

2026 AGM

Questions not addressed at the meeting

Following are responses to questions submitted by CPA Australia members at the Annual General Meeting (AGM) which were not addressed during the meeting. The questions were submitted via the AGM Online Portal, either in advance or during the meeting, or were taken on notice by the Chair during the meeting.

This list does not include questions that relate to an individual member's personal circumstances. In those cases, we have responded directly to the member.

For answers to questions that were addressed during the meeting, please refer to the AGM recording on the website.

Questions received in advance

Member: John Gill

Q: Please provide the age-cohort data of CPA Australia membership for 2024 and 2025, missing from the Annual Reports of those years, to bring this series up to date.

Age	2018	2019	2020	2021	2022	2023	2024	2025
20-29	13%	12%	11%	10%	9%	6%	6%	5%
30-39	33%	33%	32%	32%	31%	28%	28%	27%
40-49	27%	27%	27%	28%	28%	30%	31%	32%
50-59	15%	16%	16%	17%	18%	20%	20%	21%
60-69	7%	8%	8%	8%	8%	9%	9%	9%
70+	5%	5%	5%	5%	6%	6%	6%	6%

A: Thank you for raising this important issue. Age cohort data is an important indicator of the health of our membership pipeline. Detailed age cohort and gender demographic data for 2024 and 2025 have not been separately restated in the Annual Reports as the overall demographic trends have remained broadly consistent with those reported in 2022.

We remain committed to transparent and meaningful disclosure. Should the underlying trends shift in a material way, we will ensure this is clearly communicated in future Annual Reports. We also note your point about this data series and will consider whether a more regular update to members would be beneficial.

Q: The 2025 CPA Australia Integrated Report lists Education and CPA program revenue at \$62.194 million and operating expenses of \$16.687 million. Even after allowing generously for indirect costs and overheads, it appears that associate members may be contributing approximately \$20-\$30 million annually to our overall profit of \$5.125 million. Is this correct?

If so, this raises an important question: are associate members bearing a disproportionate share of the financial burden?

A: The \$16.6m operating expense referred to in the question only reflects direct product costs related to the CPA Program that includes course development, exam marking and management and presentation costs. The costs exclude other CPA Program related expenses such as staffing, printing, other direct delivery costs (such as advertising and travel), as well as indirect corporate overheads including technology and shared corporate services (legal, People and Culture and finance). Once these additional

direct and indirect costs are taken into account, the CPA Program generates a modest and appropriate surplus that is reinvested into the quality of the program and broader member services. We appreciate that members reasonably expect transparency around how program revenues are applied, and we welcome the opportunity to clarify this.

Q: Member Retention

Since 2020, member retention has slipped from 98.3% in 2020 and 2021 to 96.9% in 2025. Although this might not yet seem alarming, it does signal a worrying trend.

2020	98.3%
2021	98.3%
2022	98%
2023	97.6%
2024	97.2%
2025	96.9%

Was the CPA Board aware of this, and what plans are in place to arrest the decline in retention?

How is the retention rate calculated?

Based on the raw data in the report, with membership of 174,908 in 2024 and 10,649 new memberships in 2025, the new base is 185,557. From that, we deduct the total membership of 166,327 at the end of 2025 to find our losses in 2025, which are 9,230, or 94.7%, rather than the stated 96.9%.

Assuming this difference is the 'apples and oranges' result of my including both associate and full members in a single calculation, what are the two sets of retention figures, and should either of these be of concern to us?

A: The Board is conscious of the importance of maintaining a high membership retention rate. We aim to do so by providing high quality services that add tangible value to members. This includes:

- investing in education through the CPA Program, professional development offers, and the global mentoring program,
- delivering a broad program of relevant member events and forums,
- connecting with members through INTHEBLACK, Member Connect, social media content, podcasts and webinars,
- launching our digital mobile app,
- uplifting our advocacy and thought leadership on key issues like ESG and sustainability, AI and technology, the future of the profession and ethics
- advocating for the profession to government and policymakers

With respect to how the retention rate is calculated, unlike most figures in the Integrated Report that are calculated based on calendar year, the member retention rate is calculated according to the dates that membership renewals open - from 1 November to 31 October of the next year. This takes into account members who renew or commence their membership prior to the completion of the calendar year, as well as members who resign their membership in November or December.

