

LEADING THE ACCOUNTING PROFESSION INTO TOMORROW.

CPA Australia 2015 Integrated Report

BE HEARD.
BE RECOGNISED.



We value your feedback on this report and any enquiries about our policies or practices.

For more information, contact
CPA Australia chief executive,
Alex Malley, at ceo@cpaaustralia.com.au

ABOUT THIS REPORT

This annual report covers the activities of CPA Australia Ltd (CPA Australia) and its controlled entities and is inclusive of operations in Australia, Asia, Europe, New Zealand and the Pacific for the calendar year 1 January to 31 December 2015. Our last report covered the calendar year to 31 December 2014 and was published in April 2015.

This report has been prepared in accordance with the fundamental concepts, guiding principles and content elements of the International Integrated Reporting Council's (IIRC) Integrated Reporting (<IR>) Framework.

CPA Australia is committed to playing an important role in driving the uptake of <IR> as it provides a more complete picture as to how a business creates value.

We believe that integrated reporting represents an important opportunity for our members to play a pivotal role in ensuring that integrated thinking on the capitals described in the <IR> framework (financial, manufactured, intellectual, human, natural, social and relationship) feed into strategy, business management and reporting. Our chief executive Alex Malley is a member of the IIRC, driving CPA Australia's commitment to integrated reporting. More details on the IIRC and the framework can be found at www.theiirc.org

CPA Australia is a member of the <IR> Business Network established by the IIRC. This network is for organisations committed to integrated reporting, integrated thinking and driving innovation at the forefront of this evolution in corporate reporting.

Our commitment to broader corporate reporting extends to ensuring our report stands up to assurance. We believe assurance is fundamental to the credibility of our report and to providing a complete and transparent picture of the ways in which we create value, both now and into the future.

This report is structured to provide readers with a comprehensive picture of how CPA Australia has created value through our business model and how we intend to do so for the short, medium and long-term*. It is based on the material issues identified through our materiality determination process (page 7).

This structure also reflects our strategic goals, including key initiatives and related activities for 2015, and our expectations for 2016 and beyond. The principal audience for this report is our members, but the information will also be of value to other stakeholders (page 7).

The financial section at the end of this report is a general purpose financial report that has been prepared in accordance with the Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that financial statements and notes of the Consolidated Entity comply with International Financial Reporting Standards (IFRS).

We are also reporting in accordance with the 'Core' requirements of the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. Our disclosures under the GRI G4 Guidelines have been independently assured by Deloitte Touche Tohmatsu. Please see page 105 for the independent limited assurance statement. For more information about the GRI and the G4 Guidelines please visit www.globalreporting.org

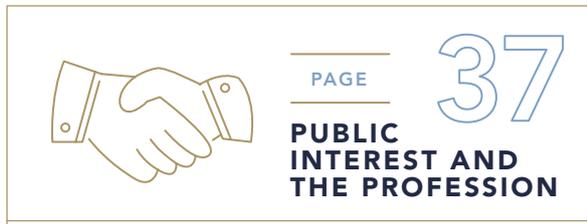
There have been no significant changes from previous reporting periods in scope, boundary or measurement methods of our financial or non-financial performance. There are no material exclusions from this report. There have been no significant changes to our size or ownership from previous reporting periods. The only significant change to our structure has been the establishment of the wholly-owned subsidiary, CPA Australia Advice (page 39). Our 2016 report will cover more information on CPA Australia Advice as it becomes operational.

CPA Australia's Board regularly reviews the information contained in this report through regular integrated reports prepared by management and has oversight of key milestones in development, with sign off on the report contents via the Audit and Risk Committee. It is the Board's opinion that this report is presented in accordance with the <IR> framework.

This report is available online at cpaustralia.com.au/annualreport and selected sections are made available through our language websites.

* Short-term impact is likely to occur in the next one to two years, medium-term within two to five years and long-term in five years or more.

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HOW CPA AUSTRALIA CREATES VALUE

OUR VISION

CPA AUSTRALIA IS KNOWN FOR BEING THE WORLD'S BEST MEMBER SERVICE ORGANISATION

OUR GOAL

TO MAXIMISE THE SHARE OF PEOPLE WHO WANT A CAREER BUILT ON PROFESSIONAL ACCOUNTING SKILLS

We believe that the work of professional accountants is fundamental to the stability, efficiency and sustainability of individual companies, financial markets and the economies of entire countries. Ultimately, their work enables capital to flow to the most productive projects and ensures that standards of living increase.

Founded in 1886, CPA Australia is one of the world's largest professional accounting and finance bodies, representing more than 155,000 members and business professionals in 118 countries. Our core services to members include education, training, access to knowledge, technical support, networking and advocacy. Our major sources of funding are membership fees and receipts for the products and services we deliver.

Our business model (page 4) is designed to support the demand for global accounting and business professionals who can work in multiple jurisdictions. As such, it is designed to change as the market demand for professional accounting services changes and grows in the markets in which we operate.

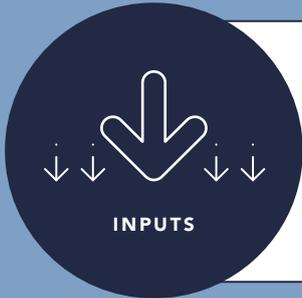
Our sphere of operations covers offices in all states and territories of Australia, China (including Hong Kong SAR and Macau), Fiji, Indonesia, Malaysia, New Zealand, Papua New Guinea, Singapore, the UK and Vietnam.

The work we do is supported by our strong governance and values. Governance is fundamental to CPA Australia's activities, with our Board ensuring strong adherence to the principles of good corporate governance.

Our values statement is: *"People are at the heart of what we do, service is personal, we are bold and curious, we are passionate about success and we always act with integrity"*. Our people live these values as they support the organisation to deliver on its vision and strategic goals.

OUR BUSINESS MODEL

EXTERNAL ENVIRONMENT



FINANCIAL

- Membership fees
- Receipts for products and services

PEOPLE

- Members
- Employees

INTELLECTUAL

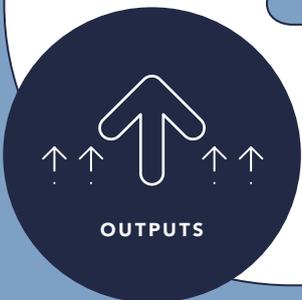
- Brand
- CPA Program
- Knowledge and expertise

CPA PROGRAM DELIVERY

PROVIDING ACCESS TO KNOWLEDGE

ADVOCACY

BROADENING THE AUDIENCE



HIGH CALIBRE ACCOUNTING PROFESSIONALS

STRONG SERVICE CULTURE

THOUGHT LEADERSHIP AND INFLUENCE

PROTECTION OF THE PUBLIC INTEREST

SUSTAINABLE ORGANISATION

WORLD'S BEST MEMBER SERVICE



PUBLIC CONFIDENCE

CONSISTENCY, COMPARABILITY AND TRANSPARENCY OF FINANCIAL INFORMATION THAT DRIVES BETTER BUSINESS DECISIONS

EXTERNAL ENVIRONMENT

INFRASTRUCTURE

- A network of 22 offices
- IT and digital infrastructure

PARTNERS

- Suppliers
- Accountancy bodies
- Governments and regulators
- Higher education sector

PROMOTING CPAs AND THE CPA DESIGNATION

DEVELOPING OUR PEOPLE

MANAGEMENT AND INVESTMENT OF MEMBERS' FUNDS



BRAND VALUE AND RECOGNITION

CAPABLE AND PASSIONATE WORKFORCE

ROBUST FINANCIAL MANAGEMENT

A STRONGER ACCOUNTING PROFESSION

GLOBAL DEMAND AND OPPORTUNITIES FOR CPAs



STABLE CAPITAL MARKETS

SUSTAINABLE BUSINESSES





• PEOPLE •
:== ARE AT THE ==:
→ HEART ←
..... OF WHAT WE DO
— SERVICE IS —
PERSONAL
— WE ARE —
≡ BOLD ≡
..... AND CURIOUS
:== WE ARE ==:
PASSIONATE
:== ABOUT SUCCESS ==:
AND WE ALWAYS ACT WITH
iNTEGRiTY

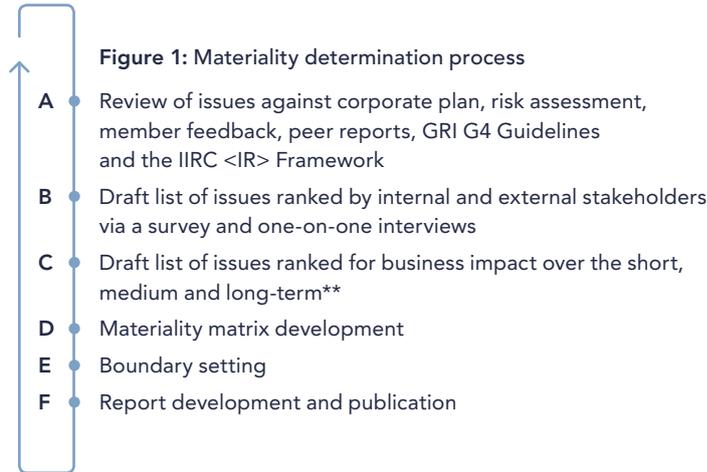


WHAT MATTERS MOST

MATERIALITY PROCESS

As part of the development of this report, we worked with independent consultancy Materiality Counts to undertake a materiality determination process (Figure 1). This process determined the social, financial and environmental issues that are relevant for CPA Australia and all its entities*, by incorporating:

- Issues of most importance to internal and external stakeholders including our members
- Issues that have the most potential to impact the business' ability to create value over the short, medium and long-term**



STAKEHOLDER ENGAGEMENT IN MATERIALITY

External stakeholders involved in the materiality process included members from a broad range of industry sectors and demographic backgrounds. Internal stakeholders represented key business areas and processes.

We also gathered input across our day-to-day activities through our committees, prospective members, employees, key influencers (including regulators, governments and their agencies), employers, professional industry bodies, academic institutions and research partners.

For specific report feedback which is undertaken annually, we focused on major stakeholders who have the most impact on our ability to create value now and into the future: our members, those who employ our members, our employees and our major suppliers.

RESPONDING TO STAKEHOLDERS THROUGH OUR REPORTING

To improve our reporting we asked stakeholders to comment on our 2014 integrated report. We also gathered feedback through the IIRC review service and award entries such as the Australasian Reporting Awards (ARA). We have used this feedback to make changes to this year's report including enhancing conciseness by focusing on the more material issues, improving cross referencing and better defining what we mean by short, medium and long-term impacts.

We have not made all changes suggested by feedback. As an example, we have not moved the names of Councillors and Committee members to online only (commonly received feedback). We recognise that this would make the report more concise, but believe it is important that we recognise the contribution of our members to these groups.

* For further detail on the entities covered by this report please refer to page 90.

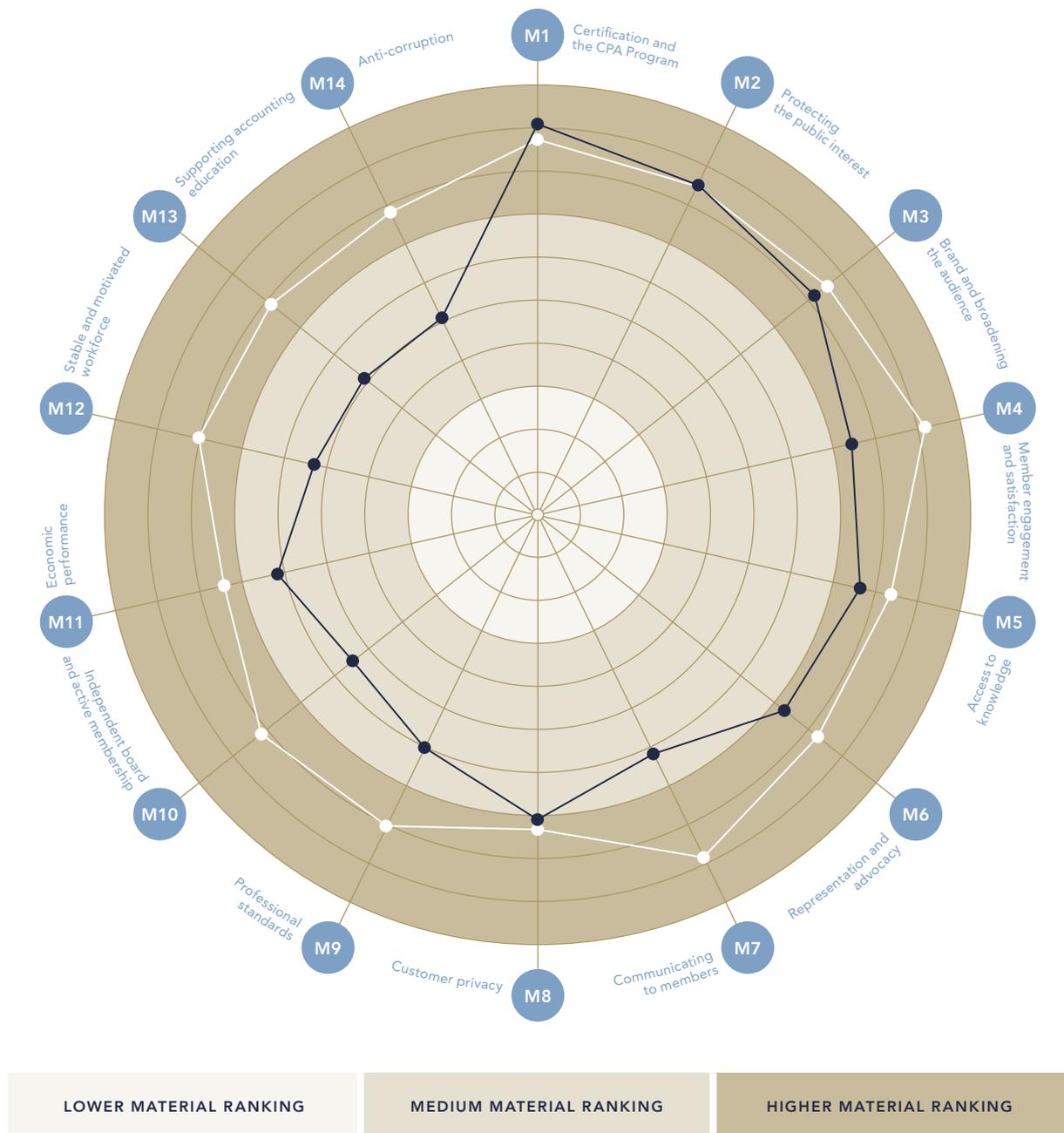
** Short-term impact is likely to occur in the next one to two years, medium-term within two to five years and long-term in five years or more.

MATERIAL ISSUES

Figure 2: Materiality matrix

Material issues ranking is based on a combination of business impact (dark blue web) and stakeholder priority (white web).

○ Stakeholder Concern ● Business Impact



The contents of this report have been defined by removing items that do not: rate highly for stakeholders; have a significant business impact; or routinely appear as a top three issue for any stakeholder group.

Figure 2 shows the ranking for each of our material issues.

We asked stakeholders to rank the importance of each issue to them in terms of CPA Australia's activities, with management then ranking each issue for its potential impact on our ability to create value as a business in the short, medium and long-term.

To provide context for this report, we also asked stakeholders to identify their top three issues and explain why each one was important to them.

Our most material issues, and those covered in this report are shown in Table 1 in order of priority. This table also outlines the boundary of each issue as determined by an internal review of where the major impacts of the issue occurred, and with reference to the stakeholder groups who raised each issue.

Where the impact of an issue is inside the organisation it applies to all of CPA Australia's subsidiaries, locations and offices. Where an impact is outside the organisation, it is relevant across all our locations, although the magnitude of the impact may vary from location to location. The major stakeholder groups that are impacted by the issue are also detailed in Table 1.

The boundaries for each material issue remain unchanged from 2014, with the exception of "an independent Board and active membership". For this issue we are now recognising that there are impacts both inside and outside of the organisation. This change is more a reflection of our growing maturity in GRI reporting rather than an actual significant change in where the impacts of the issue occur.

Table 1: Material issues

Code	Material issue	Boundary and stakeholders impacted	Stakeholders who raised the issue
M1	Certification and the CPA Program	Outside (members, employers, higher education sector)	Members, employees, employers, higher education sector, suppliers
M2	Protecting the public interest	Outside (members, broader public)	Members, employees, employers
M3	Brand and broadening the audience	Outside (members, potential members)	Members, employees, potential members, suppliers
M4	Member engagement and satisfaction	Outside (members)	Members, employees, suppliers
M5	Access to knowledge	Outside (members, potential members)	Members, employees, potential members, suppliers
M6	Representation and advocacy	Outside (members, broader public, regulators)	Members, broader public, regulators
M7	Communicating to members	Outside (members)	Members, employees, suppliers
M8	Customer privacy	Outside (members)	Members, employees
M9	Professional standards	Outside (members, broader public)	Members, broader public
M10	Independent board and active membership	Inside (Board, employees), outside (members)	Members, Board, employees
M11	Economic performance	Inside (employees), outside (members, suppliers)	Members, employees, suppliers
M12	Stable and motivated workforce	Inside (employees)	Employees, suppliers
M13	Supporting accounting education	Outside (higher education sector)	Members, employees, higher education sector
M14	Anti-corruption	Inside (employees), outside (members, suppliers)	Members, employees, suppliers



PRESIDENT'S REPORT

CPA Australia has always existed to protect the public interest; it is central to how we create value and is enshrined in our constitution, governance structures and the code of ethics that we all commit to. It is also central to leading the accounting profession into tomorrow.

A tangible example of this commitment to the public interest is our watershed decision to enter the financial advice market in Australia.

CPA Australia Advice, a wholly-owned subsidiary of CPA Australia, will operate on a transparent fee-for-service basis. It will set a new benchmark for professional and ethical conduct in making independent financial advice available to all Australian consumers.

Underpinned by the same culture and professional standards that are the cornerstones of CPA Australia; independence, transparency, integrity, compliance and continuous learning, CPA Australia Advice represents a milestone achievement for our 130th year.

Our growth across key international markets in 2015 has been strong. In the highly mobile and interconnected world in which we now live and work, CPA Australia's global network and reach is a tangible benefit to all our members.

Around one quarter of our members now reside outside Australia, with more than 37,000 working and residing in Asia.

We support our 155,000-plus membership with offices in 10 countries. To our extensive network of international linkages we have added new agreements with universities, organisations and membership bodies in China, Fiji, Malaysia, Papua New Guinea, Philippines, Samoa, the Solomon Islands, Taiwan and Vietnam.

These agreements represent a commitment to current and future CPAs and the continued development of the accounting profession globally. They also support our leadership position in the region.

Through innovation, contemporary relevance and advocacy on key public policy debates we continue to broaden the audience of people interested in our organisation and the profession. Our strategy of extending the reach and impact of the CPA Australia brand has reached a new level.

*The Naked CEO – The Truth You Need to Build a Big Life**, was the bestselling business book in Australia in 2015. It is now distributed to 38 countries and has recently been translated into Thai, with Chinese and Vietnamese translations commissioned. It has also been acquired by university faculties who have incorporated the book into their respective programs.

The website, thenakedceo.com is delivering unprecedented engagement by connecting with young professionals and developing the next generation of leaders. There have been more than four million visits to the site since its inception and it has been recognised with a number of prestigious awards, including Best Use of LinkedIn / SlideShare for Content Marketing at the Content Marketing Awards.

Our policy expertise came to the fore during 2015 with high profile exposure for our thought leadership through digital and traditional media. Our work on taxation reform, innovation and small business was particularly well regarded.

Further enforcing our public leadership position, our Nine Network Australia television series, *The Conversation with Alex Malley* (formerly *The Bottom Line*) will be back on air in 2016. This initiative ensures that CPA Australia is positioned at the heart of the leadership conversation.

As part of our public presence in the Asia-Pacific region, we continued our successful partnership with the Australian Open Tennis Championship which gives us invaluable exposure throughout the region.

In 2015 we celebrated 50 years in the Northern Territory and the 10 year anniversary of the opening of the London office supporting members in the UK and Europe. In the year ahead, we'll not only be celebrating our 130th year but also 60 years in Malaysia and Hong Kong.

I would like to thank those many members who contribute their time and expertise to the Representative, Divisional and Branch Councils, Advisory Committees, Centres of Excellence, member representative forums, discussion groups and task forces.

Thanks to my Board colleagues and a special mention for my predecessor, Penny Egan. After more than a decade of outstanding service on the Board, Penny is retiring and we wish her the very best.

On behalf of the Board, I would like to thank our chief executive Alex Malley and our dedicated staff for their contributions to helping our organisation deliver on its key strategic objectives.

Lastly but by no means least, I thank our members for their commitment to the public interest and the profession through upholding the integrity, high standards and ideals of the CPA designation.

Graeme Wade FCPA
President and Chairman
of the Board of Directors
CPA Australia

* Source: Nielsen BookScan.

CHIEF EXECUTIVE'S REPORT

Our business has never been stronger. Our reach has never been broader. CPA Australia continues to generate intrigue in our brand and deliver on our strategic objectives.

With a strong financial position, a global footprint of representation and an internal culture of passion and integrity, our business continues to thrive.

Our ongoing commitment to being the world's best member service organisation drives the pursuit of our strategic and operational objectives. Strategically we announced our entry into the financial advice market in Australia, through the establishment of CPA Australia Advice. This is a game-changing initiative and a milestone achievement for 2015, and beyond.

CPA Australia Advice will provide our members who are in public practice with a new independent pathway into this sector, by authorising them to provide financial planning advice to their clients within their own public practice.

We played a leading role in informing the ongoing national debate on tax reform. Our landmark research, *Tax Reform in Australia—The Facts*, was released during the year and generated significant media attention. The research considered the economic and tax impacts of a number of reform options. It has informed policy makers, regulators and the community about the complexities of one of the most important reform issues for members and the community.

In addition to tax reform, our policy expertise and thought leadership on issues ranging from financial advice and audit reform to competitiveness and global trade was highly sought-after.

We have continued to successfully leverage technologies and multiple media channels to take CPA Australia's views and messages to the broader community. It is this expanding reach that delivers recognition of CPAs and CPA Australia's influence in shaping and promoting key policy debates in Australia and internationally.

Operationally, we have continued to invest in ensuring the outstanding provision of services. We have delivered a new Learning Management System (LMS) to allow greater efficiency, security and ease of use. All CPA Program subjects are now available online, we moved 75 per cent of our examinations to a computer-based environment and enhanced our delivery of continuing professional development (CPD).

A significant part of the culture of an organisation is the articulation of its core values. During the year, we took the opportunity to reassess the values of our business and have identified five statements which we believe embody what CPA Australia stands for and who our people are:

"People are at the heart of what we do, service is personal, we are bold and curious, we are passionate about success and we always act with integrity"

Consistent with these values, we moved decisively in 2015 to defend the integrity of the profession and uphold the CPA designation. In the face of inappropriate behaviour by our competition we took legal action in the High Court of New Zealand. The Court found that CPA Australia "made out elements of actionable defamation" and that our competitor breached provisions of the *Fair Trading Act 1986 (NZ)*.

Full details, court transcripts and news reports are available on our [website](#).

With people at the heart of what we do, we once again supported the fraternity of CPAs in 2015. Our hearts and support went out to the family of police accountant Curtis Cheng. A CPA of some 26 years standing, Curtis was fatally shot in an attack in Sydney.

We also joined with Australian sporting legend Neale Daniher, battling Motor Neurone Disease (MND), to help raise funds to find a cure for MND. In 2015 we lost Life Member and 1983 President and Chairman Ronald Cotton AM FCPA. We honour Ron's life and significant contribution to the profession.

On behalf of the membership I was privileged to attend the funerals of both Ron and Curtis, which celebrated two lives well lived.

This year has been a successful one for CPA Australia and I would like to thank our members, partners and friends for their contribution to our success. I would especially like to thank our people for their dedication and hard work in striving to achieve all the things we set out to do for our members and prospective members.

We look forward to another successful and prosperous year in 2016.

Alex Malley FCPA
Chief Executive
CPA Australia



2015 HIGHLIGHTS

PROTECTING THE PUBLIC INTEREST

DRIVING WORLD'S BEST MEMBER ENGAGEMENT AND SERVICE

:= LAUNCHING :=



> 155,000

← MEMBERS ACROSS →
118 COUNTRIES

RELEASING

TAX REFORM
← IN AUSTRALIA →

The Facts

DELIVERING A WORLD-CLASS CPA PROGRAM AND CERTIFICATION



> 98%

→ MEMBER ←
RETENTION

> 59,000

CPA PROGRAM
EXAM SITS



SECURING THE NEXT GENERATION OF TALENT

ONE
HUNDRED

..... YEARS OF

FEMALE
MEMBERSHIP

> 400 RECOGNISED
EMPLOYER
PARTNERS*



* Refer to page 29.

LEVERAGING OUR BRAND AND BROADENING THE AUDIENCE

THE NAKED CEO

NUMBER

ONE

BUSINESS BOOK



AUSTRALIAN OPEN

TENNIS SPONSORSHIP AUDIENCE OF

369M



THE AUSTRALIAN WOMENS' WEEKLY WOMEN IN BUSINESS GRANTS

PROVIDING ACCESS TO KNOWLEDGE

> 640,000

VISITS TO

INTHEBLACK.COM



AWARD

WINNING

PUBLICATIONS

ENSURING A STABLE, CAPABLE AND SKILLED ORGANISATION

\$7.74M

SURPLUS

BEFORE TAX



ARA AWARD

for integrated reporting

OUR STRATEGY

Our corporate plan outlines the strategies we are pursuing to meet our vision of being the world's best member service organisation.

