analysis found that the ACT was the most resilient jurisdiction, with the highest capacity to deal with economic, social and community shocks. Victoria followed the ACT as Australia's second most resilient jurisdiction, influenced more so by its economic capacity than the ACT, whose ranking is achieved by very strong social and community factors.

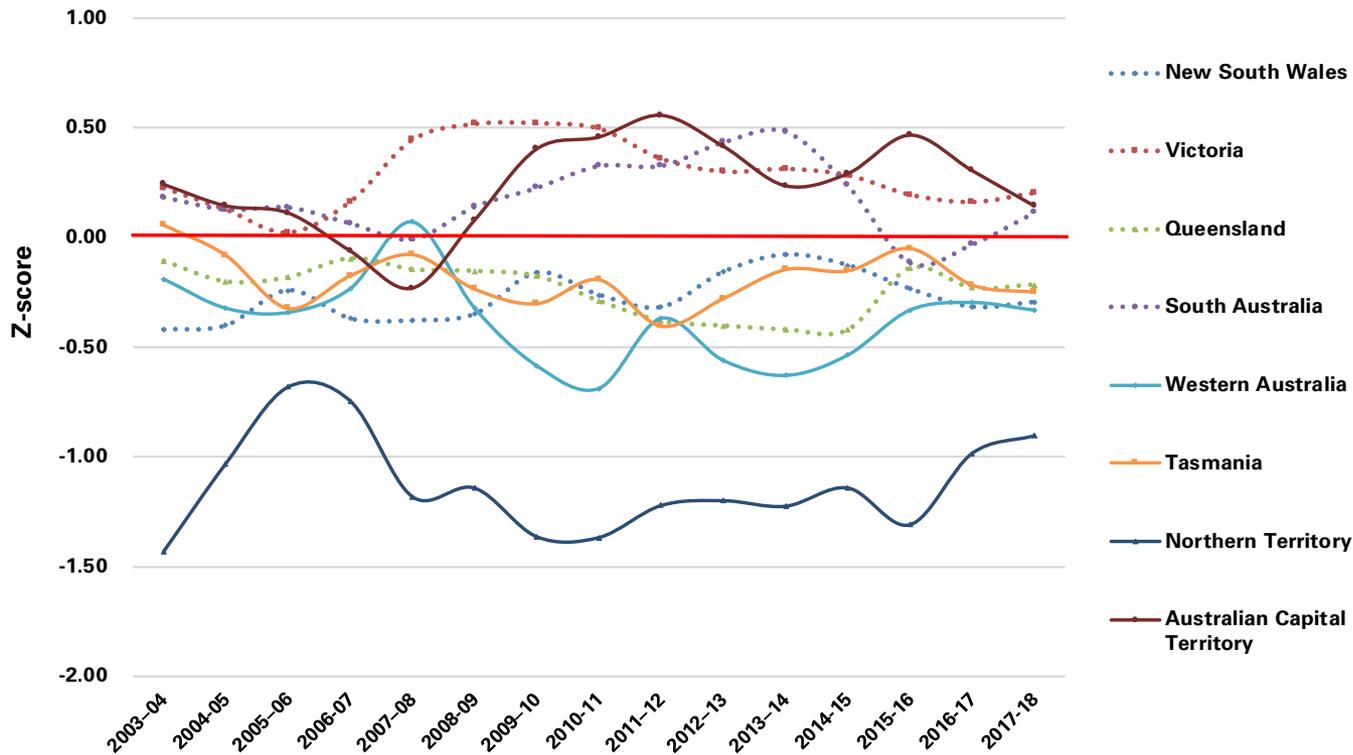
During the latter part of the first analysis period, being 2009-10 to 2012-12, there was a marked decline in the rankings for Tasmania. On closer examination we were able to conclude this result was reflective of the fact that Tasmania, and similarly for the NT, had a relatively narrow economic base, reduced life expectancy and lower levels of participation in sport.

It has now been nearly 4 years since the last release of the KPMG ARCI, and since that time the Australia has experienced fluctuating economic conditions, the full gamut of environmental happiness and heartache, and the evolution of community through the simple day-to-day changes in our socio-demographic make-up. Now is a good time to present our updated analysis and discuss our findings in the context of striving to improve our national living standards and the functioning and well-being of the broader society in Australia.

Economic Sub-Index

The following chart shows the aggregate economic indexes for each State and Territory between 2003-04 and 2017-18. While still the lowest ranked of all the regional economies, the Northern Territory has shown a marked improvement since our last report, driven primarily through progress in economic diversification, enhanced business connectivity and less reliance on large employers.

Figure 1. ARCI Economic Sub-Index



Economic Sub-Index (cont.)

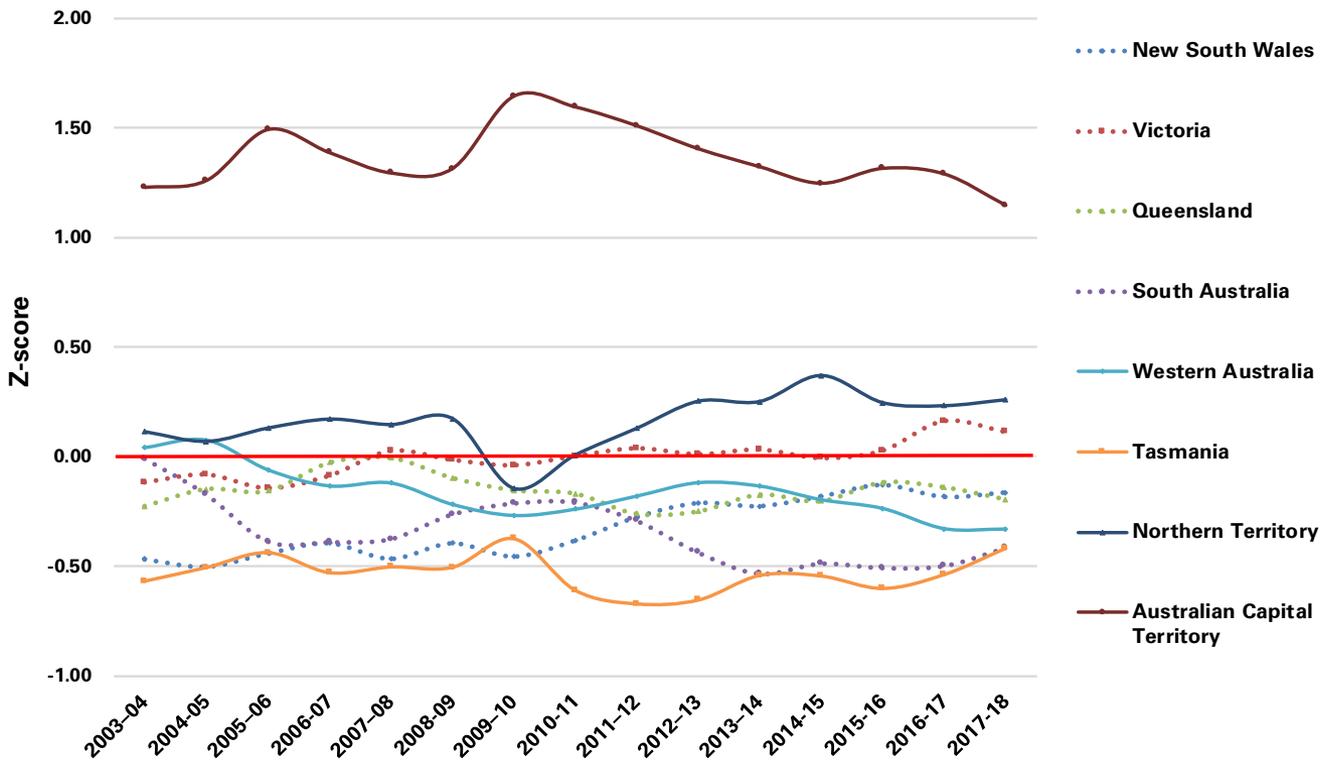
Other aspects that explain the movement in the economic index for each State and Territories since 2014 include:

