

PROUD HISTORY. BRIGHT FUTURE.

CPA Australia 2016 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 2016. Our last report covered the calendar year to 31 December 2015 and was published in April 2016.

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 <IR> Framework can be found at www.theiirc.org

CPA Australia is a member of the IIRC <IR> Business Network. This network is for organisations committed to integrated thinking and reporting in the evolution of corporate reporting.

We are committed to assurance, which we believe is fundamental to the credibility of our report and to providing a complete and transparent picture of how 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 6).

This structure also reflects our strategic goals and related activities for 2016, and our expectations for 2017 and beyond. The principal audience for this report is our members, but the information will also be of value to other stakeholders (page 9).

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

The GRI recently announced that from July 2018, GRI G4 will cease to be applicable and have released the GRI Standards. The GRI Standards are the first global standards for sustainability reporting and feature a modular, interrelated structure, representing global best practice for reporting on a range of economic, environmental and social impacts. We are a member of the GRI Gold Community and have joined the GRI Standards Pioneer Program and will look to early adopt the Standards as suitable for our business and our future reporting.

There have been no significant changes from previous reporting periods to the measurement methods of our financial or non-financial performance. Scope and boundary of the report have been expanded to now cover CPA Australia Advice as it became operational in July 2016. There are no material exclusions from this report. There have been no significant changes to our size or ownership from previous reporting periods.

CPA Australia's Board applies its collective mind to ensure the integrity of the information in this report through review of regular integrated reports prepared by management and has oversight of key milestones in development, with sign off 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 cpaaustralia.com.au/annualreport and we utilise selected sections to provide content for our websites in other languages.

* 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.



CONTENTS



About this report	1	HOW WE DO BUSINESS	46
How CPA Australia creates value	3	Our people	48
Our business model	4	Our supply chain	53
What matters most	6	Governance	54
Material issues	7	Board of Directors	58
President's report	11	Councillors and committees	63
Chief executive's report	13	FINANCIAL REPORT	65
2016 Highlights	14	Report of the Board of Directors	66
Our strategy	16	Overview of financial results	69
Key performance indicators	18	Discussion and analysis of the financial results 2016	70
2016 Financial performance	20	Statement of profit or loss and other comprehensive income	72
Performance summary	21	Statement of financial position	73
Risks, opportunities and future outlook	22	Statement of changes in members' funds	74
OUR MEMBERS	24	Statement of cash flows	75
Certification and the CPA Program	26	Notes to the financial statements	76
Brand and broadening the audience	28	Directors' declaration	99
Member engagement and service	31	Independent Auditor's report	100
Access to knowledge	34	GRI index	102
PUBLIC INTEREST AND THE PROFESSION	36	Independent limited assurance report	105
Protecting the public interest and professional standards	38	Acronyms	108
CPA Australia Advice	40		
Representation and advocacy	42		

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 160,000 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, Macau and Taiwan), 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

RAPID TECHNOLOGY CHANGE

REGULATORY AND POLICY ENVIRONMENT



INPUTS

1



INTELLECTUAL

- Brand
- CPA program
- Financial advice policies and procedures
- Knowledge and expertise



PEOPLE

- Members
- Employees
- Advisers



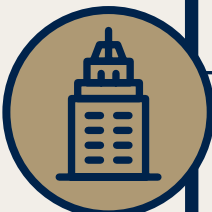
PARTNERS

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



FINANCIAL

- Adviser fees
- Membership fees
- Receipts for products and services



INFRASTRUCTURE

- A network of 22 offices
- IT and digital infrastructure



VALUE ADDING ACTIVITIES

2

CPA PROGRAM DELIVERY

PROVIDING ACCESS TO KNOWLEDGE

BROADENING THE AUDIENCE

PROMOTING CPAs AND THE CPA DESIGNATION

ADVOCACY

DEVELOPING OUR PEOPLE

MANAGEMENT, AUTHORISATION AND OVERSIGHT OF ADVISERS PROVIDING INDEPENDENT FINANCIAL ADVICE

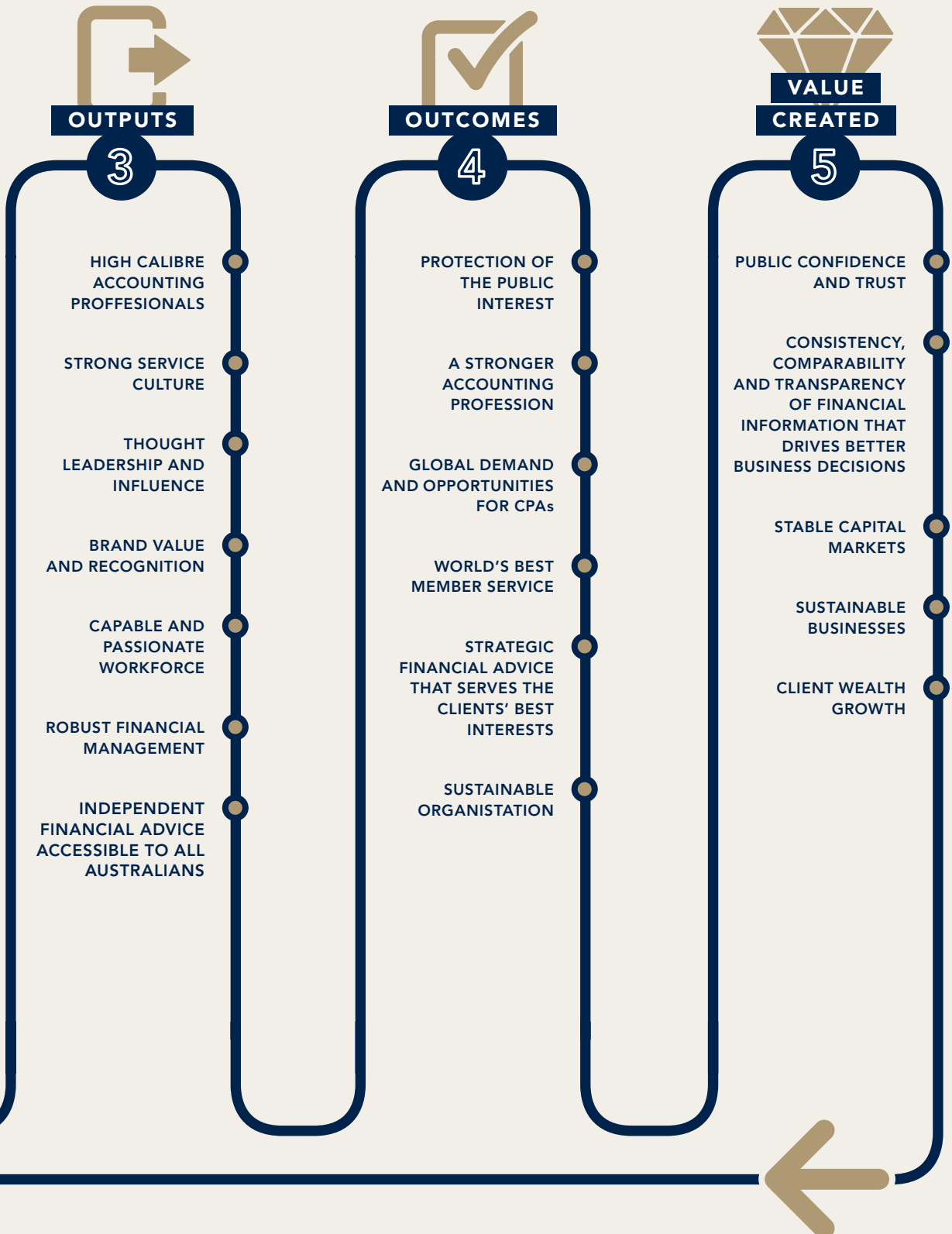
MANAGEMENT AND INVESTMENT OF MEMBER FUNDS



CHANGING EDUCATION AND KNOWLEDGE MARKETPLACE

COMPETITION

GEOPOLITICAL CHANGES



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 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**

The contents of this report have been defined by removing issues that do not; rate highly for stakeholders, have a significant business impact, or routinely appear as a top three issue for any stakeholder group. We continue to review these issues each year to ensure they best reflect our value creation-story, and while absolute order of high priority issues can vary from year to year, most material issues remain stable.

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 in the short, medium and long-term, 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.



A particular challenge in the materiality process for 2016 was the incorporation of CPA Australia Advice. The business only became fully operational in July 2016 and as a result, there was a limited number of stakeholders involved or exposed to this new business to involve in the materiality process.

In response to these challenges we engaged an external party to prepare a benchmarking report of common issues faced by financial advice businesses. These issues were then ranked by management, to provide insight into the issues and measures that will be most relevant to the CPA Australia Advice business. We expect our process for determining materiality for this new business to become more robust year-on-year as the business matures and we have a wider range of stakeholder groups to engage in the process.

Our most material issues are the basis of this report and are shown in Table 1 on page 8 in order of priority.

The boundary of each issue is also reported, alongside which stakeholder groups are most impacted.

The boundaries for each material issue remain unchanged from 2015. Two new material issues are included for 2016 which are digital service and CPA Australia Advice.

Issues from 2015 that were assessed as having lower materiality in 2016 and thus are no longer included in the report as distinct issues are supporting accounting education and corruption and fraud. 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 only exclusion to this is the material issue, CPA Australia Advice which only impacts the Australian market and operations.

* 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 concern (white web).

○ Stakeholder Concern

● Business Impact

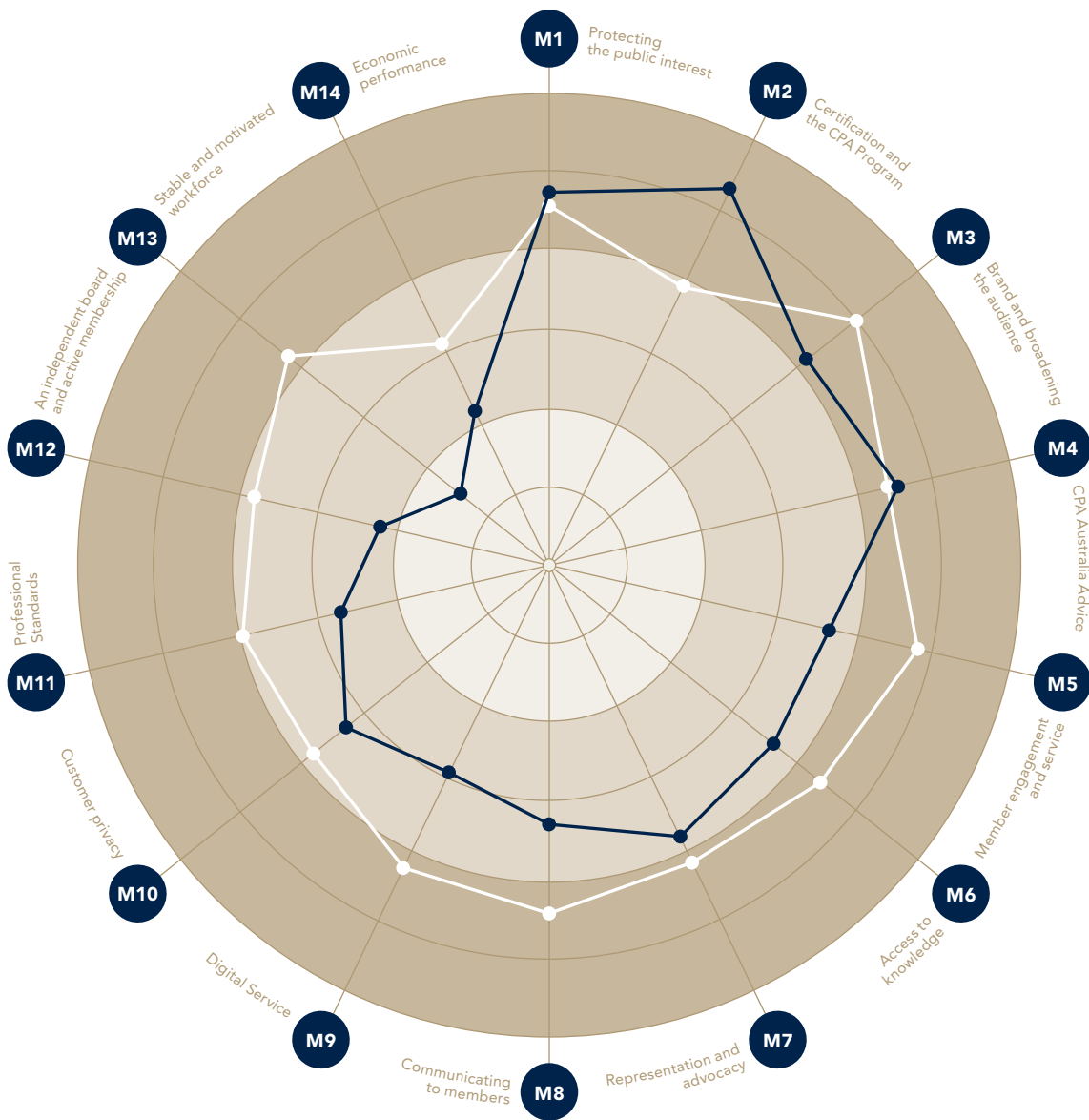


Table 1: Material issues in order of priority

CODE	MATERIAL ISSUE	BOUNDARY AND STAKEHOLDERS IMPACTED
M1	Protecting the public interest	Outside (members, broader public)
M2	Certification and the CPA Program	Outside (members, employers, higher education sector)
M3	Brand and broadening the audience	Outside (members, broader public)
M4	CPA Australia Advice	Inside (Board, employees), outside (members, broader public, regulators)
M5	Member engagement and service	Outside (members)
M6	Access to knowledge	Outside (members, potential members)
M7	Representation and advocacy	Outside (members, broader public, regulators)
M8	Communicating to members	Outside (members)
M9	Digital service	Outside (members, potential members)
M10	Customer privacy	Outside (members)
M11	Professional standards	Outside (members, broader public)
M12	An independent board and active membership	Inside (Board, employees), outside (members)
M13	Stable and motivated workforce	Inside (employees)
M14	Economic performance	Inside (employees), outside (members, suppliers)

RESPONDING TO STAKEHOLDERS THROUGH OUR REPORTING

To inform this report and our operations we gather a wide range of input across our day-to-day activities from our members, potential members, committees, 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 key stakeholders; our members, those who employ our members, our employees and our significant suppliers.

External stakeholders involved in the materiality process included members from a broad range of industry sectors, geographies and demographic backgrounds, potential members and suppliers.

Internal stakeholders represented key business areas, processes and geographies.

To improve our reporting we asked stakeholders to comment on our 2015 integrated report. We also gathered feedback through the IIRC review service and award entries such as the Australasian Reporting Awards. We have used this feedback to make changes to this year's report including considering new material issues relating to digital

service and CPA Australia Advice, enhancing conciseness by continuing to focus on the most material issues, and improving readability through increased use of colour.

The issues raised by our key stakeholders and our response to them can be found in the table on page 9.

Table 2: Stakeholder engagement

STAKEHOLDER	HOW WE ENGAGED	KEY ISSUES RAISED	OUR RESPONSE
Members	<ul style="list-style-type: none"> • Councils and committees • Customer service activities • Discussion groups • Materiality survey and interviews • Member research • Networking and professional development events • Social media 	<ul style="list-style-type: none"> • Access to knowledge • An independent board and active membership • Brand and broadening the audience • Certification and the CPA Program • Customer privacy • Member engagement and service • Professional standards • Protecting the public interest 	As our members raise a wide range of material issues, and they are the key stakeholders for our report, our responses form the basis of this report and are found throughout this report, particularly pages 26 to 62
Prospective members	<ul style="list-style-type: none"> • Career and Become a CPA events • On campus activities • Research • Social media • Student network • The Naked CEO 	<ul style="list-style-type: none"> • Brand and broadening the audience • Certification and the CPA Program 	Our response to these issues can be found on pages 26 to 30
Community / broader public	<ul style="list-style-type: none"> • Advocacy activities • <i>In Conversation with Alex Malley</i> • News and media articles • Opinion articles • Partnerships with community organisations 	<ul style="list-style-type: none"> • Professional standards • Protecting the public interest 	Our response to these issues can be found on pages 38 to 39
Employees	<ul style="list-style-type: none"> • All-staff gatherings • Formal performance appraisals • Intranet • Materiality survey and interviews • Staff newsletter 	<ul style="list-style-type: none"> • Access to knowledge • Certification and the CPA program • Digital service • Economic performance • Member engagement and satisfaction • Protecting the public interest • Stable and motivated workforce 	As our employees raise a wide range of material issues our responses are found throughout this report, particularly pages 26 to 62
Regulators and government	<ul style="list-style-type: none"> • Advocacy activities • Contribution to parliamentary enquiries • Departmental and Ministerial level meetings • Meetings with regulators • Ongoing written correspondence • Participation in consultation forums 	<ul style="list-style-type: none"> • CPA Australia Advice • Professional standards • Protecting the public interest • Representation and advocacy 	Our response to these issues can be found on pages 38 to 44
Employers	<ul style="list-style-type: none"> • Employment roadshows • Events and presentations • Meetings and phone calls • Recognised Employer Program 	<ul style="list-style-type: none"> • Certification and the CPA Program • Professional standards 	Our response to these issues can be found on pages 26 to 27 and 38 to 39
Academic institutions and academics	<ul style="list-style-type: none"> • Accreditation activities • Advocacy activities • Conferences and forums • Councils and committees • Global Research Perspectives Program 	<ul style="list-style-type: none"> • Certification and the CPA Program • Supporting accounting education * 	Our response to these issues can be found on pages 26 to 27
Suppliers	<ul style="list-style-type: none"> • Contract negotiations • Informal meetings • Operational delivery • Quarterly reviews • Tender and proposal requests and responses 	<ul style="list-style-type: none"> • Brand and broadening the audience • Certification and the CPA Program • Communicating to members • Digital service • Member engagement and satisfaction 	Our response to these issues can be found on pages 26 to 35
Professional industry bodies	<ul style="list-style-type: none"> • Meetings with senior executives • Participation in global accounting forums such as the International Federation of Accountants (IFAC) 	<ul style="list-style-type: none"> • Professional standards • Protecting the public interest • Representation and advocacy 	Our response to these issues can be found on pages 38 to 44

* This was of lower materiality to other stakeholders this year, hence it was not included in our list of material issues. Some of the information previously included in this section of the report can be found on page 26.



PRESIDENT'S REPORT

CPA Australia supports more than 160,000 members across 118 countries. This truly global footprint is the result of 130 years of vision, innovation and fraternity.

Our growth cannot just be measured in membership numbers or the diverse countries in which we operate; it is also about scope and influence. Collectively, around 15 per cent of our members hold senior leadership positions, with more than 25,000 members working at CEO or CFO level, or in business ownership or partner roles.

It is a rich heritage of membership diversity, the envy of many an organisation, and the best way to honour our history is to continue building for the future - with the same insight and passion as our founders.

This determination to never be content with past achievements is the hallmark of today's CPA Australia and the real legacy of our 130 year tradition.

In 2016, we delivered another strong operating performance, with surplus before tax above budget. At the same time, we continued to make strategic investments in our support infrastructure to better serve members.

A simpler, more intuitive and secure membership application system has been developed and we have made great strides in removing many of our paper-based forms and replacing them with digital versions.

In the spirit of the CPA Australia pioneers, the successful establishment of our new CPA Australia Advice business was a key achievement for 2016.

Not only does CPA Australia Advice provide an independent licensing solution for our members in public practice to enable them to reclaim the mantle of 'trusted adviser', it provides consumers with an avenue to seek out truly independent financial advice, advice focused on what is right for the individual and free from conflicts of interest.

Our model is consistent with CPA Australia's long-held tenets of upholding professional standards and protecting the public interest.

CPA Australia continues to drive a deeper engagement with the broader community by increasing our presence across a range of public platforms, including television, radio, print and online. From our social media footprint and public policy thought-leadership through to our continued partnership with the Grand Slam of Asia-Pacific, as we extend our reach and impact, we enliven the CPA Australia brand.

Our new series, *In Conversation with Alex Malley* aired on the Nine Network Australia and the total audience since the program's inception is now more than 4 million. We continue to connect with the next generation of talent through thenakedceo.com mentoring website that has now had more than 5.4 million visits. The book, *The Naked CEO – The Truth You Need to Build a Big Life*, remains a bestselling business book and entered new markets this year with translations into Mandarin and Vietnamese. Additionally, we engaged with more than 381,000 people through social media, had one million visits to intheblack.com and 4.9 million visits to our corporate site.

These are real connections informing members and attracting the best and brightest to our designation. It is how we secure our future relevance.

Our heritage matters. In 2016 we sadly lost former Presidents and life members Joseph Abraham AM FCPA, Laurence Crockett FCPA, Dr Ken Levy FCPA RFD and Len Spencer FCPA – proud members all, and we honour their contributions in making CPA Australia what it is today.