CPA Australia's strategic goals have remained fairly consistent over the past five years and continue to feature in the corporate plan approved by the Board which will drive our direction from 2015–2019. Our strategy, goals and the subsequent activities to achieve these are informed by considering the key risks and opportunities (page 22) that will impact our business model and in turn our ability to create value. Throughout the year, our progress is reported through a performance contract that is agreed with the Board. This uses a balanced scorecard approach to highlight key metrics in achieving our strategic aims. Key performance indicators can be found on page 18.

Our strategy is reviewed across the period of the corporate plan to ensure that we are adapting our activities in order to deliver on our goals as new challenges and opportunities arise. We recognise that our organisation must continue to evolve and innovate to meet the changing needs of our members and the shifting global environment. In light of our strategic goal to protect the public interest, and given the current concerns about the provision of financial advice and the removal of the accountant's exemption, we announced the establishment of CPA Australia Advice during 2015. CPA Australia Advice represents a financial advice model that is transparent and fee-for-service based (page 39).

We continue to invest in upgrading our technology infrastructure and evolving our digital channels, products and services to ensure our brand and products have ongoing relevancy for our members, potential members and other customers.

Our process for allocating funds to new initiatives is based on our strategic goals, and resources are allocated to those initiatives that best support our objectives. More information on our resource allocation can be found on pages 52 and 53.

MATERIAL ISSUES KEY

- M1** Certification and the CPA Program
- M2** Protecting the public interest
- M3** Brand and broadening the audience
- M4** Member engagement and satisfaction
- M5** Access to knowledge

- M6** Representation and advocacy
- M7** Communicating to members
- M8** Customer privacy
- M9** Professional standards
- M10** Independent board and active membership

- M11** Economic performance
- M12** Stable and motivated workforce
- M13** Supporting accounting education
- M14** Anti-corruption



PROTECTING THE PUBLIC INTEREST

To be a recognised and respected voice in the global business, accounting and leadership space. Ensuring the highest standards for all our members.

M2, M6, M9, M14 *



**DRIVING
WORLD'S
BEST MEMBER
ENGAGEMENT
AND SERVICE**

An engaged membership created through delivery of world-class service and personalised communication.

M4, M6, M7, M8 *



**DELIVERING
A WORLD-CLASS
CPA PROGRAM
AND
CERTIFICATION**

The highest quality CPA Program, where flexibility of delivery meets the changing needs of candidates and their employers.

M1 *



**PROVIDING
ACCESS TO
KNOWLEDGE**

Being a world-class provider of business, accounting and leadership content for our members, potential members and the broader business community.

M5 *



**LEVERAGING
OUR BRAND AND
BROADENING
THE AUDIENCE**

Broadening the audience of those who take an interest in what CPAs do, and what CPA Australia does. Adopting innovative new approaches to take the brand to a wider audience.

M3 *



**SECURING
THE NEXT
GENERATION
OF TALENT**

Being better at targeting and attracting students and young professionals than our competitors to ensure sustainable membership growth.

M3, M13 *



ENSURING A STABLE, CAPABLE AND SKILLED ORGANISATION

A high-performance organisation that has the people, resources and skills base to deliver on our broader objectives.

M10, M11, M12, M14 *

* For key to material issues refer to opposite page.

KEY PERFORMANCE INDICATORS

For commentary on the KPIs below and an assessment of our performance refer to page 21.

Table 2: KPIs

STRATEGIC GOAL	MEASURE
PROTECTING THE PUBLIC INTEREST	Number of public practice quality reviews
	Committed to high professional standards in order to protect the public interest*
	Being thought leaders in business, accounting and finance*
DRIVING WORLD'S BEST MEMBER ENGAGEMENT AND SERVICE	Call queue times
	Member retention (fully qualified)
	Member satisfaction*
DELIVERING A WORLD-CLASS CPA PROGRAM AND CERTIFICATION	Maintaining ISO quality certification
PROVIDING ACCESS TO KNOWLEDGE	Congress attendees
	intheblack.com unique visits
	Ensuring that I am across developments or issues impacting my field / business*
LEVERAGING OUR BRAND AND BROADENING THE AUDIENCE	Social media engagement
	Representing members' interests in the media*
SECURING THE NEXT GENERATION OF TALENT	CPA Program exam sits
ENSURING A STABLE, CAPABLE AND SKILLED ORGANISATION	Surplus before tax
	Staff turnover**

* **Survey methodology:** The survey was run as an online survey on behalf of CPA Australia by Thrive Research in December 2015, 75,233 members were contacted via email and a response rate of 5.6 per cent was received (4235 responses). Response rates by country varied, however total sample results have been weighted to reflect total member base distribution by country. Members were asked to assess their overall view of CPA Australia's performance over the last 12 months on a scale of 0-10 where 0 is extremely poor. This survey replaces the industry benchmarking research undertaken by Beaton Research and Consulting which no longer operates in its previous format. For this reason, results for previous years are not available. As survey measures can vary from year-to-year without the difference being significant our targets in this area represent a range.

	2012	2013	2014	2015 TARGET	2015 ACTUAL	2016 TARGET
	1000	>1000	>1000	1100	>1000	1100
	N/A	N/A	N/A	N/A	6.9	6.7 - 7.2
	N/A	N/A	N/A	N/A	6.5	6.2 - 6.7
	2012	2013	2014	2015 TARGET	2015 ACTUAL	2016 TARGET
	21 seconds	38 seconds	25 seconds	60 seconds	21 seconds	30 seconds
	98.5%	98%	98.1%	98%	98.3%	98.4%
	N/A	N/A	N/A	N/A	6.3	6.0 - 6.5
	2012	2013	2014	2015 TARGET	2015 ACTUAL	2016 TARGET
	✓	✓	✓	✓	✓	✓
	2012	2013	2014	2015 TARGET	2015 ACTUAL	2016 TARGET
	>11,000	>9,000	>8,900	>9,000	>8,200	>9,000
	>245,000	>495,000	>550,000	640,000	>640,000	800,000
	N/A	N/A	N/A	N/A	6.2	6.0 - 6.5
	2012	2013	2014	2015 TARGET	2015 ACTUAL	2016 TARGET
	>80,000	>175,000	>233,000	>270,000	>300,000	375,000
	N/A	N/A	N/A	N/A	6.4	6.0 - 6.5
	2012	2013	2014	2015 TARGET	2015 ACTUAL	2016 TARGET
	>53,000	>54,000	>59,000	>58,000	>59,000	60,000
	2012	2013	2014	2015 TARGET	2015 ACTUAL	2016 TARGET
	8.3M	2.31M	3.75M	3.5M	7.74M	2.55M
	<14%	<15%	<12%	<15%	15%	<20%

** Staff turnover is regretted turnover, which is defined as employees that have separated from the organisation via a resignation, excluding employees that are on fixed term contract, have been made redundant or who have been under performance management.

2015 FINANCIAL PERFORMANCE

Table 3: Overview of economic value generated for the year ended 31 December 2015

	FY 2015 \$'000s	FY 2014 \$'000s
DIRECT ECONOMIC VALUE GENERATED		
Membership fees	77,839	73,095
Education and training revenue	84,823	77,534
Other	11,872	10,620
Total direct economic value generated	174,534	161,249
ECONOMIC VALUE DISTRIBUTED		
Employee wages and benefits	61,947	58,564
Operating costs	104,842	98,931
Payments to providers of capital	–	–
Payments to government	–	–
Community investments	–	–
Total economic value distributed	166,789	157,495
Surplus before tax	7,745	3,754

Table 4: CPA Australia – Revenue and costs by geographic region for the year ended 31 December 2015

	TOTAL REVENUE	TOTAL COST*	SURPLUS BEFORE TAX
Australia	130,105	144,995	(14,890)
China	5,100	4,541	559
Europe	990	1,196	(206)
Hong Kong SAR	12,587	5,152	7,435
Indonesia	265	542	(277)
Malaysia	10,283	2,449	7,834
New Zealand	2,063	1,690	373
Singapore	8,329	4,761	3,568
Vietnam	965	1,411	(446)
Other overseas	3,847	52	3,795
Total overseas	44,429	21,794	22,635
Total CPA Australia	174,534	166,789	7,745

* Overhead costs such as corporate services, marketing and product development are not allocated to regions outside of Australia.

PERFORMANCE SUMMARY

CPA Australia's performance in 2015 has been positive, achieving target or better on a majority of key performance indicators (KPIs).

We continued to deliver a strong operating performance, with surplus before tax above budget. Core revenue streams, including membership and the CPA Program, out-performed the prior year.

Our goal to be the world's best member service organisation has influenced a strong performance in our key service standards for the year. Call queue times continue to be better than target and retention of fully qualified members has exceeded target after a strong and concerted effort across the business to achieve this result.

We continued to focus on broadening the audience with an increasing number of people engaging with us through our social media and digital channels and publications.

The continuing tough economic climate and challenging competitive environment continues to result in pressure on professional development targets.

Since our last report, we have expanded the number of KPIs we report on, and introduced a stand-alone member satisfaction survey from which several of the KPIs on pages 18 and 19 have been drawn. This is the first year of the survey, and results are not comparable with previous results in this area due to different methodologies being used.

Further details on our performance, and the challenges faced across our business, can be found in the management approach and 2015 performance report sections and in the full financials provided at the rear of this report.

Looking to 2016, we are budgeting for a slender surplus compared to recent years as we implement CPA Australia Advice. The establishment of CPA Australia Advice is a long term strategy which is in the best interests of the profession. We acknowledge that, at times, the establishment of the new entity may result in the Consolidated Entity returning a deficit in the future.

Table 5: Statement of financial position as at 31 December 2015

	FY 2015 \$'000s	FY 2014 \$'000s
Total current assets	90,315	69,702
Total non-current assets	93,999	97,229
Total assets	184,314	166,931
Total current liabilities	96,992	86,028
Total non-current liabilities	5,895	6,498
Total liabilities	102,887	92,526
Net assets	81,427	74,405
Total members' funds	81,427	74,405

RISKS, OPPORTUNITIES AND FUTURE OUTLOOK

Table 6: Risks, opportunities and future outlook

STRATEGIC RISKS AND OPPORTUNITIES	DESCRIPTION
BRAND AND RECOGNITION	CPA Australia seeks to broaden the audience of those who take an interest in what CPAs do and what CPA Australia does in order to increase the value of our brand and increase interest in the CPA designation
MEMBER STANDARDS AND REGULATION	CPA Australia takes a leading role in influencing major issues, policies and regulations in order to protect the interests of the public and our members. The value of the CPA designation and brand is closely tied to the high ethical and professional standards to which our members are held
UNCERTAIN REGULATORY ENVIRONMENT	The work we do is impacted by the changing reporting, regulatory and political environments in the markets in which we operate. Fiscal uncertainty and failures of governance could lead to increasing regulation, which has the potential to impact the role CPA Australia plays and the activities of its members
COMPETITION	Recent years have seen more association bodies enter the markets in which we operate and there is an increase in discussions between bodies around consolidation and partnerships
CHANGING EDUCATION AND KNOWLEDGE MARKETPLACE	CPA Program – The rapid pace of technology change has impacted the education space and led to the emergence of multiple forms of higher education providers with differing capabilities CPD – Our members and customers have diverse careers and knowledge needs that extend beyond core accounting skills
CORPORATE GOVERNANCE	Good corporate governance is fundamental to CPA Australia’s credibility as a professional accounting body
TECHNOLOGY ENVIRONMENT AND CHANGE	The rise of social media, mobile and internet-based applications is acknowledged across all areas of business, and technology increasingly plays a part in the products and services we deliver This presents both risks and opportunities that have the potential to impact CPA Australia’s assets, processes and reputation

* Short-term impact is likely to occur in the next one to two years, medium-term within two to five years and long-term in five years or more.

KEY Refer to page 17 for descriptions



Protecting the public interest



Driving world’s best member engagement and service



Providing access to knowledge

Our key strategic risks and opportunities are outlined below. They take into account the material issues (page 9) and external trends that we see impacting most on our ability to create value now and into the future.

Risks that are increasing are related to changes in the regulatory and competitive environment and our operations in multiple jurisdictions. These include:

- Regulation and standards of our members
- Competition (referred to as changing market place for professional accountancy services in 2014)

OUR RESPONSE	STRATEGIC GOALS IMPACTED	IMPACT ON VALUE CREATION*
<ul style="list-style-type: none"> • Continuing to deliver content rich products and services that grow our brand and position us as leaders in our field • Ensuring our brand is seen in the right places at the right time to attract new members and increase our recognition • Ensuring consistency in the representation of our brand 	 	Medium to long-term
<ul style="list-style-type: none"> • Maintaining professional rigour, competencies and entry standards • Ensuring the long standing and ongoing integrity of our professional education program • Continuing to ensure that our members comply with a professional code of conduct • Providing an independent, transparent financial advice model through CPA Australia Advice 	 	Ongoing
<ul style="list-style-type: none"> • Developing and delivering thought leadership and advocacy content that challenges views and ignites discussion • Continuing our strong and enduring relationships with policymakers, regulators and the wider business community • Providing an independent, transparent financial advice model through CPA Australia Advice • Extending our media reach and influence 	 	Long-term
<ul style="list-style-type: none"> • Integrated business development strategies that enhance our value in key market sectors • Utilising our digital channels to make the process to become a member clear and compelling • Growing our existing markets and entering new markets as appropriate 	 	Medium to long-term
<ul style="list-style-type: none"> • Building on our recognition for being leaders in global strategy and leadership • Continuing to deliver the highest quality relevant content to support members and employers • Continuing investment in flexible content delivery options 	  	CPA Program – medium to long-term CPD – short to medium-term
<ul style="list-style-type: none"> • Setting clear direction, responsibility and accountability for Directors and executives managing the organisation • Continuing to adopt the ASX Corporate Governance Principles • Having a skilled and knowledgeable Board 	 	Short to medium-term
<ul style="list-style-type: none"> • Investing in our digital channels • Investing in the right technology infrastructure to support delivery of our goals • Implementing systems and processes that support a flexible and creative workforce 	   	Short to medium-term





OUR MEMBERS

Our members are at the heart of what we do. As an organisation, our business model is focused on delivering innovative products and services that our members value and that help them to create value for the businesses and communities in which they work.



MATERIAL ISSUES

Material issues represented in this section include:

- Certification and the CPA Program – M1
- Brand and broadening the audience – M3
- Member engagement and service – M4, M7, M8
- Access to knowledge – M5, M7



STRATEGIC GOALS

- The highest quality CPA Program, where flexibility of delivery meets the changing needs of candidates and their employers
- An engaged membership created through delivery of world-class service and personalised communication
- Being a world-class provider of business, accounting and leadership content for our members, potential members and the broader business community
- Broadening the audience of those who take an interest in what CPAs do, and what CPA Australia does
- Adopting innovative new approaches to take the brand to a wider audience
- Being better at targeting and attracting students and young professionals than our competitors to ensure sustainable membership growth



OUTCOMES

- World's best member service
- A stronger accounting profession
- Global demand and opportunities for qualified CPA Australia members

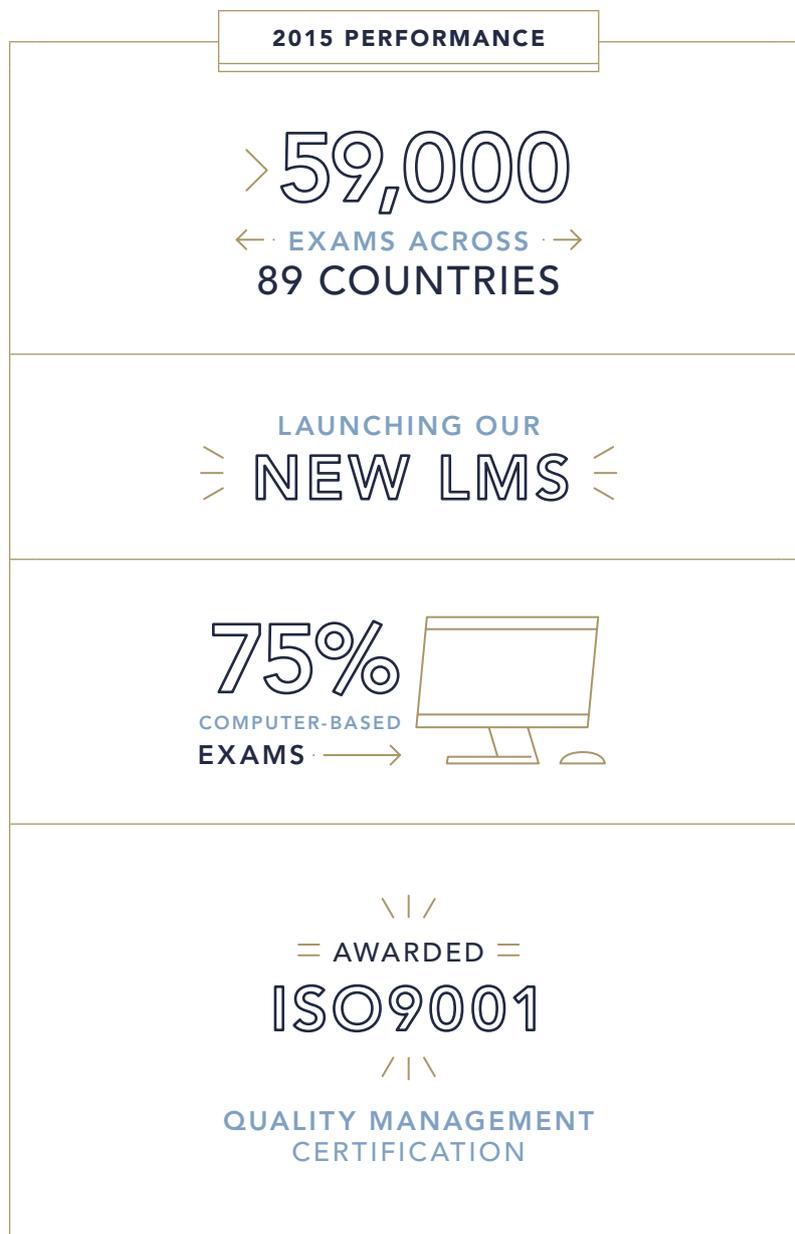


VALUE CREATED

- Public confidence
- Consistency, comparability and transparency of financial information that drives better business decisions
- Stable capital markets
- Sustainable businesses

CERTIFICATION AND THE CPA PROGRAM

The highest quality CPA Program, where responsiveness in its design and delivery meets the changing needs of candidates and their employers



MANAGEMENT APPROACH

Our members consistently tell us that they join and remain members of CPA Australia for the professional recognition and opportunities that come with being a CPA. To deliver this, CPA Australia offers a world-class education program that provides a depth, breadth and quality of accountancy and business knowledge as well as work-ready skills to meet the changing needs of employers. We continually review the CPA Program to ensure it is desirable to employers, relevant and accessible to candidates and recognised by regulators.

With a focus on strategy, leadership and international business alongside technical accounting skills, a rigorous assessment process and a practical experience requirement, the CPA Program allows candidates to stand out in the real world no matter where they are located.

We have a Professional Qualifications Advisory Committee (PQAC) that consists of five professors and three assistant professors from prestigious educational institutions alongside leading industry experts. Together with our own highly qualified staff, PQAC ensures the ongoing quality and relevance of the CPA Program.

Content is regularly reviewed and updated and includes real business examples drawn from current news and legislation so each subject is highly relevant and applicable in today's global marketplace.

A large proportion of the services necessary for the design, development and delivery of the CPA Program are provided by our strategic supply partners Pearson VUE (exam support), DeakinPrime (subject materials), BPP (additional learning support) and Iveo (printing and distribution). CPA Australia retains control over critical functions relating to educational design specifications and quality assurance.

Following an audit, the CPA Program received ISO 9001 quality management certification for a further three years for the quality of our processes.

CREATING VALUE THROUGH INNOVATION

In 2015, we made a significant investment in providing contemporary delivery solutions that meet the needs of our members through the implementation of a new LMS, additional study support and our continued roll out of computer-based testing.

The new LMS delivers a more stable online environment for candidates and is allowing us to further invest in the CPA Program by developing more digital content.

Further enhancements to support candidate learning included:

- Student Support Slides to provide an overview of the key learnings within each subject module
- Introduction of Knowledge Checks, a question bank to enable candidates to test their understanding of the subject

Unfortunately the roll out of content for the Knowledge Checks during the first semester didn't meet expectations. In response we conducted a comprehensive review and launched improvements including:

- An increased number of questions
- The ability to sit Knowledge Checks more than once
- Streamlined content

In semester two we progressed to have more than 75 per cent of exams computer-based. This allows for more innovative exam questions and greater efficiency in exam delivery. The evolution of our digital exam delivery has been a gradual,

considered process and more than 90 per cent of our CPA Program candidates will have access to a computer-based exam in semester one, 2016.

Offering computer-based exams is a significant step in providing an increasingly flexible CPA Program; allowing increased frequency and periods of exam sittings, quicker turnaround time for marking and enhanced security. Computer-based exams also offer additional scheduling options in times of crisis such as the 2015 New South Wales floods.

A replacement paper-based exam would have taken multiple days to create and deliver to our stringent security requirements, and the closure of mail services in these areas meant the possibility of redirecting paper-based exams during exam week wasn't an option. Computer-based exams allowed us to offer additional scheduling options and better support our members through these difficult circumstances.

To further support members working in the broader Asia-Pacific region we introduced a Fiji tax segment in partnership with The University of the South Pacific, a New Zealand tax segment through Massey University and we signed an annex to our Memorandum of Cooperation with the Ministry of Finance in Vietnam to offer a Vietnamese tax segment. These stand alongside our tailored tax subjects for Malaysia and Singapore to ensure candidates are able to take the study path that is most appropriate for them and directly relevant to their work.

ALLOWING TALENTED PEOPLE TO GET AHEAD

We continue to offer foundation content materials and exams to allow candidates who do not have a traditional accounting educational background to demonstrate that they have the required knowledge to enter the CPA Program. We made digital enhancements for foundation candidates including enhanced navigation and interactivity of our digital materials and "On Demand" assessment which allows a 12-month window to sit exams, providing greater flexibility and choice.



**CARYS (XI WEN) CHAN
ASA**

Carys (Xi Wen) Chan is a CPA Australia ASA and PhD student with the Research School of Management, ANU College of Business and Economics. Carys chose to embark on the CPA Program alongside her full-time studies to get a good grasp of contemporary business issues through both the subject content and practical experience component. Upon completion of her PhD and the CPA Program, she hopes to start a career in the corporate world. "Embarking on the CPA Program was a clear and natural choice for me," she says.

Born in Singapore to parents of Chinese heritage tracing back to Hainan and Shantou, Carys moved to Australia to study in 2010, and now divides her time equally between the two countries. Her view is that "the scale and pace of Asia's transformation is unprecedented, and the implications for both Singapore and Australia are profound".

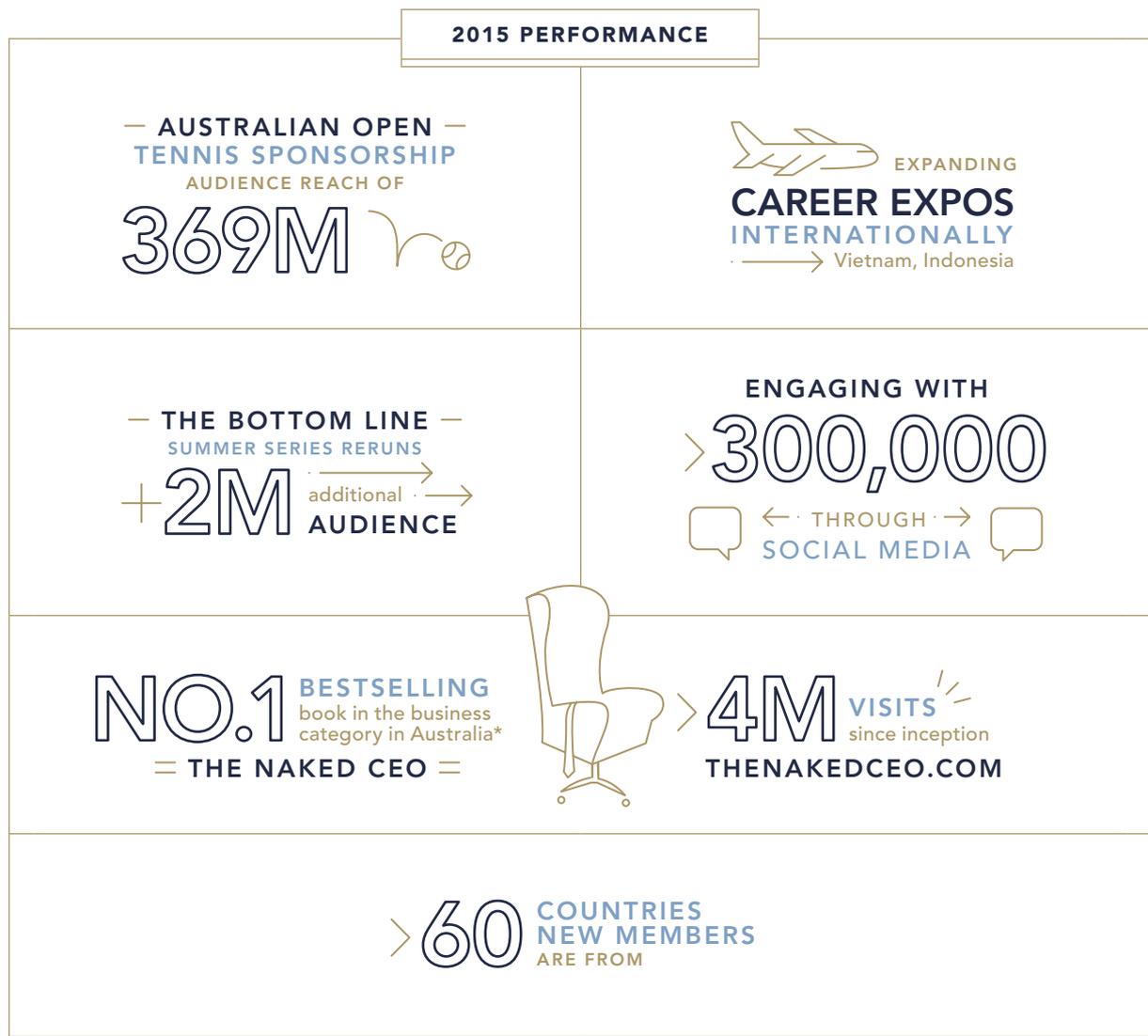
Carys says "I chose the CPA Program primarily because of CPA Australia's established presence and reputation in Asia. As I see myself returning to Asia to work in the middle to long-term, it is crucial that my professional accounting certification is transferable wherever I go. I also like that CPA Australia has extended networks in major cities across Asia. "Recruiters are only able to examine a candidate to a certain extent" says Carys. With CPA Australia's reputation in Asia and the Pacific, she says that "Gaining CPA certification will differentiate me from other candidates".