- Income inequality, as measured by the Gini coefficient, has improved slightly for Australia during the past 4 years (2013-14 = 0.333, 2017-18=0.328)
- However, improvements in income equality have not uniformly progressed. NSW, SA and Tasmania has seen household income become slightly more skewed to the top quintile than compared to other jurisdictions.
- The ACT has also seen household income distributions cluster towards the middle, with low income households being dragged up, and higher income households being pulled down.
- New South Wales continues to be the most economic diverse jurisdiction, with its economic structure largely replicating that of the national economy. The ACT on the other hand is the jurisdiction with the least economic diversity, largely as a result of the very high levels of activity associated with public administration.
- Queensland has overtaken Victoria in terms of economic diversification, although there is one industry which has had markedly different outcomes between the two jurisdictions over the past 4 years. Victoria has seen a jump in the number of people employed in the Professional, Scientific and Technical Services sector, while Queensland has seen a decline in employment in the same sector.
- Regional affordability, as measured by housing costs as a proportion of gross household income, has improved in Victoria, South Australia and Tasmania, and worsened slightly in the remaining States and Territories. New South Wales, despite the recent decline in house prices experience in that jurisdictions, remains the least affordable location for accommodation relative to household income in Australia.
- The rate of “business churn”, which represents the number of new businesses commencing operations in a given year and the number of existing businesses ceasing to trade in a given year as a proportion of total businesses operating in that same year, has increased across Australia since 2014, and is notably higher in both Victoria and the ACT compared to their recent history.
- Internet connectivity has improved consistent with the continued roll-out of the NBN across Australia. Tasmania achieved the greatest improvement in connectivity over the past 4 years, while the ACT now has more than 96% of residents connected to the internet.
- R&D spend has dropped off in most jurisdictions since 2014, including by around 15% for businesses located in NSW, 7% in Victoria, 10% in South Australia and 5% in Tasmania. One shining light for this indicator has been Western Australia, which has seen R&D activity increased by more than 80% compared to spending 4 years ago.

Socio-Demographic Sub-Index

The ACT achieves a socio-demographic capacity sub-index value substantially higher than any other jurisdiction in Australia, as it consistently achieves very high levels of educational attainment, high life expectancy and female participation in the labour force, and comparatively moderate levels of household poverty.

Figure 2. ARCI Socio-Demographic Sub-Index



Socio-Demographic Sub-Index (cont.)

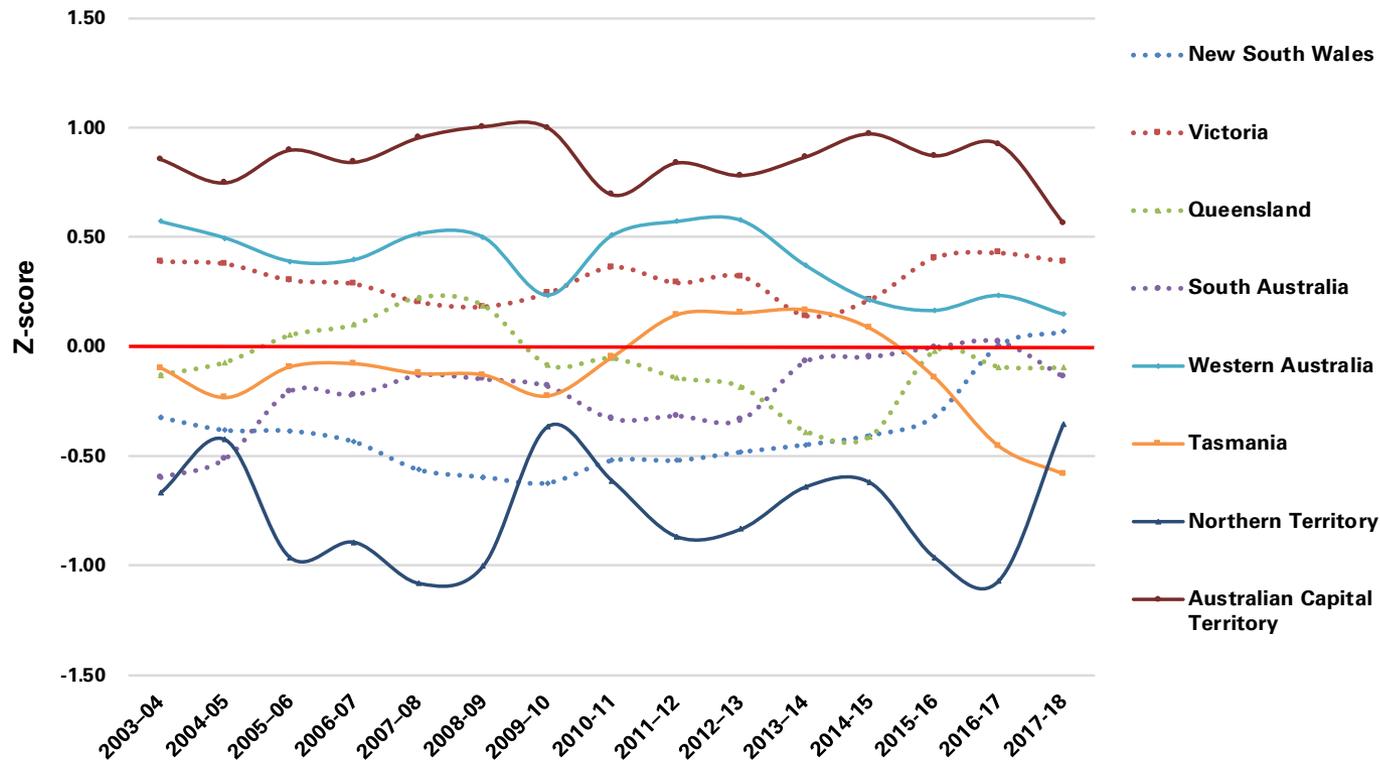
The socio-demographic index has been influenced in recent years by the following elements:

- There appears to be an increasing number of Australia's, albeit representing a small proportion of the total adult population, who are completing their formal education at Year 10 or below. What is unclear is whether this statistic is reflecting a change in education patterns of younger Australian's or reflects the historic educational attainment of older Australian's who may have migrated here in recent years.
- The analysis also shows a general shift in the way Australia's are undertaking post-graduate studies, with an increasing trend towards Graduate Degree's (Master's degrees or PhD's) at the expense of Graduate Diploma's and Graduate Certificate's. This trend in part reflects the Australia-wide phenomenon of a decline in the importance of the manufacturing sector and a corresponding rise in importance of the services sector.
- Advances in medical treatments, diet and nutrition, and aged care services, together with reductions in deaths causes from motor vehicle accidents, have combined to extend life expectancy in Australia. Even over the last four years life expectancy nationally has increased by about 3 months to 81.8 years, however average life expectancy in the ACT bucked the trend by and declined by about 3 months over the same time period.
- The decline in average life expectancy in the ACT was solely the result of reduced life expectancy in men living in the jurisdiction, which fell from 81.7 years in 2014 to 81.1 years in 2018. During this time there has been a noticeable increase in the number of deaths of men caused by alcoholic liver disease, diseases of the digestive system, and mental and behavioural disorders.
- Levels of participation by women in Australia's labour force continue to rise year-on-year, with every State and Territory recording higher levels in 2018 than what was recorded in 2014.
- The ACT and NT continue to have the highest levels of female participation within their jurisdictional labour force, while Tasmania and South Australia have the lowest.
- Households living in poverty remains a significant social, economic and community problem. Most jurisdictions over the past 4 years have been able to improve the situation for some households, lifting them out of the poverty trap and into a more stable economic foothold. Unfortunately this hasn't been the case for either Western Australia or the Northern Territory, where poverty rates increased between 2014 and 2018.