On behalf of all of our 160,000 strong global family, and in the spirit of our rich history, I thank all members of the Board, past and present, and those who continue to contribute their time and energy at representative, divisional and branch level and in all our member representative forums.

I pay particular tribute to Graeme Wade FCPA, our immediate past President who has served over two terms with great passion and distinction. With his continuing service on the Board we look forward to his ongoing contributions to our organisation.

Thanks to our dedicated staff, led by our indefatigable chief executive Alex Malley FCPA, and to you, our members, for your support and commitment to the ongoing evolution of the 130 year CPA Australia success story.

Professor Tyrone Carlin FCPA
President and Chairman
Board of Directors
CPA Australia

CHIEF EXECUTIVE'S REPORT



In 1886, CPA Australia's founders met to discuss the future of the accounting profession. More than 130 years later we continue to build CPA Australia to deliver on those early objectives.

We are reaching new audiences and generating unprecedented levels of interest in our designation. We are re-framing perceptions about what it means to be a professional accountant and, in the process, honouring the vision of our founders.

CPA Australia has grown to be a globally respected professional accounting body, providing thought leadership and influence on issues, policies and regulations across the Asia-Pacific region and beyond.

Interactive digital learning resources at the cutting-edge of contemporary teaching and learning approaches were delivered to all candidates enrolled in Ethics and Governance and Financial Reporting and are set to be introduced to all subjects across the program.

We offered a broad range of continuing professional development (CPD) options covering conferences and networking events through to webinars and self-paced learning. Congress, our flagship event, was held in 13 cities in six countries over 38 days in a three-month period. More than 9300 delegates attended to hear from over 450 speakers.

and effective leveraging of the news cycle, we have sustained consistent media coverage on topics of interest to our membership across our priority markets and across the full range of media channels.

In this way we are influencing the key debates. In particular, CPA Australia's positioning as a sought-after voice on superannuation and retirement savings reforms demonstrated how strategic thought leadership and media impact can influence the public policy agenda.

Members are at the heart of what we do so I would like to thank all our members across the globe for their support during 2016.



130
YEARS

60 YEARS
IN
HONG KONG AND MALAYSIA

In our 130th year it is significant that we celebrated 60 years in Hong Kong and Malaysia.

Taken together, our members in these markets make up more than 14 per cent of our total membership, an achievement which would no doubt be a source of pride for our founders.

Yet no matter how big we get, we know our successes are built on each member. Our ability to make our brand and designation relevant for existing members and potential new members has never been more important, and our financial position means we have the financial strength to sustain strategic investments in member services.

Our world-class education offering, centred around the CPA Program, continues to evolve. We delivered 55,000 CPA Program exams in more than 90 countries in 2016 with computer-based testing covering 94 per cent of exams, compared to 75 per cent in 2015.

CPA Australia Advice commenced full operations on 1 July 2016. With an emphasis on building a robust platform for future growth, we have carefully established our business structure and compliance regime. With strong interest from members in the offer, we have enacted a rigorous process of reviewing applicants who meet our criteria and an extensive induction process for approved advisers.

We also boosted the financial planning education we offer to members, with four new financial planning subjects announced for the CPA Program. These subjects will enable members who want to pursue a career in financial planning to make progress towards the ASIC regulated education requirements while they're studying the CPA Program.

Our communication channels are broader and our messaging more integrated than ever before. Through the provision of in-demand content, including 82 opinion articles,

And a special thanks to our staff – it is your dedication and commitment to service that makes our achievements possible.

Strong global member growth, member retention levels in excess of 98 per cent, strong financial performance and a highly visible and respected organisation. These are the hallmarks of CPA Australia in 2016, and the foundations upon which we are building for the next 130 years.

Alex Malley FCPA
Chief Executive
CPA Australia

2016 HIGHLIGHTS

**PROTECTING
THE PUBLIC INTEREST**



BEGINS OPERATIONS

**INFLUENCING
SUPERANNUATION
REFORM**

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



**>160,000
MEMBERS ACROSS
118 COUNTRIES**

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

**>55,000
CPA PROGRAM
EXAM SITS**

**98%
MEMBER
RETENTION**

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

**>94%
OF EXAMS THAT ARE
DIGITAL**

**\$7.5M
SURPLUS
BEFORE TAX**

* Fully qualified

SECURING THE NEXT GENERATION OF TALENT

NEW MEMBERS FROM

> 60 COUNTRIES

A NETWORK OF
> 256,000
STUDENTS AND YOUNG PROFESSIONALS

THE NAKED CEO BOOK
PUBLISHED IN CHINA AND VIETNAM

LEVERAGING OUR BRAND AND BROADENING THE AUDIENCE



INCREASING MEDIA PROFILE

82 OPINION ARTICLES IN 6 COUNTRIES

> 4M AUDIENCE FOR IN CONVERSATION with Alex Malley

AUSTRALIAN OPEN TENNIS SPONSORSHIP
> 676M HOURS VIEWED ACROSS 200 COUNTRIES

PROVIDING ACCESS TO KNOWLEDGE

> 1M VISITS TO INTHEBLACK.COM

AWARD WINNING PUBLICATIONS

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 consistent over the past six years and continue to feature in the corporate plan approved by the Board to 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.

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 relevance for our members, potential members and other partners.

Our process for allocating funds to new activities and for further investment in our business-as-usual activities is based on our strategic goals with resources allocated to those activities that best support these goals. More information on our resource allocation can be found on pages 49 and 53.

MATERIAL ISSUES KEY

- M1** Protecting the public interest
- M2** Certification and the CPA Program
- M3** Brand and broadening the audience
- M4** CPA Australia Advice
- M5** Member engagement and service
- M6** Access to knowledge
- M7** Representation and advocacy
- M8** Communicating to members
- M9** Digital service
- M10** Customer privacy
- M11** Professional standards
- M12** An independent board and active membership
- M13** Stable and motivated workforce
- M14** Economic performance



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.

M1, M4, M7, M11 *



DRIVING
WORLD'S
BEST MEMBER
ENGAGEMENT
AND SERVICE

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

M5, M7, M8,
M9, M10 *



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.

M2, M9 *



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.

M6, M9 *



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, M4 *



SECURING
THE NEXT
GENERATION
OF TALENT

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

M2, M3 *



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.

M12, M13, 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 3: KPIs

STRATEGIC GOAL	MEASURE
Protecting the public interest	Number of public practice quality reviews
	Being thought leaders in business, accounting and finance*
	Committed to high professional standards in order to protect the public interest*
STRATEGIC GOAL	MEASURE
Driving world best member engagement and service	Percentage of calls answered within 20 seconds**
	Member retention (fully qualified)
	Member satisfaction*
STRATEGIC GOAL	MEASURE
Delivering a world-class CPA Program and certification	Maintaining ISO quality certification
STRATEGIC GOAL	MEASURE
Providing access to knowledge	Congress attendees
	Ensuring that I am across developments or issues impacting my field / business* intheblack.com
STRATEGIC GOAL	MEASURE
Leveraging our brand and broadening the audience	Social media engagement
	Representing members' interests in the media*
STRATEGIC GOAL	MEASURE
Securing the next generation of talent	CPA Program exam sits
STRATEGIC GOAL	MEASURE
Ensuring a stable, capable and skilled organisation	Staff turnover****
	Surplus before tax

* **Survey methodology:** The survey was run as an online survey on behalf of CPA Australia by Thrive Research in November 2016, 98,450 members were contacted via email and a response rate of 4 per cent was received (3619 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 was implemented in 2015 to replace industry benchmarking research that became unavailable and therefore only two years of data is available. As survey measures can vary from year-to-year without the difference being significant our targets in this area represent a range. Response rate has dropped from 2015 but on further investigation there is no identifiable reason for this and the response rate still provides a robust sample.

	2013	2014	2015	2016 TARGET	2016 ACTUAL	2017 TARGET
	>1000	>1000	>1000	1100	>1100	1000
	N/A	N/A	6.5	6.2 - 6.7	6.3	6.2 - 6.7
	N/A	N/A	6.9	6.7 - 7.2	6.7	6.7 - 7.2
	2013	2014	2015	2016 TARGET	2016 ACTUAL	2017 TARGET
	N/A	N/A	N/A	80	80.6	80
	98	98.1	98.3	98.3***	98.3	98.3
	N/A	N/A	6.3	6.0 - 6.5	6.0	6.0 - 6.5
	2013	2014	2015	2016 TARGET	2016 ACTUAL	2017 TARGET
	✓	✓	✓	✓	✓	✓
	2013	2014	2015	2016 TARGET	2016 ACTUAL	2017 TARGET
	>9000	>8900	8200	>9000	9300	>9600
	N/A	N/A	6.2	6.0-6.5	6.1	6.0-6.5
	>495,000	>550,000	>640,000	800,000	>1,000,000	1,100,000
	2013	2014	2015	2016 TARGET	2016 ACTUAL	2017 TARGET
	>175,000	>233,000	>300,000	>375,000	>381,000	430,000
	N/A	N/A	6.4	6.0-6.5	6.1	6.0 - 6.5
	2013	2014	2015	2016 TARGET	2016 ACTUAL	2017 TARGET
	>54,000	>59,000	>59,000	>60,000	>55,000	62,000
	2013	2014	2015	2016 TARGET	2016 ACTUAL	2017 TARGET
	<15%	<12%	<15%	<20%	12%	<20%
	2.31M	3.75M	7.74M	2.55M	7.5M	2.5M

** Previous years' measures are not available under this KPI as it has been changed from average call queue times to percentage of calls answered within 20 seconds to better reflect common call centre benchmarks. Measurement using the previously stated KPI of call queue times shows results of 21 seconds in 2015 and 25 seconds in 2016.

*** Target for 2016 as printed in our 2015 report was 98.4, this was amended to 98.3 following publication of the 2015 report due to a change in measurement methodology to better align with our membership renewal cycle.

**** 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.

2016 FINANCIAL PERFORMANCE

Table 4: Overview of economic value generated for the year ended 31 December 2016

	FY 2016 \$'000s	FY 2015 \$'000s
DIRECT ECONOMIC VALUE GENERATED		
Membership fees	81,675	77,839
Education and training revenue	86,238	84,823
Other	12,202	11,872
Total direct economic value generated	180,115	174,534
ECONOMIC VALUE DISTRIBUTED		
Employee wages and benefits	67,390	61,947
Operating costs	105,228	104,842
Payments to providers of capital	–	–
Payments to government	–	–
Community investments	–	–
Total economic value distributed	172,618	166,789
Surplus before tax	7,497	7,745

Table 5: CPA Australia – Revenue and costs by geographic region for the year ended 31 December 2016

	TOTAL REVENUE	TOTAL COST*	SURPLUS BEFORE TAX
Australia	132,943	151,223	(18,280)
China	5,830	4,419	1,411
Europe	987	1,095	(108)
Hong Kong	13,001	5,247	7,754
Indonesia	303	526	(223)
Malaysia	10,730	2,238	8,492
New Zealand	2,242	1,625	617
Singapore	8,562	4,497	4,065
Vietnam	1,190	1,703	(513)
Other overseas	4,327	45	4,282
Total overseas	47,171	21,395	25,776
Total CPA Australia	180,115	172,618	7,497

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 2016 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, although the number of CPA Program exam sittings was below our target number, this was due to increasing the flexibility of our approach to deferrals which saw a greater number of candidates defer than initially anticipated. This has not impacted overall enrolments in the CPA Program which continued to track ahead of the previous 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. The percentage of calls answered within 20 seconds, a recognised industry benchmark, were slightly more than target and retention of fully qualified members has met target after a strong and concerted effort across the business to achieve this result. We ran our member

satisfaction survey again in 2016, and whilst numbers have moved down they have remained within our target range. With only two years of data available we are unable to know if this is an ongoing trend, but we continue to look to improve the products and services we deliver to members.

We invested in enhanced back-office technologies to ensure our people can focus on delivering a more streamlined service to our members and customers.

We continued to focus on broadening the audience with an increasing number of people engaging with us through mainstream media, social media and digital channels and publications. We have seen increased success in this area with the book *The Naked CEO – the Truth You Need to Build a Big Life* launched in China and Vietnam and 82 opinion articles and op-eds published.

The continuing tough economic climate and challenging competitive environment continues to result in pressure on the professional development market. However, the successful redesign of Congress

to better engage with attendees meant we exceeded our targets for Congress as it performed strongly in the majority of locations.

Since our last report we have changed one metric relating to inbound telephone service which has changed from average call queue times to percentage of calls answered within 20 seconds to better reflect common call centre benchmarks.

We will look to report on metrics that show the performance of CPA Australia Advice where relevant once we have a full year of operations. Indication on the types of metrics we are considering can be found on pages 40 to 41.

Further details on our performance, and the challenges faced across our business, can be found in the management approach and 2016 performance report sections and in the full financials of this report.

Looking to 2017, we are budgeting for a slender surplus compared to 2016 results as we focus on investing in the CPA Program and CPA Australia Advice.

Table 6: Statement of financial position as at 31 December 2016

	FY 2016 \$'000s	FY 2015 \$'000s
Total current assets	104,503	88,110
Total non-current assets	90,887	93,999
Total assets	195,390	182,109
Total current liabilities	99,328	94,787
Total non-current liabilities	5,103	5,895
Total liabilities	104,431	100,682
Net assets	90,959	81,427
Total members' funds	90,959	81,427

RISKS, OPPORTUNITIES AND FUTURE OUTLOOK

Table 7: 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
Financial planning	In response to failures in financial planning, we have established the CPA Australia Advice business to offer fit-for-purpose, independent and transparent advice to the Australian consumer. As with any new business this presents both risks and opportunities
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 failure 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 RESPONSE	STRATEGIC GOALS IMPACTED	MATERIAL ISSUES 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 		<p>M3, M5, M7</p>	<p>Medium to long-term</p>
<ul style="list-style-type: none"> Providing an independent, transparent financial advice model through CPA Australia Advice Recruitment, retention and management of a capable workforce who can cover all the business activities of CPA Australia Advice 		<p>M1, M3, M4, M11, M13</p>	<p>Long-term</p>
<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 		<p>M1, M2, M3, M5, M11</p>	<p>Ongoing</p>
<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 Extending our media reach and influence 		<p>M1, M3, M7, M11</p>	<p>Long-term</p>
<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 		<p>M2, M3, M14</p>	<p>Medium to long-term</p>
<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 	 	<p>M2, M6</p>	<p>CPA Program – Medium to long-term CPD – Short to medium-term</p>
<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 		<p>M3, M12, M13</p>	<p>Short to medium-term</p>
<ul style="list-style-type: none"> Investing in our digital channels Investing in the right technology infrastructure to support delivery of our goals Systems and processes that support a flexible and creative workforce 	 	<p>M3, M5, M8, M9, M10, M14</p>	<p>Short to medium-term</p>



OUR MEMBERS

YAU POW JACK CPA AND DIYANA SYAZWANI CPA
MALAYSIA

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 – **M2**
- Brand and broadening the audience – **M3, M9**
- Member engagement and service – **M5, M8, M9, M10**
- Access to knowledge – **M5, M8**



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 CPAs



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 flexibility of delivery meets the changing needs of candidates and their employers

2016 PERFORMANCE

> 55,000
← EXAMS ACROSS →
90+ COUNTRIES

> 94%
COMPUTER-BASED
EXAMS → 
..... INCREASE FROM 75%

DIGITAL LEARNING RESOURCES TO
 SUPPORT
→ CANDIDATES ←

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.

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.

A large proportion of the services necessary for the design, development and delivery of the CPA Program are provided by our strategic supply partners Deakin Prime and Pearson Vue. CPA Australia retains control over

critical functions relating to content, educational design specifications, assessment and quality assurance.

This year we undertook a major study with candidates, past candidates and employers to understand their experience of the CPA Program content. We will use the results from this study to ensure the ongoing robustness, quality and relevance of the program to both our members and those who employ them.

Using the information from our analysis and feedback on the program we have also developed a new five year plan. This will set the framework for CPA Australia and its partners to continue to deliver CPA Program content and exams that are market-leading in terms of the robust education they provide and the flexibility of learning methods offered.

Undertaking the CPA Program alongside work is a significant academic and professional challenge for candidates and we continue to develop additional resources to assist

them in this undertaking. In 2016, we made a significant investment in providing contemporary learning opportunities that meet the needs of our members through the provision of digital learning resources, additional study support and our continued roll-out of computer-based testing.

INCREASING SUPPORT FOR CPA PROGRAM CANDIDATES

Recognising that some candidates prefer to access face-to-face learning opportunities we continued to strengthen our registered tuition providers program. Registered providers are authorised to provide CPA Program tuition that is aligned to the current study materials approved by CPA Australia and must meet our stringent quality standards. In 2016, 10 per cent of our candidates accessed support through our network of providers. To offer candidates more flexibility with how they choose to undertake the program we are trialling a full-time tuition support model in Malaysia with a

planned 2017 roll-out of the full-time version in Australia. Offering a full-time program allows graduates to progress through the academic component of the CPA Program in a shorter time frame to give them an advantage in the workplace, whilst still retaining the requirement of three years practical experience before advancement to CPA status.

ENSURING THE HIGHEST QUALITY STANDARDS

CPA Australia draws on the professional support of members in academia and industry through the Professional Qualifications Advisory Committee, the Examinations Policy Advisory Committee, the Special Consideration Committee and Subject Advisory Panels. Members include professors and senior academics from prestigious educational institutions alongside leading industry experts. These committees, together with our own expert people, ensure the ongoing quality and relevance of the CPA Program.

EXPANDING OUR SCHOLARSHIP OFFER

Alongside our Aboriginal and Torres Strait Islander and Australian Scholarship Foundation scholarships

(for those in the charitable not-for-profit sector) we now offer two scholarships annually in New Zealand for students of Māori descent, with strong tertiary academic results, to undertake the CPA Program.

ENHANCING FINANCIAL PLANNING EDUCATION

In 2016 we undertook significant background work to enhance the financial planning education we offer to members and announced the introduction of four new financial planning subjects within the CPA Program. These subjects will enable members who want to pursue a career in financial planning to make progress towards the ASIC regulated education requirements while they're studying the CPA Program.

Eligible CPA Program candidates will be able to undertake the first of the four financial planning subjects in semester one 2017, with the other three subjects being progressively introduced in future semesters.

Up to two of the four subjects may be taken as electives in the CPA Program, with the remaining subjects available outside of the CPA Program. Completion of all four subjects will meet the current knowledge requirements as set by ASIC in RG 146.



DIGITAL SERVICE

In Semester two 2016, the CPA Program entered a new phase of education delivery. Interactive digital learning resources were developed through a partnership with Deakin Prime and delivered to all candidates enrolled in Ethics and Governance and Financial Reporting.

Digitising the CPA Program is designed to provide contemporary teaching and learning approaches that are easy to access, engaging, effective and efficient in helping candidates to understand difficult content quickly and clearly.

In Financial Reporting, motion graphics, videos and interactive quizzes were used to demonstrate to candidates how to measure non-controlling interest, profit or loss and other comprehensive income, determination of goodwill,

intra-group transactions and pre-acquisition elimination.

In Ethics and Governance, interactive case studies, videos, fictional company websites and business simulations presented ethical dilemmas and highlighted the day-to-day importance of ethics and governance in the life of a CPA.

This new phase will become business as usual for the CPA Program as digital learning resources are introduced to all subjects across the program.

We also continue to invest in delivering computer-based exams in order to enhance the flexibility and security of the examination process. In 2016, more than 94 per cent of exams taken were computer-based, an increase from 75 per cent in semester two of 2015.



CASE STUDY

GETTING AHEAD WITH THE CPA PROGRAM

Gemma Roddan CPA, Business and Activity Analyst, Fiona Stanley Hospital

Gemma Roddan completed her CPA qualification in August 2015 and now works for the Western Australia Department of Health as a Business and Activity Analyst at the Fiona Stanley Hospital, the largest tertiary hospital in the state.

Gemma embarked on the CPA Program to augment her technical skills and gain practical experience. She chose CPA Australia because she recognised the merit of a designation that is transferable "across different roles and organisations, both on a local and international level."

She believes the value of the CPA Australia qualification is the access it provides to a network of like-minded professionals with whom she can share ideas about the profession and the business environment.

"The CPA Australia designation has provided me with strong foundations in linking my technical knowledge with strategy and leadership."

"The most rewarding aspect of my role is that I get to use my professional designation to drive value for an organisation that is focused on something I am passionate about, which is public healthcare," she says.

Gemma's role as a Business and Activity Analyst encompasses budgeting, forecasting and strategic analysis of healthcare services. She derives motivation and meaning from seeing how her work applies in the day to day running of the hospital, "everything from justifying the opening of additional beds, to optimising the provision of outpatient clinics to evaluating the impact of staffing ratios on patients' length of stay."