BRAND AND BROADENING THE AUDIENCE

Broadening the audience of those who take an interest in what CPAs do, and what CPA Australia does.

Adopting innovative new approaches to take the brand to a wider audience.

Being better at targeting and attracting students and young professionals than our competitors to ensure sustainable membership growth.



* Source: Nielsen BookScan.

MANAGEMENT APPROACH

The size and influence of CPA Australia directly benefits our members by increasing their relevance and profile in the global market. By enhancing the reputation and value of the organisation we ultimately enhance that of our members. We communicate that CPA Australia is a globally recognised and respected accounting body, with more than 155,000 members in 118 countries across the globe.

By creating meaningful relationships through our communication channels and increasing our usage of new media, we better meet the needs of those who wish to engage with us. Overall, CPA Australia now connects with more than 300,000 people across social media platforms including LinkedIn, Facebook and Twitter.

Our Recognised Employer Program supports and acknowledges organisations that employ our members and who are dedicated to their employees ongoing development and learning.

Our efforts in this area are measured through the engagement metrics detailed in the following sections and through our member satisfaction survey (page 18).

Key challenges in this area include: increasing competition, staying at the forefront of social media channels as they evolve, and ensuring the correct balance of spend across all media and online channels given our limited budget.

EXTENDING THE REACH OF OUR BRAND

In a competitive marketplace, the CPA Australia brand presents us as the global accounting body of choice and communicates the value CPAs bring to business.

We use a variety of advertising channels including television, outdoor, print, events and online to ensure that our

brand is seen in the right places, and at the right times to attract new members and increase our recognition. In Asia we focus on a range of innovative outdoor approaches to ensure increased impact in a crowded market.

OFFICIAL ACCOUNTING AND BUSINESS PARTNER OF THE AUSTRALIAN OPEN

We continue to sponsor the Australian Open Tennis Championship to raise brand awareness in our targeted growth markets. The reach within the Asia-Pacific region from this sponsorship resulted in 369 million broadcast viewers, with 42 million from China. In addition, we gained extensive social media reach across the Australian Open Facebook page, and the CPA Australia LinkedIn page.

As part of our Australian Open sponsorship, we also sponsored the Australian Open Asia Pacific Wildcard Playoff held in early December in China, giving us another opportunity to expose our brand to the growing Asia-Pacific market.

THENAKEDCEO.COM

Our popular online mentoring site, thenakedceo.com is where the chief executive of CPA Australia invites students and professionals to join him behind the scenes with global leaders and brands to impart key insights and success strategies.

In 2015, CPA Australia expanded the reach of thenakedceo.com with *The Naked CEO – The Truth You Need to Build a Big Life* book distributed to 38 countries, with eight reprints and achieving the position of the bestselling business book in Australia in 2015*. The book has recently been translated into Thai, with Chinese and Vietnamese translations commissioned.

In 2015, thenakedceo.com also won a number of awards, including Best use of LinkedIn / SlideShare for Content Marketing (Content Marketing Awards).

PARTNERING WITH EMPLOYERS

We support employers through our Recognised Employer Program, which provides a comprehensive assessment and validation of an employer's professional development approach. This allows them to demonstrate value to finance and accounting employees through a commitment to the ongoing learning and development of their people. Our Recognised Employer Partners represent companies across the globe. In 2015, we signed more than 70 new Recognised Employer Partners and we now have more than 400 partners**. Some of our recognised employers include: ANZ, American Express, BP, Credit Suisse AG, Deutsche Bank, Ernst & Young, HSBC Bank, Hewlett Packard, IBM, JP Morgan, KPMG Australia, NAB, Nestle Oceania, PwC, Qantas, Standard Chartered Bank and Telstra.

A full list of our partners can be found at cpaaustralia.com.au/rep

CONVERSATIONS WITH LEADERS

In 2015, encore screenings of *The Bottom Line* television series ran on Channel Nine, with interviewees including Helen Clark Chair of the United Nations Development Group, chef Curtis Stone and Sir Michael Parkinson.

Following on from the success of *The Bottom Line*, our chief executive will return to the Nine Network Australia in 2016 with a new series, *The Conversation with Alex Malley* with guests including: Human Rights Commissioner Gillian Triggs, legendary political commentator Laurie Oakes, World Vision CEO Tim Costello, Atari founder Nolan Bushnell and Alpha Cheng CPA, son of murdered police accountant Curtis Cheng, who was a 26-year member of CPA Australia.

A second series is scheduled for October 2016.

* Source: Nielsen BookScan

** Number of employer partners includes more than one account in the same company for some partners where a separate agreement exists between different locations or business units.



AUSTRALIAN WOMEN'S WEEKLY WOMEN IN BUSINESS GRANTS AND POWERLIST

As an organisation with 47 per cent female membership and 67 per cent female staff we recognise the importance of women in business. In light of this, CPA Australia sponsored the Australian Women's Weekly (AWW) Women in Business Grants, aimed at acknowledging and fuelling female business owners, with our chief executive on the judging panel. An impressive range of businesswomen from across Australia submitted entries for these grants. As part of this sponsorship we were also able to profile three inspiring female CPAs in practice. CPA Australia also sponsored the annual AWW Power List which ranks the country's top 50 most powerful women, as decided by a high-profile judging panel which included our chief executive.

STUDENT NETWORKS

CPA Australia runs a global network of more than 225,000 students and young professionals, helping them connect with internship and graduate employment opportunities, utilise career, leadership and study resources, build an outstanding CV and stand out in interviews.

In 2015, we hosted 14 Career Expos, including new events in Hanoi, Ho Chi Minh City, Jakarta and Wellington. These events help students and young professionals connect with industry experts and potential employers to seek advice and information about careers in accounting and finance.



MATTHEW SHANNON, AUSTRALIAN OPEN WORK EXPERIENCE WINNER

Getting exposure to the largest annual international sporting event in Australia is a rare opportunity, but one that Griffith University Masters of Professional Accounting student Matthew Shannon experienced as part of CPA Australia's Australian Open work experience program. This program is conducted in partnership with Tennis Australia and is open to Australian and New Zealand accounting students who are part of the CPA Australia network.

We received more than 2000 applications for the 2015 program, with Matthew selected as the deserving winner. With a Bachelor of Business in Sports Management and Event Management already under his belt, Matthew dreamed of having a job combining sport with accounting.

"At uni I'd heard about this opportunity to work at the Australian Open through CPA Australia", he said.

As part of his prize Matthew experienced three days working at the Australian Open and a mentoring session with our chief executive. Matthew described this as "surreal, because I'd read his book. I gained some great insights from Alex on how to achieve my own goals".

Matthew said he went everywhere while working at the Australian Open. "I got heaps of experience, such as reconciling the days' accounts. I even got to meet the players and handle their payments. It was the best experience and it's opened so many doors already".



CREATING VALUE IN PARTNERSHIP WITH THE ACT GOVERNMENT

In 2015, the ACT Government became the first government in its entirety to be awarded Recognised Employer Partner status. While a number of government departments in various jurisdictions have this status, the ACT Government is the first jurisdiction to achieve this at a whole of government level.

The award recognises the work being done to support finance and accounting staff in the ACT Government to continuously develop their skills, maintain their professional qualifications and provide the best possible service to the ACT community.

MEMBER ENGAGEMENT AND SERVICE

Being passionate about, and committed to, providing the world's best member service standards.

2015 PERFORMANCE



CELEBRATING 100 YEARS OF FEMALE MEMBERSHIP

WE REPRESENT A TOTAL GLOBAL MEMBERSHIP OF

> 155,000 IN 118 COUNTRIES



50 YEARS IN THE NORTHERN TERRITORY

TEN YEAR ANNIVERSARY OF LONDON OFFICE

22 OFFICES IN 10 COUNTRIES

MANAGEMENT APPROACH

Engaging with our members is the most valuable activity undertaken by our staff. As a membership body, service is core to our organisation and directly impacts our members and our relationship with them. Our vision is to be the world's best member service organisation.

CPA Australia's service culture and approach is defined by three pillars:

1. Fostering strong and engaging relationships with members
2. Providing high quality advice, information, responses and solutions
3. Providing service in a timely and responsive manner

CPA Australia has a dedicated team of member advisers whose role it is to answer the queries of our members and prospective members. We provide regular product and service training to ensure that our front line staff provide the right advice to members.

Feedback from our members is collected through many of our communication channels and we utilise that feedback to make enhancements and changes to our processes and systems. In 2015 we also initiated a member satisfaction survey to replace the annual benchmarking study that we previously took part in (page 18).

We set targets for our key service metrics, which are included in our performance contract with the Board and we include service measures in all our people's individual performance reviews.

MEMBER ENGAGEMENT AND RETENTION

We strive to actively engage our members in the manner that best suits them. In 2015, we held more than 500 events including intimate boardroom luncheons, networking, information sessions, expos and member celebrations to engage with our members. We also increased our social media audience to more than 300,000 people.

Member retention (fully qualified) remains high at more than 98 per cent, and we remain focused on delivering products and services that our members value.

In 2015, we have invested in several areas to enhance our services to members including streamlining our membership application and administration, continuing to develop our CRM system to provide members with an efficient experience and our new LMS (refer to page 27).

TIMELY, TARGETED UPDATES

Each week, 34 tailored versions of CPA Update are produced to meet the needs of our members in multiple geographic locations. In 2015, recognising the changing patterns of information consumption, a new mobile responsive template was launched.

This year, CPA Update won two awards:

- Merit Award Winner in the Gold Quill Awards 2015
- Bronze Quill Award 2015

The Gold Quill Awards program, run by the International Association of Business Communicators, recognises business communication excellence globally.

COMMUNICATING TO MEMBERS

Alongside CPA Update we utilise numerous other vehicles to communicate with our members and more information on these can be found in the "Access to Knowledge" section of this report.

We do recognise however, that members can receive more communications than they would like from us and in 2016 we will conduct a review to ensure a cohesive communications approach across all of CPA Australia, for the benefit of our members. To support this we encourage all members to update their membership profile and communication preferences.

CUSTOMER PRIVACY

Our members and customers share significant personal data with us and we are committed to ensuring the privacy of this data. We have a privacy policy and information security framework and all staff receive training on their obligations, including through our eComply training program. Our privacy officer is responsible for investigating any external complaints concerning privacy, and we encourage our staff to report any areas where

there may be a potential for data loss so that we can continuously improve our processes.

In 2015, we had no complaints on customer privacy from the regulators. We received five complaints from outside parties which on investigation were substantiated. In each case nonsensitive information, such as an email address, was disclosed and internal processes were reviewed and changes implemented to improve customer privacy. There were no other identified leaks, thefts or losses of customer data.

GIVING BACK

Many of our members donate their time and skills to benefit others through both their own community involvement and CPA Australia initiatives including our partnership with Pro Bono Australia, Mentor the Treasurer and the community events run by our member groups.

A key community activity for CPA Australia this year was our gold sponsorship of the Daniher's Drive initiative to help raise awareness and research funds for a cure for MND. The CPA Australia logo was displayed on all starting cars and Victoria Divisional President Terry Brooks FCPA, former Victoria Divisional President Professor Brendan O'Connell FCPA and General Manager Victoria Jon Aloni FCPA got behind the wheels of two CPA Australia cars participating in the drive.

In 2015, in conjunction with the Singapore Accountancy Commission, we launched Pro Bono Accountancy Singapore which aims to reach out to accountants and finance professionals in Singapore who are looking to use their professional accounting skills to support the charities that need them most.



50 YEARS OF CREATING VALUE IN THE NORTHERN TERRITORY

Formed in May 1965, the Northern Territory branch celebrated its 50 year anniversary with the launch of an exhibition in the Northern Territory Library and a Parliamentary reception for members, hosted by the Chief Minister. Member stories and profiles were collected and archived as a time capsule that will enable reflection on the changes to the profession for the next significant anniversary.



MARY ADDISON HAMILTON, FIRST FEMALE MEMBER

100 YEARS OF FEMALE MEMBERSHIP

..... 1915

MARY ADDISON HAMILTON
first female full member

..... 1986

11% FEMALE
members

..... 2004

37% FEMALE
members

..... 2015

47% FEMALE
members

2015 marked the centenary of the first female admitted to membership of what is today CPA Australia. Mary Addison 'Addie' Hamilton was the first woman to become a member of a recognised accounting body in both Australia and also the British Empire.

Addie studied at Stott's Business College in Perth, completing the Fremantle Chamber of Commerce bookkeeping examinations in 1908. Achieving the highest result in Western Australia, Addie was awarded a gold medal. The West Australian newspaper reported it as "the first occasion on which a girl had won the medal".

Upon completing further accounting studies and passing the examinations, Addie was admitted as a member of the Institute of Accountants and Auditors of West Australia (IAWA) in 1915. In 1923 the IAWA merged with the Commonwealth Institute of Accountants, now CPA Australia.

Addie was also the first female appointed to a permanent position with the West Australian public service, working as a clerk with the Education Department from 1908 until 1952. At her retirement, Addie was the second ranked officer in the statistics section.

While Addie appears to have been the sole supporter of both herself and her parents from an early age, at a Public Service Federation Conference in 1929, it was declared "that women should stand aside and give their jobs to men. Women, after all, only needed to work to buy new clothes". This was a common view at the time, and Addie's personnel records stated that her position would be reclassified and filled by a man when it became vacant.

One hundred years later, our female membership has grown substantially and now represents 47 per cent of our membership.

Photo from: Reflections: Profiles of 150 women who helped make Western Australia's history, edited by Daphne Popham. Perth, Carroll's, 1978.

ACCESS TO KNOWLEDGE

Being a world-class provider of business, accounting and leadership content for our members, potential members and the broader business community.

2015 PERFORMANCE

— CPA CONGRESS —

> **8200** DELEGATES ACROSS

13 LOCATIONS IN 8 COUNTRIES

> **5.5M**

→ VISITS TO ←
OUR WEBSITE

> **640K**

→ VISITS TO ←
INTHEBLACK.COM

AWARD-WINNING PUBLICATIONS

WON

THE PUBLISH AUSTRALIA DESIGNER OF THE YEAR AWARD

BEST

ASSOCIATION PUBLICATION AND USE OF ILLUSTRATION FROM THE CONTENT MARKETING INSTITUTE

4 PEARL

AWARDS FROM THE CONTENT COUNCIL:

- SILVER
- BEST WEBSITE ◦
 - BEST ASSOCIATION PUBLICATION ◦
- BRONZE
- BEST EVOLUTION OF PRINT TO DIGITAL ◦
 - AND
 - BEST CREATIVE DESIGNER ◦

MANAGEMENT APPROACH

Part of the professionalism that comes with carrying the CPA designation is our members' commitment to lifelong learning. This ensures that their knowledge remains relevant and current in today's competitive market and is integral to maintaining professional standards.

We offer a broad range of CPD options for members to select from including conferences, networking events, face-to-face workshops, self-paced learning, publications and online libraries and communities.

Following a 2015 review by the Australian Skills Quality Authority we were successful in being re-accredited as a registered training organisation. From a business performance perspective, the professional development market continues to be challenging. We continue to invest in the online environment, our library of digital learning courses and a new LMS to address the growing demand of accessing content anytime, anywhere and on any device.

CPA Australia continues to place emphasis on communication and content excellence to meet the needs of our highly diverse audience in a timely way. We do this through our weekly e-newsletter CPA Update, our flagship publication INTHEBLACK and our website cpaaustralia.com.au

We set targets for our performance in this area, monitor KPIs monthly and report on these via our regular management reports to the Board. Further details on our targets, results, and the changes that we have made as a result of our evaluations, can be found in the following sections.

COMMUNICATION CHANNELS

INTHEBLACK is sent to more than 150,000 people each month and its digital version, intheblack.com, includes additional content. In 2015, to extend its reach and build new audiences, a fortnightly digital newsletter was launched. The e-newsletter, launched in October, is sent to more than 140,000 readers every fortnight, with the rates of those opening the email and clicking through to content above industry standards.

Supporting INTHEBLACK, intheblack.com and CPA Update, the CPA Australia website provides professional resources for members at all stages of their working life. This year, recognising our growing Chinese market, we introduced a Chinese language landing page to enable those interested in CPA Australia to better navigate to the content they need.

CONGRESS

CPA Congress is our flagship event and in 2015 was held in Australia, Fiji, Hong Kong SAR, Malaysia, New Zealand, Singapore, and the UK. New this year was the addition of Dubai. In 2015, CPA Congress ran over 40 days in a three month period, attracting more than 8200 delegates. High-profile speakers this year included:

- Nolan Bushnell (USA), founder Atari and Chuck E Cheese, author of *Finding the Next Steve Jobs*
- John Carlin (Spain), author and journalist; author of *Playing the Enemy* and *Knowing Mandela: A Personal Portrait*
- Alex Malley FCPA, chief executive CPA Australia, chief executive CPA Australia Advice
- Andrew Miller (UK), former chief executive, Guardian Media Group
- Professor Paddy Miller (Spain), Professor of Management, IESE Business School Barcelona, author of *Mission Critical Leadership*
- Holly Ransom, chief executive and global strategist, HRE Global

For more information on CPA Congress, visit cpaaustralia.com.au/congress

MEMBER-FOCUSED PROFESSIONAL DEVELOPMENT

Our professional development program offers a wide range of content with a focus on the specific needs of a finance, accounting and business professional. We offer a range of learning options to suit member needs including face-to-face workshops, live and recorded webinars, eLearning, online learning manuals and recorded webinars.

Our new LMS, as well as providing a more stable system for our members, supports a continuing move from printed manuals to digital learning, with an increasing number of members taking up our digital products in 2015.

We also delivered multiple conferences to support members in different industries and stages of their career. These conferences included: Australian Mining and Energy; Technology, Accounting and Finance; Retail Accounting and Finance; Health and Aged Care; Not-for-profit; Management Accounting; Public Practice and Self-Managed Super Fund (SMSF) events.

FINANCIAL PLANNING EDUCATION

Expanded education programs have been designed and delivered for those providing financial advice, these include the Diploma of Financial Planning (meeting the provisions of ASIC RG146) with study units to support providers of advice regarding investments and superannuation, including SMSFs.

Members involved in financial planning are also able to access conferences addressing SMSFs and public practice management as well as a range of professional development workshops, manuals and online learning products.

CPA Australia has also been active in consulting with government as part of the review into lifting the education, ethical and professional standards for financial planners resulting in the release of the Corporations Act Amendment (Professional Standards of Financial Advisers) Bill in December 2015.

SUPPORTING PUBLIC SECTOR DEVELOPMENT AND KNOWLEDGE

In 2015, CPA Australia obtained the exclusive Australian and New Zealand licence to distribute the Chartered Institute of Public Finance and Accountancy (CIPFA) – Financial Management Model. Based in the UK, CIPFA is the only professional accountancy body in the world exclusively dedicated to public finance. The Financial Management Model is a self-improvement diagnostic tool to help public sector organisations measure themselves against best practice and create a clear action plan for improvement. With this partnership, we can now offer our members in public sector organisations an internationally recognised framework which measures strengths and identifies opportunities for efficiency gains in financial management.

PROVIDING
ACCESS → TO
KNOWLEDGE





PUBLIC INTEREST AND THE PROFESSION

CPA Australia actively protects the public interest by:

- Advocating on behalf of our members
- Ensuring all members comply with a professional code of conduct
- Promoting the highest standards for those members who provide accounting services to the public
- Demonstrating thought leadership
- Influencing the broader business and education sectors



MATERIAL ISSUES

Material issues represented in this section include:

- Protecting the public interest – M2
- Representation and advocacy – M6
- Professional standards – M9
- Supporting accounting education – M13



STRATEGIC GOALS

- To be a recognised and respected voice in the global business, accounting and leadership space
- Ensuring the highest standards for all our members



OUTCOMES

- Protection of the public interest
- A stronger accounting profession



VALUE CREATED

- Public confidence
- Consistency, comparability and transparency of financial information that drives better business decisions
- Stable capital markets
- Sustainable businesses

PROTECTING THE PUBLIC INTEREST AND PROFESSIONAL STANDARDS

Changing the future of financial advice in Australia.
Promoting the highest standards for those members who provide
accounting services to the public.
Ensuring that all members comply with a professional code of conduct.



MANAGEMENT APPROACH

Protection of the public interest is core to CPA Australia's strategy. In 2015, to support this goal, we announced the establishment of CPA Australia Advice, a wholly-owned subsidiary of CPA Australia. More information on CPA Australia Advice can be found on the following pages.

All CPA Australia members commit to upholding the reputation of the CPA designation by adhering to the obligations detailed in CPA Australia's Constitution and By-Laws, Code of Professional

Conduct and applicable regulations. CPA Australia has undertaken to act in the public interest and we have an obligation to ensure that complaints about members are investigated thoroughly, in an impartial and timely manner, and at all times striving to preserve the rights of members while acknowledging the concerns of complainants. The rate of complaints against members remains consistently low, with adverse findings disclosed on our website.

Each year, our quality assurance team undertake quality reviews to monitor compliance with professional

and ethical standards, help educate our members about best practice, and check the efficiency of their quality control processes. In 2015, we evolved the program further, enhancing the framework for low risk reviews allowing greater focus on members providing high-risk services such as audit. The 2015 results showed improved compliance with professional standards.

Further details on our results, and the changes we have made as a result of our evaluations, can be found in the following sections.



PROTECTING THE PUBLIC INTEREST

Having witnessed the steady erosion of the community's trust in the financial planning sector in Australia over recent years, CPA Australia's Board determined that we would make a major contribution in the public interest to rebuild confidence by entering the financial advice market in Australia.

On 5 June 2015, at a press conference with ASIC Chairman Greg Medcraft, CPA Australia announced the establishment of CPA Australia Advice Pty Ltd (CPA Australia Advice). CPA Australia Advice is a wholly owned subsidiary of CPA Australia, with the same strong culture of independence, transparency, integrity, compliance and continuous learning as CPA Australia.

CPA Australia Advice will make a significant contribution to rebuilding trust in the financial advice market in Australia. It will also provide support for our current and future members in public practice, in particular those members currently being impacted by the future removal of the accountants' exemption. This will be achieved through a range of licensing solutions to support members advising their clients, built on an ethos of integrity and transparency.

Our commitment will always be to focus on what is right for the client. This means a strong focus on advice and no commissions, no hidden incentives, no asset-based fees, just

pure and transparent fee-for-service.

This also means CPA Australia Advice's operations will be consistent with section 923A of the *Corporations Act 2001* which permits the use of terms like "independent", "impartial" and "unbiased".

Our tailored licensing solutions have been designed to meet the varying needs of members, their public practice and, importantly, their clients. Only members who hold the CPA or FCPA designation and hold either a CPA Public Practice Certificate (CPA PPC) or work as an employee under a CPA PPC holder within a CPA Australia practice are eligible to become authorised under CPA Australia Advice. This requirement ensures all licensed advisers have the same strong education and professional background that is fundamental to providing quality financial advice.

CPA Australia Advice has made significant progress to ensure that it will be fully operational during the second quarter of 2016, providing important licensing pathways for

members before the removal of the exemption on 30 June 2016.

In addition to the appointment of key staff, and the release of licensing solutions, CPA Australia Advice has lodged its application with ASIC for both an Australian Financial Services Licence (AFSL) and an Australian Credit Licence (ACL). We anticipate that both applications will be approved early in 2016.

It is our intention to have the company operational and providing high quality, independent and transparent financial advice to Australian consumers in 2016. Quality financial advice has the potential to make a real difference to a person's well-being and quality of life, particularly in retirement. It's equally true that the community's trust in financial advice has been undermined in recent years.

The establishment of CPA Australia Advice is our commitment to rebuilding the community's trust and confidence in seeking the highest quality financial advice.