Community Sub-Index

While there are some data limitations with the Community Connectivity Sub-index, due to the fact that some of the measures used rely on periodic values rather than time series statistics, the results still provide a useful indicator of which states and territories have relative strength in the area of community connectivity.

Figure 3. ARCI Community Connectivity Sub-Index



Community Sub-Index (cont.)

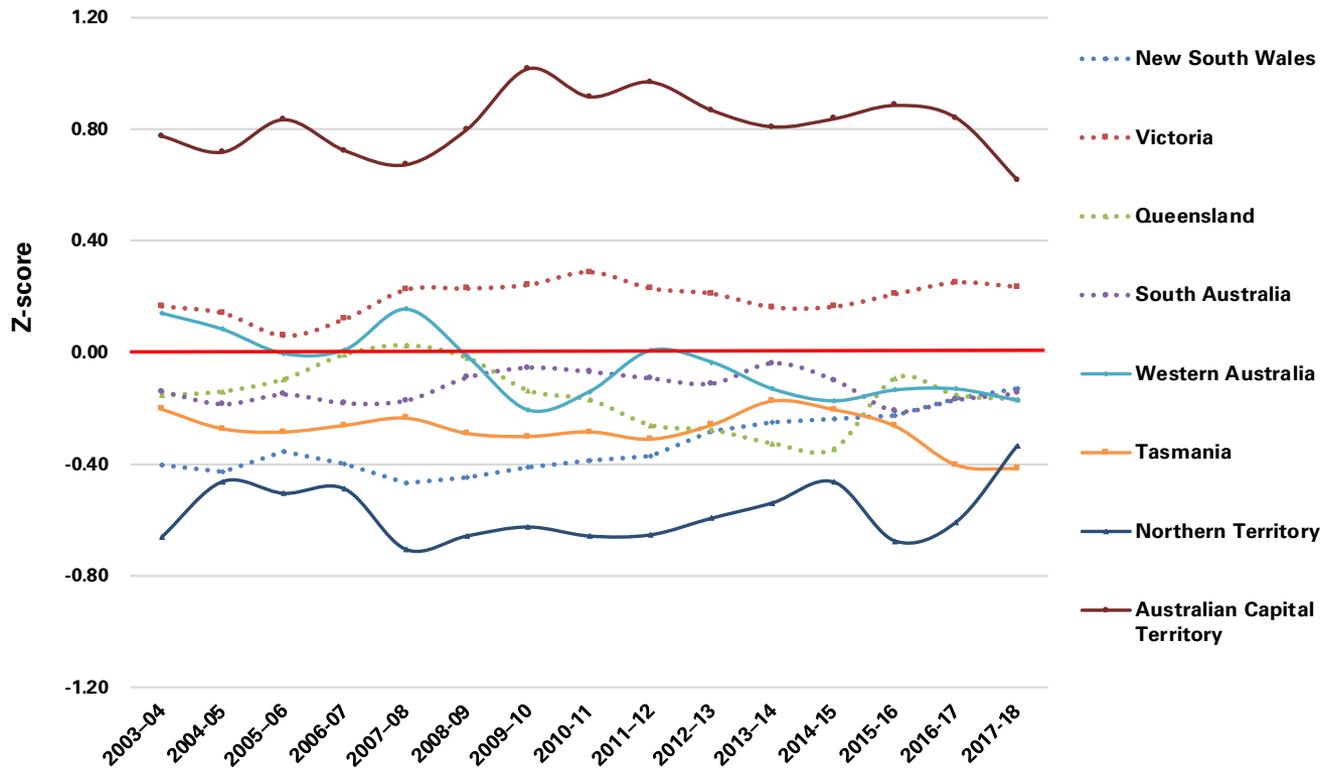
The community index has been shaped by changes in the following :

- Net overseas migration, represented by the number of migrant arrivals for each state and territory on Temporary Work Visas (subclass 457); Permanent Visas and New Zealand Citizen (subclass 444), has slowed from a recent peak of about 165,000 in 2014 to just under 145,000 in 2018.
- The jurisdiction experiencing the biggest fall in migrants under these three categories has been Western Australia, falling nearly 50% from nearly 26,000 people in 2014 to about 13,500 in 2018. This decline in migration closely follows the fortunes of the mining industry, who traditionally has required a large number of migrants to fill job vacancies and provide technical support during the development phases of mining operations.
- Victoria went against this trend and experienced a marginal increase in overseas migration, up from 43,500 in 2014 to nearly 44,000 in 2018.
- Every State and Territory experienced an increase in incarceration rates over the past 4 years, with the greatest increases occurring in Tasmania, Western Australia and New South Wales.
- The Northern Territory continues to stand out as the jurisdiction with the highest incarceration rates in Australia. Over the past 4 years incarceration rates in the Northern Territory has continued to rise, with prisoners representing slightly more than 9 in every 1,000 residents in 2018 compared to 2 in every 1,000 residents for the rest of Australia.
- While not reflecting outcomes in the most recent elections, data from the Australian Electoral Commission for the 2016 year shows rates of informal voting declining in all jurisdictions, with the exception of the Northern Territory, between 2013 and 2016.
- Australian's have generally increased their participation in sporting activities over the four years to 2018, with New South Wales, Victoria, Queensland and the Northern Territory all experiencing solid gains in participation rates.
- However not every jurisdiction achieved this improvement; Tasmania and the Australian Capital Territory saw a decline in participation in sporting activities. This is not surprising given the demographic profile of both of these jurisdictions. Between 2014 and 2018 the number of people aged 65 years or older increased by nearly 13,000 and 8,000 in Tasmania and the ACT respectively; with residents in this age cohort now representing nearly 20% and 13% of each respective jurisdictions population.

Australian Regional Capacity Index

The KPMG ARCI is a combination of all the individual indicators that make up the three dimensional sub-indices, again with each measure weighted equally. In framing the results in the chart below it is important to contextualize what events have occurred in Australia between our first report and this update.