It's also worth noting that the retention rate 96.9% was the Fully Qualified retention rate, which refers to CPA and FCPA members, excluding Associated and Retired members. Fully Qualified Member Retention KPI has existed for many years, while Associated Member Retention has only been identified as KPI since last year (2025).

In calculating the Fully Qualified retention rate for 2025, we had an opening balance of Fully Qualified members as at 1 November 2024 of 125,390. The number of these members who had renewed by 31 October 2025 was 121,510.

The difference gives us the Fully Qualified retention rate of 96.9%.

Q: Note 5(i) on page 141 reports Merchant fees and bank fees as \$1.750 million. Is that a credit card charge for our membership fee? Is there a cheaper alternative? It's a lot to pay for very little effort, i.e. 15 cents rather than \$15!

A: These expenses predominantly relate to Stripe and PayPal fees. The total is inclusive of surcharges recovered. Surcharges are only passed on to members in the Australian market. The Reserve Bank of Australia (RBA) announced on March 31, 2026, a ban on card payment surcharges for debit, credit, and prepaid cards (Visa, Mastercard, eftpos) to take effect from October 1, 2026.

Q: Note 12 refers to intangible assets, showing a gross carrying amount of \$41.842 million and a net book value of \$10.831 million. Does this represent software, or is it intellectual property in our curriculum materials? At what point is derecognition of these intangible assets due to take place? What happens then?

A: The gross carrying amount includes \$4.6M that relates to capital work in progress in relation to intellectual property (Learning Evolution project). The remaining balance is predominantly core business system related (Microsoft D365 implementation) which will continue to be amortised through to 2027. CPA Australia will continue to invest in member initiatives, core business systems, and software.

Q: CPA Australia's centralised structure provides consistency, strong standards, and a unified professional voice. That centralisation is essential for examinations, accreditation, ethics, and admission requirements, where uniformity protects the CPA designation.

However, many member-facing activities are local. CPD delivery, networking, university and employer engagement, regional advocacy, and support for early-career members depend on local knowledge and responsiveness. Members increasingly experience the organisation as consistent but not responsive, with local issues taking too long to reach decision-makers.

Divisional Councils could safely play a larger role in these areas without compromising professional standards. But meaningful responsibility requires meaningful resources. A transparent per-member funding allocation could be devolved for regional initiatives, while Head Office retains control of core regulatory functions. Is the Board prepared to consider this?

A: CPA Australia is a global organisation with members living and working across more than 100 countries. We have offices in 20 locations around the world, with local teams providing a wide range of services to members. In our divisional offices, we work very closely with both Divisional Councils and Committees to service our members, leveraging their deep expertise to ensure the content is relevant and compelling. We also service many other jurisdictions remotely through liaison offices and agent relationships. Ensuring that all members receive a consistent and high standard of service, regardless of where they live and work, remains central to our model. We appreciate the constructive suggestion regarding Divisional Councils and per-member funding allocations. The Board will give this proposal genuine consideration as part of its ongoing review of member engagement and governance structures.

Member: Glenn Smith

Q: Page 4 of the integrated report states that the 2025 member retention rate is 96.9%. Most people would read this as being the retention rate of all members. However, that percentage is the retention rate for "qualified members".

Questions

1. What are the retention rates relating to the full membership base for each of the past three years?

A: The full retention rates for the past 3 years are as per the information provided in the 2023, 2024 and 2025 integrated reports: 2023 - 97.6%, 2024 - 97.2%, 2025 - 96.9%

2. What are the retention rates relating to each other subset of members for each of the past three years?

A. The retention rates for each subset of members is as follows:

	2025	2024	2023
Associate	86.3%	86.6%	86.9%
Fully Qualified	96.9%	97.2%	97.6%
Retired	92.4%	93.6%	93.1%
Overall	94.5%	94.8%	95.1%

3. The majority of members would struggle to guess the exact meaning of “qualified members”. Could this, along with other definitions, be included in a glossary section of future reports?