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.

2016 PERFORMANCE

— AUSTRALIAN OPEN — TENNIS SPONSORSHIP

> **676M** HOURS VIEWED

ACROSS

→ **200** COUNTRIES ←

IN CONVERSATION
WITH ALEX MALLEY

DELIVERS AN AUDIENCE

> **4M**

ENGAGING WITH
> **381,000**

THROUGH
SOCIAL MEDIA

THE NAKED CEO =
NO.1 BESTSELLING
BOOK

in the business – management techniques
category in Australia*

BOOK PUBLISHED IN
CHINA AND VIETNAM



THE NAKED CEO.COM =
> **5.4M**

VISITS SINCE INCEPTION
1.3M in 2016

NEW MEMBERS FROM > **60** COUNTRIES

* 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 160,000 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 381,000 people across social media platforms including Facebook, Instagram, LinkedIn, Twitter, Weibo and WeChat.

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 allocated budget.

CONVERSATIONS WITH LEADERS

In 2016, CPA Australia launched a new television series on Channel Nine, *In Conversation with Alex Malley*. The first season aired in February and March and featured interviewees that included political journalist Laurie Oakes, Atari Founder Nolan Bushnell, neurosurgeon Professor Charlie Teo and Australian federal opposition leader Bill Shorten.

The second season ran from October to December and included interviews with world-renowned classical music entrepreneur Andre Rieu, footy legend and Motor Neurone Disease (MND) campaigner Neale Daniher, writer and activist Germaine Greer,

burns specialist Professor Fiona Wood and Alexander Downer AC, Australia's High Commissioner to the UK and former Liberal Party leader.

The series allows interviewees to share their life lessons, their path to success and views on leadership. A third and fourth series are scheduled for February and October 2017.

AUSTRALIAN OPEN SPONSORSHIP

We have continued our relationship as the official accounting and business partner of the Australian Tennis Open for the third year. Our relationship with the Australian Open gives us global exposure and the ability to amplify our brand across key markets throughout the Asia-Pacific region, particularly in Australia, China and New Zealand.

In 2016, the Australian Open delivered more than 676 million viewing hours across 200 countries as well as a record attendance of over 720,000 people. New digital signage surrounding the three main courts provided stronger, cleaner and uncluttered CPA Australia branding for spectators in the stadium and for television viewers.

CPA Australia digital campaigns were displayed on ausopen.com, for users in Australia, Hong Kong and China. There were 15 million unique users on ausopen.com and nearly one million users on smart phones. Branded content 'Shot of the Day, presented by CPA Australia' was distributed via Australian Open and CPA Australia social media channels including Facebook, Instagram, Twitter, Wechat and Weibo, and there were more than three million views through the two weeks on Facebook.

We also use our sponsorship to engage with prospective members and we hosted work experience competition winner, Monash University student Daniel Nickels, who spent a week at CPA Australia, including a mentoring session with the chief executive, and also worked behind the scenes at the Australian Open.

TAKING OUR BRAND TO NEW PLACES

CPA Australia's strategic sports sponsorships are delivered to attract our target audiences and support our membership goals. In 2016, additional sports-partnerships included the Australian University games, Netball New Zealand and the Australian NBL.

Our partnership with Netball New Zealand involved sponsorship of the Constellation Cup and allowed one of our student ambassadors to complete work experience with Netball New Zealand's finance team.

We are broadcast sponsor of the NBL providing coverage in Australia and the opportunity to live stream into China and we also partnered with the NBL as naming rights partner of its All Australian team for a three game series in China. Matches were held in Nanjing, Guangzhou and Beijing, and were broadcast in China on CCTV5, with a total audience of 30 million viewers which gave us substantial brand exposure (via branding on the uniform) into this key market. In Australia, the matches were broadcast on Fox Sports and livestreamed on www.nbl.com.au

CPA Australia also began a strategic partnership with Qantas Magazine which allows us to target potential members and their employers in a premium environment. The partnership includes a mix of editorial and advertising content including a six-part interview series between our chief executive and industry business leaders, *The High Flyers of Industry*, coverage of the launch of CPA Australia Advice, a *Leaders of Tomorrow* feature, profiling stand-out young CPAs and sponsorship of the *2016 Best Business Leaders* feature.

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 2016, CPA Australia continued to expand the reach of thenakedceo.com with the ongoing success of *The Naked CEO – The Truth You Need to Build a Big Life* book being distributed to 38 countries, with a dozen reprints and achieving the position of the bestselling business – management techniques book in Australia in 2016*. The book has been translated into Thai, with Chinese and Vietnamese translations completed in 2016 and Bahasa and Turkish translations scheduled for completion in 2017.

In 2016, thenakedceo.com also won five awards:

- Three silver awards at the international W3 awards:
 - General Website Categories Branding, Website Features
 - Structure and Navigation, Website Features
 - Video or Motion Graphic
- Two Pearl Awards from the US-based Content Council:
 - Gold award for best website and,
 - Silver award for most innovative content solution

PARTNERING WITH STUDENTS AND EMPLOYERS

The CPA Australia Recognised Employer Program is a demonstration of an employer's commitment to their employees. A recognised employer ensures that its professional development framework helps staff excel in their roles, and supports the organisation achieving its financial and strategic goals. Recognised employers understand that all staff have unique strengths, and that effective professional development helps retain valued employees that grow with the organisation.

* 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.

In August 2016 we successfully launched our first-ever Global Careers month. This program was designed to open up connections with Recognised Employer Partners and offer career opportunities in finance and accounting around the globe. Major employers included BDO, Deloitte, Ernst & Young, Grant Thornton, KPMG and PWC with more than 100 positions on offer in locations as diverse as China, Hong Kong, Laos, Malaysia, Singapore, Taiwan and Vietnam.

New employers for 2016 included the Commonwealth Department of the Treasury, Crowe Horwath New Zealand, March & McLennan, RMIT and PWC Cambodia and there are now over 460** Recognised Employers globally.

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

HELPING STUDENTS GET AHEAD

CPA Australia also runs a global network of more than 256,000 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 2016, we ran 37 events that connected with just under 9000 students to help them understand the depth and breadth of roles based on professional accounting skills available to them and the value that holding the CPA designation can bring.

New for 2016 was a series of bootcamps designed to help students get a head start on their professional career. The sessions provided students with a chance to stand out when they apply for employment after completing their degree. Taking place on campus, students got to hear from industry professionals and graduate recruiters and had the chance to bring along a resume and get one-on-one feedback, as well as to get a professional photo taken for use on their LinkedIn profile.



CASE STUDY

THE BUSINESS OF SPORT

Helen Moore FCPA, General Manager, Finance and Business Services for the Gold Coast 2018 Commonwealth Games Corporation

By her own admission, Helen Moore wasn't particularly sporty as a child, "I was more the studious type," yet she is playing a key role in planning, organising and delivering the biggest sporting event to be held in Australia this decade: the Gold Coast 2018 Commonwealth Games (GC2018).

In a career that has included roles with statutory authorities, government owned corporations and local council, Helen is now General Manager, Finance and Business Services for the Gold Coast 2018 Commonwealth Games Corporation. Helen says the CPA Australia designation has proved valuable at each stage of her career.

"Initially I worked predominantly in hands-on financial roles. Hence being a CPA made sense. Working in the semi-government sector, the CPA designation is well recognised and respected.

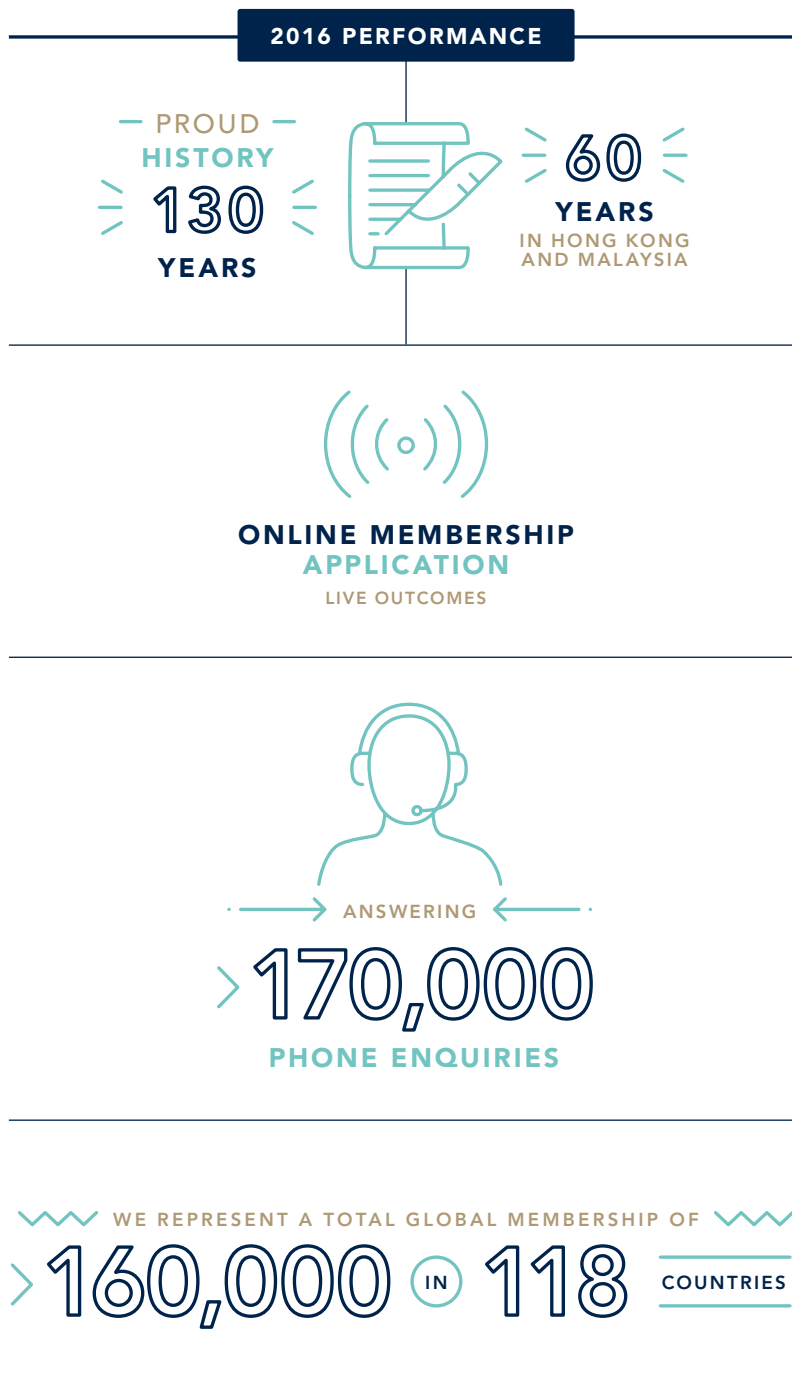
"As my career advanced, it made sense to seek the Fellow designation and this has held me in good stead, even in wider corporate services leadership roles, as it highlights a strong financial background and a degree of seniority," she says.

Having the right skills as well as confidence in her ability has enabled Helen to step outside her comfort zone and keep trying new things throughout her career. This is another such undertaking, although she says, "the scale of the event was something I didn't fully appreciate."

"It is really exciting to be a part of the journey towards GC2018. The ultimate reward will be knowing that I've played a role in delivering a great Games," she says.

MEMBER ENGAGEMENT AND SERVICE

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



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 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.

With a diverse and wide-spread membership we acknowledge that it can be challenging to offer all our members the level of service that we aim for, particularly in remote and rural regions. We regularly seek feedback from our members through both our many communication channels and regular research including our annual member satisfaction survey. We utilise that feedback to make enhancements and changes to our processes and systems and to enhance the services and products we deliver to members.

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.

ENGAGING WITH MEMBERS

We strive to actively engage members in the manner that best suits them. In 2016, we held more than 1100 events including branch events, networking, information sessions, expos and member celebrations to engage with our members. This included more than 770 events in Australia and 350 events in international markets. We also increased our social media audience to more than 381,000 people.

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

COMMUNICATING TO MEMBERS

With a large and diverse membership it can be challenging to balance the differing information needs of members. This requires our communications to be consistently well-planned, timely and relevant.

To ensure a balanced approach, in 2016 we embarked on a broad review that examined the communications our members receive. Initially we examined communications received by our first year members and merged some communications and improved others. Moving into 2017, we will look at streamlining and improving our communications in regards to events and professional development.

RECOGNISING OUR MEMBERS

Certificate presentation ceremonies celebrate members who have advanced to CPA and FCPA status, reached significant tenure milestones such as 30, 40, 50, 60 and 70 years of membership, and received the Diploma of Financial Planning, Public Practice Certificate and the Certificate of Excellence. The Certificate of Excellence is a new academic award, introduced this year for newly advanced CPAs who have received more than five High Distinctions throughout the course of their CPA Program studies.

CUSTOMER PRIVACY

Our members and customers share significant personal data with us and we are committed to ensuring the privacy of this data. We do this through our policies and practices and through ongoing upgrades to our systems and applications that house personal 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 2016, we had two complaints from members. In both cases we concluded that the actions we had taken were in accordance with our privacy policy and the law but we did change our practice to avoid further instances. One case involved releasing non-sensitive information to a third party. The second case concerned us sending material to the email address of the complainant, which they did not think we should have sent them. There were no other identified leaks, thefts or losses of customer data. We have had no privacy complaints from the regulators. However the regulators have sought our input in relation to determining whether they will formally investigate the two complaints referred to.

130 YEARS OF INTEGRITY AND PROFESSIONALISM

In April 1886 CPA Australia's founders met to discuss the future of the accounting profession. From that early start, CPA Australia has grown to be a leading professional body. We rightly celebrate our past and the achievements of our members in that time, but the commitment to integrity, excellence and innovative thinking at the heart of being a CPA Australia member means CPAs will remain at the forefront of business for generations to come.



DIGITAL SERVICE

In 2013, the 'MemberFirst' project implemented our core membership management system (CRM) which is the heart of CPA Australia's information technology environment. Since then the technology environment has undergone considerable change and we have continued to invest in systems to better serve members, including the introduction of a new web platform, a new payment gateway and a new Learning Management System, all integrated with the CRM. Further key investment was made this year in streamlining our membership application system and many of our paper-based forms.

The new membership application system enables us to provide a range of benefits, including the ability to lodge applications on the device of choice, securely upload documents and online identity verification for those in Australia, China, Malaysia and New Zealand. Our existing members can also use the system to update their details. The form is simpler to complete and has high standards of security and compliance. The key benefit of the new online application system is that it can automatically assess academic qualifications and other professional body membership and provide a live assessment of

eligibility for membership and the details of CPA Program studies required. Previously it would have taken an average of six days to receive an outcome and initial feedback from applicants has been very positive about the changes made.

We also began the process of removing many of our paper-based forms and replacing them with digital versions. This removes the need to print and scan forms, enabling customers to interact with us in a more user-friendly manner and allow quicker response times. Members can now apply online for fee reduction, retired membership and Public Practice Certificates.

COMMUNITY ENGAGEMENT

We were again proud to be the gold sponsor of Daniher's Drive, the big road trip to raise funds to fight MND. The drive took place in October with two CPA Australia teams participating that included Divisional Council members, regional branch members and staff. Daniher's Drive began in 2015 and is an initiative of the Cure for MND Foundation. The inaugural drive raised \$1 million and \$1.3 million was raised in 2016.

To celebrate our 130th anniversary and our 60th anniversary in Hong Kong we held the CPA Australia 130th Anniversary Run. The run encouraged more than 500 participants to get fit and have fun, and raised more than \$80,000 HKD to support the Hong Kong Cancer Fund.

In Malaysia the CPA Australia Young Professionals Network organised a charity carnival for the children and families of the Assunta Children Society. Committed to providing a safe and nurturing environment, the Assunta Children Society provides education, food and clothing to more than 50 children from under-privileged families. Staff and members of CPA Australia joined in the fun with their children and took part in various activities.



60 YEARS IN MALAYSIA AND HONG KONG

60 YEARS

In the 1950s the Australian Government launched the Colombo Plan with the aim of strengthening the country's ties with the Asia-Pacific region. The scheme provided opportunities for students to travel to Australia to study accounting with many returning graduates becoming members of CPA Australia and continuing to have close ties with the Australian accounting and business communities. Our Hong Kong and Malaysia members now make up more than 14 per cent of our membership and are an important and significant part of the CPA Australia family.

With strong and enduring relationships with policymakers and regulators, CPA Australia has grown to be a globally respected professional accounting and finance body. The organisation provides thought leadership and influence on major issues, policies and regulations that are connected to the accounting profession in the region. The size and

influence of CPA Australia continues to grow as our members establish themselves as leaders across a broad spectrum of the business community.

Our success in Hong Kong and Malaysia is in no small part due to the tireless work of those members who have volunteered their time, energy and expertise to the Divisional Council, committees, task forces and many other initiatives. We also acknowledge our local management and staff, past and present, for their vital role in helping CPA Australia fulfil its objectives and for upholding the principles and high standards of the CPA Australia designation.

We are deeply proud of our 60 years in Hong Kong and Malaysia – both wonderful milestones to celebrate in our 130th year. It is a journey that has seen great change and CPA Australia has been there contributing to the development of the profession.



CASE STUDY

A LEGACY OF LIFELONG LEARNING

Ted Milliken FCPA

Ted Milliken sat his first bookkeeping exam at age 12 and in 1933 commenced his first job at the Queensland Taxation Department at age 14. Anyone wondering where a career in accounting might lead need only scan through Ted's resume. It may not surprise anyone to learn that he has worked as a taxation accountant, bookkeeper and auditor, but his substantial career has also seen him spend time as a Naval Officer working in operations, communications and as a psychologist.

In the mid-1950s, the opportunity arose for Ted to move to Darwin where, "my accounting qualification and background tipped the scales in my favour," and he secured a senior role in government. After almost 20 years in this, "many-faceted and very challenging" role, he moved into tertiary education as a senior lecturer, where he was also involved in course design.

The one constant throughout Ted's career has been his membership of CPA Australia and its predecessor bodies. An early milestone in his career was in 1936, "just eighty years ago" as he observed, when he was admitted to the Federal Institute of Accountants, a forerunner to CPA Australia.

There have been many more milestones, including being awarded the 50 year medal and a CPA Australia Fellowship.

To commemorate Ted's legacy and his commitment to lifelong learning, the CPA Australia Darwin office named its training facility in his honour. Ted unveiled the plaque to the 'Ted Milliken Room' at a ceremony this year to celebrate his 80th year of membership, where he was joined by three generations of his family.

ACCESS TO KNOWLEDGE

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

2016 PERFORMANCE

— CPA CONGRESS —

> 9300 DELEGATES ACROSS 13 LOCATIONS IN 6 COUNTRIES

> 4.9M
· → VISITS TO ← ·
OUR WEBSITE

> 1M
· → VISITS TO ← ·
INTHEBLACK.COM

 9 AWARDS
FOR INTHEBLACK

MANAGEMENT APPROACH

A key tenet in 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, webinars, self-paced learning, publications and online libraries and communities.

The continuing education market is challenging and competitive and we acknowledge that with such a diverse

membership we need to continue to improve our offering to make sure we better respond to member needs.

To do this we continue to review our professional development products, content and modes of delivery. We also established a new teaching and learning framework to ensure a more cohesive approach and the highest standards across both our professional development and certification offering.

The framework ensures our learners are supported through programs that offer flexibility, variety and choice. Our key learning principles of engaging, easy, effective and efficient are applied to content design and delivery. We critique everything we do against these principles and will

continue to amend our approach based on the results of this analysis.

There continues to be a shift in learning preferences from traditional face-to-face environments such as workshops and conferences to online delivery that allows access anywhere and anytime. In acknowledgement of this we continue to invest in our digital offering with more than 360 products now available.

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

INTHEBLACK

INTHEBLACK magazine is a key channel for engaging with our members, providing access to knowledge and broadening the reach of our brand. It is sent to more than 158,000 people each month and intheblack.com averages 154,000 page views per month.

Both the magazine and the website continue to garner awards in recognition of the high quality content and in 2016 these included:

- A silver award for Best Membership at the (UK-based) International Content Marketing Awards
- Two Pearl Awards from the US-based Content Council:
 - Gold Award for Best Association or Non-Profit Publication
 - Bronze Award for Best Use of Email
- Three Publish Awards:
 - Website of the Year
 - Designer of the Year
 - Association / Member Organisation Magazine of the Year
- A silver award for General Website – Magazines at the international W3 Awards
- Two awards at the Content Marketing Awards:
 - Best Association Publication
 - Best regularly featured Column or Section

CONNECTING THE BIGGEST MINDS

CPA Congress is our flagship event and in 2016, with a theme of 'Connecting the Biggest Minds', was held in 13 cities in six countries with more than 450 speakers. CPA Congress ran over 38 days in a three month period, attracting more than 9300 delegates. High-profile speakers this year included:

- Professor Ian Harper, Board Member, Reserve Bank of Australia; Senior Advisor, Deloitte Access Economics; Emeritus Professor, University of Melbourne
- Whitney Johnson, TopThinkers50 global ranking of management thinkers 2015
- Patrick Pichette, Former senior vice president and CFO, Google

Other high profile speakers included more than 30 CFO's from ASX200 companies and more than 80

C-suite speakers including CFOs from Australian Unity, Cochlear, Jetstar, McDonalds Australia, Treasury Wine Estates, Xero and multiple public sector CFOs.