EXPANDED PUBLIC PRACTICE RESOURCES

INPRACTICE magazine, examining contemporary accounting practice issues and challenges, moved to being published twice yearly. The magazine focuses on in-depth reporting of topics such as environmental issues, latest regulatory news, changes in professional standards and regulation, the impact of technology, benchmarking and competition. It also covers technical topics including financial planning, tax, audit, superannuation, findings from the Quality Review Program and ethical issues.

INPRACTICE has an audience of more than 22,000 readers and is mailed to all Australian and New Zealand members working in public practice and distributed at major public practice events in Australia and overseas.

In collaboration with the Australian Taxation Office (ATO), we also delivered a series of activities including face-to-face presentations, webinars, live chats and podcasts on the future of the tax profession focusing on the impact of technology, changing client expectations and transformation processes.

In late 2015, following the introduction of the Accounting Infrastructure Reform Bill in New Zealand, CPA Australia also launched a new licensing framework for members wishing to perform accounting-related statutory roles and most statutory audits that were previously restricted.

The public practice toolkit was further expanded with new content and enhanced navigation introduced. This included updated messages on the firm of the future and examination of the key challenges and opportunities for members. To further support our members in public practice we also undertook research into client needs, which will be further expanded on in 2016.



VINCENT LAM FCPA, CHAIRMAN AND CHIEF EXECUTIVE OFFICER ASIARAY MEDIA GROUP

Vincent Lam is a proud and active Hong Kong and Macau member. His publicly-listed company, Asiaray Media Group, specialises in out-of-home media and is the biggest airport and second biggest metro advertising operator in China.

Educated at two Australian universities, Vincent recognises the value of CPA Australia, and his membership means a lot to him. "CPA Australia enjoys a very high standing in Asia thanks to the many Australian university graduates in the region".

Having done business in China for well over 20 years, Vincent has witnessed its changes and kept pace. He explains that it is "not common

to find a businessman with an accounting background, especially in an emerging market like China, where professionalism is very sought after. Recognition by CPA Australia, as a long-standing professional body, gives investors the confidence of a certain degree of corporate governance".

He is known for being a creative thinker, which is essential in China's fast moving market. When distributing his business card, which includes his FCPA designation, he says "some people are astonished to see an FCPA being a founder of something they regard to require a high degree of local intelligence".

DEFENDING THE INTEGRITY OF THE CPA AUSTRALIA DESIGNATION AND THE PROFESSION

In 2015, we acted to defend the integrity and value of the CPA Australia designation and the accounting profession by taking a competitor to the New Zealand High Court.

We considered that our competitor overstepped the appropriate boundaries of rivalry in its statements and advertisements. The Judge found that we made out elements of actionable defamation and that aspects of some material published by our competitor were misleading. As a corporate plaintiff, CPA Australia was unable to establish pecuniary loss.

The court action was a last resort, taken only after all attempts to resolve the matter outside the proceedings had been exhausted. The Judge found that CPA Australia was justified in not accepting its competitor's settlement offer as the proposed statement did not acknowledge the defamatory statements or conduct in breach of the *Fair Trading Act 1986 (NZ)*. We will always move decisively to defend the integrity of the CPA designation and our members.

We thank the numerous members who provided positive support throughout this case.

REPRESENTATION AND ADVOCACY

Advocating on behalf of our members and the public interest.

2015 PERFORMANCE

56 OPINION ARTICLES IN 5 COUNTRIES

- THE AUSTRALIAN, 18 FEBRUARY 2015
- IT'S TIME TO HAVE AN INFORMED GST DEBATE
- THE AUSTRALIAN, 26 MARCH 2015
- DITHERING OVER BEIJING LENDER SHOWS OUR LACK OF VISION
- NEW ZEALAND HERALD, 11 MAY 2015
- CHINA BUSINESS: TAKING IT TO THE NEXT LEVEL
- THE ACCOUNTANT, 26 MAY 2015
- FINANCIAL REPORTING – WHEN MORE IS LESS?
- THE WEEKLY TIMES, 16 SEPTEMBER 2015
- TAX REFORM WILL HELP AG SECTOR REACH ITS POTENTIAL
- NEW STRAITS TIMES (MALAYSIA), 7 OCTOBER 2015
- MALAYSIA HAS MUCH TO GAIN FROM TPP
- HUFFINGTON POST AUSTRALIA, 22 OCTOBER 2015
- COMPLACENCY ON INNOVATION IS NOT AN OPTION
- THE NATIONAL BUSINESS REVIEW (NZ), 18 NOVEMBER 2015
- PARADIGM SHIFT IN NZ AUDITOR REPORTING
- SYDNEY MORNING HERALD, 23 NOVEMBER 2015
- EVERYBODY WANTS TO PAY LESS TAX AND THERE'S NOTHING WRONG WITH THAT

WINNING 2015
 ≡ ARA ≡
AWARD
 for integrated reporting

NATIONAL
TAXATION
 REFORM
 ← informing the debate →

MANAGEMENT APPROACH

CPA Australia and its members influence major issues, policies and regulations that impact the markets in which our members work.

We achieve this by investing in our strong and enduring relationships with policymakers, regulators and the wider business community.

Our advocacy involves meeting with government ministers, representing the organisation at an international level, making submissions, releasing policy documents, and giving evidence to committees or participating in industry, government and academic working parties.

As a result, our advice is sought on issues relevant to the profession.

We engage with our members through our Centres of Excellence (page 64), member discussion groups and our consultation and research activities to inform our positions.

We are aware that representing the broad spectrum of our members and protecting the public interest can lead to conflicting views on the positions that we take, and that our policy positions and advocacy may not be supported by all stakeholders.

Further details on our targets, results, and the changes we have made as a result of our evaluations, can be found in the following sections.

STEERING DISCUSSION ON TAX AND ECONOMIC REFORM

CPA Australia made a significant contribution to Australia's taxation reform debate through the commissioning of comprehensive research on the impacts of goods and services tax (GST) reform and tax simplification. Released in February, our research examined four different scenarios of changes to the base and rate of the GST at 10 and 15 per cent, with each generating additional GST revenue ranging from \$12.1 billion to \$42.9 billion in the first year of introduction.

It highlighted the abolition of a range of inefficient taxes, and demonstrated a comprehensive picture of how changes to the GST would impact households and the broader economy. Social impacts upon taxation, such as the ageing population shifting into retirement were also taken into account.

In response to the Australian Government's *Re:think* discussion paper, we created a 10-point plan for tax reform, *Tax Reform in Australia – The Facts*. We engaged with Treasury and government officials, state and federal, and produced opinion editorials to inform and engage the public. This research and our commentary was referenced and discussed by political leaders, business leaders and other significant public commentators throughout 2015. Our thought leadership published around the debate included front page coverage in *The Australian* newspaper, with continued coverage throughout the year.

We conducted our ongoing small business survey, an extensive report of about 3000 small business operators in Australia, Hong Kong SAR, China, Indonesia, Malaysia, New Zealand, Singapore and Vietnam. The results showed that Australian small businesses lag well behind their Asia-Pacific competitors when it comes to innovation, e-commerce and social media, further supporting our ongoing advocacy around innovation and diversification of the economy in order to drive growth and job creation.

STRENGTHENING CPA AUSTRALIA'S MEDIA PRESENCE

In 2015, CPA Australia remained a central media commenter on key policy areas in business, the economy, politics and the community. CPA Australia opinion articles ran in multiple publications across print and digital media channels in Australia, Hong Kong SAR, Malaysia, New Zealand, and elsewhere.

Topics covered included: taxation reform, the China-Australia Free Trade Agreement, Trans-Pacific Partnership, crowd-source equity funding, superannuation tax concessions, innovation, professional and ethical standards for financial planners, reporting issues, audit and insolvency, and the implementation of the Malaysian GST.

We also had a very strong presence on television and radio including ABC TV's *7.30*, *ABC News Breakfast*, Nine Network's *Today Show*, CNBC and Bloomberg.

GOVERNMENT, REGULATOR AND INDUSTRY RELATIONS AND REPRESENTATION

During 2015, CPA Australia considered 140 submissions to government, global regulators, standard-setters and government agencies. We contributed to industry bodies, participated in round table discussions and held face-to-face meetings with ministers and government agencies.

Our chief executive presented at key industry events, including a keynote address at the prestigious ASIC Forum dinner in March.

The event was attended by more than 500 people including leaders from business, government and the media. This was a significant function and again highlighted CPA Australia as a key player in debates on regulatory reform, globalisation and Australia's competitiveness.

CPA Australia also joined Austrade and the Australian Chamber of Commerce and Industry to become a co-presenting partner at the 53rd Australian Export Awards. The annual awards program recognises the achievements of businesses that have contributed to Australia's international reputation as a source of innovative, high-quality products and services. This strongly reflects CPA Australia's own position, with our global membership of more than 155,000 members in 118 countries.



SUPPORTING FINANCIAL LITERACY IN ASIA

In 2015, CPA Australia supported financial literacy by partnering with Credit Union Foundation Australia (CUFA) to launch an educational app to improve the financial literacy of children in Cambodia. The app teaches children about smart saving

and spending and the importance of setting financial goals. The app is preloaded onto tablets for delivery directly to the participating schools, with many of the children having never seen a tablet, let alone had the opportunity to play with one before.



SUPPORTING ACCOUNTING EDUCATION

Building long term, mutually rewarding relationships with academics and universities.



MANAGEMENT APPROACH

CPA Australia supports a range of education forums in order to support the sector. We are a platinum sponsor of the Accounting and Finance Association of Australia and New Zealand which represents the interests of accounting and finance academics in education and research, and we are the founding sponsor of the Centre for International Governance and Performance, whose purpose is to inform the world on contemporary governance issues and to maximise the impact of its research. We also fund the Chairs of Accounting and Finance Forum, a platform to address the challenges faced by heads of schools of accounting and finance in Australia and New Zealand.

Our work in this area includes submissions to government and advocacy around changes to higher

education and skilled migration policy. In 2015, this included input into higher education reforms, the Australian Government's Draft National Strategy for International Education and review of the skilled occupation list.

By actively supporting accounting education, we have access to our vital student market and can more effectively position CPA Australia as a thought leader in accounting education, as well as the profession.

We continue to evaluate our activities and to look for further measures and targets for 2016 as much of our output in this area is qualitative in nature and difficult to measure.

GLOBAL RESEARCH PERSPECTIVES PROGRAM

CPA Australia supports bold and innovative research through our annual Global Research Perspectives Program (GRPP). The GRPP provides

grants for research into issues such as sustainability and business reporting, accounting education, tax systems and reform to provide useful outcomes for our members.

Outcomes of past research include:

- Sustainability and Capital Investment Case Studies, RMIT University. This research examines capital investment decision-making and integrated thinking
- Investigation into the role of educators, employers and the accounting profession in providing opportunities for Indigenous Australians to enter the field of accounting, Deakin University. This study considered the key barriers that have resulted in the virtual exclusion of Aboriginal and Torres Strait Islander peoples from the Australian accounting profession

- A co-funded study by CPA Australia, Safe Work Australia and the Safety Institute of Australia, which examined the role of accounting in work health and safety (WHS)

We are now also extending the output from these research activities by providing additional knowledge resources drawn from the research on our website, making the results more widely available for our members and the public.

In 2015 we funded a further five research projects.

For more information on research outcomes visit:

cpaaustralia.com.au/research-outcomes

HELPING MORE INDIGENOUS AUSTRALIANS MAKE THEIR WAY INTO THE PROFESSION

Through our Indigenous Accountants Australia project, a joint initiative between CPA Australia and the other professional accounting bodies in Australia, we've continued to encourage more Aboriginal and Torres Strait Islander people to pursue careers in accounting. This initiative brings significant benefits to Indigenous communities, local businesses and the broader economy by addressing the under-representation of Indigenous Australians in the accounting profession. To do this we engage with students and staff at universities, graduates, employers, Indigenous accountants and communities.

A significant milestone was reached during the course of the year with the 31st Indigenous accountant achieving a professional accounting designation. While this number is low relative to the number of professional accountants in Australia, it is three times the number we could count at project inception, and we are proud to note that more than half of those with a professional accounting designation are CPAs. There are currently 15 Indigenous candidates undertaking the CPA Program and we continue to offer ATSI scholarships, with five being awarded in 2015.

In September, Deakin Business School's inaugural Indigenous Accounting and Business conference was held, and CPA Australia was a platinum sponsor. This event brought together



SUPPORTING ACCOUNTING DEVELOPMENT IN MALAYSIA

Recognising the demanding requirements of an increasingly competitive and globalised marketplace, the Malaysian government's TalentCorp initiative seeks to meet the talent needs of Malaysia's Economic Transformation Programme. Part of this is the drive for 60,000 qualified accountants by 2020.

In 2015, CPA Australia exchanged a Letter of Intent with University Teknologi MARA (UiTM) and a Memorandum of Understanding with TalentCorp to support this goal. UiTM will support 300 of its accounting undergraduates to pursue their professional qualifications with CPA Australia, with TalentCorp providing the funding for them to begin their professional qualification journey.

These two partnerships provide a head start for accounting students to gain a globally recognised professional certification.

Indigenous accountants, students, employers, educators and other representatives from the profession.

For more information visit cpaaustralia.com.au/iaa

SUPPORTING THE PROFESSION IN THE ASIA-PACIFIC REGION

In 2015, we deepened our connections by signing agreements with universities, corporations, government bodies and other professional accounting bodies in China, Indonesia, Papua New Guinea, Samoa, Singapore, Solomon Islands, Taiwan and Vietnam.

Our executive general manager, education was also appointed a business ambassador by the Minister for Foreign Affairs for the New Colombo Plan. The plan offers Australian undergraduates opportunities for scholarships and grants for study and internships in the Indo-Pacific region.



CHRISTIAN LUGNAN FCPA

Indigenous accountant Christian Lugnan says that "with an accounting education you have the opportunity to call the shots in your career and make real change in the community".

A Gumbaynggirr man from the Coffs Harbour region, Christian has a Bachelor of Business alongside his CPA certification, and appreciates that this has given him the ability to help Indigenous Australians have a real conversation about money.

As a regional manager for the Office of the Registrar of Indigenous Corporations, he observes that "if you have the knowledge, people sit up and listen". These conversations are key to his role providing advice and training about governance, compliance and financial viability to Aboriginal and Torres Strait Islander corporations in regional and rural areas.

Christian is also an advisory committee member of Indigenous Accountants Australia. "I only knew of a small number of qualified Aboriginal and Torres Strait Islander accountants for many years, becoming a committee member was an opportunity to make a real difference with like-minded people," says Christian.

At Deakin University's Indigenous Accounting and Business Conference in September, Christian presented on the importance of corporate governance in Aboriginal organisations and also shared his personal story.



HOW WE DO BUSINESS

CPA Australia recognises that the way in which we go about our business is just as important as the results that we achieve. We endeavour to have the right structures and policies in place to support and develop our people, manage our impact on the environment and our supply chain, and ensure that appropriate governance is in place.



MATERIAL ISSUES

Material issues represented in this section include:

- Our people – M12
- Governance – M10, M14
- Our supply chain (GRI Standard Disclosure)



STRATEGIC GOALS

- A high performance organisation that has the people, resources and skills base to deliver on our broader objectives



OUTCOMES

- A sustainable organisation



VALUE CREATED

- Public confidence
- Consistency, comparability and transparency of financial information that drives better business decisions
- Stable capital markets
- Sustainable businesses

OUR PEOPLE

A stable, capable and skilled workforce with a flexible and creative approach focused on continuous improvement, ensuring that CPA Australia remains a high performance organisation.



MANAGEMENT APPROACH

We recognise that a stable, skilled and capable workforce is crucial to delivering on our goals. We are committed to creating a positive culture, improving our people's skills and ensuring that we develop the capability of the markets in which we operate by recruiting locally and then offering extensive induction and training.

In acknowledgement of the strong culture CPA Australia has developed over the years we have been working with our people to better articulate the organisation's values. As a result of this consultation and staff engagement, we have settled on five value

statements that we believe embody what CPA Australia stands for and who our people are:

"People are at the heart of what we do, service is personal, we are bold and curious, we are passionate about success and we always act with integrity"

We have formal policies in place for people matters including recruitment, conditions of employment, termination and counselling, remuneration and benefits, performance management and development, personnel administration and work health and safety.

While many of the people metrics we have previously reported on under the GRI guidelines are no longer included

in this report due to their lower materiality, we continue to measure and report on these areas through our monthly integrated report to the Board and our reporting under the *Workplace Gender Equality Act 2012*. We have a commitment to ensuring effective equal opportunities are available in the workplace with policies that cover issues such as equal opportunity in employment, discrimination, harassment, victimisation and bullying in the workplace, complaint and grievance processes. Details on our performance in this area can be found on cpaaustralia.com.au/about-us/our-organisation.

	2015			2014		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Australia	64%	36%	80%	62%	38%	80%
China	82%	18%	9%	83%	17%	8%
Malaysia	86%	14%	4%	88%	12%	5%
Singapore	69%	31%	3%	69%	31%	3%
Other	67%	33%	4%	70%	30%	4%
Total	69%	31%	100%	69%	31%	100%

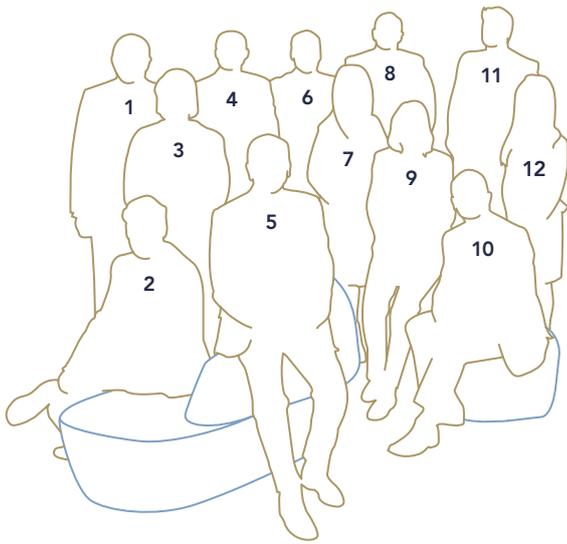
	2015			2014		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Full time	63%	37%	85%	62%	38%	84%
Part time	94%	6%	9%	92%	8%	10%
Casual	56%	44%	4%	56%	44%	3%
Maternity / paternity leave	100%	0%	2%	100%	0%	3%

	FEMALE		MALE		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
Employees – permanent	303	67%	148	33%	451	76%
Employees – fixed term	22	67%	11	33%	33	6%
Employees – casual	10	56%	8	44%	18	3%
Employee – total	335	67%	167	33%	502	85%
Supervised – total	29	33%	59	67%	88	15%
Total	364	62%	226	38%	590	100%

* Figures in tables are rounded and may not equal 100 per cent.



**BUSINESS
EFFECTIVENESS
LEADERSHIP TEAM**



- 1. Rob Thomason 2. Craig Laughton 3. Erin Wood
 - 4. Jeff Hughes FCPA 5. Alex Malley FCPA 6. Adam Awty CPA
 - 7. Jillian Bowen 8. Nicholas Diss CPA 9. Cathy Bibby
 - 10. Murray Chenery 11. Stuart Dignam 12. Deborah Leung FCPA
- Absent: Liz Malady

LEADERSHIP

The Board of Directors is the principal governing body of CPA Australia and is responsible for overall governance and strategic direction.

The chief executive, who is appointed by the Board, is responsible for the management of CPA Australia and implementation of the organisation’s strategy. He is responsible for ensuring that the Board is provided with the relevant strategic options, policy and financial issues on which to deliberate, and with the necessary administrative support to enable the Board to work effectively. The chief executive is the key media spokesperson for the organisation on leadership, advocacy and public policy positions.

The chief executive is accountable for ensuring regular reporting occurs to the Board in relation to disclosures around overall performance, including disclosures of GRI G4 indicators and other agreed KPIs.

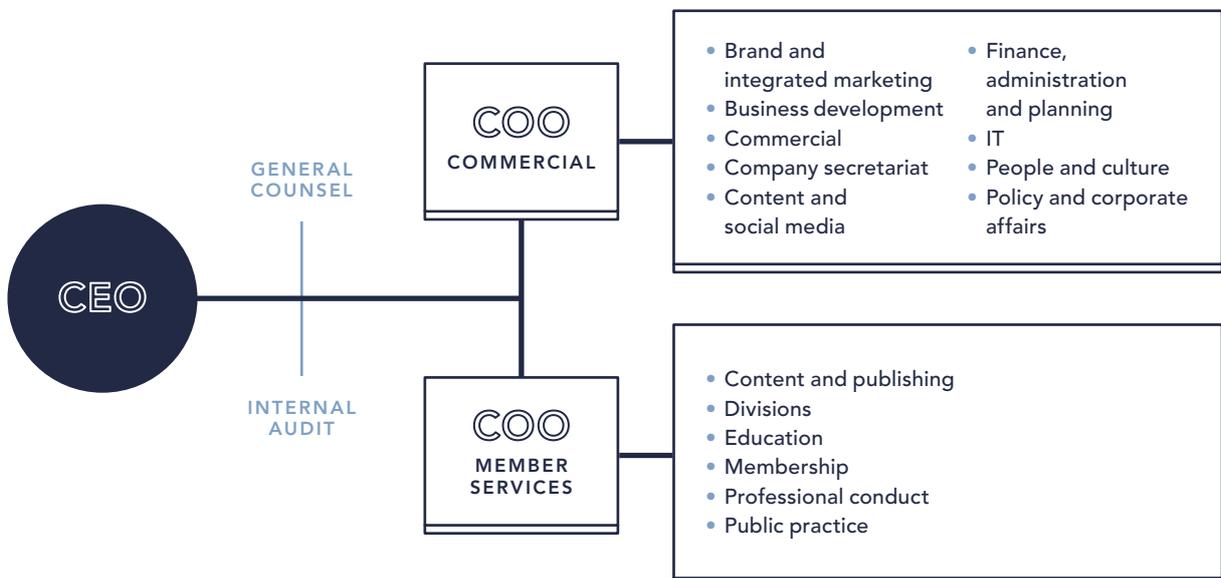
To support the chief executive in the day-to-day management of the business there are two chief operating officers (COOs). The COOs are accountable to the chief executive for ensuring appropriate management and direction of the material issues that fall under their areas of responsibility as shown in the diagram below. Additional support is provided by the chief auditor and general counsel to assist the chief executive in appropriately identifying and managing the risks of the organisation.

The Business Effectiveness Leadership Team further strengthens accountability and communication across the business. This team draws upon expertise from across the business and is tasked with driving business performance and collaboration on the issues that are central to the organisation’s success.

With the establishment of CPA Australia Advice the Board has appointed the chief executive and COOs to the same roles in that entity, to ensure consistency of culture and performance across both organisations.

Figure 3 shows the organisational structure put in place to support achievement of our goals.

Figure 3: Organisational structure



OUR PEOPLE

Figure 4 below shows the percentage of our people employed to support each of our strategic themes. As our competitive environment and priorities change we actively take steps to realign resources to ensure our people are effective in supporting our strategic goals.

Our major resourcing is in the following areas:

- Brand, broadening the audience and securing the next generation of talent – which covers our people responsible for business development, brand and integrated marketing
- Member engagement and service – which covers those employed to support and assist our members across all 22 offices in 10 countries
- A stable, capable and skilled organisation – which covers our people employed in corporate support roles including finance, people and culture, planning and technology
- Certification and the CPA Program – this is a key area of our business, however the nature of how we are structured in this area means our major costs are in our supply chain not our people

CPA Australia's global presence gives us a diverse workforce of just over 500 employees (full time, part time and casual), with a wide range of nationalities, age groups, backgrounds and skills that bring broad perspectives and enrich the workplace.

We aim to be as efficient as possible, while still providing a balanced work place that delivers quality products and services, and our employees support a membership of more than 155,000. Close to 100 of our people are located outside of Australia and New Zealand, supporting our growing global membership, and ensuring the diversity of our staff reflects the diversity of our membership.

Our flexible work policy is open to all our employees, with 9 per cent of staff working part time. We also support employees through transition arrangements for those who are considering retirement or are made redundant and we provide counselling and outplacement services to employees who are made redundant.

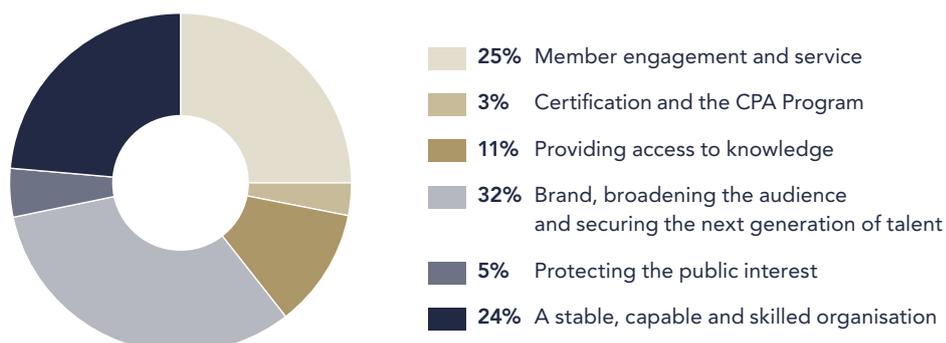
CPA Australia is a performance-based workplace where employment, promotion and remuneration are based on meeting the required skill sets and KPIs.

