

2018 GRI INFORMATION

To support our reporting under the Global Reporting Initiative (GRI) standards and improve conciseness of our report we provide further information on our management approach in some areas and further people, stakeholder and supply chain information online only. This information adds to that provided in our 2018 Integrated Report.

CPA PROGRAM AND CERTIFICATION

The CPA Program is a comprehensive postgraduate education program designed to provide candidates with a thorough grounding in accountancy, finance and business knowledge. In addition to technical accounting skills, it focuses on strategy, leadership, ethics and governance with a view to developing agile and adaptable accounting professionals who are ready to meet the challenges of a changing business world.

Candidates study six subjects, four compulsory subjects and two electives, and must also demonstrate three years of practical experience. We continue to expand our offer to ensure that the CPA Program remains relevant and responsive to our profession. CPA Australia welcomes applicants with diverse or non-accounting educational backgrounds who wish to achieve the CPA designation. We offer a pathway to these candidates through Foundation exams. Foundation exams are a suite of six bridging subjects, equivalent to undergraduate level, that address specific areas of core knowledge required for entry into the CPA Program.

While CPA Australia retains control of critical functions relating to content, design specifications, assessment and quality assurance across our education portfolio, we work with the following supply partners to deliver the CPA Program to our members and candidates:

- DeakinCo, who develop teaching and learning materials such as study guides and knowledge checks
- PearsonVUE, who provide exam development, exam delivery and assessment services
- IVEO, who print and distribute study materials
- BPP, who develop teaching and learning materials for the Foundation exams

CPA Australia draws on the professional support of members working in academia and industry, as well as our own education and technical specialists, to ensure that the content of the CPA Program remains relevant and contemporary. We do this through a series of specialist committees, including the Professional Qualifications Advisory Committee (PQAC), which provides advice on the education framework for members, the Special Consideration Committee and Subject Advisory Panels.

Members of these committees include professors and senior academics from prestigious educational institutions alongside leading industry experts. It is important that CPA Australia upholds the high standards of the profession when it comes to passing candidates. We have adopted best practice methodologies and implemented many measures to ensure assessment is rigorous, and that the marks awarded to a candidate are a true representation of the level of knowledge and skills they have demonstrated.

In 2018, the Examinations Policy Advisory Committee (EPAC), was dissolved after consultation with the EPAC chair, as the committee was originally set up to review the CPA Program subject pass marks, a role which was no longer required due to the appointment of PearsonVUE and the psychometric approach to measurement and marking. The Special Consideration Committee now reports directly into PQAC.

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PROFESSIONAL DEVELOPMENT AND KNOWLEDGE

The value of the CPA designation stems not only from the technical expertise and understanding of business strategy gained through completing the CPA Program, but also through the ongoing learning that our members undertake to ensure their knowledge remains relevant and up to date. We offer a broad range of continuing professional development (CPD) options from which members can choose; including conferences, networking events, face-to-face workshops, discussion groups, webinars and online self-paced learning modules.

The continuing education market is challenging and competitive and our diverse membership means that we need to continually improve our offering to meet member expectations.

To support our learning and development activities, we provide a comprehensive suite of professional resources via CPA Australia's corporate website, as well as library services and an exclusive podcast series. We also place an emphasis on regular, high quality communication and produce a range of print and online publications that cover issues pertinent to the accounting and finance sector.

CPA Australia's print and online publications provide coverage on current issues and emerging trends in the accounting, finance and business sector. These publications cater to the broad areas of interest and varied business practices of members by providing a mix of general interest subject matter and specialised, technical content. They are also key vehicles used for communicating information about CPA Australia and its activities to members.

ADVOCACY AND THOUGHT LEADERSHIP

CPA Australia and its members seek to influence major issues, policies and regulations that impact the markets in which our members work. Such activity lifts the profile of CPA Australia and our members.

We achieve this by investing in our strong and enduring relationships with members, policy-makers, regulators, standard setters and the broader business community.