The redesign of Congress in Melbourne and Brisbane was also well received by attendees.

The re-designed Congress featured two days plus master classes, with the first day focused on thought-leadership through keynote presentations and the second day on practical application of ideas via a number of concurrent sessions.

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

MAKING TAILORED KNOWLEDGE MORE ACCESSIBLE

Recognising the changing knowledge environment we launched several new products in 2016 aimed at better meeting member needs.

Exclusively available to members, CPA Q&A offered a range of topics specially curated from the CPA Australia library alongside a monthly multiple-choice assessment delivering 16.5 CPD hours per year. Since the launch of CPA Q&A in January 2016, more than 2800 member enrolments have been received which was well above our expectations for the year.

We also launched a comprehensive range of online financial management courses which offer more than 200 individual eLearning courses bundled into value packs covering technical areas of banking, treasury management, financial markets, corporate valuation, governance and risk management.

This year, we also launched the strategic finance leader suite, a range of highly customised, finance specific executive education programs aimed at senior finance leaders. Running in Melbourne and Sydney the programs covered strategic influencing, negotiation and innovation.

Acknowledging that not everything we will seek to implement will be as successful as hoped, we will continue to introduce and trial new product offerings to ensure the ongoing relevance of our learning offer for members.



CASE STUDY

DEVELOPING THE PROFESSION IN MALAYSIA

Dato' Mohammad Azlan Abdullah FCPA, CEO New Straits Times Press (Malaysia) Berhad

As CPA Australia celebrates its 60th year in Malaysia, one of its most prominent local members, Azlan Abdullah FCPA, was this year awarded his 20 year membership pin.

The confluence of these two milestones is fitting because Azlan believes CPA Australia has played a significant role both in his own career and in advancing the accounting profession as a whole in Malaysia.

"The CPA Australia designation has definitely put me in an advantageous position during the early days of my career and was one of the key factors in fast-tracking my career progression. Being a CPA clearly puts you above your peers," Azlan says.

Azlan has seen a change in the way people view accountants in Malaysia. They are no longer viewed as the stereotypical bookkeeper, but are recognised as being key drivers and managers of major corporations. He says this is due to the increased visibility of people with professional qualifications like CPA status.

"CPA Australia has contributed significantly to this development in Malaysia via its high quality program and efficient and contemporary approach" he says.

Azlan's own journey has seen him move from the corporate sector to media where he is currently CEO of the New Straits Times Press (Malaysia) Berhad, a leading print media organisation in Malaysia. He is also chairman of the Malaysian Newspapers Publishers Association and a member of the Integrity Committee of the Football Association of Malaysia. He credits gaining his CPA designation and Fellow status as playing a pivotal role in his career, and ranks it as one of his proudest achievements.



PUBLIC INTEREST AND THE PROFESSION

LEANNE TUNBRIDGE CPA

PUBLIC PRACTITIONER AND AUTHORISED REPRESENTATIVE OF CPA AUSTRALIA ADVICE

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 and professional Standards – M1, M11
- CPA Australia Advice – M4
- Representation and advocacy – M7



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

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.

2016 PERFORMANCE



1100+
PUBLIC PRACTICE
REVIEWS

> **24,000** AUDIENCE
= FOR INPRACTICE =

\\/
= LAUNCHING =
↓↓↓

LEAD THE CHANGE



MANAGEMENT APPROACH

Protection of the public interest is core to CPA Australia's strategy.

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.

We are a supporter and member of many professional standards bodies including the IFAC International Ethics Standards Board for Accountants (IESBA) and the Accounting Professional and Ethical Standards Board (APESB) and we play an influential role in helping to set standards for the profession.

CPA Australia has undertaken to act in the public interest and as a result of this all members who hold a Public Practice Certificate are subject to quality reviews. These reviews are undertaken by a peer public practitioner with the relevant experience and demonstrated expertise.

We also have an obligation to ensure that complaints about members are investigated thoroughly, in an impartial and timely manner. At all times we strive to reserve 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.

STANDARDS AND OVERSIGHT

Throughout our 130 year history CPA Australia has played an influential role in the area of professional standards setting and we were a founding member of the APESB, the independent body that sets the code of ethics and professional standards for Australia's accounting professionals. In 2016, APESB celebrated its 10th anniversary and we acknowledge the achievements of the Board in this time and the significant contribution our members and staff have made in delivering high quality standards for the protection of the public interest.

We have also advocated for the harmonisation of professional standards legislation, and are pleased to note that this year the Tasmanian Government introduced the Professional Standards Amendment Bill 2016, which addresses the two long term barriers to national adoption.

CPA Australia strongly supports the amendments and believes improved consumer protection and wider national coverage will result from the proposed amendments. As a result CPA Australia will be applying for a Tasmanian Professional Standards Scheme in 2017 to better support our members in the state.

CPA Australia's quality review program has continued to evolve as a response to changing professional and ethical standards, and each year our quality assurance team undertakes quality reviews to monitor compliance with standards, help educate our members about best practice and check the effectiveness of their quality control processes. In 2016, more than 1100 members in public practice were subject to quality review.

EVOLVING THE FACE OF PUBLIC PRACTICE

The role of CPA Australia's members working in public practice continues to change and evolve as the nature of businesses change. CPA Australia actively seeks feedback from its members through member satisfaction surveys, specialist advisory committees and client research.

Specifically, our practitioner members have highlighted challenges around staff recruitment and retention, the impact of regulatory change and the impact of technology. These challenges offer an opportunity for members in public practice but they also present difficulties as members consider how to grow and structure their practices in an environment of change.

To support both new and established public practitioners we will be launching a campaign which is aimed at growing our public practice membership base and refreshing the current public practice brand.

The campaign is titled, 'Lead the Change' and is aimed at showcasing public practitioners building on the foundations of their strong ethics, compliance and professional standards to partner with businesses to provide financial solutions for the unique problems they face.

The campaign has been developed as a result of insights from consumer research and feedback from members. The objective is to encourage and attract CPA's to become public practitioners by highlighting the opportunities change presents.

To support our existing practitioners the campaign is designed to reflect the position of CPA Australia practitioners as innovators in the sector and to help attract potential new clients.

In 2016 we completed comprehensive qualitative and quantitative research into public practice client needs. As a result of the research and member feedback we have been developing a new engagement program, new tools and resources including;

- Marketing initiatives to support practitioners
- Moving INPRACTICE magazine to a monthly e-newsletter from February 2017 (to deliver more timely updates and guidance)
- A new series of webinars and tools to help members develop and build their value proposition

SUPPORTING MEMBERS

CPA Australia also seeks to assist members to provide the highest quality professional services through the provision of relevant support materials. This year the public practice toolkit continued to be updated and expanded, and CPA Australia became the first professional accounting body to release a practical guide for members around the application of outsourced services.

The guide, *Outsourcing: Opportunity or Threat* assists members and their clients to assess the suitability of an outsourcing arrangement for their business requirements. With extensive checklists, as well as studies, the new guide will help members develop the solution they need today to become more efficient and effective. The guide is provided at: cpaustralia.com.au/outsourcing

REMOVAL OF THE ACCOUNTANTS EXEMPTION

One of the biggest challenges facing practitioners in 2016 was the impact of the removal of the accountants' exemption on 1 July and the need to put a tailored solution in place based on their individual circumstances.

As a profession we fought long and hard on this issue over many years but when the decision to repeal the exemption was made, it became important to focus on supporting our members through the three-year transition period.

CPA Australia developed a series of resources and training programs to assist members to transition to the new regulatory regime, however, as with any change or transitional arrangements we recognise that not all members are satisfied with the support provided. To address this we have commissioned a series of new resources and support services to further assist members to move into the financial services model that is right for them and is aligned with their individual client needs.

CPA AUSTRALIA ADVICE

Providing an independent licensing solution.

Independent financial advice accessible to all Australians.

2016 PERFORMANCE



→ RECEIVING ←
**AN AFSL
AND
ACL**

OPERATIONS
← BEGIN →

— **CUSTOMERS** —
BEGIN RECEIVING
ADVICE

MANAGEMENT APPROACH

CPA Australia Advice is a wholly owned subsidiary of CPA Australia, with a strong culture of independence, transparency, integrity, compliance and continuous learning consistent with CPA Australia.

CPA Australia Advice provides an independent licensing solution for CPA Australia members in public practice.

After announcing our intention to enter the financial advice market in 2015, CPA Australia Advice was granted an Australian Financial Services Licence (AFSL) and an Australian Credit Licence (ACL) by ASIC in April and commenced full operations on 1 July 2016.

A key objective for the establishment of CPA Australia Advice was to provide members with an advice solution to support their wish to provide strategic financial advice in the best interest of their clients. CPA Australia Advice's operations are consistent with Section 923A of the *Corporations Act 2001* and with APES 230, the standard for members engaged in the provision of financial planning services to clients.

This approach enables members who become an adviser with CPA Australia Advice to operate independently from product providers and conflicted advice models.

With an emphasis on building a robust platform for future growth, establishment of the new business followed extensive work on the development of our business structure, our team, product offer and compliance regime.

To further support our members in this area we will also continue to refine our offer in 2017 to ensure it best meets the needs of a variety of practitioners wanting to offer financial advice. We will also continue to offer support for all members in the financial advice space independent of CPA Australia Advice (page 39).

New adviser induction sessions have been run in Melbourne, Sydney, Brisbane and Perth and we are continuing to develop a series of educational programs and pathways to support members and future members who wish to enter the field.

Due to the timing of CPA Australia Advice becoming operational and preparation of this report, we undertook a benchmarking exercise of reports by other financial advice providers to start to inform the key material issues we will report on. This report was then reviewed by senior management and four key areas were selected as being most material:

- Governance and accountability
- Adviser remuneration
- The right advice
- Adviser on-boarding and training

Information on these areas follows, and we will continue to add appropriate metrics and information as the business matures so that we can provide transparent and proactive information regarding the important business risks and opportunities. We recognise that these material issues may change over time and that the appropriate metrics to support them may also change.

For this reason, we have given an indication of the types of measures we will use to report our performance, but due to the early stage of business operations we do not have enough data to support our reporting.

GOVERNANCE AND ACCOUNTABILITY

Good governance and compliance is central to the operations of the advice business. Formal policies and procedures are in place to manage this area and include the Board, Compliance Committee, Investment Committee, Risk Committee and regular Board and management meetings.

Potential future measures in this area include instances of non-compliance with policies and concerns raised by the regulator.

REMUNERATION

The remuneration of financial planners has long been an issue in the advice space, with conflicted remuneration structures and commissions leading to many publicised instances of compromised advice. CPA Australia Advice's commitment is to focus on what is in the best interests of the client. This means no commissions, no hidden incentives, no asset-based fees, just pure and transparent fee-for-service. This reduces the conflict of interest inherent in many financial planning offers where a commission is unable to be separated from a product. Commission is rebated back to the customer, reducing risk to both advisers and clients.

All advisers must adhere to a strict independence policy and in the future we will look to report any breaches to this policy and any instances of conflict of interest occurring.

THE RIGHT ADVICE

Providing customers with the information, advice and products which are most suitable for their circumstances is at the heart of the CPA Australia Advice offer. A non-conflicted advice model means advisers have access to a wide range of investments selected by the Credit and Investment Committee and backed by Morningstar and Lonsec research, to enable them to offer truly fit-for-purpose advice.

In future years we will seek to report on complaints received and complaint resolution to support our focus on the right advice for the client.

ADVISER TRAINING AND ONBOARDING

Only members who 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.

We also offer advisers a comprehensive suite of training from induction to on-going support. This includes:

- Initial training to enable advisers to transition into the business of advice
- On-going tailored training aligned to the appropriate level of authorisation and advice needs
- On-going technical advice and support
- Para-planning support where required
- Practice management support
- Software, templates, tools and processes to help with accuracy and efficiencies
- Compliance and professional standards support

This ensures that the critical tools and resources required to provide quality advice are included in the licensing cost and para-planning services can be added on a user paid option for those seeking further support.

Future metrics in this area may include training hours per adviser and compliance with training requirements.



CASE STUDY

PLANNING FOR THE FUTURE

Leanne Tunbridge CPA, Director Positive Outlook Accounting & Business Strategists

Being empowered to offer her clients truly independent financial advice motivated Leanne Tunbridge to become CPA Australia Advice's first adviser.

Leanne is Director at Positive Outlook Accounting & Business Strategists, a busy accounting practice in Mornington, Victoria. She says the introduction of full service financial planning has been a major change in her practice service model.

"I see financial planning as the future for the accounting profession. I wanted to be part of this new future and also part of bridging the service gap in the market for clients," she says.

"The real value of being a CPA Australia Advice adviser is that they offer true independence. The logo is recognised and trusted by consumers, which has made the marketing of the financial services in my practice less onerous.

"CPA Australia Advice is providing an opportunity for all accountants in public practice to enhance our skills in this area. This enables us to provide professional services in the best interest of our clients and retain our status as trusted adviser," she says.

Client well-being is central to Leanne's decision to become an adviser with CPA Australia Advice. "I can now offer my clients a true end-to-end business solution. Knowing that as the accountant, we can take care of their financial and retirement matters provides an enormous stress relief to them," she says.

"The real test has been the reaction of my clients and it has certainly been received most favourably."

REPRESENTATION AND ADVOCACY

Advocating on behalf of our members and the public interest.

2016 PERFORMANCE



SOUTH CHINA MORNING POST, WEDNESDAY 6 JANUARY 2016

NOT IF, BUT WHEN: HIGHER TAXES NEEDED IN HONG KONG
TO ENSURE A SUSTAINABLE FUTURE FOR ITS CITIZENS

NEW STRAITS TIMES (MALAYSIA), SATURDAY, 20 FEBRUARY 2016

MALAYSIA'S GST IMPLEMENTATION A SUCCESS

THE AUSTRALIAN, MONDAY, 4 APRIL 2016

STATE TAX FROLIC ENDS, BUT ALL ROADS LEAD TO HOLISTIC REFORM

THE ACCOUNTANT, WEDNESDAY 27 APRIL 2016

PANAMA PAPERS AND TAX IN THE BOARDROOM

THE WEST AUSTRALIAN, MONDAY, 6 JUNE 2016

CONFUSING CHANGES TO SUPER HIT A RAW NERVE

NBR (NEW ZEALAND), WEDNESDAY, 6 JULY 2016

NZ'S BOOK OF GOOD MINORITY GOVERNMENT A MUST-READ

HUFFINGTON POST, WEDNESDAY, 20 JULY 2016

THE POLITICAL MESSAGE NEEDS TO GET PERSONAL

SYDNEY MORNING HERALD, WEDNESDAY, 17 AUGUST 2016

IS THE DOOR ALREADY CLOSING ON AUSTRALIA'S
RECENTLY ANNOUNCED OPEN DATA POLICY?

THE DAILY TELEGRAPH, THURSDAY, 1 SEPTEMBER 2016

YES, AUSSIES ARE ALL BEING SUPER-CHARGED

CHINA DAILY ASIA WEEKLY, FRIDAY, 9 – 15 SEPTEMBER 2016

CHINA'S REFORMS CAN GUIDE AUSTRALIA

NATIONAL
SUPERANNUATION

← 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.

We also position CPA Australia as a sought-after voice on key issues. Through our thought-leadership and effective leveraging of the news cycle, we have sustained consistent media coverage on topics of interest and relevance to our membership.

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.

Consistent with our vision to be a recognised and respected voice in the global business, accounting and leadership space, we earned publication of 82 opinion articles in Australian and international media.

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.

AUSTRALIAN FEDERAL BUDGET

Members are increasingly looking to CPA Australia for information about Federal Budget initiatives and public commentary on key issues, and we strive to be first to market with detailed information and analysis.

CPA Australia's analysis of budget initiatives was widely sought after by the media, with coverage secured on ABC television and radio, commercial radio in major markets and online and print publications.

Comprehensive coverage for members was provided through *CPA Tax News*, published on budget night, and *CPA Update* the next morning. We saw considerably more engagement via intheblack.com in 2016, with 55 per cent more page views than in 2015 and a 50 per cent improvement in time on site. The top article was 'Federal Budget: Winners and Losers' with more than 25,000 page views.

The average open rate for *CPA Update* also improved, increasing from 35 per cent to 55 per cent.

SUPERANNUATION – LEADING THE NATIONAL DEBATE

Superannuation reform was a central feature of the May budget, and a significant issue of debate in the subsequent Federal election campaign.

CPA Australia took a leading role in the debate, with high profile media appearances which were amongst the first to raise concerns about the proposed changes, particularly as they related to retrospectivity and the appropriateness of new caps.

We conducted a poll of members working in public practice to gauge views on the impact of the changes as proposed. The response rate was the highest we have ever received, at more than three times our normal response rate, reflecting the importance of this issue to our membership.

We were able to use this information to support our advocacy work and over the ensuing months, CPA Australia continued to be a leading advocate for the need to review the proposed reforms, both in the media and directly with policy makers.

In an example of how our policy expertise, thought-leadership and media impact can influence the public policy agenda, it is notable that changes to measures as originally proposed were made by the Government, including the removal of the retrospective aspects and adjustments to caps.



ENGAGING REGULATORS

As part of our new 'Big Questions in Finance Series' our chief executive facilitated a public forum with the 'The Three Tenors' who administer the regulation of Australia's financial services. Participants included Greg Medcraft, chairman of ASIC; Wayne Byres, chairman of the Australian Prudential Regulation Authority (APRA); and Paul Jevtovic APM, chief executive of the Australian Transaction Reports and Analysis Centre (AUSTRAC). The panel explored issues in relation to the theme of 'Will governance sustain our financial systems for the future?' The event was attended by members, business and community leaders and generated national media coverage.

INTERNATIONAL ADVOCACY

Over its 130 year history CPA Australia is proud to have grown its global influence and values the relationships that have been built with our members and partners across the world. CPA Australia works closely with our members to identify issues of relevance and to advocate on these issues internationally as appropriate. Topics canvassed included retirement policy and insolvency law in Hong Kong, the implementation and monitoring of the introduction of GST in Malaysia and foreign trust rules and anti-money laundering laws in New Zealand.

CPA Australia also put forward positions through prominent media outlets on the implementation of the G20 and OECD's Base Erosion and Profit Shifting agenda including its relevance and adoption in various jurisdictions.

In January we released the results of the sixth annual small business survey. Eight countries were included as part of the survey and it provided insight into the issues impacting small business internationally including variation in innovative practices in different countries.

We were a prominent voice questioning the appropriate application of reporting standards as they related to a number of high profile corporations during the year and advocated on behalf of the membership on a number of other issues including the proposed privatisation of the ASIC Registry, retention of the Australian Charities and Not-for-profits Commission (ACNC) and the implementation of the backpacker tax.

CPA Australia opinion articles and commentary ran in multiple publications across print and digital media channels in Australia, China, Hong Kong SAR, Malaysia, New Zealand and elsewhere, reinforcing the prominence of the CPA Australia designation.

GOVERNMENT, REGULATOR AND INDUSTRY RELATIONS AND REPRESENTATION

During 2016, CPA Australia considered 165 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, departmental officials and government agencies.

We continue to work towards fulfilling our commitments to support and foster the development and implementation of financial reporting standards. In this capacity we contribute to the development of IFRS and the International Public Sector Accounting Standards and the application of these standards in Australia and other jurisdictions.

We are particularly focused on the adoption of IFRS in emerging economies and have conducted workshops and training initiatives in jurisdictions including Vietnam, Laos and Cambodia. We are also actively engaged in advocacy and education in the not-for-profit sector, working closely with the ACNC and other state and territory regulators on streamlining various aspects of not-for-profit regulation.



CASE STUDY

DEVELOPING THE PROFESSION IN HONG KONG

Robert Lee FCPA, Founding divisional president, Hong Kong
Peter Lee FCPA, CEO La Vintoll Capital Management

As CPA Australia celebrates its 60th year in Hong Kong, founding divisional president Robert Lee FCPA has seen the evolution of the accounting profession in Hong Kong and mainland China first-hand.

He says the changing business environment now requires accountants to have a more diverse range of skills. "Not only do you have to be good at numbers, but today's accountants have to have a more holistic set of business skills ranging from management, leadership and interpersonal relations."