As a service and knowledge-based organisation, we recognise that the training and development of our employees is vital to our ability to create value. To ensure this we have the following activities in place:

- A formal performance review and development process for all our employees
- A new internal leadership model 'Be Your Best'
- A professional development offer designed to build the capability of employees, with development in 2015 focused on service excellence and business development
- Induction into the organisation, including MyBusiness training, to ensure that our people have a comprehensive knowledge of our products and services to better serve our members and potential members
- eComply – a program to help employees understand regulations that relate to privacy, occupational health and safety, equal opportunity employment, dealing with credit card data and competition and consumer laws (refer page 54)

Due to the nature of our business, none of our staff are employed under a collective bargaining agreement.

Figure 4: Full time equivalent (FTE) by strategic theme



OUR SUPPLY CHAIN

Mutually rewarding and sustainable relationships with our supplier partners.

As part of our commitment to integrated reporting and broader sustainability issues, we are committed to developing and maintaining effective and mutually successful relationships with our supply chain partners.

Whilst not a significantly material issue as identified during our materiality process, we report on our supply chain to provide a fuller picture of our expenditure to members and to meet GRI reporting requirements.

Sustainability considerations that are factored into our tender evaluation process include: sustainable supply risk, ethical sourcing risk, reputational risk, labour standards within our suppliers' networks, local supply, diversity, waste management and carbon footprint impact.

Our major suppliers have significant local operations in Australia with whom we deal on a day-to-day basis to ensure consistency of service and delivery. There have been no significant changes in our supply chain in 2015.

In 2015, our direct supply chain expenditure was more than \$83 million across a supply base of about 1600 suppliers.

Our top 11 suppliers are responsible for approximately 50 per cent of our total supply chain expenditure, primarily for the delivery of services associated with the CPA Program.

The majority of CPA Australia's suppliers are for professional development events (speakers and presenters) and our spend with many of them is relatively small, with approximately 1000 suppliers having an annual expenditure of less than \$5000.

We have extended our analysis of our supply chain to include CPA Australia's top 12 suppliers in terms of expenditure. Conducted by an independent consultant, analysis included a review of publically available information, supplier surveys and a limited number of one-on-one interviews. Through this analysis the following information was collated:

- Nature of products / services supplied, spend and location
- Contractual terms and tender evaluation results
- Economic, environmental, social and governance issues

The review of the relevant information for six of the top 12 suppliers is complete and there is considered to be no material risk to CPA Australia from doing business with them.

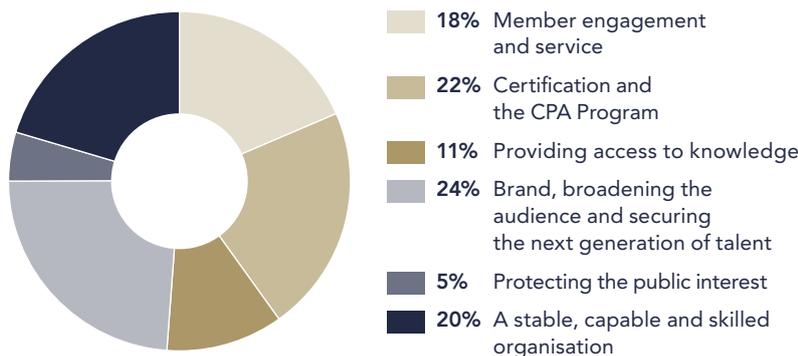
Information for the remaining six suppliers is incomplete at the time of reporting, although no material risk has been identified so far.

We will continue with this analysis in 2016 to allow us to more fully report on the impacts of our supply chain. The nature and size of our business means that we will not be able to fully estimate impacts across our entire supply chain as the cost of collecting this information does not represent an appropriate use of member funds given the low level of risk in our supply chain.

Figure 5 shows total supply chain expenditure across our strategic themes. Our major spend is in the following areas:

- Brand, broadening the audience and securing the next generation of talent – which covers media buying, brand development, marketing communications and advertising
- Certification and the CPA Program – where a large proportion of the services necessary for the design, development and delivery of the CPA Program are provided by our strategic supply partners (page 27)
- A stable, capable and skilled organisation – which covers corporate support such as audit, IT and research services among others
- Member engagement and service – including our member facilities and offices and member events

Figure 5: Direct supply chain spend by strategic theme



GOVERNANCE

An independent Board and active membership that is representative of the diversity and talent of our members.

2015 PERFORMANCE

	TOTAL	TOTAL COMPLETED	% COMPLETED
Board	12	12	100%
Management level staff**	32	32	100%
Non-management staff	466	466	100%

	TOTAL		FEMALE		MALE	
	Number	%	Number	%	Number	%
Under 30	0	0%	0	0%	0	0%
30 – 50	4	33%	1	8%	3	25%
Over 50	8	67%	3	25%	5	42%
Total	12	100%	4	33%	8	67%

MANAGEMENT APPROACH

The Board of Directors is the governing body of CPA Australia and we have in place clear direction, responsibility and accountability for Directors and executives managing the organisation.

The Board independently and objectively assesses the organisation's decisions, and oversees the performance and activities of management. The Board is responsible for a number of decisions including:

- Setting and approving the organisation's strategy, direction and objectives
- Appointing the President and Deputy-Presidents

- Approving financial statements
- Evaluating the chief executive's performance
- Making and amending By-Laws and other regulations
- Overseeing our integrated reporting (which includes our sustainability reporting) and its assurance

The Board is appointed by the Representative Council. CPA Australia also has specific councils and committees that offer members an opportunity to support the organisation and represent members from their location or industry sector. CPA Australia is a leading advocate of sound corporate governance and we are committed to best practice in this area. We are a member of the Australian

Stock Exchange Corporate Governance Council (ASXCGC) that developed the Corporate Governance Principles and Recommendations (CGPR).

We follow the 3rd edition of the CGPR as far as they are relevant to a membership organisation. As an unlisted company limited by guarantee, CPA Australia is not required to report against the CGPR. However, we use the CGPR as a guide to best practice, and as part of our commitment to preserving stakeholder confidence. Our full corporate governance statements can be found online at cpaaustralia.com.au/corporategovernance

A diagram of the governance structure in place at year end is shown on page 57.

* Figures in tables are rounded and may not equal 100 per cent.

** Management level includes general managers and above.

Table 12: Board skills matrix
as at 31 December 2015
(Number of Directors with
skills and experience)

	BOARD OF DIRECTORS	AUDIT AND RISK	FINANCE	NOMINATION AND REMUNERATION
SKILLS AND EXPERIENCE				
Financial / commercial acumen	12	5	5	5
Leadership	12	5	5	5
Public relations / media	5	2	1	2
Marketing / communications	4	2	1	2
Human resources	7	4	4	1
Regional (Asia-Pacific)	9	5	3	4
Legal / regulatory	7	4	3	3
Organisational management	11	5	5	4
Risk management	10	5	4	4
Strategy	12	5	5	5
IT / technology	6	2	3	2
Stakeholder management	11	5	4	5
Sustainability (economic, environmental and social impacts)	9	4	4	3
Corporate governance	12	5	5	5
INDUSTRY / ROLE EXPERIENCE				
Academia	3	0	1	3
ASX100 / large corporate	6	4	2	1
Board Chair	8	3	2	5
Board Director	12	5	5	5
Audit committee (or similar)	12	5	5	5
Large accounting firm	4	2	1	2
Public sector / not-for-profit	11	5	4	5
Senior management	12	5	5	5
Small accounting firm / practitioner	3	1	1	1
SME	8	3	2	4

BOARD SKILLS MIX AND DIVERSITY

The Nomination and Remuneration Committee recommends to the Board the skills and competencies required on the Board, and assesses the extent to which those skills are represented on the Board. The Nomination and Remuneration Committee regularly considers diversity issues and manages the diversity of the Board and its committees. The Board recommends that a minimum of 25 per cent of Directors on the Board should be female, which is reflected in the current composition. The diversity of the current Board is shown in Table 11, on page 54 with the skills represented on the Board and its committees in Table 12, on page 55.

MANAGEMENT APPROACH TO RISK

Risk management is core to CPA Australia's governance arrangements. We have a risk management framework, risk policy and risk management program, which include formal processes to update the Board through the Audit and Risk Committee. This framework, policy and management program is used throughout the organisation. The goal of our risk management processes and structures is to maximise opportunities to achieve our objectives and goals without exposing the organisation to unnecessary risk.

The Board discusses strategic and major operational risks as part of its regular meeting agenda. The organisation's risk profile, including identification and treatment of risks and mitigating controls, is reviewed annually before being approved by the Board. Senior management monitors our risk profile and reports any risks to the Board via the Audit and Risk Committee.

As part of our approach to risk and ongoing planning, trends in our operating environment are regularly reviewed. Risk assessment is part of our operational planning and covers our strategic, governance, people, sustainability, operational, financial and compliance risks.

Our key strategic risks and opportunities and our response to them can be found on pages 22-23.

ZERO TOLERANCE FOR FRAUD AND CORRUPTION

CPA Australia has zero tolerance for any form of fraud and corruption.

We strive to prevent all forms of international corruption as outlined in the *Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999*, or the equivalent laws of any country in which we operate. The Board and management have interpreted the GRI Guidelines on corruption as referring to abuse of power, legal and moral wrongdoing, and employees' dealings with external stakeholders for the purpose of gaining an advantage for the organisation or the individual.

Our risk management approach also provides a system of internal controls across the three lines of defence (front line management, risk management and compliance, internal audit) to ensure we minimise the risk of fraud and corruption, and includes:

- The CPA Australia Code of Conduct
- The rigour of our systems and processes
- Yearly online compliance training for staff and the Board (completion rates can be found in Table 10 on page 54)
- Annual internal controls questionnaire for executive managers, as part of the annual financial statements
- Regular internal audits

The nature of our business means we are not able to report on completion rates for compliance training across our business partners, as this would include all our suppliers, members, government, regulators and so on. Our members are required to abide by a code of conduct and ethical training is provided as part of both the CPA Program and our CPD offering. We also assess ethical and reputational risks as part of our procurement process. As such, our risks in this area are considered low, and the costs and time required to be able to report fully on this data would not be a meaningful investment of resources.

Anti-corruption practices are governed by the CPA Australia Code of Conduct, which prohibits conflicts of interest, gifts and gratuities, and requires all employees and volunteers to ensure

that their behaviour is in compliance with all laws and regulations relevant to the legal jurisdictions in which we operate.

The Code of Conduct applies to all Directors, employees and volunteers. All employees are encouraged to report any breaches of the Code. All Directors receive training on the Code at their induction and when substantial changes are made thereafter. Employees are assessed on their adherence to the Code of Conduct as part of their performance reviews.

All CPA Australia personnel have a responsibility to report improper conduct, as defined by the Code, in accordance with the CPA Australia Whistleblower Policy, which is reviewed by the Board every two years.

Fraud and corruption risk is analysed at a corporate level through our annual risk assessment process, which covers all business units.

Key risks related to fraud and corruption include:

- Electronic fraud
- Financial misconduct
- Risks related to requests for facilitation payments in overseas markets
- Risks related to theft of intellectual property

The internal auditor regularly reviews, on a rotational basis, key areas of the business where fraud and corruption is more likely to occur and we have in place strong controls to manage these risks. Management developed a Fraud and Corruption Policy which was adopted by the Board in December 2010, revised in 2013 and is due for further revision in 2016. The policy reflects international regulations and covers how issues of fraud will be addressed, managed and reported.

There were no incidents reported in 2011, 2012, 2013 or 2015. In 2014, there was one reported incident of alleged minor financial misconduct related to credit card misuse.

The matter was investigated and dealt with in line with CPA Australia policy, and governance and senior management informed.



THE BOARD

REPRESENTATIVE COUNCIL

BOARD COMMITTEES

- Audit and Risk
- Finance
- Nomination and Remuneration

ADVISORY COMMITTEES

- Professional Qualifications
- Public Practice
- Quality Review

MEMBER COMPLIANCE COMMITTEES

- Disciplinary Panel



**BOARD OF
DIRECTORS**



BOARD OF DIRECTORS

GRAEME WADE FCPA

President and Chairman of the Board
BBus (Acc), Dip FP, FAICD

Graeme Wade has operated at partner level in public practice for more than 25 years. He holds a number of non-executive directorships including his role as Chairman of the National Basketball League. He has consulted widely across private sector, specialising in mergers and acquisitions and the agribusiness sector. Graeme has also been contracted continuously for 20 years by the Commonwealth Government as an adviser.

Graeme has served on the Victorian Divisional Council and was President of that division. He was appointed a Board Director in 2006 and was Deputy President (2011–2014) before being elected President in 2014.

He is a past Chair of the Audit and Risk and Finance Committees.

Graeme is also Chairman of the Board of CPA Australia Advice.

TYRONE CARLIN FCPA

Deputy President
BCom, LLB (Hons), LLM,
MCom (Hons), PhD

Professor Tyrone Carlin is Deputy Vice Chancellor (Registrar) of the University of Sydney. Prior to this appointment, he served in a number of senior leadership positions within the Australian higher education sector.

Tyrone was appointed a Board Director in 2011 and is currently the Chair of the Finance Committee and also sits on the Nomination and Remuneration Committee. Tyrone previously chaired the Nomination and Remuneration Committee (2013–2014), was a New South Wales Divisional Councillor, and a member of the Representative Council (2009–2011).

Tyrone is also a Director of CPA Australia Advice.

JIM DICKSON FCPA

Deputy President
FAICD

Jim Dickson has vast experience and interest in supporting the accountancy profession and its development, both in Australia and internationally, including working with international, regional and national accountancy bodies. He is Chair of the International Federation of Accountants (IFAC) Compliance Advisory Panel and a longstanding advocate for monitoring and supporting the improvement in the standard of the profession globally.

Jim was appointed a Board Director in 2010. He is currently the Chair of the Audit and Risk Committee, a member of the Finance Committee and a past member of the Nomination and Remuneration Committee.

He also represents CPA Australia with the ASEAN Federation of Accountants.

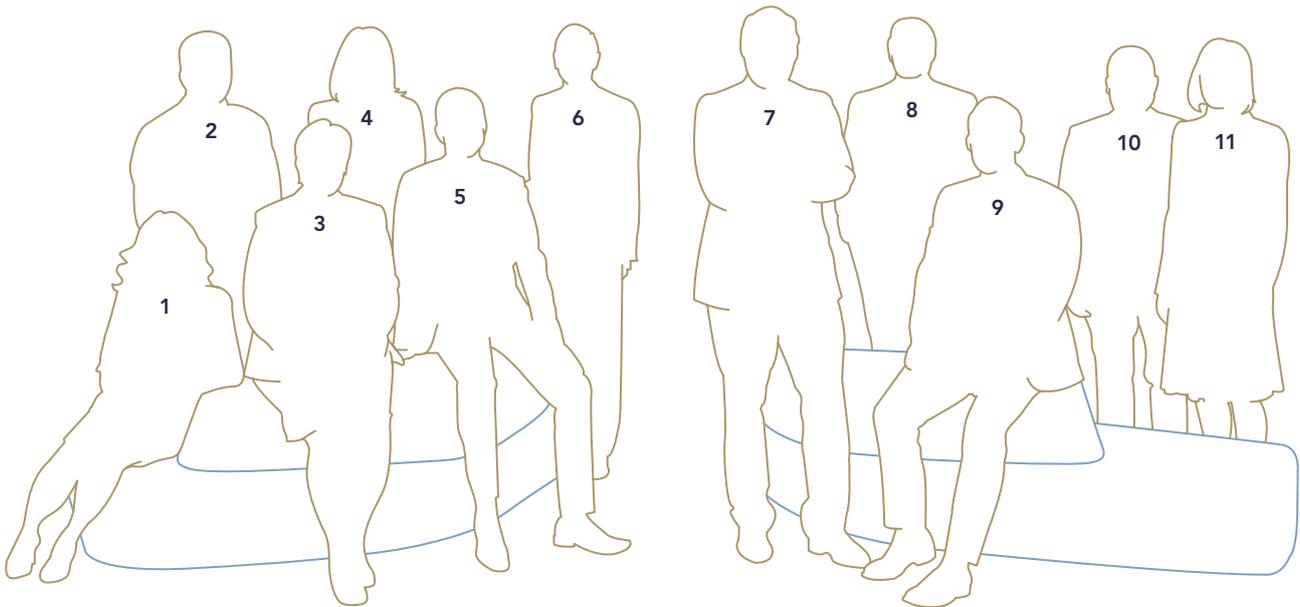
RICHARD ALSTON AO

BA, BCom, LLB, LLM, MBA

Richard Alston is Chairman of AMEX Ltd, a listed Australian resources company, Chairman of the China-based Waratah Group, a Director of CQS Investment Management (Australia) Pty Ltd, Balmoral Gardens Pty Ltd, and Chairman of the advisory board of an international alliance between Monash (Australia) and Warwick (UK) Universities. Since 2004 he has been an Adjunct Professor in the Business School at Bond University, Queensland.

His previous positions have included non-executive Chairman and Director of a number of listed public and private companies both in Australia and overseas, as well as a member of the national executive of the Australia China Business Council. From March 1996 to October 2003 he was Minister for Communications, Information Technology and the Arts in the Australian Federal Parliament and from 2005 to 2008 he was Australian High Commissioner (Ambassador) to the United Kingdom.

Richard was appointed a Director in 2014 and serves on the Nomination and Remuneration Committee.



1. Deborah Ong FCPA 2. Tim Ebbeck FCPA 3. Sharon Portelli FCPA 4. Kerry Ryan 5. Tyrone Carlin FCPA, Deputy President
6. Jim Dickson FCPA, Deputy President 7. Graeme Wade FCPA, President and Chairman of the Board 8. Richard Alston AO
9. Richard Petty FCPA 10. David Spong FCPA 11. Michele Dolin FCPA Absent: Peter Dowling AM FCPA

MICHELE DOLIN FCPA

MA, MBA, FAICD, FAIM, FASFA,
FINSIA, SF

Michele Dolin holds directorships in the energy, superannuation, insurance and university sectors and Chairs Audit and Risk Committees for a number of these boards. Her career has been in the finance sector and covers banking, superannuation, insurance, wealth management and funds management.

Michele was appointed a Board Director in 2014 and sits on the Finance Committee.

Michelle is also a Director of CPA Australia Advice.

PETER DOWLING AM FCPA

BA (Acc), FAICD

Peter Dowling holds a number of directorships in the insurance, education, health and technology sectors. He is also the Chair or member of the Audit and Risk Committees for several major government organisations. Peter is a former partner of international accounting firm Ernst & Young in the Tax and Business Advisory area. He is a Member of the Order of Australia and a Centenary of Federation Medal recipient for services to accounting and the community. He is a Distinguished Alumni of Canberra University. He is also the Queensland Honorary Consul for Botswana and a Director of international aid agency CUFA.

Peter was appointed a Board Director in 2010 and has served as Deputy President (2013–2015). He sits on the Audit and Risk Committee and is a past Chair of the Audit and Risk Committee (2013–2015). Peter was also a member and Chair of CPA Australia's Taxation Centre of Excellence (1985–2007).

TIM EBBECK FCPA

B.Ec, FAIM, MACS, MAICD

Tim Ebbeck is Managing Director, Australia and New Zealand of Oracle Corporation. Prior to this role, he was Chief Commercial Officer of NBN Co and has more than 30 years' experience in commerce in a range of industries and roles. Tim was previously CEO of SAP in Australia and New Zealand, and between 2008 and 2012 he led the SAP business to its four largest years ever, including successes in all major industry segments, enabling some of the largest business transformations ever undertaken in Australia and New Zealand.

Tim is a member of the Business Council of Australia (BCA) and the BCA's Innovation Taskforce. He has previously served on the BCA's Sustainable Growth Taskforce and was also an inaugural BCA Women C-Suite mentor.

Tim is a member of the Board of Trustees of the Museum of Applied Arts and Sciences in New South Wales and a member of its audit committee. His thought leadership focus includes many public speaking engagements including addressing the Commonwealth Business Forum in Perth in 2011.

Tim was appointed a Board Director in 2013 and sits on the Audit and Risk Committee.

DEBORAH ONG FCPA

BAcc (Hons), FCA (Singapore)

Deborah Ong is Partner, Risk and Quality Leader in PricewaterhouseCoopers Singapore. She was previously the firm's Human Capital Partner. Deborah has more than 20 years of public accounting experience, providing audit and advisory services to local and US-listed, multinational companies and Singapore statutory boards. She is currently the lead partner for a portfolio of the firm's largest clients.

Deborah is Deputy Chairman of Ngee Ann Polytechnic Council and is Chair of its Audit and Risk Committee. As a member of the Singapore Tourism Board and the Lee Kong Chian School of Medicine Governing Board, she chairs the Audit and Risk Committees. She has also been appointed to the Singapore Accountancy Commission. Deborah was appointed a Board Director in 2013 and sits on the Audit and Risk Committee and previously served on the Nomination and Remuneration Committee (2014–2015). She has been a member of the Singapore Divisional Council since 2009 and was President of that division in 2011 and 2012.

She has also served as a member of the Representative Council (2011–2012), and was a member of the Professional Qualifications Advisory Committee (2009–2013).

RICHARD PETTY FCPA (LIFE)

BCom (Hons, 1st Class, University Medal), MCom (Hons), PhD, FAICD

Richard Petty is Professor of Management (Accounting and Finance) at Macquarie Graduate School of Management. He is Chairman of the Australian Chamber of Commerce Hong Kong and Macau, and Chairman or Director of several other companies and non-profit organisations. Richard has been involved in the establishment, management and sale of a range of businesses. He started practice with Ernst & Young. He is author or co-author of several books and monographs and he has published extensively in academic and professional journals.

Richard was appointed a Board Director in 2006, served as Deputy President (2007–2009) and as President (2009–2010). He is presently the Chair of the Nomination and Remuneration Committee. Richard was made a life member of CPA Australia in 2010.

Richard is also a Director of CPA Australia Advice.

SHARON PORTELLI FCPA

BBus (Acc), GAICD

Sharon Portelli has more than 25 years' experience in a number of accounting and business roles, including commerce, financial planning and public practice. She has operated at partner level in public practice for more than 15 years and specialises in small to medium enterprises (SMEs) in a wide variety of industries. She serves on a number of advisory boards in the private and government sectors.

Sharon has served on New South Wales Divisional Council, was president of that division in 2012 and a member of the Representative Council (2013–2014). She was appointed as a Director in 2015 and serves on the Finance Committee.

KERRY RYAN

BA, LLB, FAICD

Kerry Ryan is a former partner at international law firm, Norton Rose Fulbright, where she practised in the areas of corporate advisory, mergers and acquisitions, and international trade and investment. Kerry's broad ranging legal experience includes five years working in Jakarta and an in-house counsel role with Publishing and Broadcasting Limited in India. Kerry has extensive directorship experience including serving on the boards of listed and non-listed companies, not-for-profits and government organisations. She brings corporate governance, risk management, general commercial and international skills to the Board.

Kerry has been a Director since 2007 and sits on the Audit and Risk and Nomination and Remuneration Committees and previously served the Finance Committee (2014–2015).

DAVID SPONG FCPA

GAICD

David Spong is the Australia and New Zealand CFO and Director of Finance and Business Services for Ericsson, working for both the Australian subsidiary and the parent company, LM Ericsson, since 1997. David's roles have included General Manager Finance, Commercial Director, Saudi Arabia CFO and Group Business Controller for the global Ericsson organisation. David has more than 20 years of corporate and SME experience and has worked in Sweden, Saudi Arabia, United Arab Emirates and Australia.

David has served on the Victorian Divisional Council and was Deputy Victorian President in 2014. David was appointed a Board Director in 2014 and sits on the Finance Committee and previously served on the Audit and Risk Committee (2014–2015).