Figure 4. KPMG Australian Regional Capacity Index

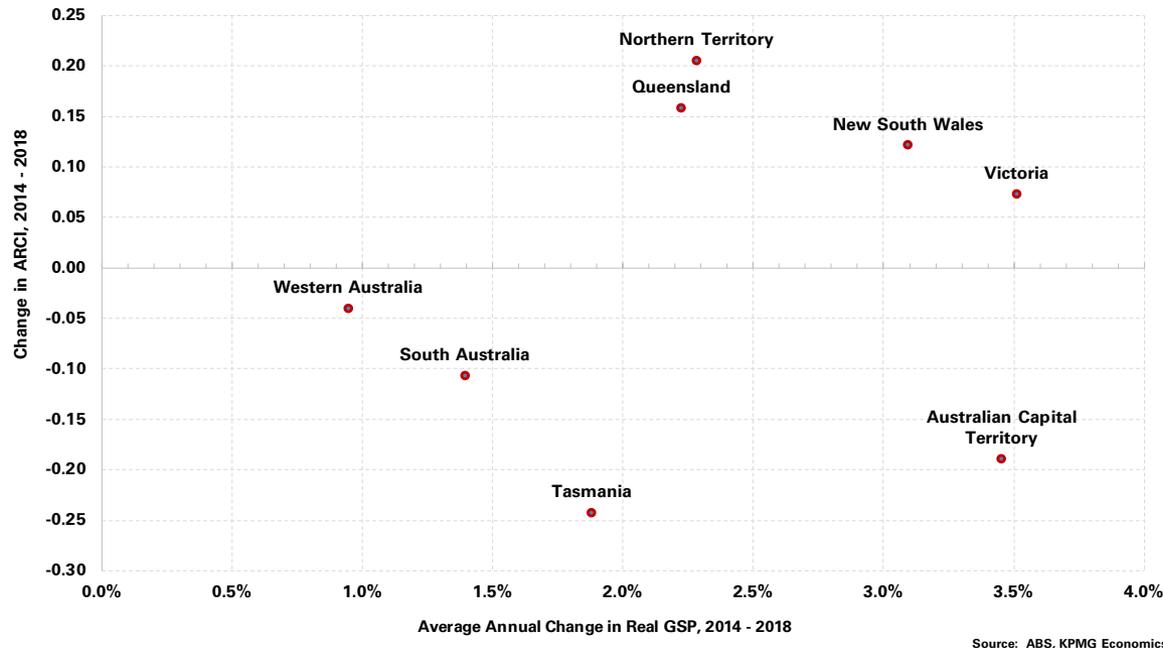


Australian Regional Capacity Index (cont.)

During this time Australia has experienced a range of domestic influences, including natural disasters (such as major drought conditions afflicting most parts of Eastern Australia, and flooding in Queensland) and changes in business conditions (such as the substantial closure of the car manufacturing industry in South Australia and Victoria), and global influences, including the commencement of the trade war between the US and China and commodity market fluctuations (in part driven by the iron ore mine closures in Brazil).

Despite these influences our analysis reveals the ACT as the most resilient jurisdiction, albeit it has taken a marked downwards trajectory in the past two years. Victoria follows the ACT as Australia's second most resilient jurisdiction, influenced more so by its economic capacity than the ACT.

Figure 5. Changes in KPMG Australian Regional Capacity Index and Average Annual Growth in Real GDP, 2014 - 2018



Australian Regional Capacity Index (cont.)

Throughout the period, the Northern Territory has consistently achieved the lowest resilience ranking, with New South Wales in the early parts of the period and Tasmania also showing quite low rankings. The past three years have shown marked decline for Tasmania, which is of some real concern after some improvement was made earlier in the period. In the case of Tasmania and the NT, this reflects a relatively narrow economic base, low levels of economic dynamism and lower life expectancy in these two jurisdictions.

Figure 5 compares the change for each jurisdiction's ARCI and growth in real GSP between 2014 and 2018. Unsurprisingly those jurisdictions that achieved the greatest positive change in their ARCI measure also achieved the greatest annual increase in their GSP; and correspondingly those who went backwards in their ARCI measure also recorded the lowest annual increase in GSP.

The outlier in this analysis is the ACT, who still achieved strong real GSP growth while recording a drop in its ARCI. It would seem the relatively high values in those components that positively contribute to the ARCI are sufficient to continue to drag the ACT economy along at a stronger than average pace despite an increase in those components who have a negative influence in the ARCI.

We concede that this analysis is thought provoking in the sense that the outcomes, notably where each jurisdiction is ranked in the ARCI, may not appear intuitive in the first instance. Again this is a reflection that each of the 12 resilience capacity indicators are weighted equally, creating the effect that individual indicators are "worth" the same as each other in the composite measure. This

means that economic factors are valued the same as socio-demographic factors which are valued the same as community factors.

In some regards the ARCI is analogous to the relativity values calculated by the Commonwealth Grants Commission to achieve Horizontal Fiscal Equalisation (HFE)³ with the GST payments to States and Territories. In the following chart we have mapped each State and Territories GST relativity against our assessed ARCI z-score for each year between 2003-04 and 2017-18.

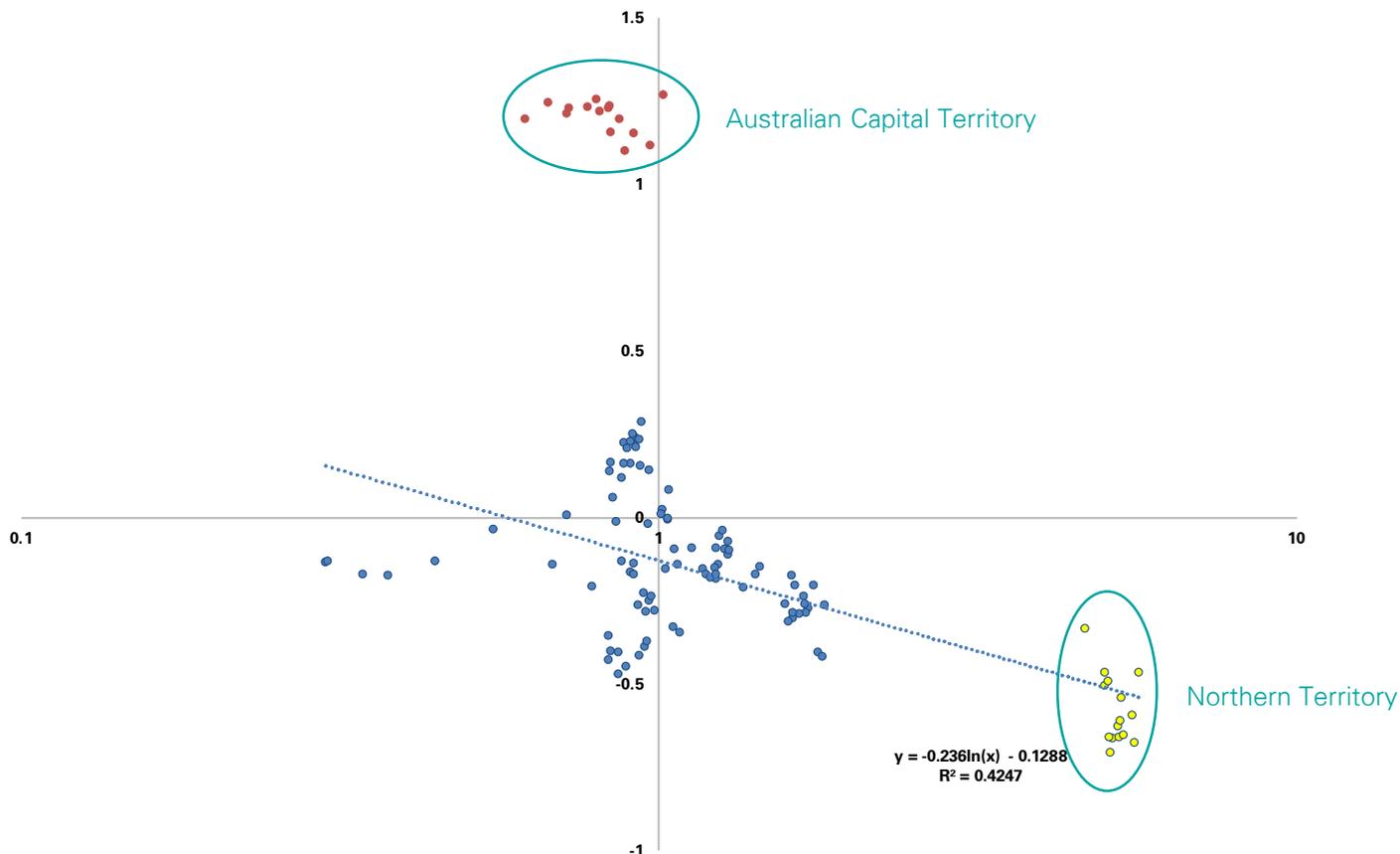
As shown in Figure 5, there is a close relationship between GST relativities and ARCI z-scores for all jurisdictions, with the exception of the ACT. Even the relationship between these two indicators holds for the Northern Territory, albeit at a further extreme than the majority of the other jurisdictions.