A: Thank you for your suggestion of adding a glossary of terms. We do include a glossary of acronyms in the report – page 175. In regard to providing a more detailed glossary of terms, inclusions in the report are a trade-off between providing enough information whilst balancing conciseness. Where we feel a term requires further explanation it is generally footnoted. As we are in planning for 2026, we will review including a glossary of terms. In general, additional granular detail is provided as an online supplement, as we have done for the Basis of Preparation for our GHG emissions.

Questions received online during the meeting

Member: Balaji Sambasivam

Q: Is there any reason for the number of reprimand cases increasing by 90 in this year? Table 22

A: Table 22 shows that the number of disciplinary tribunal penalty outcomes resulting in ‘a severe reprimand’ increased from 29 in 2024 to 65 in 2025 – which is an increase of 36, rather than 90.

There was an overall increase across all penalty outcomes, including forfeiture and fines. The rise is due to an overall increase in number of complaints heard at disciplinary tribunals in 2025.

The increase in complaints heard in 2025 was primarily driven by a rise in membership applications containing false documentation or misleading information in an attempt to gain membership to CPA Australia.

These matters were detected as part of our routine checking process. Following investigation, they were referred to the Disciplinary Tribunal for determination as required under the By-Laws.

Q: How do you describe the progress report on the investment portfolio? Is there some areas potentially missed opportunities for better returns during this period?

A: The CPA Australia Investment Fund has performed well for the year ended 2025, delivering returns in line with the objectives set out in our approved Investment Policy.

Investment performance reflects adherence to the strategic asset allocation model, maintaining a diversified portfolio and a disciplined long-term investment approach consistent with a conservative risk profile.

The investment manager, JBWere, has continued to actively monitor and manage the portfolio, responding appropriately to prevailing macroeconomic and geopolitical conditions, including inflation, rising interest rates, global tariff developments and the ongoing conflict in the Middle East. This proactive management has supported the portfolio’s resilience and overall performance during the reporting period.

Q: If strategic projects expense is for future returns what is the rationale behind this expenditure not being treated as capital?

A: This is a thoughtful question that goes to the heart of how we account for investment in our future. The classification of strategic project costs as either capital or operational is determined by the specific criteria set out in the relevant accounting standards. Each project is carefully assessed against these criteria, ensuring that the treatment applied is both appropriate and consistent.

Furthermore, all strategic project costs, irrespective of whether they are classified as capital or operational, are reviewed by KPMG as part of the external audit process

Member: Helen Kitchen

Q: How many employees in total are there globally?

A: On average throughout the year ending 31 December 2025, CPA Australia employed 562 people. (90% full time, 7% part-time, 2% parental leave and under 1% casuals.)

Member: Ian Thomson

Q: There is a 140 Year Anniversary display. Does it include clear reference to development of the Society in the various Divisions, in particular NSW as I am in the NSW Division office

A: The 140-year anniversary immersive zone in the Sydney office and the infographic in the Integrated Report are designed to provide a high-level overview of CPA Australia's history. Due to space constraints, they do not detail the development of individual Divisions, although the display in the Sydney office does include photographs and artefacts specific to the New South Wales division and committees.

The focus of these displays is on highlighting key membership milestones and significant organisational anniversaries that reflect our collective progress.

We recognise the importance of Division histories, such as that of New South Wales, and appreciate your interest in seeing these acknowledged.

Q: Could comment be made regarding investment performance in 2026 to date, given markets have generally been down.

A: This is a fair and timely question, particularly given the volatility in global markets during 2026. The portfolio's diversified structure, combined with a disciplined long-term investment approach, has supported stability and resilience amid ongoing macroeconomic and geopolitical challenges.

While returns have been impacted to some extent, overall investment performance has remained strong, continuing to exceed target benchmarks over the course of 2026. Our investment manager, JBWere, remains actively engaged in monitoring and managing the portfolio, maintaining a prudent and defensive positioning in response to current market conditions.