COUNCILLORS AND COMMITTEES

AS AT DECEMBER 31 2015

PRESIDENT AND DEPUTY PRESIDENTS FOR 2015

Full councillor list is available at cpaaustralia.com.au/council

AUSTRALIAN CAPITAL TERRITORY

Peter Kerr FCPA, President
Gaye Lindfield CPA, Deputy President
Tim Youngberry FCPA,
Deputy President

NEW SOUTH WALES

Jennifer Kent FCPA, President
Lisa Gray FCPA, Deputy President

NORTHERN TERRITORY

Jocelyn Nathanael-Walters FCPA,
President
Belinda Howie FCPA,
Deputy President
Natalie Scott CPA, Deputy President

QUEENSLAND

Stephen Maitland OAM RFD FCPA,
President
Karen Bullock FCPA,
Deputy President
Craig Dalzell FCPA, Deputy President

SOUTH AUSTRALIA

David Lawlor FCPA, President
Andrew Johnson FCPA,
Deputy President
Amanda Taylor FCPA,
Deputy President

TASMANIA

Anne Marie Martin CPA, President
Brad Hilder FCPA, Deputy President
Chris Stennard, FCPA,
Deputy President

VICTORIA

Jennifer Lang FCPA, President
Terence Brooks FCPA,
Deputy President

WESTERN AUSTRALIA

Claire Bickford FCPA, President
Phil Hancock FCPA, Deputy President
Paul Tiernan FCPA, Deputy President

CHINA – EAST AND CENTRAL CHINA

Kenny Lam FCPA, President
Tom Lin FCPA, Deputy President
Charles Yang FCPA, Deputy President

CHINA – GREATER CHINA

Kenneth Chen FCPA, President
Ivan Au FCPA, Deputy President
Jeffrey Chan FCPA, Deputy President

CHINA – NORTH CHINA

Kevin Ng FCPA, President
Derek Chan FCPA, Deputy President
Sun Cui FCPA, Deputy President

CHINA – SOUTH CHINA

Peter Kung FCPA, President
Ken Chen FCPA, Deputy President
Kevin Wong FCPA, Deputy President

EUROPE

Keith Irwin FCPA, President
Kristy Eden-Green FCPA,
Deputy President

MALAYSIA

Wong Chin Aik FCPA, President
Teresa Chong Dee Shiang FCPA,
Deputy President
Datuk Hj Mustafha Hj Abdul Razak
FCPA, Deputy President

NEW ZEALAND

Chandan Ohri FCPA, President
Mathew Croad CPA, Deputy President
Andrew Dickeson FCPA,
Deputy President

SINGAPORE

Philip Yuen FCPA, President
Yeoh Oon Jin FCPA, Deputy President

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

Jim Dickson FCPA, Chair
Peter Dowling AM FCPA
Tim Ebbeck FCPA
Deborah Ong FCPA
Kerry Ryan

FINANCE COMMITTEE

Tyrone Carlin FCPA, Chair
Jim Dickson FCPA
Michele Dolin FCPA
Sharon Portelli FCPA
David Spong FCPA

NOMINATION AND REMUNERATION COMMITTEE

Richard Petty FCPA, Chair
Richard Alston AO
Tyrone Carlin FCPA
Kerry Ryan
Graeme Wade FCPA

ADVISORY COMMITTEES

PROFESSIONAL QUALIFICATIONS ADVISORY COMMITTEE

Kim Watty FCPA, Chair
Garry Carnegie FCPA
Mary Dunkley FCPA
Foo Yin Fah FCPA
Steven Hui FCPA
Zahirul Hoque FCPA
Bryan Howieson FCPA
Gary O'Donovan FCPA
Warwick Spargo FCPA
Srini Vasan FCPA

PUBLIC PRACTICE ADVISORY COMMITTEE

Tanya Titman FCPA, Chair
Dinesh Aggarwal CPA
Louise Cox FCPA
Robert Eastoe FCPA
Stephen Jones FCPA
Lawrence Lam FCPA
Lisa Liew FCPA
Alex Ooi FCPA
Arthur Tateossian FCPA

QUALITY REVIEW ADVISORY COMMITTEE

Ian Dunn, Chair
Sharlene Anderson CPA
David Lissauer FCPA
Margot Thompson FCPA
Thomas Zollo FCPA

REPRESENTATIVE COUNCIL

Graeme Wade FCPA, Chair
 Claire Bickford FCPA
 Valerie Biggs CPA
 Richard Blakeman FCPA
 John Cahill FCPA
 Teresa Chong FCPA
 Anthony Connelly FCPA
 Suresh Cuganesan FCPA
 Anne Cutting FCPA
 Craig Dalzell FCPA
 Nicholas Danes CPA
 Lindsay Doig FCPA
 Carolyn Harris FCPA
 Albert Ho FCPA
 John Horder AM FCPA
 Bryan Howieson FCPA
 Jennifer Kent FCPA
 Tony Marks FCPA
 Richard Mifsud FCPA
 Gary O'Donovan FCPA
 Ian Raspin FCPA
 Themin Suwardy FCPA
 Ronald Yam FCPA

DISCIPLINARY PANEL

Daryl Chipperfield FCPA, Chair
 Rebecca Hemperger FCPA,
 Deputy Chair
 Gaye Mason FCPA, Deputy Chair
 Gerry Schembri FCPA, Deputy Chair
 James Syme, Deputy Chair

LIFE MEMBERS

Joseph Abraham AM FCPA
 Patrick Barrett AO FCPA
 Allan Barton FCPA
 David Baulch FCPA
 Brian Blood FCPA
 David Boymal AM FCPA
 John Cahill FCPA
 Denis Cortese FCPA
 Mark Coughlin FCPA
 Laurence Crockett FCPA
 Clyde Dickens AM FCPA
 Kenneth Eastwood AM FCPA
 Penny Egan FCPA
 Scott Henderson AM FCPA
 Robert Jeffery FCPA
 Jim Kropp FCPA
 Kenneth Levy RFD FCPA
 Loh Hoon Sun FCPA
 Low Weng Keong FCPA
 Alex Malley FCPA
 Graeme McGregor AO FCPA
 Ian McPhee AO FCPA
 Paul Meiklejohn FCPA
 John Miller AO FCPA
 Joycelyn Morton FCPA
 Geoff Orr AM FCPA
 Graham Paton AM FCPA
 Des Pearson FCPA
 Richard Petty FCPA
 Patrick Ponting FCPA
 Poon Wing Cheung FCPA
 Trevor Russell AM FCPA
 Len Spencer FCPA
 Brian Waldron OAM FCPA
 Bernard Wright FCPA

CENTRE OF EXCELLENCE CHAIRS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CENTRE OF EXCELLENCE

Mike Sewell FCPA, Chair

EXTERNAL REPORTING CENTRE OF EXCELLENCE

David Hardidge FCPA, Chair

RETIREMENT SAVINGS CENTRE OF EXCELLENCE

Noelle Kelleher CPA, Chair

TAXATION CENTRE OF EXCELLENCE

Andrew O'Bryan FCPA, Chair

OTHER BOARDS AND COMMITTEES

ASEAN FEDERATION OF ACCOUNTANTS (AFA)

Jim Dickson FCPA

CONFEDERATION OF ASIAN AND PACIFIC ACCOUNTANTS (CAPA)

Low Weng Keong FCPA

HRH THE PRINCE OF WALES' ACCOUNTING FOR SUSTAINABILITY ADVISORY COUNCIL

Alex Malley FCPA

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC) BOARD*

Rachel Grimes FCPA, Deputy President
 Richard Petty FCPA

IFAC INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)*

Merran Kelsall FCPA, Public Member
 Richard Mifsud FCPA, Technical Advisor

IFAC COMPLIANCE ADVISORY PANEL*

Jim Dickson FCPA, Chair

IFAC NOMINATING COMMITTEE*

Rachel Grimes FCPA, Chair
 Anne Loveridge

IFAC PLANNING AND FINANCE COMMITTEE*

Rachel Grimes FCPA, Chair

IFAC SMALL AND MEDIUM PRACTICES COMMITTEE (SMP)*

Robyn Erskine FCPA

IFAC INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD (IPSASB)*

Tim Youngberry FCPA

INTERNATIONAL INTEGRATED REPORTING COUNCIL

Alex Malley FCPA

* CPA Australia shares representation on this committee with other parties.

FINANCIAL REPORT

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS

The Directors submit the annual financial report of CPA Australia Ltd (the "Consolidated Entity") and its controlled entities for the financial year ended 31 December 2015. In order to comply with the *Corporations Act 2001* and the Australian Accounting Standards, the Directors present the report as follows. The Directors in office at the end of the financial year are set out on pages 60 to 62 of the Annual Report, together with their qualifications, experience and special responsibilities. Details of meeting attendance are set out opposite and their remuneration is included in Note 17 on page 89.

COMPANY SECRETARY

The company secretary, Adam Awty CPA BBus(Acc), was appointed on the 9th of April 2010. He is also chief operating officer – commercial and chief financial officer and is responsible for the company secretarial, finance, planning and administration, technology, legal and compliance functions, people and culture, business development, brand and marketing communications, policy and corporate affairs and social media functions.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity and its controlled entities during the financial year remain unchanged and were as an association representing financial, accounting and business advisory professionals: providing high standards of professional entry and continuing education, stimulating informed debate on issues within the areas of professional competence, setting and maintaining the highest professional and technical standards and promoting the role of its members for the benefit of the community.

CONSOLIDATED RESULTS

The consolidated surplus before income tax for the year was \$7,745,000 (2014: \$3,754,000). The consolidated surplus after tax for the year was \$7,588,000 (2014: \$3,302,000).

REVIEW OF OPERATIONS

A review of the operations of the Consolidated Entity during the financial year and the results of those operations is contained in the discussion and analysis of the financial results – see pages 70 to 72.

CORPORATE GOVERNANCE

The Board of CPA Australia comprises 10 independent non-executive Directors and two independent non-executive Directors who are also non-members. During 2015, it met seven times, with all meetings being held in Melbourne.

In 2015 there were four Board committees of Directors, with the Policy Governance Committee ceasing operations on 30 September 2015. Further information on the governance of the Company is included in the corporate governance statement on our website cpaaustralia.com.au/about-us/corporate-governance-statement

CHANGES IN STATE OF AFFAIRS

During the financial year CPA Australia incorporated a fully owned subsidiary, CPA Australia Advice, to provide members in practice a framework to continue to provide independent financial advice post the removal of the accountant exemptions on 1 July 2016.

DIRECTORS' MEETINGS

The tables opposite set out the number of Board and Board committee meetings held and the number of meetings attended by each Director.

SUBSEQUENT EVENTS

No matter or circumstance has arisen since the end of the previous financial year to the date of this report that has affected, or may, significantly affect the activities of the Consolidated Entity, the results of those activities or the state of affairs of the Consolidated Entity in the ensuing or any subsequent financial year.

FUTURE DEVELOPMENTS

In addition to the future activities of the Consolidated Entity noted elsewhere in this report, we are budgeting for a slender surplus in 2016 compared to recent years as we implement CPA Australia Advice. The establishment of CPA Australia Advice is a long term strategy which is in the best interests of the profession. We acknowledge that, at times, the establishment of the new entity may result in the Consolidated Entity returning a deficit in the future.

ROUNDING OF AMOUNTS

CPA Australia is a company of the kind referred to in ASIC Class order 98 / 100 dated 10 July 1998. In accordance with the class order amounts in the Directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the year CPA Australia paid professional indemnity and Directors' and officers' liability insurance for all of its Directors and officers. The nature of the insurance contract providing this cover does not allow CPA Australia to disclose either the extent of cover or the premium paid.

AUDITOR INDEPENDENCE

The auditor's independence declaration is included on page 68 of this report.

BOARD OF DIRECTORS

	MEETINGS		
	HELD	ELIGIBLE	ATTENDED
Graeme Wade FCPA, Chair	7	7	7
Richard Alston AO	7	7	6
Tyrone Carlin FCPA	7	7	6
Jim Dickson FCPA	7	7	7
Michele Dolin FCPA	7	7	7
Peter Dowling AM FCPA	7	7	6
Tim Ebbeck FCPA	7	7	6
Penny Egan FCPA ⁽¹⁾	7	5	5
Deborah Ong FCPA	7	7	6
Richard Petty FCPA	7	7	6
Sharon Portelli FCPA ⁽²⁾	7	2	2
Kerry Ryan	7	7	7
David Spong FCPA	7	7	7
AUDIT AND RISK COMMITTEE			
Peter Dowling FCPA, Chair ⁽³⁾	4	4	3
Jim Dickson FCPA, Chair ^{(2) (4)}	4	2	2
Tim Ebbeck FCPA ⁽²⁾	4	2	1
Deborah Ong FCPA	4	4	4
Kerry Ryan	4	4	4
David Spong FCPA ⁽¹⁾	4	2	2
FINANCE COMMITTEE			
Tyrone Carlin FCPA, Chair	4	4	4
Jim Dickson FCPA ⁽²⁾	4	2	2
Michele Dolin FCPA ⁽²⁾	4	2	2
Peter Dowling AM FCPA ⁽¹⁾	4	2	2
Richard Petty FCPA ⁽¹⁾	4	2	0
Sharon Portelli FCPA ⁽²⁾	4	2	2
Kerry Ryan ⁽¹⁾	4	2	2
David Spong FCPA ⁽²⁾	4	2	2

NOMINATION AND REMUNERATION COMMITTEE

	MEETINGS		
	HELD	ELIGIBLE	ATTENDED
Richard Petty FCPA, Chair	7	7	7
Richard Alston AO	7	7	7
Tyrone Carlin FCPA ⁽²⁾	7	1	1
Jim Dickson FCPA ⁽¹⁾	7	6	6
Deborah Ong FCPA ⁽¹⁾	7	6	6
Kerry Ryan ⁽²⁾	7	1	0
Graeme Wade FCPA ⁽²⁾	7	1	1
POLICY GOVERNANCE COMMITTEE ⁽⁵⁾			
Jim Dickson FCPA, Chair ^{(1) (3)}	3	3	3
Michele Dolin FCPA ⁽¹⁾	3	3	3
Tim Ebbeck FCPA ⁽¹⁾	3	3	3
Penny Egan FCPA ⁽¹⁾	3	3	3

Signed in accordance with a resolution of the Directors made pursuant to s298 (2) of the *Corporations Act 2001* on behalf of the Directors.



Graeme Wade FCPA
Director



Tyrone Carlin FCPA
Director

26 February 2016

- (1) Ceased effective 30 September 2015
 (2) Effective from 1 October 2015
 (3) Chair ceased effective 30 September 2015
 (4) Chair effective from 1 October 2015
 (5) Committee disbanded effective 30 September 2015



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The Board of Directors
CPA Australia Limited
Level 20, 28 Freshwater Place
SOUTHBANK VIC 3006

26 February 2016

Dear Board Members

CPA Australia Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of CPA Australia Limited.

As lead audit partner for the audit of the financial report of CPA Australia Limited for the financial year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Mark Stretton
Partner
Chartered Accountants

OVERVIEW OF FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2015

BUSINESS SEGMENTS		2015	2014
		\$'000s	\$'000s
Membership and member value	Revenue	79,561	74,791
	Cost	(32,691)	(32,789)
	Result	46,870	42,002
Training and development	Revenue	17,615	17,632
	Cost	(15,892)	(16,483)
	Result	1,723	1,149
Education	Revenue	67,208	59,902
	Cost	(23,464)	(20,556)
	Result	43,744	39,346
Brand, ethics and the profession	Revenue	1,426	1,630
	Cost	(25,694)	(22,836)
	Result	(24,268)	(21,206)
Business development	Revenue	3,970	3,237
	Cost	(16,804)	(16,116)
	Result	(12,834)	(12,879)
Member support and corporate services	Revenue	4,736	3,981
	Cost	(46,529)	(43,135)
	Result	(41,793)	(39,154)
Corporate governance and committees	Revenue	18	76
	Cost	(5,715)	(5,580)
	Result	(5,697)	(5,504)
Total CPA Australia	Revenue	174,534	161,249
	Cost	(166,789)	(157,495)
	Tax credit / (expense)	(157)	(452)
	Result	7,588	3,302
Other comprehensive income / (expense) for the year, net of tax		(566)	1,425
Total comprehensive income for the year		7,022	4,727

The Controlled Entity and the Company operate in seven reportable business segments which are membership and member value; training and development; education; brand, ethics and the profession; business development; member support and corporate services; and corporate governance and committees, as shown on the left.

Membership and member value's core activities are delivery of the membership offer including administration and assessment of members' admissions and advancements; library services; INTHEBLACK, CPA Update and membership retention.

Training and development's core activity is the development and delivery of professional development products that meet the needs of members and potential members.

Education's major activities are the development and examination of the CPA Program and public practice program, along with the development and delivery of the practical experience requirement. This area also includes activities associated with the assessment of overseas qualifications for recognition by the Department of Immigration and Border Protection.

Brand, ethics and the profession's core activities include managing and developing the brand, promotion, policy and research, advocacy and government relations, support for the profession locally (AASB, AuASB and APESB) and internationally (IFAC, AFA, CAPA etc.), external affairs, professional standards and quality assurance.

Business development's major activities are to create meaningful and effective relationships with employers, recruiting agencies, academics and others in the higher education sector converting awareness of CPA Australia into new members. In addition to this, business development looks for opportunities to develop new geographical and functional markets.

Member support and corporate services provides internal support to the organisation that includes management, finance, legal, procurement, property management, technology, organisational development, human resources and planning.

Corporate governance and committees represents the activities associated with the Board, Board committees, the Representative council, Board secretariat, internal audit, divisional councils, investigation and discipline and advisory committees.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS 2015

INCOME STATEMENT

The 2015 financials reflected a strong operating performance across the organisation delivering an operating surplus before tax of \$7.7m (2014: \$3.8m) and an overall comprehensive income of \$7m (after tax, defined benefit, FX and unrealised loss on investments) (2014: \$4.7m).

REVENUE

Overall revenue increased by \$13.3m or 8.2 per cent during 2015. Continued growth in membership, an increase in CPA Program sales and higher qualification assessments revenue were the key drivers behind this result. Revenue from training and development products was consistent with 2014 levels.

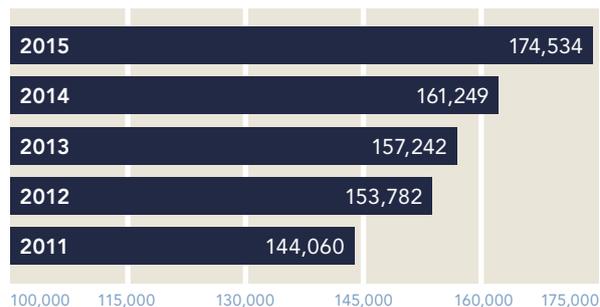
The organisation ended the year with more than 155,000 members. This strong result was driven by new member growth and member retention levels consistent with 2014. The increase in member numbers resulted in higher membership revenue of \$4.8m or 6.4 per cent. Income from investments also exceeded 2014 results.

EXPENDITURE

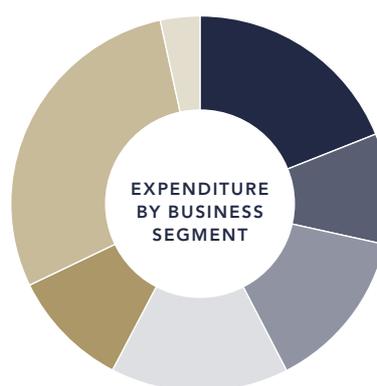
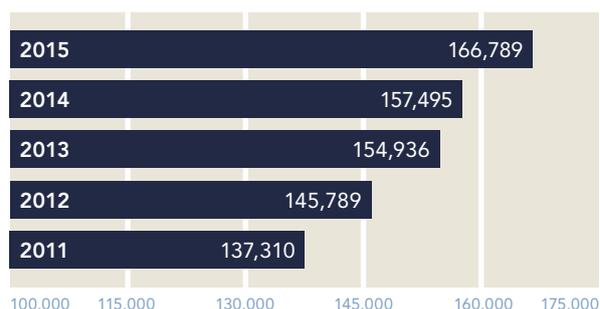
Expenditure before tax was \$9.3m or 5.8 per cent higher than 2014. The increases were driven by our investment in CPA Australia Advice and further investment in our underlying technology platforms including a new learning management system (LMS) for members. The depreciation of the Australian dollar also resulted in higher operational costs in overseas locations.

Costs in the brand, ethics and the profession area were higher than 2014 due to our increased presence in key growth markets outside Australia. Direct costs associated with education were also higher, which was a direct result of higher sales in this area.

TOTAL REVENUE



TOTAL EXPENDITURE EXCLUDING TAX



- 19% Membership and member value
- 10% Training and development
- 14% Education
- 15% Brand, ethics and the profession
- 10% Business development
- 29% Member support and corporate services
- 3% Corporate governance and committees

TAXATION

For income tax purposes CPA Australia has elected to form a tax group with CPA Australia Advice allowing the group to prepare its income tax return on a consolidated basis. This allows the CPA Australia group to continue to apply the principles of mutuality as outlined below.

In assessing its income tax liability, CPA Australia applies the principles of mutuality to revenues and expenses. Revenue in the form of member receipts represents mutual income and is not subject to income tax.

Expenses associated with such mutual activities are not tax deductible for income tax purposes. All other receipts and payments to, or made by, CPA Australia are classified for income tax purposes in accordance with income tax legislation.

CPA Australia's tax expense for 2015 is \$0.2m. This is attributable to a taxable gain for 2015 largely due to higher non-mutual income received from the organisation's investment portfolio in the form of franking credits and higher migration skills assessment revenue. It is expected that CPA Australia will continue to operate on a tax mutual basis.

FOREIGN EXCHANGE

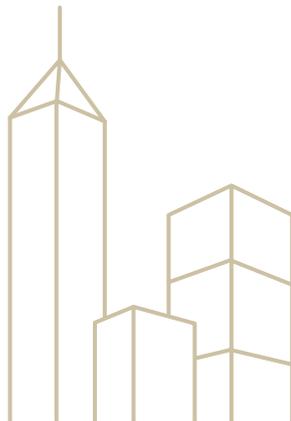
Subscription fees, where a foreign currency option is available, are reviewed and adjusted if required on a weekly basis to reflect exchange rate movements. Foreign currency cash holdings are also limited to the requirements for the funding of local operations to minimise CPA Australia's exposure to fluctuations in exchange rates. The depreciation of the Australian dollar against the currencies where substantial cash is held contributed to a foreign exchange gain of \$0.3m for the full year.

CASH FLOW

CPA Australia's cash flow and liquidity remained strong in 2015. Overall cash and cash equivalents increased by \$14.2m, net cash flows from operating activities for the year were \$20.4m. The net increase in cash and cash equivalents was due to an increase in our investment portfolio and a reduction in capital purchases during 2015. In real terms, CPA Australia has \$65.5m in excess cash and investments after income received in advance is deducted.

INVESTMENTS

CPA Australia's investment portfolio continues to perform well returning \$4.6m in revenue in 2015. However, due to the performance of the Australian equity market in 2015 the portfolio returned an unrealised loss of \$0.9m.



**ENSURING
A STABLE, >>
CAPABLE >>
AND SKILLED
ORGANISATION**

BALANCE SHEET

CPA Australia's balance sheet continues to strengthen with net assets increasing by \$7m or 9.4 per cent, which is attributable to the surplus delivered in 2015.

Cash and cash equivalents have increased by \$14.2m which is due to the timing of payments by members renewing their subscriptions being ahead of last year and a reduction in investment on property, plant and equipment and intangible assets compared with 2014.

Trade and other receivables are \$5.7m higher. All outstanding revenue is expected to be received early in 2016.

Other current assets are \$0.5m higher than the prior year due to higher prepaid expenses.

Non-current other financial assets are higher than 2014 by \$4.1m, which is directly attributable to an increase in investments expected to be held for greater than one year and unrealised losses in the portfolio during 2015.

Property, plant and equipment has decreased by \$3.9m when compared to 2014 which is attributable to the depreciation of previous years property upgrades and lower asset purchases in 2015.

Intangible assets are lower than 2015 by \$3.1m, which is directly attributable to the amortisation charged during the year.

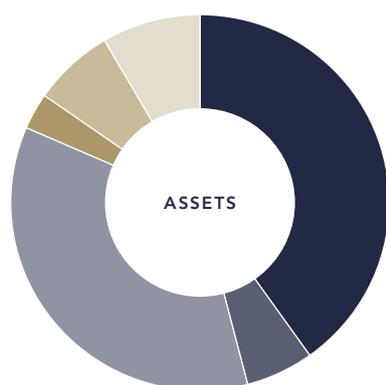
Other non-current assets have decreased by \$0.3m, which is attributed to management's assessment of the AAT loan and an impairment provision being recognised for the full amount of the AAT loan.

Trade and other payables were higher by \$3.8m or 28 per cent more than the previous year. This is due to an increase in accrued expenses associated with CPA Australia and CPA Australia Advice.

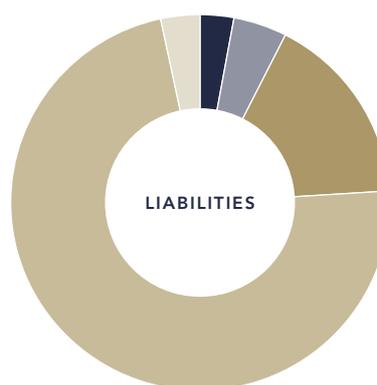
Both short and long term provisions ended the year \$0.3m higher than 2014. This is the result of the higher leave provision required at year end and an increase in the make good provision for our property portfolio.

Other current liabilities were higher by \$6.9m, which is attributable to price increases associated with the CPA Program, membership and public practice fees paid in advance for 2016 compared to the prior year.

Other non-current liabilities have reduced when compared to 2014 as part of the lease incentive received in prior years has been amortised to the Statement of comprehensive income during 2015.