He believes CPA Australia has played an important role in developing the profession. "CPA Australia has nurtured numerous successful business leaders across multiple industries and has provided opportunities for young people to attain professional qualifications to further enhance their careers."

One of those young people is his son, Peter, also a FCPA and CEO of La Vintoll Capital Management. Peter is the current divisional president of CPA Australia in China.

Peter studied accounting in Australia and followed his father into both the profession and CPA Australia membership, where he says his qualification, "helped to open doors in diverse roles in different industries and businesses. I have been able to become part of a legacy of a highly respectable professional body that I personally believe will live for generations to come."

Robert and Peter both derive a great sense of pride seeing CPA Australia's presence grow in Hong Kong and mainland China, where we now have more than 18,000 members. "CPA Australia has been a major and influential international professional body in Hong Kong for 60 years. It has provided the profession with opportunities to be more global and innovative and will continue to do so," Peter says.

A photograph of three business professionals in an office setting, smiling and holding folders. The image is overlaid with a green tint. The text 'HOW WE DO BUSINESS' is written in large, white, bold, sans-serif capital letters across the middle of the image.

HOW WE DO BUSINESS

PAUL DRUM FCPA, LAURA DEEGAN CPA AND SAMANTHA LAKMINI CPA
AUSTRALIA

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 – M13
- Governance – M12
- 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.

CPA Australia has a strong culture which is based on five value statements that 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.

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, not only for our employees but also for our members. As such, much of the training offered to staff is focused on supporting them to deliver services and products that our members value.

To ensure this we have the following key activities in place:

- An employee induction program designed to immerse new employees into the culture of the organisation and experience first-hand why

CPA Australia exists through engagement across the organisation and hearing the views of members through a member panel

- MyBusiness training, to ensure that our people have a comprehensive knowledge of our products and services
- eComply training to ensure employees understand regulations that relate to privacy, occupational health and safety, equal opportunity employment, dealing with credit card data and competition and consumer laws
- a formal performance review and development process for all our employees
- an internal leadership model 'Be Your Best'
- a professional development offer designed to build the capability of employees

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

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

OUR PEOPLE

Figure 3 shows the percentage of our people employed to support each of our strategic themes. As our competitive environment, challenges and priorities change we actively take steps to realign our resources to ensure our people are effective in supporting our strategic goals. In 2016, this means we have reallocated resources from our corporate support roles to the CPA Program and our branding activities, due to efficiencies delivered in back-end processes and technology.

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 more than 530 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 continue to focus on gender diversity across the organisation and this year partnered with the Macquarie Graduate School of Management to support a female leader in undertaking the Women in

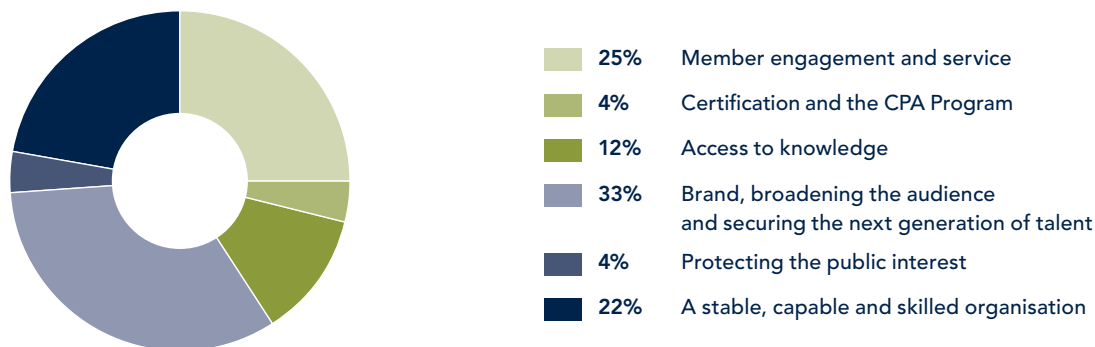
MBA program. Given just under 70 per cent of our workforce is female this is an opportunity to support a talented female in leadership development.

We aim to be as efficient as possible in delivering quality products and services, and our employees support a membership of more than 160,000. Close to 19 per cent 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 10 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 career transition services to employees who are made redundant.

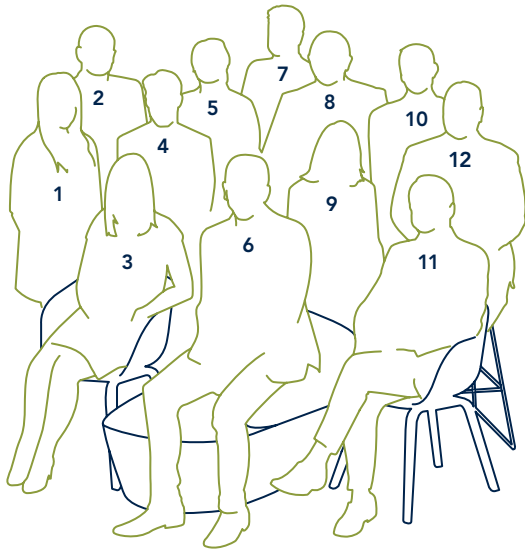
CPA Australia is a performance-based workplace where employment, promotion and remuneration are based on meeting the required skill sets, performance indicators and expectations. Our level of turnover remains below target at 12 per cent, as has been the case over the last five years (page 18). Target turnover (20 per cent) reflects a benchmark in a strong employment market and we recognise that confidence in the employment market is a considerable factor in turnover levels.

Figure 3: Full time equivalent (FTE) by strategic theme





**BUSINESS
EFFECTIVENESS
LEADERSHIP TEAM**



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

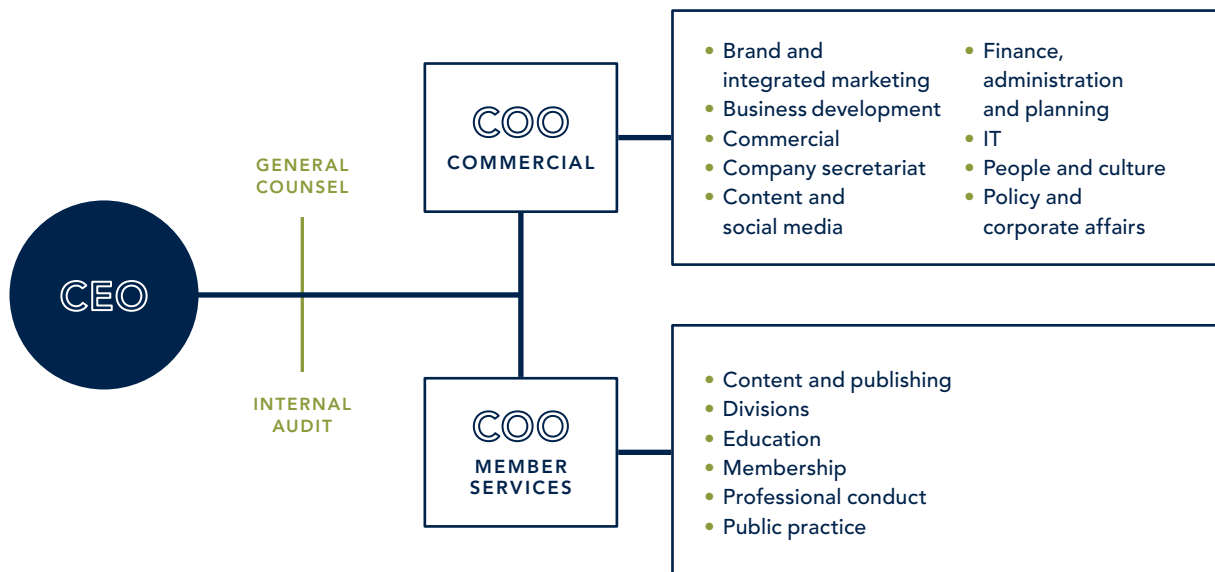
LEADERSHIP

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 all its subsidiaries 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 disclosure 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.

A Business Effectiveness Leadership Team is also in place that 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 4 shows the organisational structure put in place to support achievement of our goals.

Figure 4: Organisational structure



	2016			2015		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Australia	63%	37%	80%	64%	36%	80%
China	84%	16%	8%	82%	18%	9%
Malaysia	85%	15%	4%	86%	14%	4%
Singapore	65%	35%	3%	69%	31%	3%
Other	70%	30%	4%	67%	33%	4%
Total	66%	34%	100%	69%	31%	100%

	2016			2015		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Full time	62%	38%	83%	63%	37%	85%
Part time	94%	6%	10%	94%	6%	9%
Casual	56%	44%	5%	56%	44%	4%
Maternity / paternity leave	100%	0%	3%	100%	0%	2%

	FEMALE		MALE		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
Employees – permanent	302	65%	163	35%	465	74%
Employees – fixed term	35	81%	8	19%	43	7%
Employees – casual	14	56%	11	44%	25	4%
Employee – total	351	90%	182	76%	533	85%
Supervised – total	40	10%	57	24%	97	15%
Total	391	62%	239	38%	630	100%

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



SUPPORTING OUR PEOPLE THROUGH THE CPA PROGRAM

Our people are rightly proud of the quality and rigour of the CPA Program. Testament to this is the number of CPA Australia employees from various business units who are undertaking the program.

Rishabh Chhabra from the membership team and Samuel Liu from finance are both commencing the CPA Program, each motivated by the designation's global appeal and professional development opportunities.

"The level of technical expertise the program provides is unmatched," says Rishabh. He believes that becoming a CPA will help him combine, "finance, accounting and business management skills to give myself all-round capabilities and be an effective business leader."

Samuel agrees, adding, "I believe any accountant with the CPA designation has a competitive advantage.

The great reputation of the CPA Australia brand and its worldwide recognition in the accounting profession can lead to a career path in management or innovative sectors of business."

Meanwhile, for Adam Suess and Jesse Moors in the business development team, the old adage 'practice what you preach' is a powerful incentive. Adam says, "taking the program and holding the designation provides me with the authenticity and direct experience to promote it to prospective members." Jesse concurs, adding that studying the CPA program gives him authority

when meeting candidates, "as I can speak from first-hand experience."

On a deeper level, Jesse also credits the program with teaching him, "more than just finance and accounting," while Adam says it has "deepened my knowledge of what it means to be part of the accounting profession," particularly where it relates to the "accountant's duty to the public and the central role an accountant plays in issues such as climate change."

All four recognise the challenge in balancing study with work and family life, or in Jesse's case, planning a wedding, but remain motivated by the personal and professional rewards the CPA designation offers.

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 beneficial relationships with our supply chain partners.

Whilst not identified as a material issue, we report on our supply chain to provide a greater level of transparency 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 2016.

In 2016, the majority of our direct supply chain expenditure was in Australia (87 per cent) and this represented a spend of approximately \$80 million across a supply base of about 1450 suppliers.

Our top 10 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 850 suppliers having an annual expenditure of less than \$5000.

Our supply chain analysis includes CPA Australia's top 12 suppliers in terms of expenditure. Conducted by an independent consultant, analysis includes a review of publically available information, supplier surveys and one-on-one interviews with five top suppliers representing branding and advertising, educational services, media planning and buying, property management and publishing. Through this analysis the following information was collated:

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

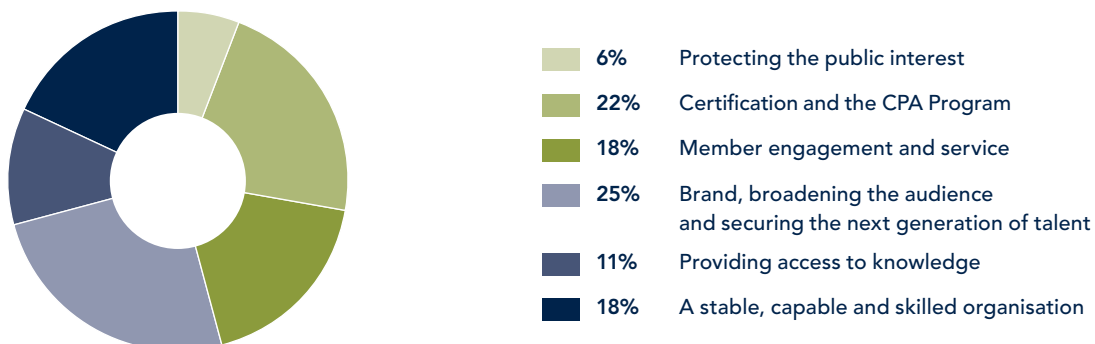
There is considered to be no material risk to CPA Australia from doing business with the suppliers analysed.

We will continue with this analysis in 2017 although 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, which remains relatively consistent year on year. 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 26)
- Member engagement and service – including our member facilities, offices and member events
- A stable, capable and skilled organisation – which covers corporate support such as audit, IT and research services among others

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.

2016 PERFORMANCE

Table 11: Board diversity

	TOTAL		FEMALE		MALE	
	Number	%	Number	%	Number	%
Under 30	0	0%	0	0%	0	0%
30 – 50	5	42%	2	17%	3	25%
Over 50	7	58%	3	25%	4	33%
Total	12	100%	5	42%	7	58%

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 third 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.

Table 12: Board skills matrix
as at 31 December 2016
(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	4
Leadership	12	5	5	4
Public relations / media	3	2	1	0
Marketing / communications	3	1	0	2
Human resources	6	1	4	2
Regional (Asia-Pacific)	9	5	3	3
Legal / regulatory	7	4	2	3
Organisational management	11	4	5	4
Risk management	10	4	4	4
Strategy	12	5	5	4
IT / technology	4	1	2	1
Stakeholder management	11	5	4	4
Sustainability (economic, environmental and social impacts)	8	3	3	3
Corporate governance	12	5	5	4
INDUSTRY / ROLE EXPERIENCE				
Academia	3	2	0	1
ASX100 / large corporate	6	3	3	1
Board Chair	7	4	1	3
Board Director	12	5	5	4
Audit committee (or similar)	12	5	5	4
Large accounting firm	3	2	0	1
Public sector / not-for-profit	12	5	5	4
Senior management	12	5	5	4
Small accounting firm / practitioner	2	0	1	1
SME	7	4	2	2

ADDING VALUE

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

The Board is focused on ensuring CPA Australia continues to create value now and into the future. The breadth of skills and experience across the Board ensures strong understanding of industry issues and the company and its values, as well as ensuring that a wide range of views are brought to bear on the key strategic matters facing CPA Australia. The Board have been instrumental in setting the vision for key strategic initiatives including CPA Australia Advice and our deliberate strategy to broaden the audience of those who take an interest in CPAs and CPA Australia.

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.

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.

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.

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
- Annual internal controls questionnaire for executive managers, as part of the annual financial statements
- Regular internal audits

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



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

TYRONE CARLIN FCPA

President and Chairman of the Board
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 elected President of CPA Australia in 2016 and Deputy President in 2014 and 2015. He has previously served and chaired the Nomination and Remuneration and Finance Committees and was first appointed a Board Director in 2011. Tyrone was a member and Chair of the International Advisory Committee (2007 to 2011), a New South Wales Divisional Councillor and a member of the Representative Council (2009 to 2011).

JAMES DICKSON FCPA

Deputy President
FAICD

James 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 the immediate past Chair of the International Federation of Accountants' Compliance Advisory Panel and a longstanding advocate for monitoring and improving the standards of the profession globally.

James was appointed a Board Director of CPA Australia in 2010. He is currently Chair of the Finance Committee and is a member of the Nomination and Remuneration Committee. He also represents CPA Australia with the ASEAN Federation of Accountants.

DEBORAH ONG FCPA

Deputy President
BAcc (Hons), FCA (Singapore)

Deborah has more than 30 years of public accounting experience providing audit and advisory services to local and US-listed, multinational companies and Singapore Statutory Boards. She is currently a partner at PwC Singapore and has been the lead partner for the firm's largest clients.

Deborah is also the Deputy Chairman of Ngee Ann Polytechnic Council, and chairs its Audit and Risk Committee. As a member of various Statutory boards in Singapore including Workforce Singapore and Lee Kong Chian School of Medicine, she chairs the Audit and Risk Committees. She is also a member of the Singapore Accountancy Commission.

Deborah was elected Deputy President of CPA Australia in 2016 and has served the Nomination and Remuneration Committee and the Audit and Risk Committee of which she is now Chair. Deborah was first appointed a Board Director in 2013. 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 and 2012), and was a member of the Professional Qualifications Advisory Committee from 2009 to 2013.

RICHARD ALSTON AO

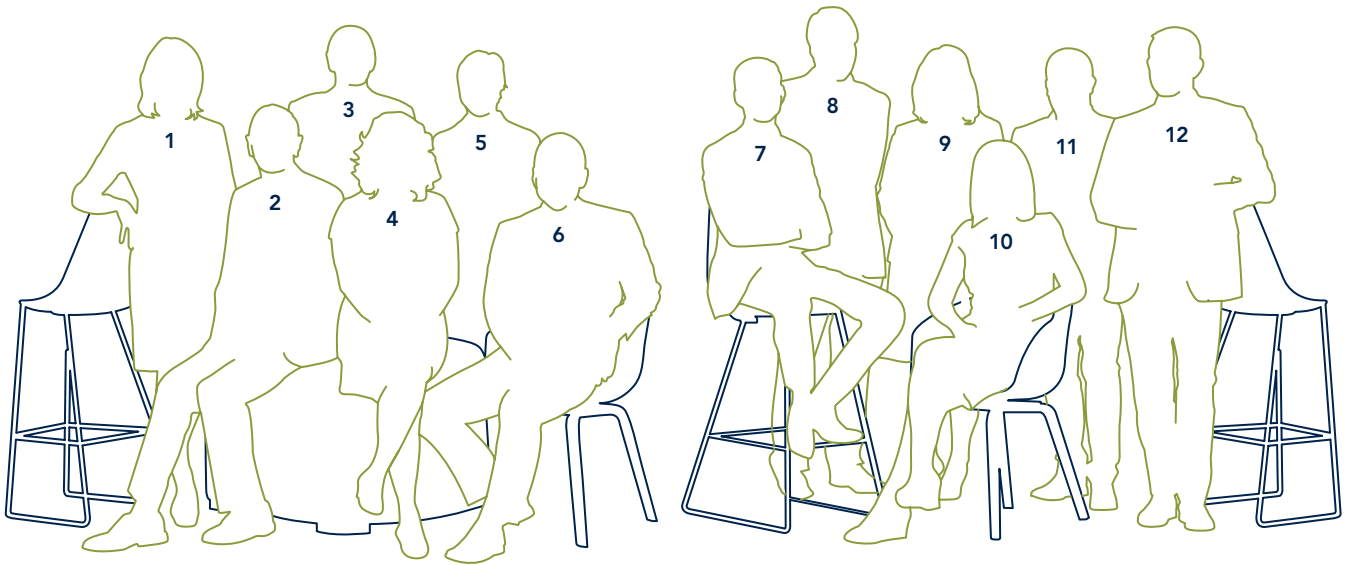
Director
BA, BCom LLB LLM MBA

Richard Alston is Chairman of AMEX Ltd, a listed Australian resources company, Chairman of the China based Waratah Group, Chairman of Sunny Ridge Pty Ltd, Australia's largest strawberry farm, Chairman of Qato Capital, an Australian hedge fund and a Director of a Balmoral Gardens Pty Ltd and China Telecom (Australia) Pty Ltd.

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 2005-2008 he was Australian High Commissioner (Ambassador) to the United Kingdom.

Richard was appointed a Director of CPA Australia in 2014 and currently serves on the Audit and Risk Committee. Richard is also a past member of the Nomination and Remuneration Committee.



1. Michele Dolin FCPA 2. James Dickson FCPA, Deputy President 3. Richard Alston AO 4. Deborah Ong FCPA, Deputy President
5. Sharon Portelli FCPA 6. Richard Petty FCPA 7. Tyrone Carlin FCPA, President and Chairman of the Board 8. Graeme Wade FCPA
9. Jennifer Lang FCPA 10. Kerry Ryan 11. David Spong FCPA 12. Martin Hourigan CPA

MICHELE DOLIN FCPA

Director

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

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 of CPA Australia in 2014 and sits on the Finance Committee.

MARTIN HOURIGAN CPA

Director

MBA

Martin Hourigan is Group General Manager for The Just Group (Premier Investments). Martin has more than 20 years' experience in Australasia and Europe in retail and financial services, having previously worked for ten years with David Jones in a number of General Management roles including financial services, property and procurement. He has also consulted to ASX200 and global companies in the areas of financial services and loyalty.

Martin was appointed a Board Director of CPA Australia in 2016 and sits on the Audit and Risk Committee.

JENNIFER LANG, FCPA

Director

B.Bus (Acc), CFTP (Snr), MAICD

Jennifer is Director, Strategic Treasury and Procurement at Commonwealth Bank Australia. Working within Institutional Banking, she is a trusted adviser within Strategic Client Consulting, providing broad financial expertise for clients nationally. Jennifer has worked in the airline, mining and media industries.