Our advocacy activity involves a range of activities including:

- Engaging with members to inform our policy positions
- Making submissions
- Regular engagement with policy makers, key regulators, standard setters and industry bodies
- Commissioning research and authoring thought leadership reports
- Speaking with the media and writing articles
- Meeting with government ministers
- Giving evidence to parliamentary committees

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OUR PEOPLE

CPA Australia seeks to have a diverse workforce that reflects the diversity of our membership. The following tables present information on our employees by region, employment time, gender and age.

TABLE 1: CPA AUSTRALIA EMPLOYEES (INCLUDING CASUALS) BY REGION

	2018			2017		
	FEMALE	MALE	TOTAL*	FEMALE	MALE	TOTAL*
Australia	65%	35%	79%	63%	37%	80%
China	89%	11%	9%	87%	13%	9%
Malaysia	86%	14%	4%	89%	11%	4%
Singapore	47%	53%	4%	54%	47%	4%
Other	76%	24%	5%	64%	36%	5%
Total	68%	32%	100%	66%	34%	100%

TABLE 2: CPA AUSTRALIA EMPLOYEES BY EMPLOYMENT TYPE

	2018			2017		
	FEMALE	MALE	TOTAL*	FEMALE	MALE	TOTAL*
Full Time	65%	35%	86%	62%	38%	84%
Part Time	88%	12%	9%	86%	14%	11%
Casual	77%	23%	3%	60%	40%	3%
Maternity/paternity	91%	9%	2%	100%	0%	2%

TABLE 3: CPA AUSTRALIA EMPLOYEES BY REGION

	FULL TIME		PART TIME		CASUAL		MATERNITY/PATERNITY	
Australia	335	83%	48	12%	13	3%	10	2%
China	45	100%	0	0%	0	0%	0	0%
Malaysia	22	100%	14%	0%	0	0%	0	0%
Singapore	19	100%	53%	0%	0	0%	0	0%
Other	24	96%	1	0%	0	0%	0	0%
Total	445	86%	49	9%	13	3%	10	2%

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TABLE 4: WORKFORCE DIVERSITY

	CASUAL			ADMINISTRATION AND SUPPORT (L1 & L2)		
	FEMALE	MALE	TOTAL*	FEMALE	MALE	TOTAL*
Below 20	0.4%	0.0%	0.4%	0%	0%	0%
20-29	1.2%	0.4%	1.6%	8%	1%	9%
30-39	0.0%	0.0%	0.0%	13%	2%	15%
40-49	0.2%	0.0%	0.2%	3%	2%	5%
50-59	0.2%	0.0%	0.2%	2%	1%	3%
60+	0.0%	0.2%	0.2%	1%	0%	1%
Total	1.9%	0.6%	2.5%	28%	6%	33%

	SUPERVISOR AND TECHNICAL SUPPORT (L3 & L4)			PROFESSIONAL SPECIALIST / MANAGER (L5)		
	FEMALE	MALE	TOTAL*	FEMALE	MALE	TOTAL*
Below 20	0%	0%	0%	0%	0%	0%
20-29	3%	3%	5%	0%	0%	0%
30-39	17%	11%	28%	1%	1%	2%
40-49	9%	4%	13%	2%	2%	4%
50-59	5%	2%	6%	1%	1%	3%
60+	0%	2%	2%	0%	1%	1%
Total	34%	21%	54%	4%	5%	9%

	SENIOR MANAGEMENT (L6 & L7)		
	FEMALE	MALE	TOTAL*
Below 20	0%	0%	0%
20-29	0%	0%	0%
30-39	0%	0%	0%
40-49	1.0%	0.8%	1.8%
50-59	0.2%	0.6%	0.8%
60+	0.4%	0.0%	0.4%
Total	2%	1%	3%

*FIGURES ARE ROUNDED AND MAY NOT EQUAL 100%

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RESPONDING TO OUR STAKEHOLDERS

The table below provides further information on our stakeholders, issues they have raised and our response to them. It should be reviewed in conjunction with the stakeholder information presented on pages 71 to 72 of our 2018 Integrated Report.