Member: Muhammad Ajmal Qureshi

Q: Respected Directors and Members very Good evening, please accept my heartiest congratulations on organising great AGM 2026 for CPA Australia. I am feeling great honour being a member of the one of the largest professional accounting body of the world.

I would like to ask with respect to environmental reporting requirements, is there any policy or discussion under review to transform environmental loss and contributions into numbers to more emphasize on the responsibilities to protect environment with great practices.

A: Climate change, biodiversity loss and social inequality represent significant economic and social challenges now and into the future. We recognise that organisations both depend on nature and human capital and are subject to the impacts of climate change and contribute both positively and negatively on climate change and natural capital.

The accounting profession has an important role in addressing climate change. Accountants are well placed and qualified to help businesses measure and mitigate the impact. We believe that accounting is embedded in economic and market systems that cannot be treated in isolation from the natural environment.

We note that the quantification of environmental loss and restoration is maturing. In the Australian environment this is guided by the Commonwealth Government's overarching Nature Policy, which aims to halt and reverse biodiversity loss in line with the Kunming-Montreal Global Biodiversity Framework.

Several global frameworks also support this work including the Natural Capital Protocol of the Capitals Coalition, the Taskforce for Nature-related financial disclosures recommendations. In the Australian environment Accounting for Nature provides a specific approach for natural capital assessment that focuses on the Australian environment.

CPA Australia will continue to advocate on behalf of our members with reference to the ongoing work of the International Sustainability Board (ISSB). We are aware of changes to sustainability reporting, with mandatory climate reporting being enacted in Australia and with broader adoption across ASEAN and beyond. This provides us with an opportunity to view the practical implications of the rollout of sustainability standards.

Secondly, as CPA Australia launched mobile app for members who are residing in Australia, so when will the overseas members be able to get benefit of this facility.

We can understand and appreciate your interest in using CPA Australia's mobile app. It is currently available in 38 countries and availability is being expanded progressively, with additional countries expected to be added during 2026.

Member: Peter Robinson

Q: Can I recommend that the AGM alternate addressing a question between those in attendance in Melbourne and those online. The current approach preferences one gathering of members over all other participating members. Already here in Perth WA three of 15 members have left. What the drop off rate for other online attendees should be analysed and reported to members.

By the way, 10 of the members were women.

A: We acknowledge your concern about ensuring equitable participation between members attending in person and those joining online. The intent of the current approach is to manage the flow of questions efficiently; however, we recognise that alternating between in-person and online participants may provide a more balanced experience for all members. Your suggestion will be taken on board as part of our ongoing review of AGM protocols, with a view to strengthening inclusivity and engagement across all locations.

In relation to online participation, we agree that monitoring engagement - including any drop-off rates - is valuable. We will consider how best to analyse this data and provide appropriate transparency to members in future reporting.

We also note your observation regarding participation from Western Australia and the representation of women among attendees. Ensuring that all members feel heard and able to contribute meaningfully remains a priority. Thank you again for your input.

Member: Zain ul abideen

Q: We see that we have made more investments in 2025 on financial assets note 22 while income / fair market value changes is less than last year .. question is it is strategically sensible decision to make investments with such low market gains instead of actually investing on members, trainings especially in countries like China where membership number has come down recently?

A: Other financial assets increased by \$11 million during the year. Investment related finance income and fair value movements totalled \$11.2 million in 2025, compared to \$10.7 million in 2024. These results reflect the strength of CPA Australia's diversified investment portfolio and its disciplined long-term approach. Continued strong investment performance enables CPA Australia to fund strategic initiatives, support the delivery of high-quality services, and enhance outcomes for members. This approach ensures the organisation remains well positioned to deliver sustainable long-term value for its membership base.

Questions asked and answered during the meeting with a commitment to provide additional information

Member: Glenn Smith

Q: Page 167 of the Integrated Report includes a table relating to expected losses from the non-payment of trade and other receivables. The expected loss amount is calculated by applying the average loss percentage over the past five years to the end of year balance. The average loss rate used for the 2023 year was 6.91%. The average rate used for the 2025 year is 17.15%. This indicates that the actual loss rates for the 2024 and 2025 years were a lot higher than the published average rates.