Jennifer is a Director of the Advisory Council for Children with Impaired Hearing and Chair of their Finance and Risk Committee. She actively serves on various councils and advisory committees.

Jennifer has served on the CPA Australia Victorian Divisional Council for five years and was elected President in 2015 and 2016. She was appointed a Board Director in 2016, and serves on the Finance Committee.

RICHARD PETTY FCPA

Director

BBus (Hons, 1st Class, University Medal), MCom (Hons), PhD

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 of CPA Australia in 2006, served as Deputy President from 2007 to 2009 and as President from 2009 to 2010. He is a member of the Audit and Risk Committee. Richard was made a life member of CPA Australia in 2010.

SHARON PORTELLI FCPA

Director
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 fifteen years and specialises in small to medium enterprises in a wide variety of industries. She serves on a number of advisory boards in the private and government sectors. Sharon has served on CPA Australia's NSW Divisional Council, was President of that division in 2012 and a member of the representative Council from 2013 to 2014. She was appointed as a Director in 2015 and sits on the Finance Committee.

KERRY RYAN

Director
BA, LLB, FAICD

Kerry Ryan has extensive directorship experience across a range of industries, and currently serves on the boards of ASX 200 listed Retail Food Group Ltd, the Richmond Football Club Ltd, Aligned Leisure Pty Ltd, and is an advisory board member of legal services business, Lexvoco. She brings corporate governance, risk management, general commercial and international skills to the Board.

Kerry's professional background is in law and she is a former partner at international law firm, Norton Rose Fulbright, where she practised in the areas of corporate advisory, mergers and acquisitions, international trade and investment. Kerry was awarded an Austrade business fellowship to Indonesia and worked in Norton Rose Fulbright's Jakarta office for five years followed by a period in India, where she worked as in-house counsel with Publishing and Broadcasting Limited.

Kerry has been a Director of CPA Australia since October 2007, and currently serves on the Audit and Risk and Nomination and Remuneration Committees and has previously served on the Finance Committee.

DAVID SPONG FCPA

Director
GAICD

David 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 Organization.

Outside his executive career, David has been activity involved in local community not-for-profit organisations and is a member of the RMIT School of Accounting advisory board.

David has more than twenty years corporate and SME Experience and has worked in Australia, Saudi Arabia, Sweden and the United Arab Emirates.

David has served on CPA Australia's 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 the Audit and Risk Committee.

GRAEME WADE FCPA

Director
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 the private sector, specialising in mergers and acquisitions and the agribusiness sector. Graeme has also been contracted by the Commonwealth Government continuously for twenty years as an adviser.

Graeme was elected President of CPA Australia in 2014 and 2015 and Deputy President in 2011. He is the Chair of the Nomination and Remuneration Committee and past Chair of the Audit and Risk Committees and Finance Committees and was first appointed a Board Director in 2006. Graeme has served on the Victorian Divisional Council and was President of that division.

Graeme was made a life member in 2016.



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

COUNCILLORS AND COMMITTEES

AS AT DECEMBER 31 2016

PRESIDENT AND DEPUTY PRESIDENTS FOR 2016

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

AUSTRALIAN CAPITAL TERRITORY

Tim Youngberry FCPA, President
Gaye Lindfield FCPA, Deputy President
Steve Wearn, FCPA, Deputy President

NEW SOUTH WALES

Lisa Gray FCPA, President
Richard Sharpe CPA, Deputy President

NORTHERN TERRITORY

Belinda Howie FCPA, President
Randle Walker FCPA, Deputy President
Natalie Scott CPA, Deputy President

QUEENSLAND

Maree McMahon FCPA, President
Gerard Byrne FCPA, Deputy President
Matthew Snelleksz FCPA, Deputy President

SOUTH AUSTRALIA

Andrew Johnson FCPA, President
Amanda Taylor FCPA, Deputy President
Andrew Dow FCPA, Deputy President

TASMANIA

Chris Stennard, FCPA, President
Brad Hilder, FCPA, Deputy President
Sue Shoobridge, FCPA, Deputy President

VICTORIA

Jennifer Lang FCPA, President
Terence Brooks FCPA, Deputy President
Justin Naylor FCPA, Deputy President

WESTERN AUSTRALIA

Phil Hancock FCPA, President
Dale Pinto 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

Jeffrey Chan FCPA, President
Ivan Au FCPA, Deputy President
Paul Ho FCPA, Deputy President

CHINA – NORTH CHINA

Sun Cui FCPA, President
Derek Chan FCPA, Deputy President
Dora Song FCPA, Deputy President

CHINA – SOUTH CHINA

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

EUROPE

Kristy Eden-Green FCPA, President
Matthew Lao CPA, Deputy President

MALAYSIA

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

NEW ZEALAND

Andrew Dickeson FCPA, President
Mathew Croad CPA, Deputy President
Tracy Hickman CPA, Deputy President

SINGAPORE

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

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

Deborah Ong FCPA, Chair
Richard Alston AO
Martin Hourigan CPA
Richard Petty FCPA
Kerry Ryan

FINANCE COMMITTEE

James Dickson FCPA, Chair
Michele Dolina FCPA
Jenny Lang FCPA
Sharon Portelli FCPA
David Spong FCPA

NOMINATION AND REMUNERATION COMMITTEE

Graeme Wade FCPA, Chair
Tyrone Carlin FCPA
James Dickson FCPA
Kerry Ryan

ADVISORY COMMITTEES

PROFESSIONAL QUALIFICATIONS ADVISORY COMMITTEE

Kim Watty FCPA, Chair
Weina Ang FCPA
Garry Carnegie FCPA
Mary Dunkley FCPA
Bryan Howieson FCPA
Jason Kotkin CPA
Steven Ngaifei Hui FCPA
Gary O'Donovan FCPA
Carla Wilkin CPA

PUBLIC PRACTICE ADVISORY COMMITTEE

Robert Eastoe FCPA, Chair
Dinesh Aggarwal CPA
Louise Cox FCPA
Justin Enright FCPA
Brad Golchin CPA
Stephen Jones FCPA
Lawrence Lam FCPA
Alex Ooi FCPA

QUALITY REVIEW ADVISORY COMMITTEE

Greg Sharpley, Chair
David Lissauer FCPA
Phil McCann FCPA
Margot Thompson FCPA
Thomas Zollo FCPA

REPRESENTATIVE COUNCIL

Graeme Wade FCPA, Chair
Valerie Biggs CPA
Richard Blakeman FCPA
Ivana Bosio CPA
John Cahill FCPA
Chia-Tern Huey Min FCPA
Teresa Chong FCPA
Anne Cutting FCPA
Craig Dalzell FCPA
Nicholas Danes CPA
Lindsay Doig FCPA
Phillip Hancock FCPA
Carolyn Harris FCPA
Albert Ho FCPA
John Horder FCPA
Jennifer Kent FCPA
Clare Lezaja FCPA
Tony Marks FCPA
Richard Mifsud FCPA
Gary O'Donovan FCPA
Ian Raspin FCPA
Scott Stanton FCPA
Ronald Yam FCPA

DISCIPLINARY PANEL

Gerry Schembri FCPA, Chair
Rebecca Hemperger FCPA,
Deputy Chair
James Syme, Deputy Chair

LIFE MEMBERS

Elizabeth Alexander FCPA
Patrick Barrett AO FCPA
David Baulch FCPA
Brian Blood FCPA
David Boymal AM FCPA
John Cahill FCPA
Denis Cortese FCPA
Mark Coughlin FCPA
Clyde Dickens AM FCPA
Kenneth Eastwood AM FCPA
Penny Egan FCPA
Scott Henderson AM FCPA
Robert Jeffery FCPA
Jim Kropp 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
Graeme Wade, FCPA
Brian Waldron OAM FCPA
Bernard Wright FCPA

CENTRE OF EXCELLENCE CHAIRS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CENTRE OF EXCELLENCE

Appointment process underway as at 31 December 2016

EXTERNAL REPORTING CENTRE OF EXCELLENCE

Jessie Wong 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)

James 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 COMPLIANCE ADVISORY PANEL*

Penny Egan FCPA

IFAC NOMINATING COMMITTEE*

Rachel Grimes FCPA
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)*

Mike Blake FCPA

IFAC INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS (IESBA)*

Ian McPhee FCPA

IFAC PROFESSIONAL ACCOUNTANTS IN BUSINESS (PAIB)

Paul Urquhart FCPA

INTERNATIONAL INTEGRATED REPORTING COUNCIL

Alex Malley FCPA

* CPA Australia shares representation on these committees with other parties.

A man in a dark suit, white shirt, and dark tie is sitting at a desk. He is looking off to the side with a thoughtful expression. On the desk in front of him is an open notebook and a smartphone. The entire image has a blue tint.

FINANCIAL REPORT

IVAN AU FCPA
HONG KONG

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 2016. 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 on page 67 and their remuneration is included in Note 18 on page 89.

COMPANY SECRETARY

The company secretary, Adam Awty, BBus (Acc), CPA 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 \$7,497,000 (2015: \$7,745,000). The consolidated surplus after tax for the year was \$8,209,000 (2015: \$7,588,000).

REVIEW OF OPERATIONS

A review of the operations of the Consolidated Entity during the financial year and the results of those operations are contained in the discussion and analysis of the financial results – see pages 70 to 71.

CORPORATE GOVERNANCE

The Board of CPA Australia comprises ten independent non-executive Directors and two independent non-executive Directors who are also non-members. During 2016, it met six times, with all meetings being held in Melbourne. In 2016 there were three Board committees of Directors. 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 there was no significant change in the state of affairs of the Consolidated Entity, other than referred to in the financial statements or notes thereto.

DIRECTORS' MEETINGS

The tables on page 67 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 2017 compared to recent years as we continue to invest in the CPA Program and implement CPA Australia Advice. The establishment of CPA Australia Advice is a long-term strategy which is in the best interest of the profession.

ROUNDING OF AMOUNTS

The statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available under ASIC Legislative Instrument 2016/191.

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.

	MEETINGS		
	HELD	ELIGIBLE	ATTENDED
BOARD OF DIRECTORS			
Tyrone Carlin FCPA, Chair ⁽⁴⁾	6	6	6
Richard Alston AO	6	6	5
James Dickson FCPA	6	6	6
Michele Dolin FCPA	6	6	6
Peter Dowling AM FCPA ⁽¹⁾	6	4	4
Tim Ebbeck FCPA ⁽¹⁾	6	4	4
Martin Hourigan CPA ⁽²⁾	6	2	2
Jenny Lang FCPA ⁽²⁾	6	2	2
Deborah Ong FCPA	6	6	6
Richard Petty FCPA	6	6	5
Sharon Portelli FCPA	6	6	6
Kerry Ryan	6	6	5
David Spong FCPA	6	6	6
Graeme Wade FCPA, Chair ⁽³⁾	6	6	5
AUDIT AND RISK COMMITTEE			
Deborah Ong FCPA, Chair ⁽⁴⁾	4	4	4
James Dickson FCPA, Chair ^{(3) (1)}	4	2	2
Richard Alston AO ⁽²⁾	4	2	1
Peter Dowling FCPA ⁽¹⁾	4	2	2
Tim Ebbeck FCPA ⁽¹⁾	4	2	2
Martin Hourigan CPA	4	2	2
Richard Petty FCPA ⁽²⁾	4	2	0
Kerry Ryan	4	4	3

	MEETINGS		
	HELD	ELIGIBLE	ATTENDED
FINANCE COMMITTEE			
James Dickson FCPA ⁽⁴⁾	5	5	5
Tyrone Carlin FCPA, Chair ^{(3) (1)}	5	3	3
Michele Dolin FCPA	5	5	5
Jenny Lang FCPA ⁽²⁾	5	2	2
Sharon Portelli FCPA	5	5	5
David Spong FCPA	5	5	5
NOMINATION AND REMUNERATION COMMITTEE			
Graeme Wade FCPA ⁽⁴⁾	5	5	5
Richard Petty FCPA, Chair ^{(3) (1)}	5	4	4
Richard Alston AO ⁽¹⁾	5	4	3
Tyrone Carlin FCPA	5	5	4
James Dickson FCPA ⁽²⁾	5	1	1
Kerry Ryan	5	5	4

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



Tyrone Carlin FCPA
Director



James Dickson FCPA
Director

24 February 2017

(1) Ceased effective 30 September 2016

(2) Effective from 1 October 2016

(3) Chair ceased effective 30 September 2016

(4) Chair effective from 1 October 2016

Deloitte.

Deloitte Touche Tohmatsu

ABN 74 490 121 060

550 Bourke Street

Melbourne VIC 3000

GPO Box 78

Melbourne VIC 3001 Australia

Tel: +61 (0) 3 9671 7000

Fax: +61 (0) 3 9671 7001

www.deloitte.com.au

24 February 2017

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

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 2016, 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 2016

BUSINESS SEGMENTS		2016	2015
		\$'000s	\$'000s
Membership and member value	Revenue	83,670	79,561
	Cost	(32,386)	(32,691)
	Result	51,284	46,870
Training and development	Revenue	17,704	17,615
	Cost	(16,782)	(15,892)
	Result	922	1,723
Education	Revenue	68,534	67,208
	Cost	(23,939)	(23,464)
	Result	44,595	43,744
Brand, ethics and the profession	Revenue	1,232	1,426
	Cost	(28,738)	(25,694)
	Result	(27,506)	(24,268)
Business development	Revenue	4,133	3,970
	Cost	(17,135)	(16,804)
	Result	(13,002)	(12,834)
Member support and corporate services	Revenue	4,779	4,736
	Cost	(48,122)	(46,529)
	Result	(43,343)	(41,793)
Corporate governance and committees	Revenue	63	18
	Cost	(5,516)	(5,715)
	Result	(5,453)	(5,697)
Total CPA Australia	Revenue	180,115	174,534
	Cost	(172,618)	(166,789)
	Tax credit / (expense)	712	(157)
	Result	8,209	7,588
Other comprehensive income / (expense) for the year, net of tax		1,323	(566)
Total comprehensive income for the year		9,532	7,022

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 above.

Membership and member value's core activities are delivery of the membership offer including administration and assessment of members' admissions and advancements; the 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, quality assurance and CPA Australia Advice.

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 2016

INCOME STATEMENT

The 2016 financials reflected a strong operating performance across the organisation delivering an operating surplus before tax of \$7.5m (2015: \$7.7m) and an overall comprehensive income of \$9.5m (after tax, defined benefit, FX and unrealised gain on investments) (2015: \$7m).

REVENUE

Overall revenue increased by \$5.6m or 3.2 per cent during 2016. Continued growth in membership, higher CPA Program revenue, professional development sales, member benefit revenue and higher qualification assessments revenue were the key drivers behind this result.

The organisation ended the year with more than **160,000** members. This strong result was driven by new member growth and member retention levels consistent with 2015. The increase in member numbers resulted in higher membership revenue of \$3.8m or 4.9 per cent.

EXPENDITURE

Expenditure before tax was \$5.8m or 3.5 per cent higher than 2015. The increases were driven by our investment in CPA Australia Advice and further investment in the digitisation of the CPA Program. The depreciation of the Australian dollar also resulted in higher operational costs in overseas locations and larger FX translation loss increasing member support and corporate services costs.

TAXATION

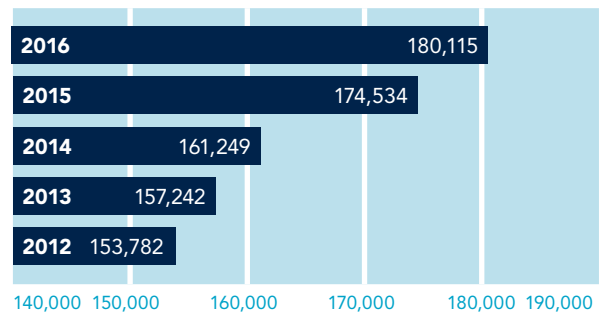
In assessing its income tax liability, CPA Australia applies the principles of mutuality to revenues and expenses. Revenue in the form of member receipts represents mutual income and is not subject to income tax. Expenses associated with such mutual activities are not tax deductible for income tax purposes. 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 income for 2016 is \$0.7m. This is attributable to tax losses generated in the first year of operation of CPA Australia Advice. It is expected that CPA Australia will continue to operate on a tax mutual basis.

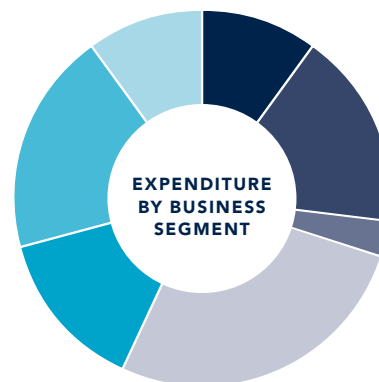
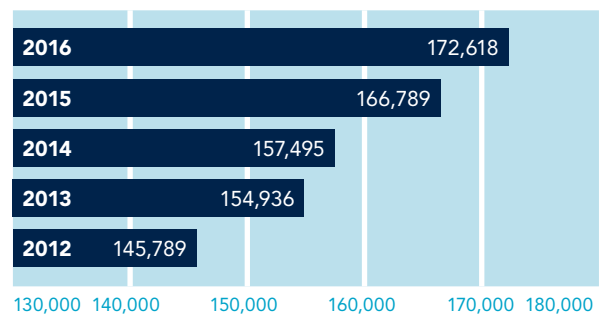
FOREIGN EXCHANGE

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 loss on translation of \$0.6m for the full year.

TOTAL REVENUE



TOTAL EXPENDITURE EXCLUDING TAX



Segment	Percentage
Business development	10%
Brand, ethics and the profession	17%
Corporate governance and committees	3%
Member support and corporate services	27%
Education	14%
Membership and member value	19%
Training and development	10%

CASH FLOW

CPA Australia's cash flow and liquidity remained strong in 2016. Overall cash and cash equivalents increased by \$22.8m, net cash flows from operating activities for the year were \$24.8m. The net increase in cash and cash equivalents was due to an increase in our investment portfolio and a reduction in capital purchases during 2016. In real terms, the operating cash balance is \$90.6m (when subscriptions and other income received in advance are excluded from cash and equivalents), plus other financial assets.

INVESTMENTS

CPA Australia's investment portfolio continues to perform well returning \$4.4m in revenue and an unrealised gain of \$1.4m in 2016. This was directly due to the strengthening of Australian equity markets in 2016.

BALANCE SHEET

CPA Australia's balance sheet continues to strengthen with net assets increasing by \$9.5m or 11.7 per cent, which is largely attributable to the surplus delivered in 2016.

Cash and cash equivalents have increased by \$22.8m which is due to the timing of payments by members renewing their subscriptions being ahead of last year and the strong surplus delivered in 2016.

Trade and other receivables are \$5.5m lower than 2015. All outstanding revenue is expected to be received early in 2017.

Other current assets are \$0.7m lower than the prior year due to lower prepaid expenses.

Non-current other financial assets are higher than 2015 by \$4.2m which is directly attributable to an increase in investments expected to be held for greater than one year.

Property, plant and equipment has decreased by \$2.6m when compared to 2015 which is attributable to the depreciation of previous years property upgrades and the removal of zero valued assets from the asset register.

Intangible assets are lower than 2015 by \$5.5m, which is directly attributable to the amortisation charged during the year.

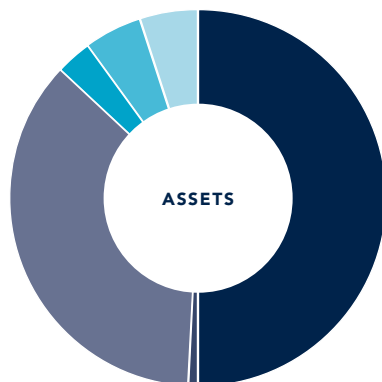
Other non-current assets are consistent with the prior year.

Trade and other payables were lower by \$0.5m compared to the previous year. This is due to a decrease in accrued expenses associated with CPA Australia Ltd and CPA Australia Advice Pty Ltd.

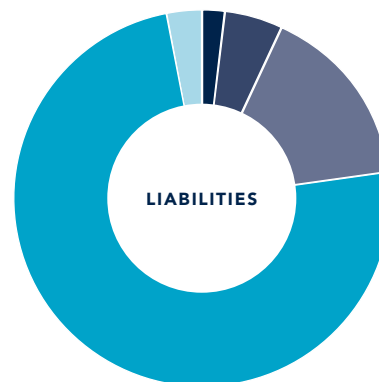
Short term provisions ended the year \$1.1m higher than 2015. This is the result of the higher leave provision required at year end and an increase in the make good provision for our property portfolio.

Other current liabilities were higher by \$3.9m, which is attributable to price increases associated with CPA Program, membership and Public Practice paid in advance for 2017 compared to the prior year.