KPMG notes however that the relativities methodology is substantially more comprehensive than the methodology driving the calculation of the ARCI, with the differences in results likely to reflect different weights between economic, social and community factors and their impact on GST payments. That being said, it is interesting that the ACT stands out by itself in this analysis, most likely due to the significant adjustment payments associated with (the lack of) mining revenues.

Australian Regional Capacity Index (cont.)

KPMG notes however that the relativities methodology is substantially more comprehensive than the methodology driving the calculation of the ARCI, with the differences in results likely to reflect different weights between economic, social and community factors and their impact on GST payments. That being said, it is interesting that the ACT stands out by itself in this analysis, most likely due to the significant adjustment payments associated with (the lack of) mining revenues.

Figure 5. Relationship between ARCI and Commonwealth Grants Commission GST Relativities



Conclusion



By any measure, Australia could be considered a resilient country, having weathered many economic and environmental challenges in recent history. Luckily we as a nation have been spared from widespread social and community devastation such as war, famine and major civil unrest.

While this is true, the capacity for individual jurisdictions to deal with significant economic, social and community challenges is varied. Some jurisdictions have a diversity of economic activity but poor social capacity and even poorer community connectivity.

Resilient regions need not only economic strength during times of uncertainty but also a strong social fabric binding the community together to ensure it can return to the 'good times' in the shortest period possible, and hopefully surpass them thereafter.

The implication of this analysis is that policy makers need to ensure not only the fundamentals of a diverse, investment-orientated economy strived for but also that the necessary complimentary building blocks of an educated, healthy population exist, while at the same time providing the environment for a safe and engaged community. It would be interesting to complete this analysis on a sub-regional basis so as to assess the capacity of different geographic areas within a state to bounce back from a shock.

Finally, improving regional capacity in areas identified to have low resilience is more likely to be achieved through a place-based policy framework, given the challenges of delivering uniform policy settings across diverse populations and geographies.