- 40% Cash and cash equivalents
- 6% Trade and other receivables
- 36% Other financial assets
- 3% Other
- 7% Property, plant, equipment
- 8% Intangible assets



- 3% Non-current provisions
- 0% Deferred tax liabilities*
- 4% Current provisions
- 17% Trade and other payables
- 73% Subscriptions and fees in advance
- 3% Other

* Deferred tax liabilities is a small amount in comparison to other liabilities resulting in a rounded percentage of zero.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	CONSOLIDATED	
		2015 \$'000s	2014 \$'000s
Revenue	3(a)	169,948	157,279
Investment revenue	3(b)	4,579	3,970
Gain on sale of property	3(b)	7	–
Service expenses		(70,082)	(68,481)
Marketing, promotion and publication expenses		(31,392)	(30,526)
Occupancy expenses		(14,796)	(13,610)
Administration expenses		(49,290)	(43,160)
Finance costs		(24)	(48)
Net foreign exchange gain / (loss)		279	(416)
Other expenses		(1,484)	(1,254)
Surplus before income tax	4	7,745	3,754
Tax expense	5(a)(b)	(157)	(452)
Surplus for the year		7,588	3,302
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain / (loss) on defined benefit plan	20	145	(37)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		183	173
Net (loss) / gain on available-for-sale assets		(894)	1,289
Other comprehensive (expense) / income for the year, net of tax		(566)	1,425
Total comprehensive income for the year		7,022	4,727

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	CONSOLIDATED	
		2015 \$'000s	2014 \$'000s
CURRENT ASSETS			
Cash and cash equivalents	6	74,290	60,125
Trade and other receivables	7	10,161	4,457
Other financial assets	9	250	–
Other assets	8	5,614	5,120
Total current assets		90,315	69,702
NON-CURRENT ASSETS			
Other financial assets	9	65,682	61,538
Property, plant and equipment	10	13,165	17,096
Intangible assets	11	15,145	18,244
Other assets	8	7	351
Total non-current assets		93,999	97,229
Total assets		184,314	166,931
CURRENT LIABILITIES			
Trade and other payables	12	17,087	13,325
Provisions	13	4,565	4,278
Other liabilities	14	75,340	68,425
Total current liabilities		96,992	86,028
NON-CURRENT LIABILITIES			
Deferred tax liabilities	5(c)	79	63
Provisions	13	3,067	3,016
Other liabilities	14	2,749	3,419
Total non-current liabilities		5,895	6,498
Total liabilities		102,887	92,526
Net assets		81,427	74,405
MEMBERS' FUNDS			
Reserves		5,524	6,235
Retained surplus		75,903	68,170
Total members' funds		81,427	74,405

STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2015

	INVESTMENT REVALUATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
CONSOLIDATED	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 January 2014	4,522	251	64,905	69,678
Net gain on available-for-sale assets	1,289	–	–	1,289
Exchange differences on translating foreign operations	–	173	–	173
Actuarial (loss) on defined benefit plan	–	–	(37)	(37)
Surplus for the year	–	–	3,302	3,302
Balance at 1 January 2015	5,811	424	68,170	74,405
Net (loss) on available-for-sale assets	(894)	–	–	(894)
Exchange differences on translating foreign operations	–	183	–	183
Actuarial gain on defined benefit plan	–	–	145	145
Surplus for the year	–	–	7,588	7,588
Balance at 31 December 2015	4,917	607	75,903	81,427

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	CONSOLIDATED	
		2015 \$'000s	2014 \$'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		178,408	179,424
Payments to suppliers and employees		(158,038)	(151,062)
Net cash inflows from operating activities	22	20,370	28,362
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment and intangible assets	10 & 11	(5,034)	(5,639)
Net receipts for bank bills less than 1 year but greater than 90 days		(250)	500
Proceeds from sale of property, plant and equipment		7	–
Loan to Australian Accounting Technicians (AAT)		(350)	–
Net receipts / (payments) from sale of investment securities		424	(59)
Purchase of investment securities		(5,440)	(6,132)
Investment interest received		4,438	3,912
Net cash outflows from investing activities		(6,205)	(7,418)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flow from financing activities		–	–
Net increase in cash and cash equivalents held		14,165	20,944
Cash and cash equivalents at the beginning of the financial year		60,125	39,181
Cash and cash equivalents at the end of the financial year	6	74,290	60,125

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

CPA Australia and its subsidiaries adopts all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the operations and effective for the current annual reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available under ASIC Class Order 98 / 100.

B. STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report that has been prepared in accordance with the Accounting Standards, Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Accounting standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). CPA Australia is a not-for-profit entity that complies with A-IFRS which ensures that financial statements and notes of the Consolidated Entity comply with International Financial Reporting Standards (IFRS). CPA Australia is not applying paragraphs specific to not-for-profit entities. CPA Australia is limited by guarantee and domiciled in Australia.

The financial statements were authorised by the Board of Directors on the 26 February 2016.

C. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All inter-group transactions, balances, income and expenses are eliminated in full on consolidation.

D. INCOME TAX

In assessing its income tax liability, CPA Australia applies the principles of mutuality to its revenues and expenses. Revenue in the form of member receipts represents mutual income and is not subject to income tax. Expenses associated with such mutual activities are not tax deductible for income tax purposes. All other receipts and payments of CPA Australia are classified for income tax purposes in accordance with income tax legislation.

In assessing its income tax liability, CPA Australia Advice applies the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rate of 30 per cent.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be used.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

E. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on purchases of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- where receivables and payables are stated inclusive of GST

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

F. FOREIGN CURRENCY

All foreign currency transactions are shown in Australian dollars.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the rate of exchange ruling at the balance sheet date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date the fair value was determined.

Exchange differences are recognised in profit and loss in the period they occur.

Foreign currency operations

The assets and liabilities of CPA Australia's overseas operations are translated at the exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rate for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and recognised in the profit and loss.

G. REVENUE

Revenue is recognised net of discounts to the extent that it is probable that the economic benefits will flow to CPA Australia and that it can be reliably measured.

Member fees and subscriptions

The subscription year runs 1 January to 31 December. Subscriptions are payable annually in advance. Only those membership fees and subscription payments that are attributable to the current financial year are recognised as revenue. Fees and subscription payments that relate to future periods are shown in the Statement of financial position as subscriptions and fees in advance under the heading of current liabilities – other.

Interest

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Income from investments

Revenue is recognised when the income is earned.

Sale of non-current assets

The net gain / (loss) of non-current asset sales are included as revenue / (expenses) at the date control passes to the buyer, usually when an unconditional contract of sale is signed.

The net gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Assets which satisfy the criteria in AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* as assets held for sale are transferred to current assets and separately disclosed as non-current assets held for sale on the face of the Statement of financial position. These assets are measured at the lower of carrying amount and fair value less costs to sell. These assets cease to be depreciated from the date on which they satisfy the "held-for-sale" criteria.

Grants

Revenue is recognised when control of the contribution or right to receive the contribution is received.

H. LOANS AND RECEIVABLES

The terms of trade are 30 days from invoice date.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'.

Loans and receivables are measured at amortised cost using the effective interest rate method less impairment. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

I. PROPERTY, PLANT AND EQUIPMENT

All classes of assets are stated at cost less accumulated depreciation and any impairment.

Depreciation is calculated on a straight line basis over the estimated useful life of the assets (excluding freehold land) as follows:

Buildings	50 Years
Strata title	50 Years
Property, plant and equipment	3 – 13 Years
Information technology assets (computer hardware classified as property, plant and equipment in the Statement of financial position)	3 Years
Library books	5 Years

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

Land and buildings

Valuations are obtained biennially and were obtained in 2015. All valuations received were in excess of their recorded value at balance date. They reflect independent assessments of the open market value of land and buildings based on existing use.

Lease restoration

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to restoration provisions in property leases taken up by the Consolidated Entity where there exists an obligation to restore the property to its original condition. These costs are included in the value of the leasehold improvements with a corresponding provision for the 'restoration' taken up.

J. IMPAIRMENT OF INTANGIBLES AND OTHER TANGIBLE ASSETS

At each reporting date, the Consolidated Entity reviews the carrying amounts of its intangible and other tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

K. INTANGIBLE ASSETS

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss. Amortisation is recognised on a straight-line basis over their estimated useful lives as follows:

Core business systems	5 Years
Website	3 Years
Other software	3 Years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

L. LEASED ASSETS

Leases, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised. Assets and liabilities are recorded at the present values of the minimum lease payments, including any guaranteed residual values at date of inception.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lesser, are charged as expenses in the periods in which they are incurred.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

M. INVESTMENTS AND FINANCIAL ASSETS

Controlled entities

Investments in controlled entities are carried at lower of cost and net recoverable amount in the parent company's individual financial statements.

Held to maturity investments

Investments such as bonds and term deposits that are intended to be held to maturity are initially measured at fair value less cost and are subsequently measured at amortised cost using the effective interest method. The effective interest rate method is a method of calculating amortised cost of a financial asset and of allocating interest income over the relevant period.

Financial instruments

Financial Instruments such as non-derivative financial assets available-for-sale are recorded at fair value through comprehensive income. Revaluation is accumulated in an investment revaluation reserve in equity.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through comprehensive income, which are initially measured at fair value.

Financial assets are classified into the following categories: "held-to-maturity" investments, "available-for-sale" financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

N. PAYABLES

Trade creditors represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

O. DERIVATIVE FINANCIAL INSTRUMENTS

It is not current CPA Australia policy to enter into foreign exchange contracts to hedge foreign currency commitments.

P. EMPLOYEE BENEFITS

Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Discount rate used reflects national government securities that most closely match the terms of maturity of the related liabilities.

Annual leave

The provision for annual leave represents the amount which CPA Australia has a present obligation to pay resulting from employees' services provided up to balance date.

The provision has been calculated at the amounts expected to be paid when the liability is settled and includes on-costs.

Long service leave

The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

In determining the liability for employee benefits, account has been taken of future increases in wage and salary rates and CPA Australia's experience with staff departures. Related on-costs also have been included in the liability.

Defined benefit plan

A small percentage of staff participates in the CPA Australia defined benefit plan.

Mercer Benefit Services has provided actuarial calculations of the current benefit of the defined benefit liability.

Actuarial gains and losses are recognised in full, directly in retained earnings, in the period in which they occur, and presented in the statement of comprehensive income.

Past services cost is recognised immediately to the extent that the benefits are already vested, and otherwise amortised on a straight-line basis over the average period until the benefits become vested.

The defined benefit obligation recognised in the Statement of financial position represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of plan assets.

Any asset resulting from this calculation is limited to the past service cost, plus the present value of available refunds and reductions in future contributions to the plan. The plan is no longer open to new members as of 31 December 1999.

Defined contribution superannuation

Contributions to defined contribution superannuation plans are expensed when paid.

Q. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash in banks, at call deposits and bank bills maturing within less than 90 days from the date of inception.

R. COMPARATIVE AMOUNTS

When a change in accounting policy is applied retrospectively in accordance with Australian Accounting Standards, we have adjusted the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.

S. WEBSITE COSTS

The primary focus of the CPA Australia website is as an advertising, branding and information tool for the organisation and its members. All maintenance and operational expenditure have been treated as expenses incurred in the period.

T. CRITICAL JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

The following are the critical judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries;
- future on-cost rates;
- experience of employee departures and period of service; and
- defined benefit plan

Intangible and other assets

Management's judgement is applied to depreciation / amortisation rates, useful lives and residual values.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

3. REVENUE

(A) REVENUE FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
Member subscriptions	77,839	73,095
Education and CPA Program	61,973	59,142
Professional development	17,407	17,509
Other services	4,685	812
Marketing, promotion and publications	7,990	6,720
Property	54	1
	169,948	157,279

(B) OTHER REVENUE

Interest revenue on:		
AAT Loan	16	20
Bank deposits	187	314
Financial assets (held to maturity)	1,059	727
Dividends and distributions	3,317	2,909
Gain on sale of property	7	–
	4,586	3,970
Total revenue	174,534	161,249

(C) DEFERRED TAX ASSETS / (LIABILITIES) ARISE FROM THE FOLLOWING:

2015	CONSOLIDATED				
	OPENING BALANCE 2014	CHARGED TO INCOME	CLOSING BALANCE 2014	CHARGED TO INCOME	CLOSING BALANCE 2015
ASSETS					
Investments	(1,414)	(370)	(1,784)	289	(1,495)
Property, plant and equipment	(297)	15	(282)	(41)	(323)
Employee benefits	151	(25)	126	119	245
Provisions	203	(38)	165	23	188
Tax losses	1,640	95	1,735	(352)	1,383
	283	(323)	(40)	37	(3)
LIABILITIES					
Accrued income	(1)	(22)	(23)	(53)	(76)
	282	(345)	(63)	(16)	(79)

(D) OTHER COMPREHENSIVE INCOME ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME HAVE NO TAX EFFECT

6. CASH AND CASH EQUIVALENTS

CURRENT

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
Cash on hand, at bank and short term bank bills (90 days or less)	74,290	60,125
	74,290	60,125

7. TRADE AND OTHER RECEIVABLES

CURRENT

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
Trade and other receivables	10,009	4,422
Less allowance for doubtful debts	(102)	(78)
Loan to related parties (at amortised cost)	30	–
Less provision for impairment	(30)	–
	9,907	4,344
Other receivables:		
Accrued interest on bank deposits	123	36
Accrued interest on financial assets (held to maturity)	131	77
	254	113
	10,161	4,457

The Consolidated Entity has recognised an allowance for doubtful debts of 100 per cent against all receivables over 90 days except for those debtors / members who at balance date have committed to pay. Historical experience has been that receivables that are past due beyond 90 days are difficult to recover.

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
AGEING OF PAST DUE BUT NOT IMPAIRED		
60 – 90 days	55	43
90 – 120 days	154	200
Total	209	243

In determining the recoverability of a trade receivable, the Consolidated Entity considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Trade receivables consists of a large number of members and customers, spread across diverse industries and geographical areas. The Consolidated Entity does not have any significant credit risk exposure to any single party or group of counter parties having similar characteristics and the maximum exposure to credit risk is equal to the value of our receivables. No interest is charged on trade receivables.

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL DEBTS		
Balance at the beginning of the year	78	109
Allowances taken up as doubtful	91	33
Amounts written off as uncollectible	(67)	(64)
Balance at the end of the year	102	78

8. OTHER ASSETS

CURRENT

Defined benefit plan

Prepayments

NON CURRENT

Loan to related parties (at amortised cost)

Less provision for impairment

Security deposit and other

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
Defined benefit plan	480	384
Prepayments	5,134	4,736
	5,614	5,120
Loan to related parties (at amortised cost)	320	350
Less provision for impairment	(320)	–
Security deposit and other	7	1
	7	351

9. OTHER FINANCIAL ASSETS

CURRENT

Bank bills less than 1 year but greater than 90 days

NON CURRENT

Available for sale assets carried at fair value:

Listed non-derivative financial assets available for sale

Non-listed non-derivative financial assets available for sale

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
Bank bills less than 1 year but greater than 90 days	250	–
	250	–
Available for sale assets carried at fair value:		
Listed non-derivative financial assets available for sale	60,140	56,445
Non-listed non-derivative financial assets available for sale	5,542	5,093
	65,682	61,538

As per CPA Australia's Investment Policy, bank bills must be held in an authorised deposit taking institutions with a minimum S&P credit rating of BBB+ (or Moody's / Fitch equivalent).

10. PROPERTY, PLANT AND EQUIPMENT

GROSS CARRYING AMOUNT

	CONSOLIDATED				
	BUILDING AT COST	PLANT AND EQUIPMENT AT COST	LIBRARY BOOKS AT COST	CAPITAL WORK IN PROGRESS	TOTAL
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 January 2014	3,800	31,455	200	3,238	38,694
Additions	–	–	13	2,269	2,282
Disposals	–	–	(96)	–	(96)
Transfers to / from asset class	–	4,620	–	(4,638)	(18)
Balance at 1 January 2015	3,800	36,075	117	869	40,862
Additions	–	–	7	1,544	1,551
Disposals	–	(2,137)	(32)	–	(2,169)
Transfers to / from asset class	–	1,843	–	(1,843)	–
Balance at 31 December 2015	3,800	35,781	92	570	40,244

ACCUMULATED DEPRECIATION, AMORTISATION AND IMPAIRMENT

Balance at 1 January 2014	(1,216)	(16,750)	(112)	–	(18,078)
Disposals	–	–	96	–	96
Depreciation	(76)	(5,667)	(40)	–	(5,783)
Balance at 1 January 2015	(1,292)	(22,417)	(56)	–	(23,765)
Disposals	–	2,124	32	–	2,156
Depreciation	(76)	(5,371)	(23)	–	(5,470)
Balance at 31 December 2015	(1,368)	(25,664)	(47)	–	(27,079)

NET BOOK VALUE

Property, plant and equipment as at 31 December 2014	2,508	13,658	61	869	17,096
Property, plant and equipment as at 31 December 2015	2,432	10,117	45	570	13,165

All items of property, plant and equipment are held by the parent.

	CONSOLIDATED		
	INTANGIBLE ASSETS AT COST	CAPITAL WORK IN PROGRESS – INTANGIBLE ASSETS	TOTAL
	\$'000s	\$'000s	\$'000s
11. INTANGIBLE ASSETS			
GROSS CARRYING AMOUNT			
Balance at 1 January 2014	22,955	2,021	24,976
Additions	–	3,357	3,357
Disposals	–	–	–
Transfers to / from asset class	2,857	(2,839)	18
Balance at 1 January 2015	25,812	2,539	28,351
Additions	–	3,482	3,482
Disposals	(187)	–	(187)
Transfers to / from asset class	4,415	(4,415)	–
Balance at 31 December 2015	30,040	1,606	31,646
ACCUMULATED DEPRECIATION, AMORTISATION AND IMPAIRMENT			
Balance at 1 January 2014	(4,247)	–	(4,247)
Disposals	–	–	–
Depreciation	(5,860)	–	(5,860)
Balance at 1 January 2015	(10,107)	–	(10,107)
Disposals	187	–	187
Depreciation	(6,581)	–	(6,581)
Balance at 31 December 2015	(16,501)	–	(16,501)
NET BOOK VALUE			
Intangible assets as at 31 December 2014	15,705	2,539	18,244
Intangible assets as at 31 December 2015	13,539	1,606	15,145

All intangible assets are held by the parent.

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
12. TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors and accruals	17,087	13,325
	17,087	13,325

CPA Australia Terms and Conditions of Purchase state payment terms of 30 days from date of invoice.

CPA Australia has financial risk management policies in place that seek to ensure that all payables are paid within the credit terms (refer Note 21).

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
13. PROVISIONS		
CURRENT		
Employee benefits	4,565	4,278
	4,565	4,278
NON CURRENT		
Employee benefits	1,466	1,439
Restoration of leased properties	1,601	1,577
	3,067	3,016
	7,632	7,294

The provision of employee benefits represents annual leave and vested and unvested long service leave entitlements accrued and compensation claims made by employees.

	2015 \$'000s
RECONCILIATION OF RESTORATION OF LEASED PROPERTIES	
Balance at 1 January 2015	1,577
Additional provisions recognised	21
Unwinding of discount and effect of changes in the discount rate	3
Balance as at 31 December 2015	1,601

	CONSOLIDATED	
	2015	2014
EMPLOYEE NUMBERS		
Average number of full time equivalent employees (FTE) during the financial year	455	462

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
14. OTHER LIABILITIES		
CURRENT		
Subscriptions and fees received in advance	74,670	67,755
Lease incentive	670	670
	75,340	68,425
NON-CURRENT		
Lease incentive	2,749	3,419
	2,749	3,419
	78,089	71,844

	2015 \$'000s	2014 \$'000s
	15. PARENT ENTITY DISCLOSURES	
FINANCIAL POSITION		
ASSETS		
Current assets	87,009	67,254
Non-current assets	95,929	96,729
Total assets	182,938	163,983
LIABILITIES		
Current liabilities	96,279	85,722
Non-current liabilities	5,796	6,420
Total liabilities	102,075	92,142

	2015 \$'000s	2014 \$'000s
MEMBERS' FUNDS		
Retained surplus	76,152	67,504
Reserves		
Investment revaluation reserve	4,917	5,811
Foreign currency translation reserve	(206)	(1,474)
Total members' funds	80,863	71,841

	YEAR ENDED 2015 \$'000s	YEAR ENDED 2014 \$'000s
	FINANCIAL PERFORMANCE	
Surplus for the year	8,496	3,121
Other comprehensive (expense) / income net of tax	(795)	1,495
Total comprehensive income for the year	7,701	4,616

LEASING ARRANGEMENTS

Non-cancellable operating lease commitments relate to property rental and outgoings leases, technology hardware leases and novated leases.

	2015 \$'000s	2014 \$'000s
COMMITMENTS FOR EXPENDITURE		
A. NON-CANCELLABLE OPERATING LEASE COMMITMENTS		
Aggregate amounts contracted for at balance date but not recognised as liabilities:		
Not later than one year	11,633	10,459
Later than one year but not later than five years	30,752	26,538
Later than five years	3,389	7,479
	45,774	44,476
In respect of non-cancellable operating leases the following liabilities have been recognised:		
CURRENT		
Lease incentive	670	670
NON CURRENT		
Restoration of leased properties	1,601	1,577
Lease incentive	2,749	3,419
	5,020	5,666

B. In 2016, CPA Australia will continue to support the following organisations: Australian Accounting Standards Board (AASB), Auditing and Assurance Standards Board (AUASB), Australian Professional and Ethical Standards Board (APESB), the International Federation of Accountants (IFAC) and the International Integrated Reporting Council (IIRC).

CPA Australia has provided support in 2015 to IFAC in the pursuit of their objectives. The contribution for the year 2015 was \$861,854 (2014: \$658,676).

As part of the undertakings with APESB, CPA Australia, Chartered Accountants Australia and New Zealand (CAANZ) and the Institute of Public Accountants (IPA) contribute funds necessary for the pursuit of the objectives of APESB. The contributions for the year 2015 were \$456,575 (2014: \$449,457).

16. LIMITATION OF MEMBERS' LIABILITY

CPA Australia is a company limited by guarantee and, in accordance with the Constitution, the liability of members in the event of CPA Australia being wound up would not exceed \$10 per member.

17. RELATED PARTIES

The following were key management personnel of CPA Australia during the reporting period and unless otherwise indicated were key management personnel for the entire period:

NON-EXECUTIVE DIRECTORS

- Mr G Wade, President
- Mr J Dickson, Deputy President (effective 1 October 2015)
- Prof T Carlin, Deputy President
- Mr R Alston
- Ms M Dolin
- Mr P Dowling
- Mr T Ebbeck
- Mrs P Egan, (ceased 30 September 2015)
- Ms D Ong
- Prof R Petty
- Ms S Portelli (effective 1 October 2015)
- Ms K Ryan
- Mr D Spong

EXECUTIVES

- Mr A Malley (chief executive officer)
- Mr A Awty (chief operating officer – commercial / chief financial officer / company secretary)
- Mr J Hughes (chief operating officer – member services)

COMPENSATION OF DIRECTORS

Directors' remuneration is approved annually by the Board in accordance with the article 45 of the Constitution. All payments are deemed to be compensation for the purpose of this disclosure.

At balance date, all 2015 short-term employee benefits for Directors had been paid and are recognised in the aggregate key management personnel component below.

KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to key management personnel of CPA Australia and subsidiaries is set out below:

	2015 \$'000s	2014 \$'000s
Short-term employee benefits	4,416	3,820
Post-employment benefits	156	197
	4,572	4,017

LOANS TO KEY MANAGEMENT PERSONNEL

There are no loans between key management personnel and CPA Australia.

OTHER TRANSACTIONS OF KEY MANAGEMENT PERSONNEL AND KEY MANAGEMENT PERSONNEL RELATED ENTITIES

In 2007, CPA Australia entered into a memorandum of understanding with two other accounting bodies IPA and CAANZ to jointly promote the Association of Accounting Technicians (AAT) as the peak organisation representing the para-professional segment of the accounting profession through the provisions of loan funds. A Current / Non-current loan receivable from AAT is \$350,000 before interest which is charged monthly at the rate of 0.5 per cent per annum above the 90 day Bank Bill Rate. Interest income earned on the loan in 2015 was \$9,686. Repayment terms for the loan were extended in 2012, with the first instalment now due in 2016 and the loan to be fully paid by June 2021. Nicholas Diss, deputy chief financial officer and Jeff Hughes, chief operating officer – member services are Directors of the AAT Board.

Management has assessed the AAT loan and an impairment provision has been recognised in 2015 for the full amount of the loan.

Adam Awty, chief operating officer – commercial and company secretary, Jeff Hughes, chief operating officer – member services and Priya Dharshini A / P Terumalay, general manager Malaysia, are Directors of CPA Australia (Malaysia) Sdn Bhd.

Robert Thomason, executive general manager – education, Jeff Hughes, chief operating officer – member services, Deborah Leung, general manager greater China, and Nicholas Diss, deputy chief financial officer are Directors of CPA Australia (Shanghai).

Graeme Wade, President and Chairman of CPA Australia (effective 1 June 2015), Tyrone Carlin, Deputy President of CPA Australia (effective 1 June 2015), Michele Dolin, Director of CPA Australia (effective 1 July 2015), Richard Petty, Director of CPA Australia (effective 1 June 2015), and Suzanne Haddan (effective 1 June 2015) are Directors of CPA Australia Advice. Alex Malley, chief executive officer, Adam Awty, chief operating officer – commercial, Jeff Hughes, chief operating officer – member services and Craig Laughton, general counsel are key management personnel of CPA Australia Advice. CPA Australia has provided a non-current interest free loan to CPA Australia Advice of \$1,150,000 due to be fully paid by 2025.

During the year, CPA Australia paid professional indemnity and Directors' and officers' liability insurance in respect of its Directors. The insurance contract providing this cover does not allow CPA Australia to disclose either the extent of cover or the premium paid.

18. REMUNERATION OF AUDITOR

AUDIT SERVICES

AUDITOR OF PARENT ENTITY

Audit of financial report	160,330	142,655
Other assurance services	30,820	35,000
Non-audit services	138,274	686,289

AFFILIATED FIRMS

Audit of financial reports for foreign subsidiaries and branches	34,666	33,448
	364,090	897,392

CONSOLIDATED	
2015	2014
\$	\$

The auditor of the company is Deloitte Touche Tohmatsu.

Any activity which involves the engagement of the company auditor must adhere to the Board endorsed principles and require the prior approval of the Board Audit and Risk Committee to ensure there is no conflict of interest. As a general principle, the use of the external auditors is limited to the provision of statutory audit work and non-discretionary audit-related work. Where the statutory auditor is deemed to be the most appropriate to carry out professional development, article authoring or CPA Program authoring and support at program workshops, this is to be documented and provided to the Board Audit and Risk Committee for endorsement annually.