Other non-current liabilities have reduced when compared to 2015 as part of the lease incentive received in prior years has been amortised to the statement of comprehensive income during 2016.



- 50% Cash and cash equivalents
- 1% Trade and other receivables
- 36% Other financial assets
- 3% Other assets
- 5% Property, plant and equipment
- 5% Intangible assets



- 2% Non-current provisions
- 5% Current provisions
- 16% Trade and other payables
- 74% Subscriptions and fees in advance
- 3% Other

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	CONSOLIDATED	
		2016 \$'000s	2015 \$'000s
Revenue	3(a)	175,672	169,948
Investment revenue	3(b)	4,443	4,579
Gain / (loss) on sale of property	3(b)	(6)	7
Service expenses		(73,364)	(70,082)
Marketing, promotion and publication expenses		(29,444)	(31,392)
Occupancy expenses		(15,142)	(14,796)
Administration expenses		(52,143)	(49,290)
Finance costs		(17)	(24)
Net foreign exchange gain / (loss)		(563)	279
Other expenses		(1,939)	(1,484)
Surplus before income tax	4	7,497	7,745
Tax (expense) / income	5(a)(b)	712	(157)
Surplus for the year		8,209	7,588
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain / (loss) on defined benefit plan	21	86	145
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(161)	183
Net (loss) / gain on available-for-sale assets		1,398	(894)
Other comprehensive (expense) / income for the year, net of tax		1,323	(566)
Total comprehensive income for the year		9,532	7,022

CPA AUSTRALIA 2016 FINANCIAL STATEMENTS

The Statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 76 to 98.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	CONSOLIDATED	
		2016 \$'000s	2015 \$'000s
CURRENT ASSETS			
Cash and cash equivalents	6	97,069	74,290
Trade and other receivables	7	2,474	7,956
Other financial assets	9	–	250
Other assets	8	4,960	5,614
Total current assets		104,503	88,110
NON-CURRENT ASSETS			
Deferred tax assets	5(c)	767	–
Other financial assets	9	69,918	65,682
Property, plant and equipment	10	10,561	13,165
Intangible assets	11	9,612	15,145
Other assets	8	29	7
Total non-current assets		90,887	93,999
Total assets		195,390	182,109
CURRENT LIABILITIES			
Trade and other payables	12	16,587	17,087
Provisions	13	5,686	4,565
Other liabilities	14	77,055	73,135
Total current liabilities		99,328	94,787
NON-CURRENT LIABILITIES			
Deferred tax liabilities	5(c)	–	79
Provisions	13	2,990	3,067
Other liabilities	14	2,113	2,749
Total non-current liabilities		5,103	5,895
Total liabilities		104,431	100,682
Net assets		90,959	81,427
MEMBERS' FUNDS			
Reserves		6,761	5,524
Retained surplus		84,198	75,903
Total members' funds		90,959	81,427

STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2016

	INVESTMENT REVALUATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
CONSOLIDATED	\$'000s	\$'000s	\$'000s	\$'000s
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 1 January 2016	4,917	607	75,903	81,427
Net gain / (loss) on available-for-sale assets	1,398	–	–	1,398
Exchange differences on translating foreign operations	–	(161)	–	(161)
Actuarial gain on defined benefit plan	–	–	86	86
Surplus for the year	–	–	8,209	8,209
Balance at 31 December 2016	6,315	446	84,198	90,959

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	CONSOLIDATED	
		2016 \$'000s	2015 \$'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		192,527	178,408
Payments to suppliers and employees		(167,687)	(158,038)
Net cash inflows from operating activities	23	24,840	20,370
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment and intangible assets	10 & 11	(3,663)	(5,034)
Net receipts for bank bills less than 1 year but greater than 90 days		250	(250)
Proceeds from sale of property, plant and equipment		–	7
Loan to Australian Accounting Technicians (AAT)		30	(350)
Net receipts / (payments) from sale of investment securities		191	424
Purchase of investment securities		(3,524)	(5,440)
Investment interest received		4,655	4,438
Net cash outflows from investing activities		(2,061)	(6,205)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flow from financing activities		–	–
Net increase in cash and cash equivalents held		22,779	14,165
Cash and cash equivalents at the beginning of the financial year		74,290	60,125
Cash and cash equivalents at the end of the financial year	6	97,069	74,290

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

A number of Australian Accounting Standards and Interpretations are in issue but not effective for the current year. The following summarises those future requirements and their impact on the Consolidated entity:

AASB 9 'Financial Instruments' and the relevant amending standards

AASB 9 issued in December 2009 introduced new requirements for the classification and measurement of financial assets. AASB 9 was subsequently amended in December 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in December 2013 to include the new requirements for general hedge accounting. Another revised version of AASB 9 was issued in December 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of AASB 9:

- All recognised financial assets that are within the scope of AASB 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments will be classified based on (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows
- Entities may make an irrevocable election to present gains and losses on investments in equity instruments (that are not held for trading) in other comprehensive income instead of in profit or loss. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
 - the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)
 - the remaining change is presented in profit or loss

- In relation to hedge accounting, AASB 9 introduces greater flexibility around the types of transactions eligible for hedge accounting and enables entities to better reflect their risk management activities in the financial statements
- In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model, as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is no longer necessary for a credit event to have occurred before credit losses are recognised

AASB 9 applies to annual periods beginning on or after 1 January 2018. The entity is yet to undertake a detailed assessment of the impact of AASB 9 however, based on a preliminary assessment the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted.

AASB 15 'Revenue from Contracts with Customers'

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. AASB 15 will supersede the current revenue recognition guidance including AASB 118 'Revenue,' AASB 111 'Construction Contracts' and the related Interpretations when it becomes effective.

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

AASB 15 applies to annual periods beginning on or after 1 January 2018. The entity is yet to undertake a detailed assessment of the impact of AASB 15 however, based on the entity's preliminary assessment the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted.

AASB 16 'Leases'

AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The accounting model for lessees will require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets.

AASB 16 applies to annual periods beginning on or after 1 January 2019. The entity is yet to undertake a detailed assessment of the impact of AASB 16 however, based on the entity's preliminary assessment the Standard is expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted.

AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative Amendments to AASB 107'

AASB 2016-2 amends AASB 107 'Statement of Cashflows' to require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments apply to annual periods beginning on or after 1 January 2017. When these amendments are first adopted it is not anticipated that there will be a material impact on the financial statements.

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 Legislative Instrument 2016/191.

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 24 February 2017.

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.



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

D. INCOME TAX

In assessing its income tax liability, CPA Australia Ltd 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 Ltd are classified for income tax purposes in accordance with income tax legislation.

CPA Australia Ltd and its Australian subsidiary CPA Australia Advice Pty Ltd formed a tax consolidated group with effect from 1 April 2016. All current and deferred tax amounts are accounted for in CPA Australia Ltd.

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
- 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.

PROVIDING
ACCESS → TO
KNOWLEDGE



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. Certain amounts in the comparative information have been reclassified to conform with current period financial statement presentations.

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
- 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 2016

3. REVENUE

(A) REVENUE FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2016 \$'000s	2015 \$'000s
Member subscriptions	81,675	77,839
Education and CPA Program	63,111	61,973
Professional development	17,673	17,407
Other services	5,308	4,685
Marketing, promotion and publications	7,899	7,990
Property	6	54
	175,672	169,948

(B) OTHER REVENUE

Interest revenue on:

AAT Loan	6	16
Bank deposits	246	187
Financial assets (held to maturity)	1,094	1,059
Dividends and distributions	3,097	3,317
Gain on sale of property	–	7
	4,443	4,586
Total revenue	180,115	174,534

4. SURPLUS AND MEMBERS' FUNDS

SURPLUS BEFORE INCOME TAX EXPENSE

Surplus before income tax expense has been arrived at after charging / (crediting) the following:

Finance costs

Interest charged on restoration provisions	17	24
--------------------------------------------	----	----

Depreciation

Depreciation / amortisation	11,792	12,051
-----------------------------	--------	--------

Net (gain) / loss

Net foreign exchange (gain) / loss	563	(279)
------------------------------------	-----	-------

Employee benefits

Defined contribution	4,412	4,139
Defined benefit plan	46	52
Salaries and other benefits	60,025	54,568

CONSOLIDATED

2016 \$'000s	2015 \$'000s
-----------------	-----------------

5. TAXATION

INCOME TAX RECOGNISED IN INCOME STATEMENT

(a) Tax expense / (income) comprises:

	CONSOLIDATED	
	2016 \$'000s	2015 \$'000s
Deferred tax expense / (income) relating to the origination and reversal of temporary differences	(846)	16
Refer (c) below	(846)	16
Tax expense overseas entities	134	141
Total tax expense / (income)	(712)	157

(b) Reconciliation of prima facie income tax

The assessable income of CPA Australia for income tax purposes comprises only certain income deemed to be derived from non-member activities. Allowable deductions for income tax are limited to certain expenses incurred in deriving non-member income and statutory deductions.

The prima facie income tax expense on pre-tax accounting surplus from operations reconciles to the income tax expense in the financial statements as follows:

	CONSOLIDATED	
	2016 \$'000s	2015 \$'000s
Surplus from operations	7,497	7,745
Income tax expense calculated at 30%	2,249	2,324
Surplus attributable to mutual activities and foreign branch expenditure – exempt income	(2,961)	(2,167)
Total tax expense / (income)	(712)	157

The tax rate used in the above reconciliation is the corporate tax rate of 30 per cent payable by Australian corporate entities on taxable profits under Australian tax law.

There has been no change in the corporate tax rate when compared with that of the previous reporting period.

(c) Deferred tax assets / (liabilities) arise from the following:

2016	CONSOLIDATED				
	OPENING BALANCE 2015	CHARGED TO INCOME	CLOSING BALANCE 2015	CHARGED TO INCOME	CLOSING BALANCE 2016
ASSETS					
Investments	(1,784)	289	(1,495)	(400)	(1,895)
Property, plant and equipment	(282)	(41)	(323)	(26)	(349)
Employee benefits	126	119	245	87	332
Provisions	165	23	188	(49)	139
Tax losses	1,735	(352)	1,383	1,157	2,540
	(40)	37	(3)	770	767
LIABILITIES					
Accrued income	(23)	(53)	(76)	76	–
	(63)	(16)	(79)	846	767

(d) Other Comprehensive Income items in the Statement of Comprehensive Income have no tax effect

6. CASH AND CASH EQUIVALENTS

CURRENT

Cash on hand, at bank and short term bank bills (90 days or less)

CONSOLIDATED	
2016 \$'000s	2015 \$'000s
97,069	74,290
97,069	74,290

7. TRADE AND OTHER RECEIVABLES

CURRENT

Trade and other receivables

Less allowance for doubtful debts

Loan to related parties (at amortised cost)

Less provision for impairment

CONSOLIDATED	
2016 \$'000s	2015 \$'000s
2,425	7,804
(24)	(102)
–	30
–	(30)
2,401	7,702
Other receivables:	
Accrued interest on bank deposits	20
Accrued interest on financial assets (held to maturity)	53
	73
2,474	7,956

Other receivables:

Accrued interest on bank deposits

Accrued interest on financial assets (held to maturity)

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	
	2016 \$'000s	2015 \$'000s
AGEING OF PAST DUE BUT NOT IMPAIRED		
60 – 90 days	156	55
90 – 120 days	150	154
Total	306	209

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	
	2016 \$'000s	2015 \$'000s
MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL DEBTS		
Balance at the beginning of the year	102	78
Allowances taken up as doubtful	–	91
Reduction in allowances	(40)	–
Amounts written off as uncollectible	(38)	(67)
Balance at the end of the year	24	102

8. OTHER ASSETS**CURRENT**

Defined benefit plan	553	480
Prepayments	4,407	5,134
	4,960	5,614

NON CURRENT

Loan to related parties (at amortised cost)	320	320
Less provision for impairment	(320)	(320)
Security deposit and other	29	7
	29	7

9. OTHER FINANCIAL ASSETS**CURRENT**

Bank bills less than 1 year but greater than 90 days	-	250
	-	250

NON CURRENT

Available for sale assets carried at fair value:		
Listed non-derivative financial assets available for sale	66,175	60,140
Non-listed non-derivative financial assets available for sale	3,743	5,542
	69,918	65,682

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 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 1 January 2016	3,800	35,781	92	570	40,244
Additions	–	–	9	2,071	2,080
Disposals	–	(1,499)	(28)	–	(1,527)
Transfers to / from asset class	–	1,963	–	(1,963)	–
Balance at 31 December 2016	3,800	36,245	73	678	40,797

ACCUMULATED DEPRECIATION, AMORTISATION AND IMPAIRMENT

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 1 January 2016	(1,368)	(25,664)	(47)	–	(27,079)
Disposals	–	1,494	28	–	1,522
Depreciation	(76)	(4,584)	(19)	–	(4,679)
Balance at 31 December 2016	(1,444)	(28,754)	(38)	–	(30,236)

NET BOOK VALUE

Property, plant and equipment as at 31 December 2015	2,432	10,117	45	570	13,165
Property, plant and equipment as at 31 December 2016	2,356	7,492	35	678	10,561

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

11. INTANGIBLE ASSETS	CONSOLIDATED		
	INTANGIBLE ASSETS AT COST	CAPITAL WORK IN PROGRESS – INTANGIBLE ASSETS	TOTAL
	\$'000s	\$'000s	\$'000s
GROSS CARRYING AMOUNT			
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 1 January 2016	30,040	1,606	31,646
Additions	–	1,583	1,583
Disposals	(94)	–	(94)
Transfers to / from asset class	3,189	(3,189)	0
Balance at 31 December 2016	33,135	–	33,135
ACCUMULATED DEPRECIATION, AMORTISATION AND IMPAIRMENT			
Balance at 1 January 2015	(10,107)	–	(10,107)
Disposals	187	–	187
Depreciation	(6,581)	–	(6,581)
Balance at 1 January 2016	(16,501)	–	(16,501)
Disposals	94	–	94
Depreciation	(7,116)	–	(7,116)
Balance at 31 December 2016	(23,523)	–	(23,523)
NET BOOK VALUE			
Intangible assets as at 31 December 2015	13,539	1,606	(15,145)
Intangible assets as at 31 December 2016	9,612	–	9,612

12. TRADE AND OTHER PAYABLES

CURRENT

	CONSOLIDATED	
	2016 \$'000s	2015 \$'000s
Trade creditors and accruals	16,587	17,087
	16,587	17,087

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 22).

	CONSOLIDATED	
	2016 \$'000s	2015 \$'000s
13. PROVISIONS		
CURRENT		
Employee benefits	5,686	4,565
	5,686	4,565
NON CURRENT		
Employee benefits	1,372	1,466
Restoration of leased properties	1,618	1,601
	2,990	3,067
	8,676	7,632

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

	2016 \$'000s
RECONCILIATION OF RESTORATION OF LEASED PROPERTIES	
Balance at 1 January 2016	1,601
Additional provisions recognised	–
Unwinding of discount and effect of changes in the discount rate	17
Balance as at 31 December 2016	1,618

	CONSOLIDATED	
	2016	2015
EMPLOYEE NUMBERS		
Average number of full time equivalent employees (FTE) during the financial year	470	455

	CONSOLIDATED	
	2016 \$'000s	2015 \$'000s
14. OTHER LIABILITIES		
CURRENT		
Subscriptions and fees received in advance (net of discounts)	76,419	72,465
Lease incentive	636	670
	77,055	73,135
NON-CURRENT		
Lease incentive	2,113	2,749
	2,113	2,749
	79,168	75,884

	2016 \$'000s	2015 \$'000s
	15. PARENT ENTITY DISCLOSURES	
FINANCIAL POSITION		
ASSETS		
Current assets	100,055	87,009
Non-current assets	100,434	95,929
Total assets	200,489	182,938
LIABILITIES		
Current liabilities	99,225	96,279
Non-current liabilities	5,067	5,796
Total liabilities	104,292	102,075

MEMBERS' FUNDS		
Retained surplus	90,038	76,152
Reserves		
Investment revaluation reserve	6,315	4,917
Foreign currency translation reserve	(156)	(206)
Total members' funds	96,197	80,863

	YEAR ENDED 2016 \$'000s	YEAR ENDED 2015 \$'000s
	FINANCIAL PERFORMANCE	
Surplus for the year	13,550	8,496
Other comprehensive (expense) / income net of tax	1,323	(795)
Total comprehensive income for the year	14,873	7,701

16. LEASING ARRANGEMENTS

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

COMMITMENTS FOR EXPENDITURE

A. NON-CANCELLABLE OPERATING LEASE COMMITMENTS

Aggregate amounts contracted for at balance date but not recognised as liabilities:

	2016 \$'000s	2015 \$'000s
Not later than one year	11,844	11,633
Later than one year but not later than five years	28,819	30,752
Later than five years	343	3,389
	41,006	45,774

In respect of non-cancellable operating leases the following liabilities have been recognised:

CURRENT

Lease incentive	636	670
-----------------	-----	-----

NON CURRENT

Restoration of leased properties	1,618	1,601
Lease incentive	2,113	2,749
	4,367	5,020

B. In 2017, 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 2016 to IFAC in the pursuit of their objectives. The contribution for the year 2016 was \$1,215,914 (2015: \$861,854).

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 2016 were \$469,887 (2015: \$456,575).

17. 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.

18. RELATED PARTIES

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

NON-EXECUTIVE DIRECTORS

- Prof T Carlin, President (effective 1 October 2016)
- Mr M Hourigan (effective 1 October 2016)
- Mr J Dickson, Deputy President
- Ms J Lang (effective 1 October 2016)
- Ms D Ong, Deputy President (effective 1 October 2016)
- Prof R Petty
- Mr R Alston
- Ms S Portelli
- Ms S Dolin
- Ms K Ryan
- Mr P Dowling (ceased 30 September 2016)
- Mr D Spong
- Mr T Ebbeck (ceased 30 September 2016)
- Mr G Wade (immediate past President)

EXECUTIVES

- Mr A Malley (Chief Executive Officer)
- Mr J Hughes (Chief Operating Officer – Member Services)
- Mr A Awty (Chief Operating Officer – Commercial / Chief Financial Officer / Company Secretary)

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 2016 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 Ltd and subsidiaries is set out below:

	2016 \$'000s	2015 \$'000s
Short-term employee benefits	5,280	4,416
Post-employment benefits	228	156
	5,508	4,572

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, CAANZ and the IPA to jointly promote the AAT as the peak organisation representing the para-professional segment of the accounting profession through the provisions of loan funds. A Non-current loan of \$320,000 is receivable from AAT as at 31 December 2016. Repayment terms for the loan were extended in 2016, with the next instalment now due in 2018 and the loan to be fully paid by June 2021. Interest income earned on the loan in 2016 was \$5,489. All interest charges from July 2016 onwards have been deferred until June 2017. 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 was 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.

Jeff Hughes, Chief Operating Officer – Member Services, Robert Thomason, Executive General Manager – Education, Deborah Leung, General Manager Hong Kong, and Nicholas Diss, Deputy Chief Financial Officer are Directors of CPA Australia (Shanghai) Ltd.

Tyrone Carlin, President of CPA Australia Ltd, Michele Dolin, Board Member of CPA Australia Ltd, Richard Petty, Board Member of CPA Australia Ltd, Graeme Wade, Board Member of CPA Australia Ltd and Suzanne Hadden are Directors of CPA Australia Advice Pty Ltd. Alex Malley, Chief Executive Officer, Adam Awty, Chief Operating Officer – Commercial, Jeff Hughes, Chief Operating Officer – Member Services and Craig Laughton, General Council are key management personnel of CPA Australia Advice Pty Ltd. CPA Australia Ltd has provided a non-current interest free loan to CPA Australia Advice Pty Ltd of \$5,594,000 (2015: \$725,000) due to be fully paid by 2025.

During 2016 CPA Australia entered into a commercial arm's length sponsorship of the National Basketball League valued at \$756,000 covering Australia, China, New Zealand and other selected countries including India and the Philippines; Graeme Wade, Director of CPA Australia is also a Director of NBL Pty Ltd.

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.

19. REMUNERATION OF AUDITOR

AUDIT SERVICES

AUDITOR OF PARENT ENTITY

Audit of financial report	189,625	160,330
Other assurance services	30,000	30,820
Non-audit services	31,231	138,274

AFFILIATED FIRMS

Audit of financial reports for subsidiaries and branches	45,109	34,666
	295,965	364,090

CONSOLIDATED	
2016	2015
\$	\$

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 quarterly.

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 2016, CPA Australia received revenue in the form of sponsorship from Deloitte Hong Kong for the CPA Australia Career Expo Hong Kong. Deloitte Singapore provided sponsorship for CPA Australia Career Expo Singapore and CPA Australia 2016 Congress Singapore. Deloitte Malaysia provided sponsorship for CPA Australia Career Expo Malaysia and CPA Australia 2016 Congress Malaysia.