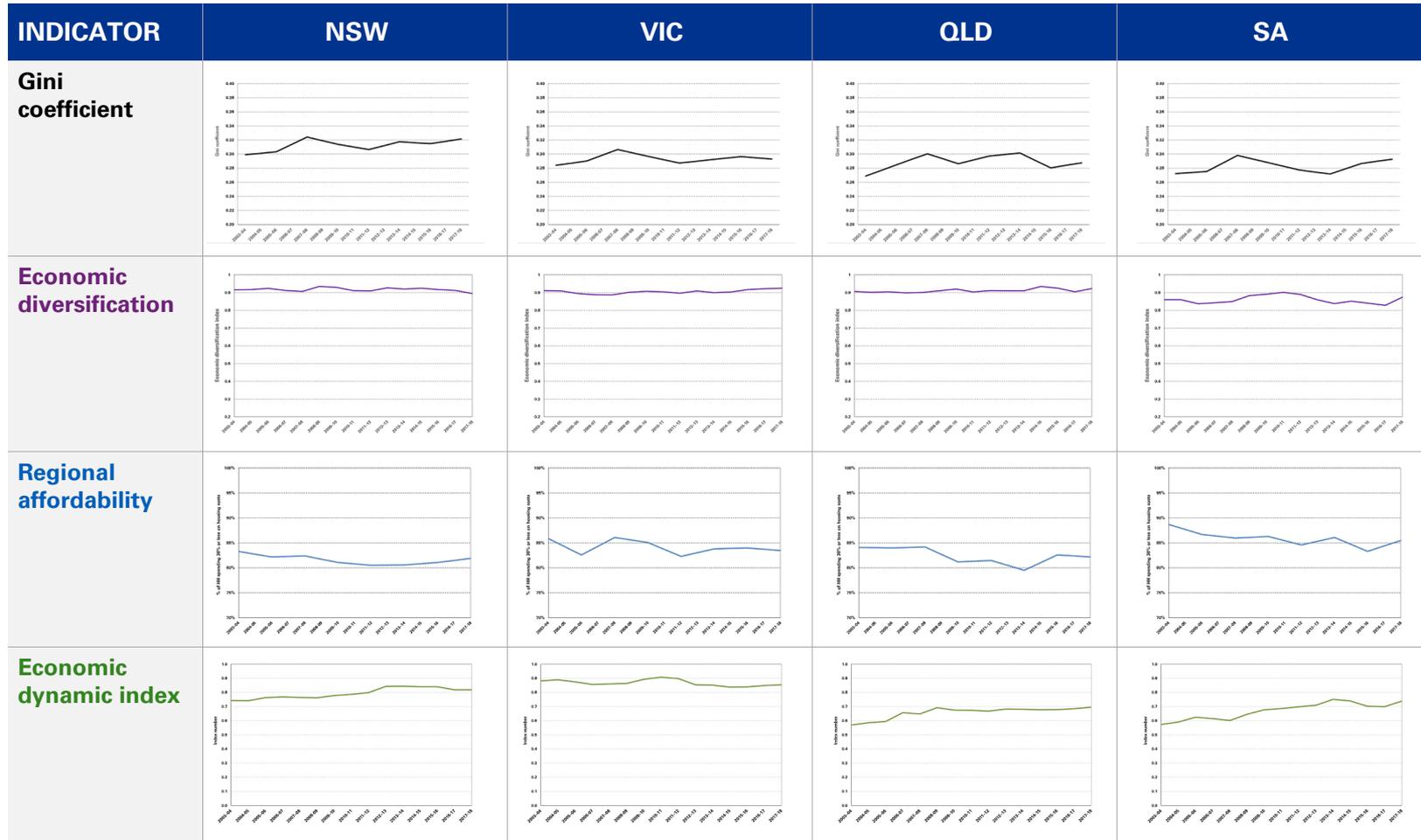
Data appendix



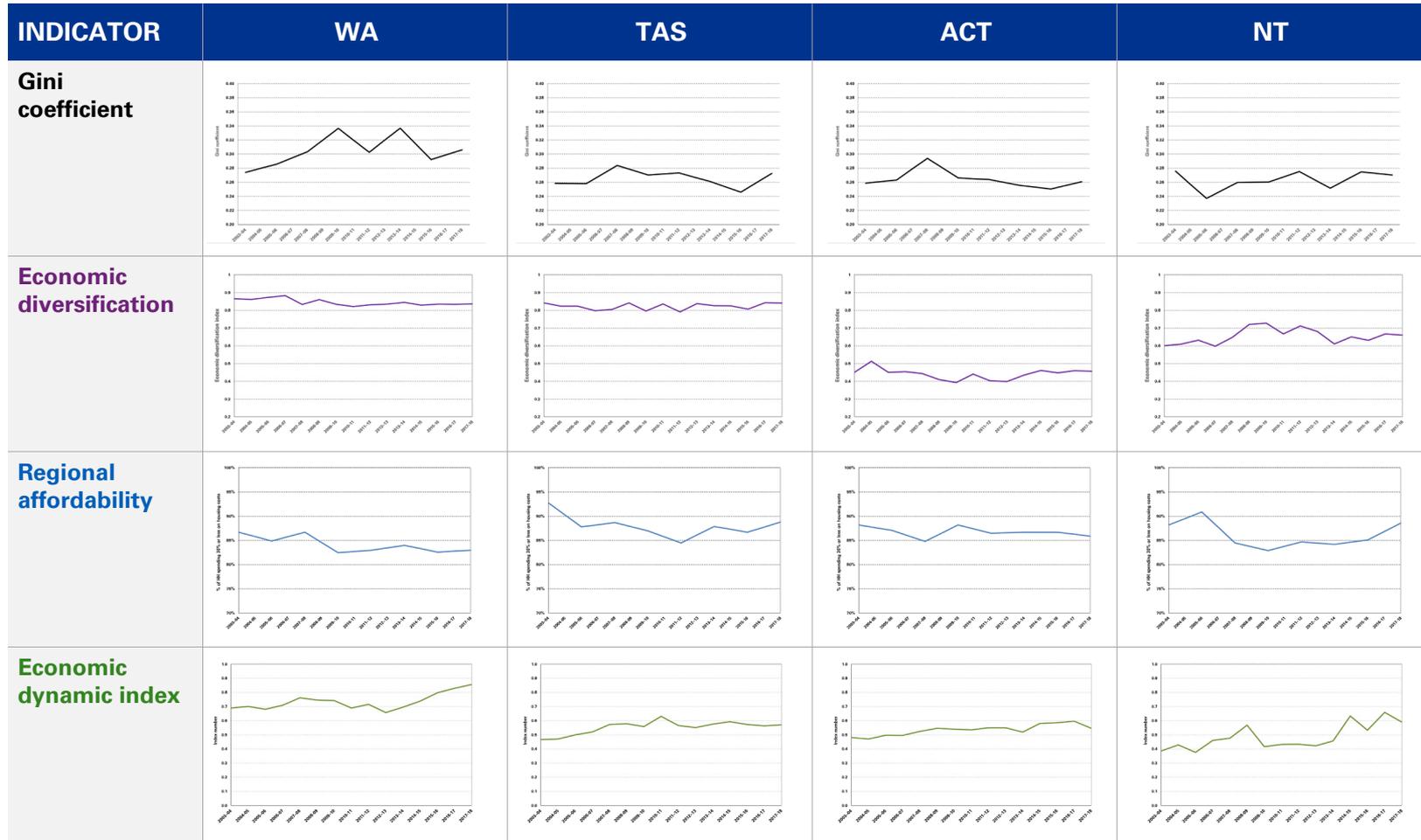
Economic capacity indicators

INDICATOR	
Gini coefficient	Income equality, as typically measured by the Gini coefficient ⁴ , is a measure of the distribution of income across a population. Income equality in the ARCI is based on calculating the Gini coefficient for each state using data on household income quintiles contained in the Australian Bureau of Statistics (ABS) publication 6523.0, Household Income and Income Distribution, Australia. Data for the financial years 2006–07, 2008–09, 2010–11, 2012–13, 2014–15 and 2016–17 has been estimated using the simple average of the data for the years immediately before and after. Consistent with the approach adopted in the USRCI, we have calculated the ARCI indicator as the inverse of the Gini coefficient so that high values signify high equality and high resilience.
Economic diversification	Economic diversification in the ARCI measures the degree to which a regional economy differs from the national economy by the proportion of its jobs in goods-producing, service-producing and government sectors. Data for the ARCI indicator is from the ABS publication Labour Force, Australia, Detailed, Quarterly, cat. no. ABS 6291.0.55.003. Again consistent with the USRCI, the ARCI is calculated as the inverse of the sum of differences (i.e. 1 – sum of differences) between the regional economy and the Australian economy for the three nominated sectors. Therefore a region that exactly mirrors the national economy, and is therefore seen to be the most resilient, will have a sum of differences of zero, and then an RCI economic diversification score of 1 (or 100 percent).
Regional affordability	Affordability is a measure of regional economic security, as households spending more than 30 percent of their income on housing have proportionately fewer resources for other economic activity, including consumption and investment spending. 22 The ARCI measures the percentage of households in each region spending up to 30 percent of their gross income on housing, accounting for both owners (mortgage costs) and renters (monthly rent costs). Data is sourced from the ABS publication Housing Occupancy and Costs, cat. no. 4130.0. Data for the financial years 2006–07, 2008–09, 2010–11, 2012–13, 2014–15 and 2016–17 has been estimated using the simple average of the data for years immediately before and after.
Economic dynamic index	The ARCI included a measure of the business environment to capture the array of conditions influencing the dynamism of a regional economy. This measure is composed of four factors, including Research and development spend per \$10,000 gross domestic product (25%), Annual establishment churn ⁵ (25%), proportion of households with internet access (25%), average large establishments ⁶ (12.5%) and Average small establishments ⁷ (12.5%).

Economic capacity indicators (cont.)



Economic capacity indicators (cont.)