Moderator - "Glen has asked a number of questions regarding this, and the panel will respond to key themes now, a detailed response will be posted to the website after the AGM."

RESPONSE AT THE AGM:

A: The increase in the expected loss rate over recent years reflects a deliberate strengthening of professional conduct enforcement. This has resulted in a higher volume of fines and penalties issued, with some remaining unpaid, thereby increasing the loss ratio. While non-collection rates have risen, associated income from fines has also increased, largely offsetting the financial impact.

The approach aligns with heightened regulatory expectations and reinforces CPA Australia's commitment to professional standards, as highlighted at CPA Australia's recent appearance before the Parliamentary Joint Committee on Corporations and the Financial Services sector.

Questions submitted in advance:

1. What are the actual loss amount and percentage for the 2025 year?

A: The actual loss amount for 2025 is \$722K. The loss percentage for 2025 is 38.5%.

2. What specific class or classes of receivables are most problematic?

A: The receivables in relation to disciplinary fines and penalties issued to members are the specific class driving the loss allowance. Members who do not pay their disciplinary fines and penalties are deregistered. CPA has a robust process in place to review overdue debt for this specific class of overdue debt.

3. Given significant increases in the loss percentage, is the five-year average still considered to be appropriate?

A: Disciplinary fines and penalties are difficult to estimate and can fluctuate from year to year. Management are of the opinion that the provision adequately reflects current and forward-looking risk conditions. It should also be noted that the revenue from fines and penalties recognised in the profit and loss statement offsets most of the loss.

4. What steps, if any, have been taken to reduce the losses in this area?

A: CPA Australia has established clear and consistent collection procedures for all overdue debt. In the case of disciplinary fines and penalties specifically, members who do not meet their payment obligations are deregistered. As noted above, the revenue recognised from disciplinary action in the profit and loss statement largely offsets the associated loss for this class of debt. We continue to monitor this area closely and take appropriate action to maintain the integrity of our processes.

5. Has this issue been reviewed by internal and/or external auditors? If so, what was their feedback?

A: The 2025 loss allowance was reviewed as part of the external audit review. No feedback or concerns were raised by KPMG. There has been no internal audit review.

Q. What are the membership numbers, by gender, for each of the last three years? Providing more detailed percentages makes the data more meaningful, are there any barriers to providing that additional detail in future reports?

The breakdown of member demographics by gender for each of the past three years is as follows:

A: The breakdown of member demographics by gender for each of the past three years is as follows:

	2025	2024	2023
Female	90714	89573	88279
Male	85578	85292	85121
Not provided	35	43	31
Overall	176327	174908	173431

Member: Ian Thomson

Q: Does the board have a reason for not disclosing in table 2 gross margins by division. Given the relative size of Australian divisions, it would seem material that the respective performance of these divisions be disclosed. Is there a reason this is not disclosed?

RESPONSE AT THE AGM:

A: Gross margins by location have not historically been disclosed; however, in response to member feedback, CPA Australia is committed to reviewing this position.

It was confirmed that this information will be provided in the AGM follow-up responses and is being considered for inclusion in future reporting, including the 2026 Integrated Report.

A: The gross margins by region for 2025 are as follows (\$'000s):

Location	2025 Total expenses excld HO				2025 Surplus/Deficit before tax
	Revenue	allocation	2025 Gross Profit	HO Allocation	
Australia	127,922	(23,131)	104,791	(93,844)	10,947
New Zealand	4,434	(1,179)	3,255	(3,482)	(227)
Europe	1,738	(721)	1,017	(1,240)	(223)
ASEAN Group	21,815	(7,018)	14,797	(18,781)	(3,984)
Greater China (includ HK and SAR)	31,684	(8,412)	23,272	(24,107)	(835)
Other Overseas	7,817	(1,535)	6,282	(6,349)	(67)
Total	195,411	(41,997)	153,414	(147,803)	5,611