20. INVESTMENT IN CONTROLLED ENTITIES	CLASS OF SHARE	ENTITY INTEREST		AMOUNT OF INVESTMENT	
		2016	2015	2016	2015
		%	%	\$	\$
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	100	1	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 Sdn. Bhd. is incorporated in Malaysia in order to facilitate the provision of services to members in Malaysia. CPA Australia (Shanghai) Ltd is incorporated in China in order to facilitate the provision of services to members in Shanghai. CPA Australia Advice Pty Ltd is incorporated in Australia in order to provide high quality, independent and transparent financial advice under an Australian Financial Services Licence (AFSL) and Australian Credit Licence (ACL).

21. 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 2016, 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 2016 \$'000s	31 DEC 2015 \$'000s
Net defined benefit liability / (asset) at start of year	(480)	(384)
Customer service cost	64	63
Net Interest	(18)	(11)
Actuarial return on fund assets less interest income	62	53
Actuarial (gains) / losses arising from changes in financial assumptions	(8)	(44)
Actuarial (gains) / losses arising from liability experience	(16)	(48)
Employer contributions	33	3
Net defined benefits liability / (asset) at end of year	(553)	(480)

RECONCILIATION OF THE FAIR VALUE OF FUND ASSETS

FINANCIAL YEAR ENDED	31 DEC 2016 \$'000s	31 DEC 2015 \$'000s
Fair value of fund assets at beginning of the year	1,135	1,041
Interest income	50	35
Actuarial return on fund assets less interest income	62	53
Employer contributions	33	3
Contributions by fund participants	5	3
Taxes, premiums and expenses paid	(31)	–
Fair value of fund assets at end of the year	1,254	1,135

RECONCILIATION OF THE DEFINED BENEFIT OBLIGATION

FINANCIAL YEAR ENDED	31 DEC 2016 \$'000s	31 DEC 2015 \$'000s
Present value of defined benefit obligations at beginning of the year	665	657
Current service cost	64	63
Interest cost	32	24
Contributions by fund participants	5	3
Actuarial (gains) / losses arising from changes in financial assumptions	(8)	(44)
Actuarial (gains) / losses	(16)	(48)
Taxes, premiums and expenses paid	(31)	–
Present value of defined benefit obligations at end of the year	701	655

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 2016		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	1,254	–	1,254	–
Total	1,254	–	1,254	–

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

AS AT 31 DECEMBER	2016* \$'000s	2015 \$'000s
Australian equity	43%	49%
International equity	22%	26%
Fixed income	15%	9%
Property	11%	11%
Alternatives / other	7%	3%
Cash	2%	2%

* Asset allocation as at 31 December 2016 is currently unavailable. Asset allocation at 30 September 2016 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	2016	2015
Assumptions to determine defined benefit cost		
Discount rate	4.4% p.a.	3.4% p.a.
Expected salary increase rate	4.0% p.a.	4.0% p.a.
AS AT 31 DECEMBER	2016	2015
Assumptions to determine DBO		
Discount rate	4.3% p.a.	4.4% p.a.
Expected salary increase rate	3.0% p.a.	4.0% p.a.

SENSITIVITY ANALYSIS

The defined benefit obligation as at 31 December 2016 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.)	4.3%	3.8%	4.8%	4.3%	4.3%
Salary increase rate (% p.a.)	3.0%	3.0%	3.0%	2.5%	3.5%
Defined benefit obligation* (\$'000s)	701	707	695	698	705

*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% of accumulation account balances plus
- 110% 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% 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 2017	\$'000s
Expected employer contributions	–

MATURITY PROFILE OF DEFINED BENEFIT OBLIGATION

The weighted average duration of the defined benefit obligation as at 31 December 2016 is approximately 11 years.

EXPECTED BENEFIT PAYMENTS FOR THE FINANCIAL YEAR ENDING ON	\$'000s
31 December 2017	–
31 December 2018	–
31 December 2019	–
31 December 2020	403
31 December 2021	–
Following 5 years	–

22. 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 2016, the weakening of the Australian Dollar against the currencies where substantial cash is held resulted in a foreign exchange loss of \$0.6m 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 2015.

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.

2016**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	1.87%	56,869	40,200	-	97,069
Bank bills < 1 year	0.00%	-	-	-	-
Equities	Non-interest bearing	-	31,859	-	31,859
Property funds	Non-interest bearing	-	5,591	-	5,591
Securities	Non-interest bearing	-	7,394	-	7,394
Hybrids	Non-interest bearing	-	25,074	-	25,074
Receivables	Non-interest bearing	-	2,474	-	2,474
Loan to related parties	Interest bearing	-	-	-	-
Defined benefit plan	Interest bearing	-	-	553	553
		56,869	112,592	553	170,014

FINANCIAL LIABILITIES

Payables	Non-interest bearing	-	16,587	-	16,587
Subscriptions and fees in advance	Non-interest bearing	-	76,419	-	76,419
		-	93,006	-	93,006
Net financial assets / (liabilities)		56,869	19,586	553	77,008

2015**FINANCIAL ASSETS**

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

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	2016		2015	
	LEVEL 1 \$'000s	LEVEL 2 \$'000s	LEVEL 1 \$'000s	LEVEL 2 \$'000s
Equities	31,859	–	29,942	–
Property funds	4,047	1,544	3,497	–
Securities	7,394	–	9,871	–
Hybrids	25,074	–	22,372	–
	68,374	1,544	65,682	–

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 assets 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 assets 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 branches in the Asia, New Zealand and the United Kingdom. No operations of CPA Australia are subject to external imposed capital requirements.

J. SENSITIVITY ANALYSIS

The below table 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 2016.

ANNUAL RISK BY RISK TYPE	MINIMUM		AVERAGE		MAXIMUM	
	2016 \$'000s	2015 \$'000s	2016 \$'000s	2015 \$'000s	2016 \$'000s	2015 \$'000s
Foreign exchange	92	161	469	817	846	1,474
Interest rate	142	129	355	324	569	518

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 and Malaysian Ringitts. Foreign exchange sensitivity analysis is based on outstanding foreign currency denominated intercompany loan amounts and revenues and expenses for the year 2016. Minimum and maximum exposure is calculated at shifts of one per cent and 10 percent 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 percent higher / lower equity reserves would have increased / decreased by \$5.2m as a result of the fair value of the available-for-sale shares.

	CONSOLIDATED	
	2016 \$'000s	2015 \$'000s
23. NOTES TO THE STATEMENT OF CASH FLOWS		
RECONCILIATION OF SURPLUS AFTER INCOME TAX TO NET CASH		
Inflow from operating activities		
Surplus after income tax	8,209	7,588
PLUS / (MINUS) NON-OPERATING ITEMS		
Interest income received	(4,655)	(4,438)
PLUS / (MINUS) NON-CASH ITEMS		
Foreign exchange translation	513	949
Depreciation and amortisation	11,792	12,051
Net gain on sale of property, plant and equipment	6	(7)
Realised (gain) / loss	(191)	(424)
Reversal of impairment provision	(30)	–
CHANGE IN ASSETS AND LIABILITIES		
(Increase) in receivables	5,152	(5,703)
(Increase) / decrease in inventories	–	–
(Increase) / decrease in other assets	(213)	(133)
Increase in payables	(488)	3,761
Increase in subscriptions and fees in advance	4,285	6,914
(Decrease) in other liabilities	(636)	(670)
Increase in provisions	1,010	337
CHANGE IN ITEMS IN EQUITY		
Amounts recognised in equity relating to defined benefit plan	86	145
Net cash inflow from operating activities	24,840	20,370

24. 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



Tyrone Carlin FCPA
Director



James Dickson FCPA
Director

24 February 2017



Deloitte Touche Tohmatsu

ABN 74 490 121 060

550 Bourke Street

Melbourne VIC 3000

GPO Box 78

Melbourne VIC 3001 Australia

Tel: +61 (0) 3 9671 7000

Fax: +61 (0) 3 9671 7001

www.deloitte.com.au

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

Opinion

We have audited the financial report of CPA Australia Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income the consolidated statement of changes in members funds and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the declaration by the directors of the Company as set out on pages 72 to 98.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2016 and of their financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the director's as at the time of this auditor's report.

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

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Group's financial report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors of the Company 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU

Mark Stretton

Partner

Chartered Accountants

Melbourne, 24 February 2017

GRI INDEX

GENERAL STANDARD DISCLOSURES

INDICATOR	DESCRIPTION	PAGE
STRATEGY AND ANALYSIS		
G4-1	Statement from the CEO and President	13, 15
ORGANISATIONAL PROFILE		
G4-3	Name of the organisation	1
G4-4	Primary brands, products and services	3
G4-5	Location of the organisation's headquarters	OBC
G4-6	Number of countries of operation	3
G4-7	Nature of ownership and legal form	54
G4-8	Markets served	3
G4-9	Scale of the organisation	3,20,49
G4-10	Employee numbers	49
G4-11	Employees covered by collective bargaining arrangements	49
G4-12	Organisations supply chain	57
G4-13	Changes to supply chain	57
G4-14	Application of the precautionary principle	22,56
G4-15	Externally developed charters, principles or initiatives	1, 54
G4-16	Membership of associations	1, 89
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Reporting on entities	90
G4-18	Process for defining report content and the Aspect Boundaries	6,8
G4-19	Material aspects	7
G4-20	Aspect Boundaries within the organisation	8
G4-21	Aspect Boundaries outside the organisation	8
G4-22	Explanation of re-statements	There are no restatements in this report

INDICATOR	DESCRIPTION	PAGE
G4-23	Significant changes to reporting Scope and Aspect Boundaries	1
STAKEHOLDER ENGAGEMENT		
G4-24	List of stakeholder groups	9
G4-25	Basis for identification of stakeholders	7, 8
G4-26	Organisation's approach to stakeholder engagement	8, 9
G4-27	Key topics and concerns raised through stakeholder engagement	8, 9
REPORT PROFILE		
G4-28	Reporting period	1
G4-29	Date of most recent previous report	1
G4-30	Reporting cycle	1
G4-31	Contact point for the report	1
G4-32	GRI Index This report has been prepared 'in accordance' with the Global Reporting Initiative G4 Sustainability Reporting Guidelines to a Core level. Refer to the Assurance Statement on page 105	102
G4-33	Assurance	105
GOVERNANCE		
G4-34	Governance structure of the organisation	57
ETHICS AND INTEGRITY		
G4-56	Describe the organisations values, principles, standards and norms of behavior	3

SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECTS	DMA AND INDICATORS	PAGE	OMISSIONS
ECONOMIC			
ECONOMIC PERFORMANCE			
DMA	Disclosures on management approach	1, 77	
G4-EC1	Direct economic value generated and distributed	20, 21	
G4-EC3	Coverage of the organisation's defined benefit plan and obligations	91	
SOCIAL – SOCIETY			
ANTI-CORRUPTION			
DMA	Disclosures on management approach	56	
G4-PR5	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	56	
SOCIAL – PRODUCT RESPONSIBILITY			
PRODUCT AND SERVICE LABELLING			
DMA	Disclosures on management approach	18, 31	
G4-PR5	Results of surveys measuring customer satisfaction	18	
CUSTOMER PRIVACY			
DMA	Disclosures on management approach	32	
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	32	



Deloitte Touche Tohmatsu
 ABN 74 490 121 060

Grosvenor Place
 225 George Street
 Sydney NSW 2000
 PO Box N250 Grosvenor Place
 Sydney NSW 1220 Australia

DX 10307SSE
 Tel: +61 (0) 2 9322 7000
 Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent limited assurance statement to the Directors of CPA Australia Limited in relation to its sustainability performance data included in its 2016 Annual Report

We have carried out a limited assurance engagement on the subject matter detailed below (the 'Subject Matter') presented in CPA Australia Limited's ('CPA') 2016 Annual Report in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter has not been prepared, in all material respects, in accordance with the reporting criteria described below ('Reporting Criteria').

Subject Matter and Reporting Criteria

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 31 December 2016 is as follows:

Subject Matter	Reporting Criteria
<p>GRI G4 Sustainability Reporting Guidelines</p> <p>Sustainability information included in the 2016 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 FY2016 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] 	<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 2016 Annual Report is properly prepared and presented in accordance with 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 refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Member of Deloitte Touche Tohmatsu Limited

© 2016 Deloitte Touche Tohmatsu. All rights reserved.



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 2016 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 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.

Assurance work performed

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

- Review of CPA'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 2016 Annual Report
- Review of CPA's process to identify and determine material issues to be included in the 2016 Annual Report with examination of underlying assessments and evidence on a sample basis
- Interviews with a selection of CPA executives and senior management, including CPA's sustainability management team concerning the overall governance structure, corporate sustainability strategy and policies used for managing and reporting sustainability performance across the business
- In respect of the Selected indicator data:
 - interviews with a selection of CPA management responsible for the Selected indicator data to understand the compilation and review processes
 - applying analytical and other review procedures including assessing relationships between the reported information and other financial and non-financial data
 - examination of evidence for a small number of transactions or events
 - analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of the sustainability information included in the 2016 Annual Report.
 - review underlying evidence on a sample basis to corroborate that the sustainability information is prepared and reported in line with the relevant reporting criteria.
- Comparison of the sustainability content of CPA's 2016 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 2016 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's Reporting Criteria as set out in the 2016 Annual Report.

Limitations of use

This report is made solely to the directors of CPA in accordance with our engagement letter dated 18 January 2017, for the purpose of providing limited assurance over material non-financial information contained within CPA'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 2016 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 for the year ended 31 December 2016.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



S Tyagi

Partner

Sydney, 24 February 2017

ACRONYMS

AASB	Australian Accounting Standards Board	CPD	Continuing professional development
AAT	Association of Accounting Technicians, Australia	CRM	Customer relationship management
ACL	Australian Credit Licence	DMA	Disclosures on management approach
ACNC	Australian Charities and Not-for-profits Commission	FCPA	Fellow of CPA Australia
AFA	ASEAN Federation of Accountants	FTE	Full-time equivalent
AFSL	Australian Financial Services Licence	GC2018	Gold Coast 2018 Commonwealth Games
A-IFRS	Australian Equivalents to International Financial Reporting Standards	GRI	Global Reporting Initiative
AM	Member of the Order of Australia	GST	Goods and services tax
AO	Officer of the Order of Australia	HRH	His Royal Highness
APES	Accounting Professional and Ethical Standards	IAASB	International Auditing and Assurance Standards Board
APESB	Accounting Professional and Ethical Standards Board	IESBA	International Ethics Standards Board for Accountants
APRA	Australian Prudential Regulation Authority	IFAC	International Federation of Accountants
ASAE	Australian Standard on Assurance Engagements	IFRS	International Financial Reporting Standards
ASEAN	Association of South-East Asian Nations	IIRC	International Governance and Performance
ASIC	Australian Securities and Investments Commission	IPA	Institute of Public Accountants
ASF	Australian Scholarship Foundation	IPSASB	International Public Sector Accounting Standards Board
ASX	Australian Stock Exchange	IR	Integrated reporting
ASXCGC	Australian Stock Exchange Corporate Governance Council	ISO	International Standards Organisation
ATSI	Aboriginal and Torres Strait Islander	KPI	Key performance indicator
AUASB	Auditing and Assurance Standards Board	MND	Motor neurone disease
CAANZ	Chartered Accountants Australia and New Zealand	MP	Member of Parliament
CAPA	Confederation of Asian and Pacific Accountants	NBL	National Basketball League
CEO	Chief executive officer	OAM	Medal of the Order of Australia
CFO	Chief financial officer	OECD	Organisation for Economic Co-ordination and Development
CGPR	Corporate Governance Principles and Recommendations	PAIB	Professional Accountants in Business
COO	Chief operating officer	SIS	Superannuation Industry Supervision
CPA	Certified Practising Accountant	SME	Small to medium enterprise
CPA PPC	CPA Public Practice Certificate	SMP	Small and medium practice

Cover printed on extraPrint – PEFC Certified
Text printed on Pacesetter Satin – FSC Mix Certified
Financials printed on Precision – PEFC Certified
They are manufactured by ISO-Certified mills
CPA Australia Ltd ACN 008 392 452
ABN 64 008 392 452

OFFICE LOCATIONS

AUSTRALIA

Head office / Victoria

(and registered office)
Level 20, 28 Freshwater Place
Southbank VIC 3006
GPO Box 2820
Melbourne VIC 3001
Free call: 1300 737 373 (Australia only)
E: memberservice@cpaaustralia.com.au

Australian Capital Territory

Level 5, CPA Australia Building
10 Rudd Street
Canberra ACT 2601
GPO Box 3260
Canberra ACT 2601

New South Wales

Level 3, 111 Harrington Street
Sydney NSW 2000
Locked Bag 23
Grosvenor Place NSW 1220

Northern Territory

Level 3, 62 Cavenagh Street
Darwin NT 0800
GPO Box 1633
Darwin NT 0801

Queensland

Level 29, 10 Eagle Street
Brisbane QLD 4000
GPO Box 1161
Brisbane QLD 4001

South Australia

Level 10, 420 King William Street
Adelaide SA 5000
GPO Box 2574
Adelaide SA 5001

Tasmania

Level 2, 54 Victoria Street
Hobart TAS 7000
GPO Box 906
Hobart TAS 7001

Victoria

Refer to head office location

Western Australia

Level 17 Alluvion
58 Mounts Bay Road
Perth WA 6000
PO Box 7378
Cloisters Square
Perth WA 6850

EUROPE

United Kingdom

The Australia Centre
The Strand
London WC2B 4LG
United Kingdom
P: +44 20 7240 8266
F: +44 20 7240 3452
E: europe@cpaaustralia.com.au

ASIA

Beijing

Unit 307-308B, 3/F
Office Tower C2, Oriental Plaza
No. 1 East Chang An Avenue
Dong Cheng District
Beijing 100738, China
P: +8610 8518 5575
F: +8610 8518 7001
E: beijing@cpaaustralia.com.au

Guangzhou

Room 2504, Tower A, GT Land Plaza
85-87 Huacheng Avenue
Zhujiang New Town, Tianhe District
Guangzhou 510623, China
P: +8620 8393 0610
F: +8620 8393 0614
E: guangzhou@cpaaustralia.com.au

Hong Kong

20/F Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong
P: +852 2891 3312
F: +852 2832 9167
E: hk@cpaaustralia.com.au

Macau*

Rua Dr Pedro Jose Lobo 1 – 3A
Luso International Bank Building
14th Floor, Room 1404 – 1405
Macau
P: +853 2838 9207
F: +853 2857 9238
E: macau@cpaaustralia.com.au

Shanghai

Suite 4003-4004, 40th Floor
CITIC Square
1168 Nanjing West Road
Shanghai 200041, China
P: +8621 2213 9850
F: +8621 5292 5589
E: shanghai@cpaaustralia.com.au

Hanoi

Suite 1201A, 12th Floor, Tower A
Handi Resco Building
521 Kim Ma Street
Ba Dinh District, Hanoi, Vietnam
P: +84 4 6263 4320
F: +84 4 6250 0200
E: hanoi@cpaaustralia.com.au

Ho Chi Minh City

Suite 501, 5th Floor
Metropolitan Tower
235 Dong Khoi Street
District 1, Ho Chi Minh City, Vietnam
P: +84 8 3520 8338
F: +84 8 3520 8339
E: hochiminh@cpaaustralia.com.au

Indonesia

World Trade Centre 5
12th Floor, Jl Jend Sudirman Kav. 29
Jakarta 12920, Indonesia
P: +62 21 2964 5100
F: +62 21 2964 5115
E: id@cpaaustralia.com.au

Malaysia

Suite 10.01, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
P: +603 2267 3388
F: +603 2287 3030
E: my@cpaaustralia.com.au

Singapore

1 Raffles Place
#31-01 One Raffles Place
Singapore 048616
P: +65 6671 6500
F: +65 6671 6550
E: sg@cpaaustralia.com.au

OCEANIA

Fiji*

Neil Underhill and Associates
Attention Neil Underhill
PO Box 1327, Wailada, Lami
Suva, Fiji Islands
P: +679 336 3968
F: +679 336 3948
E: international@cpaaustralia.com.au

New Zealand

Level 16, HSBC House
1 Queen Street
Auckland 1010
New Zealand
PO Box 105-893 Auckland
New Zealand 1143
P: +64 9 913 7450
F: +64 9 914 8790
E: nz@cpaaustralia.com.au

Papua New Guinea*

Level 2, Armit Street
Port Moresby NCD 121
Papua New Guinea
PO Box 1937
Port Moresby NCD 121
Papua New Guinea
P: +675 321 3644
F: +675 320 0469
E: cpapng@cpapng.org.pg

* International branch offices – not staffed

cpaaustralia.com.au

CPA Australia Ltd ABN 64 008 392 452