There are no commercial sponsorships in Australia or Shanghai (where Deloitte is also the local auditor). However, offshore divisions can enter into sponsorships with their local Deloitte office where Price Waterhouse Coopers, Ernst & Young and KPMG will also be represented. Sponsorships can be raised for member awards where the member is the direct recipient of the cash benefit.

During 2015, CPA Australia received revenue in the form of sponsorship from Deloitte Hong Kong for the CPA Australia Career Expo Hong Kong and CPA Australia 2015 Congress Hong Kong; Deloitte Singapore provided sponsorship for CPA Australia Career Expo Singapore and CPA Australia 2015 Congress Singapore; and Deloitte Malaysia provided sponsorship for CPA Australia Career Expo Malaysia and CPA Australia 2015 Congress Malaysia.

19. INVESTMENT IN CONTROLLED ENTITIES	CLASS OF SHARE	ENTITY INTEREST		AMOUNT OF INVESTMENT	
		2015	2014	2015	2014
		%	%	\$	\$
CONTROLLED ENTITY					
CPA Australia (M) Sdn. Bhd.	Ordinary	100	100	160,127	160,127
CPA Australia (Shanghai) Ltd	Ordinary	100	100	1,206,987	1,206,987
CPA Australia Advice Pty Ltd	Ordinary	100	–	1	–

The amount of investment represents the historical capital invested into each entity, which may be different to the fair value of that investment.

CPA Australia (Malaysia) Sdn Bhd is incorporated in Malaysia in order to facilitate the provision of services to members in Malaysia. CPA Australia (Shanghai) is incorporated in China in order to facilitate the provision of services to members in Shanghai.

CPA Australia Advice is incorporated in Australia in order to provide high quality, independent and transparent financial advice under the impending Australian Financial Services Licence (AFSL) and Australian Credit Licence (ACL).

20. SUPERANNUATION AND DEFINED BENEFIT PLAN

Employees have the choice to contribute either to the CPA Australia superannuation plan of the ANZ Smart Choice corporate superannuation ('the plan') or their own nominated fund. Employees may contribute to the funds at various percentages of their total salary cost.

The plan provides both accumulation and defined benefit divisions. Eligibility to enter the defined benefit divisions ceased on 31 December 1999.

ACCOUNTING POLICY

Actuarial gains and losses are recognised immediately through the Statement of comprehensive income in the year in which they occur.

FUND INFORMATION

Defined benefit members receive lump sum benefits on retirement, death, disablement and withdrawal. The defined benefit section of the fund is closed to new members. All new members receive accumulation benefits only. At 31 December 2015, the defined benefit plan had four members.

REGULATORY FRAMEWORK

The Superannuation Industry (Supervision) (SIS) legislation governs the superannuation industry and provides the framework within which superannuation funds operate. The SIS Regulations require an actuarial valuation to be performed for each defined benefit superannuation fund every three years, or every year if the fund pays defined benefit pensions unless an exemption has been obtained.

GOVERNANCE OF THE FUND

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of Fund beneficiaries. The Trustee has the following roles;

- Administration of the Fund and the payment to the beneficiaries from Fund assets when required in accordance with the Fund rules

- Management and investment of the Fund assets
- Compliance with superannuation law and other applicable regulations

The prudential regulator, the Australian Prudential Regulation Authority (APRA), licenses and supervises regulated superannuation plans.

RISK

There are a number of risks to which the Fund exposes the employer. The more significant risks relating to the defined benefits are:

- Investment risk – the risk that investment returns will be lower than assumed and the employer will need to increase contributions to offset this shortfall
- Salary growth risk – the risk that wages or salaries (on which future benefits amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions
- Legislative risk – the risk is that legislative changes could be made which increase the cost of providing the defined benefits
- Timing of members leaving service – as the Fund has only a small number of members, if members with large benefits or groups of members leave, this may have an impact on the financial position of the Fund, depending on the financial position of the Fund at the time they leave. The impact may be positive or negative, depending upon the circumstances and timing of the withdrawal

The defined benefit assets are invested in the Legg Mason Balanced investment option. The assets are diversified within this investment option and therefore the Fund has no significant concentration of investment risk.

SIGNIFICANT EVENTS

There were no Fund amendments affecting the defined benefits payable, curtailments or settlements during the year.

RECONCILIATION OF THE NET DEFINED BENEFIT LIABILITY / (ASSET)

FINANCIAL YEAR ENDED	31 DEC 2015 \$'000s	31 DEC 2014 \$'000s
Net defined benefit liability / (asset) at start of year	(384)	(432)
Customer service cost	63	60
Net Interest	(11)	(17)
Actuarial return on fund assets less interest income	53	19
Actuarial (gains) / losses arising from changes in financial assumptions	(44)	107
Actuarial (gains) / losses arising from liability experience	(48)	(51)
Employer contributions	3	32
Net defined benefits liability / (asset) at end of year	(480)	(384)

RECONCILIATION OF THE FAIR VALUE OF FUND ASSETS

FINANCIAL YEAR ENDED	31 DEC 2015 \$'000s	31 DEC 2014 \$'000s
Fair value of fund assets at beginning of the year	1,041	972
Interest income	35	45
Actuarial return on fund assets less interest income	53	19
Employer contributions	3	32
Contributions by fund participants	3	4
Taxes, premiums and expenses paid	–	(31)
Fair value of fund assets at end of the year	1,135	1,041

RECONCILIATION OF THE DEFINED BENEFIT OBLIGATION

FINANCIAL YEAR ENDED	31 DEC 2015 \$'000s	31 DEC 2014 \$'000s
Present value of defined benefit obligations at beginning of the year	657	540
Current service cost	63	60
Interest cost	24	28
Contributions by fund participants	3	4
Actuarial (gains) / losses arising from changes in financial assumptions	(44)	107
Actuarial (gains) / losses	(48)	(51)
Taxes, premiums and expenses paid	–	(31)
Present value of defined benefit obligations at end of the year	655	657

RECONCILIATION OF THE EFFECT OF THE ASSET CEILING

The asset ceiling has no impact on the defined benefit liability / (asset).

FAIR VALUE OF FUND ASSETS AS AT 31 DECEMBER 2015		QUOTED PRICES IN ACTIVE MARKET FOR IDENTICAL ASSETS	SIGNIFICANT OBSERVABLE INPUTS	UNOBSERVABLE INPUTS
ASSET CATEGORY	TOTAL \$'000s	LEVEL 1 \$'000s	LEVEL 2 \$'000s	LEVEL 3 \$'000s
Investment funds – Legg Mason Balanced Trust	1,135	–	1,135	–
Total	1,135	–	1,135	–

THE PERCENTAGE INVESTED IN EACH ASSET CLASS AT THE REPORTING DATE IS:

AS AT 31 DECEMBER	2015*	2014
Australian equity	49%	35%
International equity	26%	23%
Fixed income	9%	24%
Property	11%	10%
Alternatives / other	3%	3%
Cash	2%	5%

* Asset allocation as at 31 December 2015 is currently unavailable.
Asset allocation at 31 October 2015 has been used.

FAIR VALUE OF ENTITY'S OWN FINANCIAL INSTRUMENTS

The fair value of Fund assets includes no amounts relating to:

- any of the employer's own financial instruments
- any property occupied by, or other assets used by, the employer

SIGNIFICANT ACTUARIAL ASSUMPTIONS AT THE REPORTING DATE

FINANCIAL YEAR ENDING 31 DECEMBER	2015	2014
Assumptions to determine defined benefit cost		
Discount rate	3.4% p.a.	4.6% p.a.
Expected salary increase rate	4.0% p.a.	4.0% p.a.
AS AT 31 DECEMBER	2015	2014
Assumptions to determine DBO		
Discount rate	4.4% p.a.	3.4% p.a.
Expected salary increase rate	4.0% p.a.	4.0% p.a.

SENSITIVITY ANALYSIS

The defined benefit obligation as at 31 December 2015 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity, Scenario C and D relate to expected salary increase rate sensitivity.

- Scenario A: 0.5% p.a. lower discount rate assumption
- Scenario B: 0.5% p.a. higher discount rate assumption
- Scenario C: 0.5% p.a. lower assumed salary increase rate assumption
- Scenario D: 0.5% p.a. higher assumed salary increase rate assumption

	BASE CASE	SCENARIO			
		A	B	C	D
Discount rate (% p.a.)	4.4	3.9	4.9	4.4	4.4
Salary increase rate (% p.a.)	4.0	4.0	4.0	3.5	4.5
Defined benefit obligation* (\$'000s)	655	664	648	651	661

* Includes defined benefit contributions tax provision

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

ASSET-LIABILITY MATCHING STRATEGIES

CPA Australia is not aware of any asset and liability matching strategies adopted by the Fund.

FUNDING ARRANGEMENTS

The financing obligations adopted at the 31 December 2013 actuarial investigation of the Fund, in a report dated 10 July 2014, is to maintain the value of the Fund's asset at least equal to:

- 100 per cent of accumulation account balances plus
- 110 per cent of vested benefits for defined benefit members

In that valuation, it was recommended that CPA Australia contributes to the Fund as follows:

For defined benefit members:

- 10 per cent of salaries up to 30 June 2014 then nil from 1 July 2014

For accumulation members:

- As required to meet the employer's obligations under Superannuation Guarantee legislation or employment agreements

Plus

- Any additional employer contributions agreed between the employer and a member (e.g. additional salary sacrifice contributions)

EXPECTED CONTRIBUTIONS

FINANCIAL YEAR ENDED 31 DEC 2016	\$'000s
Expected employer contributions	–

MATURITY PROFILE OF DEFINED BENEFIT OBLIGATION

The weighted average duration of the defined benefit obligation as at 31 December 2015 is approximately 12 years.

EXPECTED BENEFIT PAYMENTS FOR THE FINANCIAL YEAR ENDING ON	\$'000s
31 December 2016	–
31 December 2017	–
31 December 2018	–
31 December 2019	–
31 December 2020	409
Following 5 years	–

21. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Consolidated Entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity markets.

The purpose of the investment policy is to protect and grow the capital base within a defined risk tolerance over the medium to long term and to generate an annual return that is in excess of what could be achieved through a risk adverse strategy. The policy allows CPA Australia to invest directly or via managed funds in both Australian and international equities, fixed interest investments including corporate debt and cash.

CPA Australia's financial instruments consist mainly of bank bills, cash, equities, bonds and hybrids that are traded in an active market. The main purpose of these financial instruments is to invest surplus member funds in order to maximise returns while not exposing the organisation to a high level of risk. Investment of funds is in line with CPA Australia's investment policy.

Other financial assets and liabilities are trade receivables and trade payables which arise directly from the Consolidated Entity's operations. Policies for managing the main risks are summarised below:

A. FOREIGN CURRENCY RISK MANAGEMENT

It is not CPA Australia policy to utilise off-balance sheet derivative instruments as a means of managing exposure to fluctuations in foreign exchange rates. Foreign exchange exposure is continuously monitored by the Consolidated Entity's Finance Business Unit and reported to the relevant operation of the Consolidated Entity through management reports which analyse exposures by degree and magnitude of risks. In 2015, the weakening of the Australian dollar against the currencies where substantial cash is held resulted in a foreign exchange gain of \$278,850 for the full year.

B. CREDIT RISK EXPOSURES

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults.

The Consolidated Entity's exposure is continuously monitored and limits reviewed annually. Trade receivables consist of a large number of members and customers, spread across diverse industries and geographical areas. The Consolidated Entity does not have any significant credit risk exposure to any single party or any group of counter parties having similar characteristics. The credit risk on liquid funds and bank bills is mitigated by ensuring the authorised deposit taking institutions have a minimum S&P credit rating of BBB+ (or Moody's / Fitch equivalent).

The credit risk on financial assets of the Consolidated Entity which have been recognised on the Statement of financial position is generally the carrying amount, net of any provisions for loss. Use of off balance-sheet financial instruments is not part of current policy. Trade receivables are concentrated in Australia and the concentration of credit risk arises mainly in the following industries:

- Advertising and sponsors
- Accounting practices
- Credit services

C. INTEREST RATE RISK EXPOSURES

Exposures to interest rate risk are limited to assets and liabilities bearing variable interest rates. The majority of financial assets are equities and bank bills held to maturity with fixed interest rates and term.

D. CAPITAL RISK MANAGEMENT

The Consolidated Entity manages its capital to ensure that the Consolidated Entity will be able to continue as a going concern. The Consolidated Entity's overall strategy remains unchanged from 2014.

The capital structure of the Consolidated Entity consists of equity comprising reserves and retained earnings.

The Consolidated Entity is not subject to any externally imposed capital requirements.

E. MATURITY PROFILE OF FINANCIAL INSTRUMENTS

The maturity profile of financial assets and liabilities held by the Consolidated Entity are detailed on page 96.

F. NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value.

G. LIQUIDITY RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Consolidated Entity's short, medium and long-term funding and liquidity management. The Consolidated Entity manages the liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities. CPA Australia invests in equities that are traded in an active market on the Australian Securities Exchange and that can be readily disposed of. All financial liabilities, namely trade and other payables, are due for settlement within three months and are non-interest bearing. Given the current surplus cash assets, liquidity risk is minimal.

2015**FINANCIAL ASSETS**

	WEIGHTED AVERAGE INTEREST RATE	FLOATING INTEREST RATE \$'000s	1 YEAR OR LESS \$'000s	1-2 YEARS \$'000s	TOTAL \$'000s
Cash and cash equivalents	1.99%	51,790	22,500	–	74,290
Bank bills < 1 year	3.70%	–	250	–	250
Equities	Non-interest bearing	–	29,942	–	29,942
Property funds	Non-interest bearing	–	3,497	–	3,497
Securities	Non-interest bearing	–	9,871	–	9,871
Hybrids	Non-interest bearing	–	22,372	–	22,372
Receivables	Non-interest bearing	–	10,161	–	10,161
Loan to related parties	Interest bearing	–	–	–	–
Defined benefit plan	Interest bearing	–	–	480	480
		51,790	98,593	480	150,863

FINANCIAL LIABILITIES

Payables	Non-interest bearing	–	17,087	–	17,087
Subscriptions and fees in advance	Non-interest bearing	–	74,670	–	74,670
		–	91,757	–	91,757
Net financial assets / (liabilities)		51,790	6,836	480	59,106

2014**FINANCIAL ASSETS**

Cash and cash equivalents	2.11%	59,625	500	–	60,125
Equities	Non-interest bearing	–	27,114	–	27,114
Property funds	Non-interest bearing	–	3,551	–	3,551
Securities	Non-interest bearing	–	10,017	–	10,017
Hybrids	Non-interest bearing	–	20,856	–	20,856
Receivables	Non-interest bearing	–	4,457	–	4,457
Loan to related parties	Interest bearing	–	–	350	350
Defined benefit plan	Interest bearing	–	–	384	384
		59,625	66,495	734	126,854

FINANCIAL LIABILITIES

Payables	Non-interest bearing	–	13,325	–	13,325
Subscriptions and fees in advance	Non-interest bearing	–	67,755	–	67,755
		–	81,080	–	81,080
Net financial assets / (liabilities)		59,625	(14,585)	734	45,774

H. MARKET RISK MANAGEMENT

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. CPA Australia manages the financial risks relating to its investments set out in accordance with the CPA Australia cash and investment policy. The policy has a number of thresholds that cannot be exceeded, including weighting for asset classes and individual limits within each asset class.

FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF COMPREHENSIVE INCOME	LEVEL 1 \$'000s
Equities	29,942
Property funds	3,497
Securities	9,871
Hybrids	22,372
	65,682

There were no financial assets in Level 2 and 3 in the period. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

I. CAPITAL RISK MANAGEMENT

CPA Australia manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments.

The capital structure of CPA Australia consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings.

CPA Australia has a global presence and operates through its network in Asia, New Zealand and the United Kingdom. No operations of CPA Australia are subject to external imposed capital requirements.

J. SENSITIVITY ANALYSIS

The table below details the group's sensitivity to shifts in interest rates and foreign exchange rates. The exposures are based on management's best estimates of the possible adverse effects of changes in interest rate and foreign exchange rates as at 31 December 2015.

ANNUAL RISK BY RISK TYPE	MINIMUM	
	2015 \$'000s	2014 \$'000s
Foreign exchange	161	137
Interest rate	129	149
ANNUAL RISK BY RISK TYPE	AVERAGE	
	2015 \$'000s	2014 \$'000s
Foreign exchange	817	697
Interest rate	324	373
ANNUAL RISK BY RISK TYPE	MAXIMUM	
	2015 \$'000s	2014 \$'000s
Foreign exchange	1,474	1,257
Interest rate	518	596

Interest rate analysis is based on balances of financial assets not exceeding 1 year, which are all at variable rates. Minimum and maximum exposures are calculated at increases of 25 basis points and 100 basis points respectively. An equal reduction in interest rates would result in an equivalent fall in net profit.

CPA Australia is mainly exposed to Chinese yuan, Hong Kong dollars, Malaysian ringgits and Singapore dollars. Foreign exchange sensitivity analysis is based on outstanding foreign currency denominated intercompany loan amounts and revenues and expenses for the year 2015. Minimum and maximum exposure is calculated at shifts of 1 per cent and 10 per cent change in exchange rate respectively. An equal decline in the exchange rate would result in an equivalent fall in net profit.

The Consolidated Entity is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Consolidated Entity does not actively trade these investments.

EQUITY PRICE SENSITIVITY ANALYSIS

The sensitivity analysis has been determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been five per cent higher / lower equity reserves would have increased / decreased by \$4.2m as a result of the fair value of the available-for-sale shares.

22. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF SURPLUS AFTER INCOME TAX TO NET CASH

Inflow from operating activities

Surplus after income tax

PLUS / (MINUS) NON-OPERATING ITEMS

Interest income received

PLUS / (MINUS) NON-CASH ITEMS

Foreign exchange translation

Depreciation and amortisation

Net gain on sale of property, plant and equipment

Realised (gain) / loss

CHANGE IN ASSETS AND LIABILITIES

(Increase) in receivables

(Increase) / decrease in other assets

Increase in payables

Increase in subscriptions and fees in advance

(Decrease) in other liabilities

Increase in provisions

CHANGE IN ITEMS IN EQUITY

Amounts recognised in equity relating to defined benefit plan

Net cash inflow from operating activities

	CONSOLIDATED	
	2015 \$'000s	2014 \$'000s
	7,588	3,302
	(4,438)	(3,912)
	949	7
	12,051	11,643
	(7)	–
	(424)	59
	(5,703)	(1,030)
	(133)	145
	3,761	1,656
	6,914	16,415
	(670)	(716)
	337	830
	145	(37)
	20,370	28,362

23. SUBSEQUENT EVENTS

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has affected or may significantly affect the activities of the consolidated entity, the results of those activities or the state of affairs of the consolidated entity in the ensuing or any subsequent financial year.

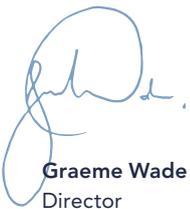
DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- (c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2 (b).

Signed in accordance with a resolution of the Directors made pursuant to s.295 (5) of the *Corporations Act 2001*.

On behalf of the Directors



Graeme Wade FCPA
Director



Tyrone Carlin FCPA
Director

26 February 2016



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Independent Auditor's Report to the Members of CPA Australia Limited

We have audited the accompanying financial report of CPA Australia Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in members funds for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 66 to 99.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of CPA Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Deloitte.

Opinion

In our opinion:

- (a) the financial report of CPA Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.



DELOITTE TOUCHE TOHMATSU



Mark Stretton
Partner
Chartered Accountants
Melbourne, 26 February 2016

GRI INDEX

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Independent limited Assurance Report on the sustainability performance data included in the 2015 Annual Report to the Directors of CPA Australia Limited

We have undertaken a limited assurance engagement relating to the subject matter detailed below (the 'Subject Matter') presented in CPA Australia Limited's ('CPA Australia') 2015 Annual Report.

Subject Matter and Reporting Criteria

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 31 December 2015 is as follows:

Subject Matter	Reporting Criteria
<p>GRI G4 Sustainability Reporting Guidelines</p> <p>Sustainability information included in the 2015 Annual Report in accordance with the core criteria option (the 'GRI self-declaration') of the G4 Sustainability Reporting Guidelines ("GRI G4 Guidelines")</p>	<p>The GRI Guidelines and related information, publicly available at GRI's global website at www.globalreporting.com, in particular the requirements to achieve the GRI Self declaration.</p>
<p>Selected indicator data</p> <p>The following selected sustainability performance data for FY2015 included within the specific standard disclosure requirements of the GRI G4 Guidelines ('Selected indicator data'):</p> <ul style="list-style-type: none"> • Direct economic value generated and distributed [G4-EC1] • Coverage of the organisation's defined benefit plan obligations [G4-EC3] • Results of surveys measuring customer satisfaction [G4-PR5] • Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data [G4-PR8] • Corruption risks and incidents [G4-SO3], [G4-SO4], [G4-SO5] 	<p>Specific standard disclosure requirements of the GRI G4 Guidelines</p>

CPA Australia's Responsibility for the Subject Matter Information

The Directors of CPA Australia are responsible for:

- ensuring that the Subject Matter in the 2015 Annual Report is properly prepared and presented in accordance with the GRI G4 Guidelines Reporting Criteria;
- confirming the measurement or evaluation of the underlying Subject Matter against the applicable criteria, including that all relevant matters are reflected in the Subject Matter information;
- designing, establishing and maintaining internal controls to ensure that the Subject Matter information is properly prepared and presented in accordance with the Reporting Criteria.

Deloitte.

Deloitte's Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Deloitte's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000'), issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been prepared and presented in all material respects in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter in the 2015 Annual Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and consisted primarily of:

review of CPA Australia's processes relating to stakeholder identification, engagement and responsiveness, including an assessment of stakeholder engagement outcomes and how this process and the outcomes have been presented in the 2015 Annual Report;

- review of CPA Australia's process to identify and determine material issues to be included in the 2015 Annual Report with examination of underlying assessments and evidence on a sample basis;
- interviews with a selection of CPA Australia executives and senior management, including CPA Australia's sustainability management team concerning the overall governance structure, corporate sustainability strategy and policies used for managing and reporting sustainability performance across the business;
- comparison of the sustainability content of CPA Australia's 2015 Annual Report against the core criteria option requirements of the G4 Sustainability Reporting Guidelines.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter in the 2015 Annual Report has been properly prepared and presented, in all material respects, in accordance with Reporting Criteria.

Deloitte.

Inherent limitations

Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The Subject Matter should be read in the context of CPA Australia's Reporting Criteria as set out in the 2015 Annual Report.

Limitations of use

This report is made solely to the directors of CPA Australia in accordance with our engagement letter dated 18 January 2016, for the purpose of providing limited assurance over material non-financial information contained within CPA Australia's Annual Report. We disclaim any assumption of responsibility for any reliance on this report or on the Subject Matter to which it relates, to any person other than the directors of CPA Australia or for any purpose other than that for which it was prepared.

Matters relating to electronic presentation of information

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the 2015 Annual Report after the date of this assurance statement.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Shailesh Tyagi

Partner

Sydney, 26 February 2016

ACRONYMS

AASB	Australian Accounting Standards Board	CPA	Certified Practising Accountant
AAT	Association of Accounting Technicians, Australia	CPA PPC	CPA Public Practice Certificate
ACL	Australian Credit Licence	CPD	Continuing professional development
AFAANZ	Accounting and Finance Association of Australia and New Zealand	CRM	Customer relationship management
AFA	ASEAN Federation of Accountants	CUFA	Credit Union Foundation Australia
AFSL	Australian Financial Services Licence	DMA	Disclosures on management approach
A-IFRS	Australian Equivalents to International Financial Reporting Standards	FCPA	Fellow of CPA Australia
AM	Member of the Order of Australia	FTE	Full-time equivalent
AO	Officer of the Order of Australia	GRI	Global Reporting Initiative
APES	Accounting Professional and Ethical Standards	GRRP	Global research perspectives program
APESB	Accounting Professional and Ethical Standards Board	GST	Goods and services tax
ARA	Australasian Reporting Awards	HRH	His Royal Highness
ASA	Associate member of CPA Australia	IAASB	International Auditing and Assurance Standards Board
ASAE	Australian Standard on Assurance Engagements	IFAC	International Federation of Accountants
ASEAN	Association of South-East Asian Nations	IFRS	International Financial Reporting Standards
ASIC	Australian Securities and Investments Commission	IIRC	International Governance and Performance
ASX	Australian Stock Exchange	IPA	Institute of Public Accountants
ASXCGC	Australian Stock Exchange Corporate Governance Council	IPSASB	International Public Sector Accounting Standards Board
ATO	Australian Taxation Office	IR	Integrated reporting
ATSI	Aboriginal and Torres Strait Islander	ISO	International Standards Organisation
AUASB	Auditing and Assurance Standards Board	IT	Information technology
AWW	Australian Women's Weekly	KPI	Key performance indicator
CAANZ	Chartered Accountants Australia and New Zealand	LMS	Learning management system
CAPA	Confederation of Asian and Pacific Accountants	MND	Motor neurone disease
CEO	Chief executive officer	OAM	Medal of the Order of Australia
CFO	Chief financial officer	PQAC	Professional Qualifications and Advisory Committee
CGPR	Corporate Governance Principles and Recommendations	SME	Small to medium enterprise
CIPFA	Chartered Institute of Public Finance and Accountancy	SMP	Small and medium practice
COO	Chief operating officer	SMSF	Self-Managed Superannuation Fund
		TPP	Trans-Pacific Partnership
		UiTM	University Teknologi MARA
		WHS	Workplace health and safety

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