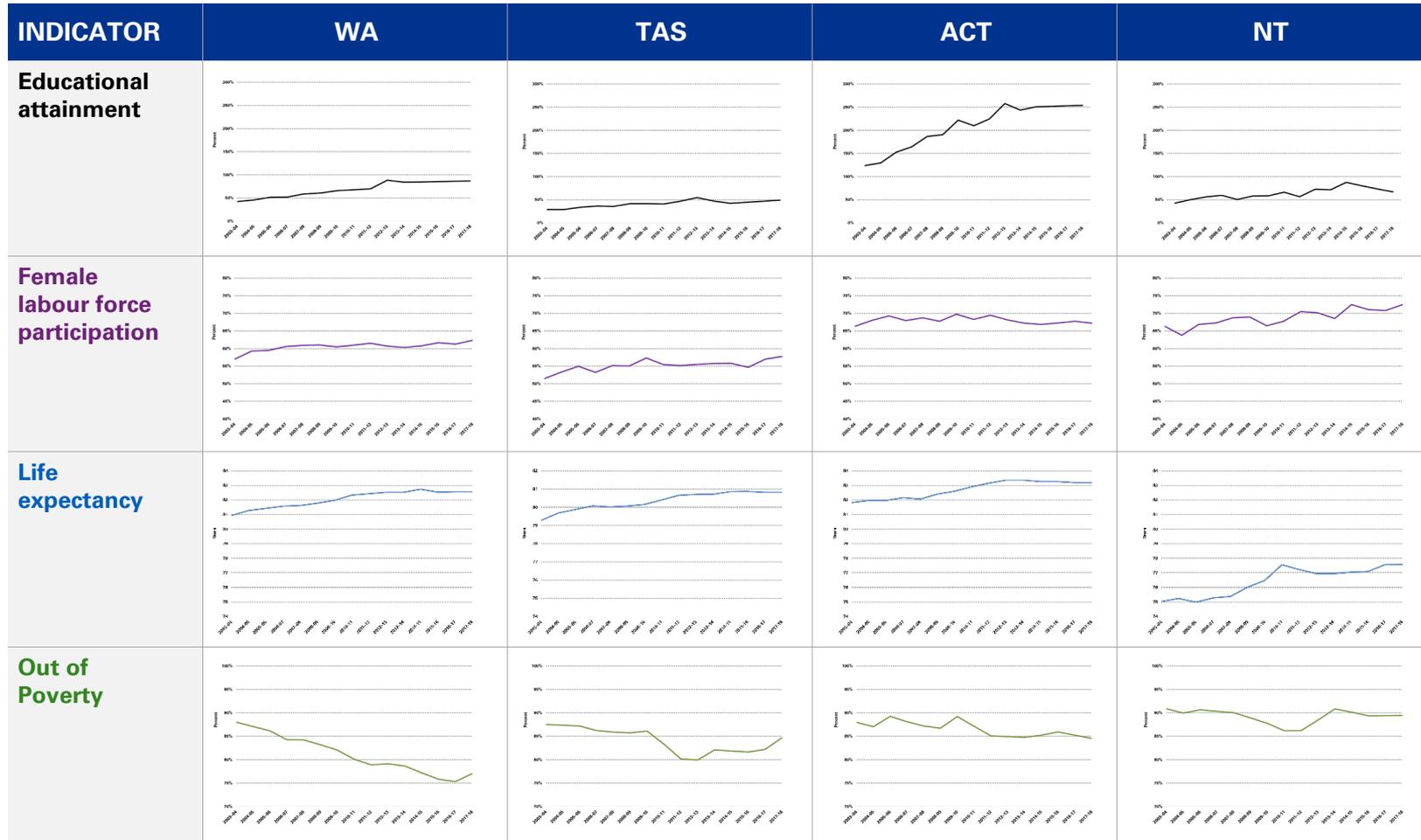
Socio-demographic indicators

INDICATOR	
Educational attainment	The USRCI calculates educational attainment using the percentage of the population aged 25+ with a Bachelor's degree or higher divided by the percentage of the population aged 25+ without a high school diploma or equivalent. We have applied essentially the same calculation using data sourced from the ABS Survey of Education and Work (SEW), cat. no. 6227.0. The calculation applied to the ARCI is the percentage of the population of a region with a Bachelor's degree or higher divided by the percentage of the population with educational attainment of Year 11 or below. While the USRCI data is based on a population aged 25+, the ABS SEW provides annual information on a range of key indicators of educational participation and attainment of persons aged 15 to 74 years.
Female labour force participation	Data on FLFP is sourced from the ABS estimates of the civilian labour force derived from the Labour Force Survey component of the Monthly Population Survey, as presented in ABS cat. no. 6202.0.
Life expectancy	Life expectancy is the most commonly used measure to describe population health. Life expectancy measures how long, on average, a person is expected to live, based on current age and sex-specific death rates. 8 It is often expressed as the number of years a person born today is expected to live. Life expectancy statistics for Australian states and territories from 1881 onwards for males and females are contained in ABS publication Australian Historical Population Statistics, cat. no. 3105.0.65.001. A life expectancy at birth value for each state and territory has been calculated using the average life expectancy at birth by gender, weighted by the population of males and females for each state and territory.
Out of Poverty	Poverty status is a widely used measure of socio-economic vulnerability. In Australia, a measure of poverty is calculated each quarter by the Melbourne Institute of Applied Economic and Social Research ⁹ (the Melbourne Institute) and presented in the publication Poverty Lines: Australia. The analysis presented in the Poverty Lines publication details, by household formation type, the amount of income required (including and excluding housing costs) for a household not to be deemed to be 'living in poverty'. The Melbourne Institute analysis is presented at an Australia-wide level, from a sub-national perspective. For the ARCI, we have adopted the poverty threshold including housing costs calculated by the Melbourne Institute, and applied the following adjustments to estimate the proportion of households in each jurisdiction who are 'out of poverty'.

Socio-economic indicators (cont.)



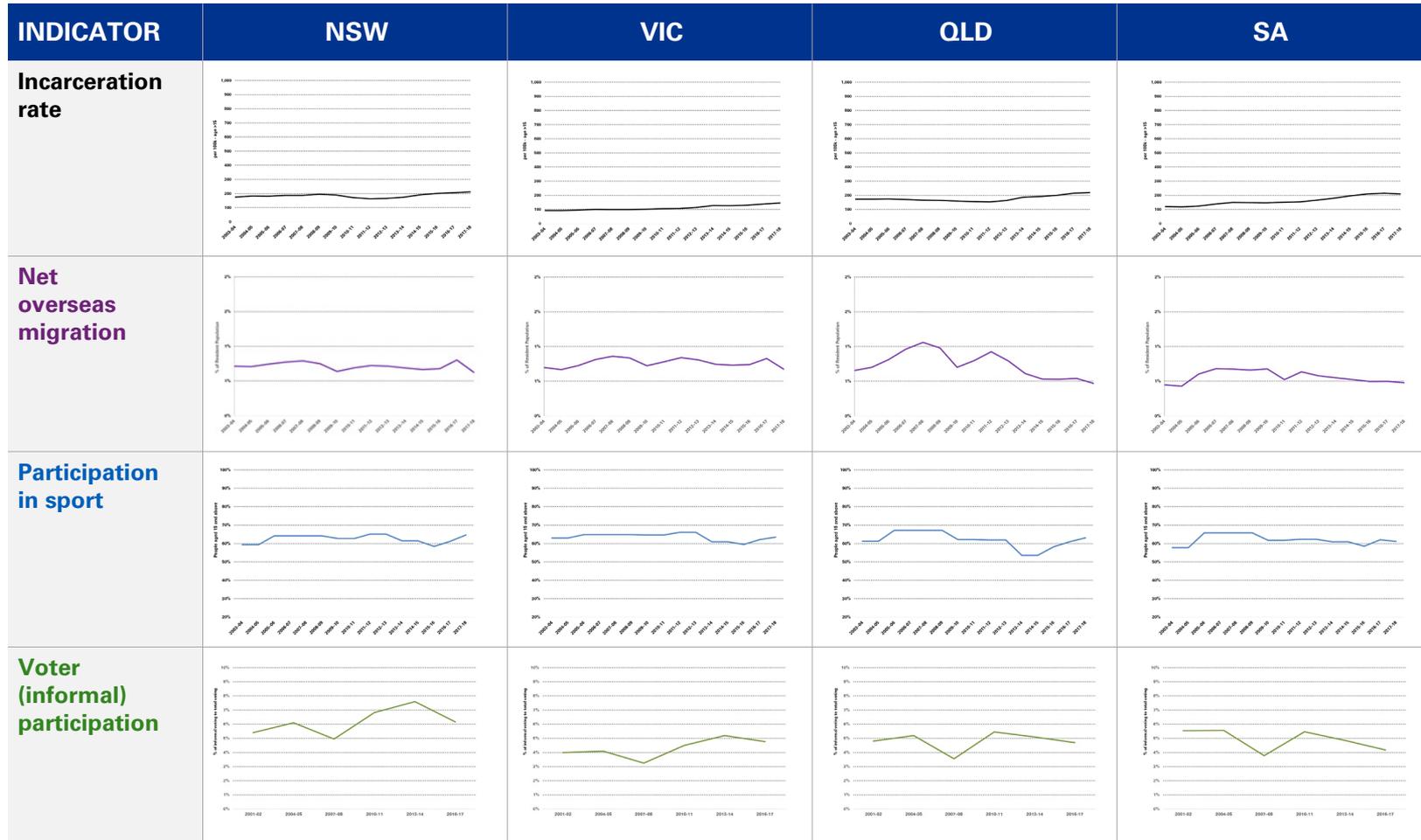
Socio-economic indicators (cont.)