STAKEHOLDER GROUP	HOW WE ENGAGED	KEY ISSUES RAISED	OUR RESPONSE
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"> Attract and develop the next generation of CPAs High quality CPA Program Professional standards Reputation and promotion of the brand and designation 	<p>Our response to these issues can be found on pages 34 to 39 and 46 to 49 of our 2018 Integrated Report</p>
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"> Attract and develop the next generation of CPAs Lead the future of the accounting profession Member trust in CPA Australia Reputation and promotion of the brand and designation 	<p>Our response to these issues can be found on page 30 to 39 and 44 to 53 of our 2018 Integrated Report</p>
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"> Attract and develop the next generation of CPAs Communicating effectively to members High quality CPA Program Member trust in CPA Australia Member experience and satisfaction Reputation and promotion of the brand and designation 	<p>Our response to these issues can be found on pages 22 to 39 of our 2018 Integrated Report</p>
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"> Advocating for the public interest Advocacy and thought leadership (on behalf of members) High quality CPA Program Member trust in CPA Australia Professional standards Protecting the public interest Reputation of the brand and designation 	<p>Our response to these issues can be found on pages 30 to 39 and 42 to 53 of our 2018 Integrated Report</p>

OUR SUPPLY CHAIN

APPROACH

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.

CPA Australia's major suppliers have significant local operations in Australia with whom we engage with on a day-to-day basis to ensure consistency of service and delivery. The key changes to our supply chain in 2018 relate to compliance matters including the engagement of a new external auditor, transitioning internal audit to a fully outsourced model and the investment in risk management.

In 2018, the majority of our direct supply chain expenditure was in Australia (93 percent) and this represented a spend of approximately \$82 million across a supply base of more than 1600 suppliers.

Our top 10 suppliers are responsible for approximately 49 per cent of our total supply chain expenditure, primarily for the delivery of services associated with the CPA Program, media and advertising and property leases.

Due to the variable nature of member services that CPA Australia provide, we engage a high volume of suppliers to support the delivery of these services. Examples include numerous speakers and presenters for professional development events. Expenditure with many of them is relatively small, with more than 1000 suppliers having an annual expenditure of less than \$5000.

As we have not experienced significant change in our supply chain, we have utilised work conducted in 2017 by an independent consultant which included the 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

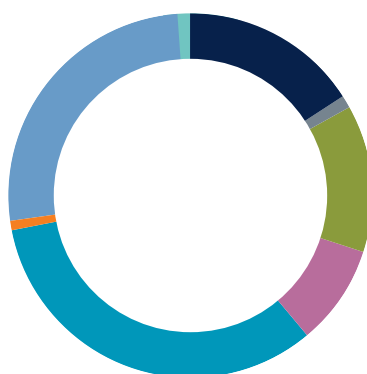
There is considered to be no material risk to CPA Australia from doing business with the suppliers analysed.

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.

The chart below provides details of expenditure across our strategic themes and key corporate services. Our major spend was in the following areas:

- **Attract and develop the next generation of CPAs**
 - 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
- **Corporate services and governance**
 - Includes internal support activities such as finance, legal, procurement, property costs, system costs, audit and compliance costs, consulting and costs associated with the Board, Board Committees and Board secretariat.
- **Provide members with personalised and engaging experiences**
 - Including our member service employees and member events
- **Protect, promote and enhance the integrity of the designation**
 - Which covers managing and developing the brand, professional standards and quality assurance

EXPENDITURE BY STRATEGIC GOALS



- **16%** Protect, promote and enhance the integrity of the designation
- **1%** Lead the future of the profession
- **13%** Provide members with personalised and engaging experiences
- **9%** Provide relevant learning and development content, resources and tools
- **33%** Attract and develop the next generation of CPAs
- **1%** Impact policy globally and be active in community advocacy
- **26%** Corporate services and governance
- **1%** CPA Australia Advice