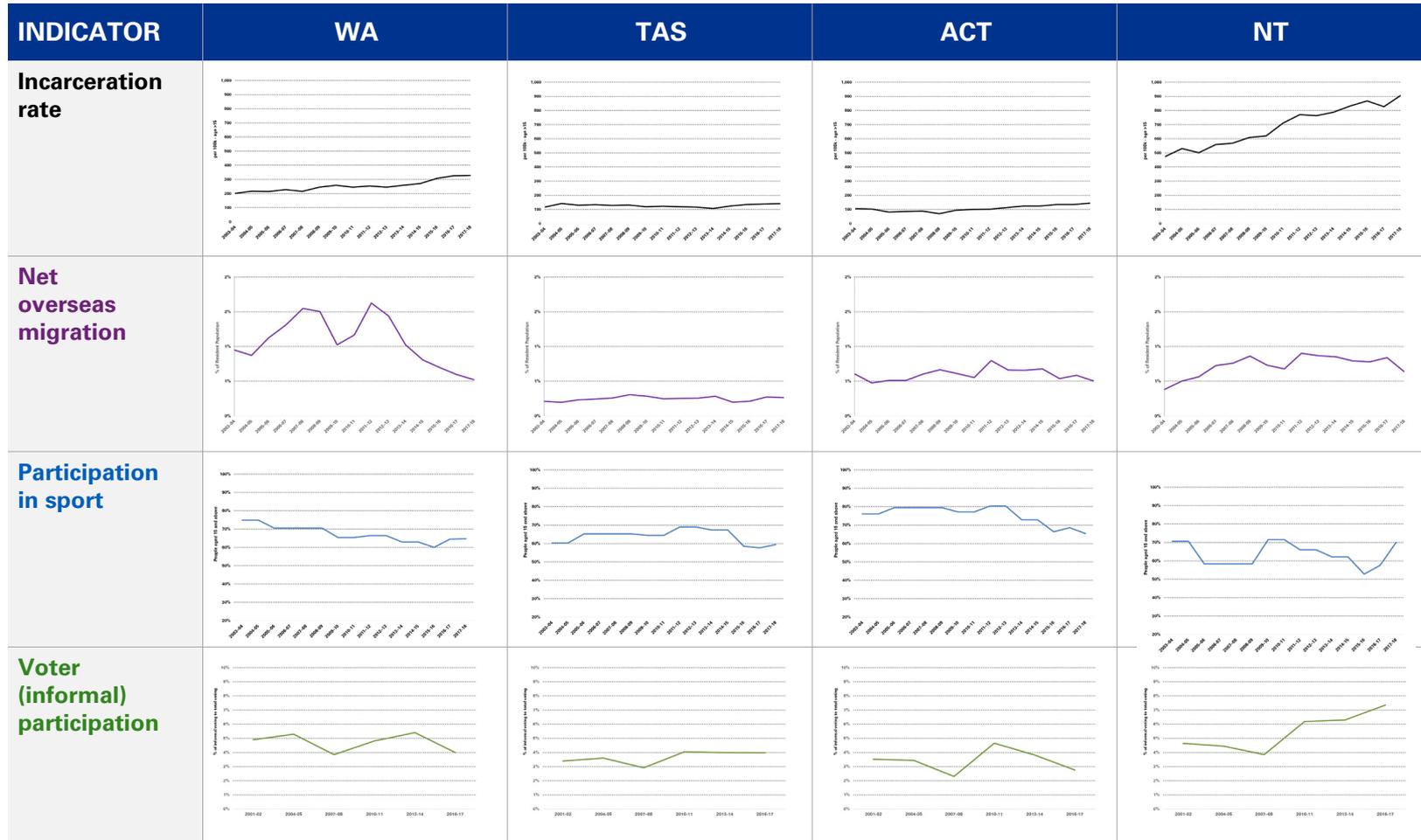
Community indicators

INDICATOR	
Incarceration rate	Unequal societies are more punitive, with people being five times more likely to be imprisoned in the most unequal societies than in the least unequal. 10 Data on the number and characteristics of prisoners is contained in the ABS publication Prisoners in Australia, cat. no. 4517.0. For the purposes of this analysis, we have included data on the number of prisoners (per 100,000 population aged 15 and older) held in custody in Australian adult prisons as at 30 June each year.
Net overseas migration	Migrants can contribute to the development of social resilience in the communities of destination countries through social networks and incrementally advance economies through the transfer of knowledge, technology, incomes and other resources. For the ARCI we have included a migrant arrivals measure as a proxy indicator of the development of social resilience. Specifically we have included data on the number of migrant arrivals for each state and territory on Temporary Work Visas (subclass 457), Permanent Visas, and New Zealand Citizen (subclass 444). We have then calculated the number of migrant arrivals as a percentage of the existing population.
Participation in sport	Sport is often regarded as an important part of life in Australia, contributing to community identity, sense of place, social interaction and good health. For the purposes of this analysis, we have taken the data points from the ABS survey for the years in which the information is available and, for the years where data is not available, applied the participation rate for each state and territory recorded in the last survey period until new survey data is available.
Voter (informal) participation	Voter turnout has been considered an important indicator of how engaged a community is in developing networks for mutual benefit and civic cohesion. 11 However, given that enrolment and voting in state and federal elections is compulsory and enforced in Australia, a more informative measure to consider is the proportion of informal votes cast as an indicator of community engagement. In Australia, an informal vote is one in which the ballot paper was completed incorrectly and so was not included in the final count (in most countries, this is called an 'invalid vote'). An individual may cast an informal vote for any number of reasons, 12 including the desire to make a deliberate protest or express disillusionment under a system of compulsory voting. 13 As the data for this measure is periodic and coincides only with when elections are held, we have applied the informal voting percentage for each state and territory last recorded in an election until new data from later elections is available.

Community indicators (cont.)



Community indicators (cont.)





Notes and References



1. KPMG has followed a similar methodology applied to construct the Regional Capacity Index for the United States of America (USRCI)¹ Developed by the University at Buffalo Regional Institute, State University of New York, in association with the Institute of Government Studies at the University of California Berkeley
<https://www.imf.org/external/pubs/ft/survey/so/2012/car111512a.htm>
2. A z-score is a statistic of variance quantifying the distance, measured in standard deviations; a raw value is from the mean (average) value for a population. Z-scores may be positive (above the mean) or negative (below the mean). The formula is $z\text{-score} = (\text{raw value} - \text{mean value}) / \text{standard deviation}$.
3. Horizontal fiscal equalisation (HFE) is the transfer of fiscal resources between jurisdictions with the aim of offsetting differences in revenue raising capacity and the cost of delivering services. Its principle aim is to allow sub-national governments to provide similar standards of public services at a similar tax burden
4. The Gini coefficient is a measure of statistical dispersion intended to represent the income distribution of a nation's residents. The coefficient varies between 0, which reflects complete equality, and 100 (or 1), which indicates complete inequality (one person has all the income or consumption; all others have none).
5. Defined as the number of establishments opening or closing in a year, divided by the number of establishments operating at the beginning of that year.
6. Defined as the number of establishments employing more than 200 employees, per 10,000 employees.
7. Defined as the number of establishments employing fewer than 20 employees, per 10,000 employees.
8. Australian Institute of Health and Welfare
9. At the University of Melbourne
10. Poverty Lines: Australia, March Quarter 2014
11. Putnam, R., *Bowling Alone*, Journal of Democracy 6:1, 1995.
12. The Australian Electoral Commission has also suggested that informal voting occurs due to factors such as simple errors or because the electoral system is too complex and therefore requires complex voting documentation.
13. ABS, *Measuring Australia's Progress 2010*, cat. no. 1370.0.



Dr Brendan Rynne

*Partner and Chief Economist
Melbourne*

Tel: +61 3 9288 5780

bjrynn@kpmg.com.au

KPMG.com.au



Acknowledgement

KPMG recognises the input of Dr Erick Hansnata and Tristan Metcalfe in the completion of this study.

© 2019 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Liability limited by a scheme approved under Professional Standards Legislation.

The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

To the extent permissible by law, KPMG and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).