

# 2022

CPA Australia  
Integrated Report



# About this report

This 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, the Pacific, the United Kingdom (UK) and the United Arab Emirates (UAE) for the calendar year 1 January to 31 December 2021.

## Integrated report

The boundary of the report also covers risks, opportunities, material issues, the external environment and the views of our stakeholders. This report has been prepared in accordance with the fundamental concepts, guiding principles and content elements of the Value Reporting Foundation's (VRF) revised Integrated Reporting (<IR>) Framework released on 19 January 2021.

CPA Australia is committed to playing a leading role in driving the uptake of <IR> as it provides a more complete picture as to how an organisation creates and preserves value. We believe that <IR> represents an important opportunity for members to play a pivotal role in ensuring that integrated thinking on the capitals described in the <IR> Framework (financial, manufactured, intellectual, human, natural, and social and relationship) feed into strategy, operational management and reporting.

CPA Australia is a member of the VRF, driving CPA Australia's commitment to <IR>. More details on the VRF and the <IR> Framework can be found at [valuereportingfoundation.org/](http://valuereportingfoundation.org/)

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

The global commitment to sustainability issues is reinforced by the establishment of the International Sustainability Standards Board (ISSB) that we believe will lift sustainability reporting to the status of financial reporting.

We support the United Nations (UN) Sustainable Development Goals (SDGs) and report against them throughout this report.

We are committed to assurance which relies on a robust reporting framework and high-quality reporting, which we believe is fundamental to enhancing 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 (pages 22 to 23).

This structure also reflects our strategic goals and related activities for 2021, and our expectations for 2022 and beyond. The principal audience for this report is members, but the information is also of value to other stakeholders (pages 23 to 25).

**The Board of Directors acknowledges its responsibility for the Integrated Report, ending on page 77, and has been involved in its development and direction from its inception. The Board reviewed, considered and provided feedback on the report at its March 2022 meeting. It is the Board's collective view that the report has been prepared in accordance with the <IR> Framework and it has received Limited Assurance on this basis (pages 78 to 79).**

## Governance and financial report

The financial section at the end of this report (pages 81 to 152) 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).

In preparing the financial report the Group has applied the re-interpreted requirements of AASB 138 International Financial Reporting Interpretations Committee (IFRIC) – Intangible Assets, with specific impacts for reporting of Software-as-a-Service (SaaS) and cloud computing arrangements.

There are no material exclusions in our reporting. There have been no significant changes to our size or ownership from previous reporting periods. This report is available online at [cpaustralia.com.au/annual-report-2021](http://cpaustralia.com.au/annual-report-2021)

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

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# Who we are

## Members



# 170,826



Countries where members work

# >100



Members

Female	Male
50%	50%



Member retention

# 98.3%



Member satisfaction

# 7.07/10

CPA Australia is one of the world's largest accounting bodies with a history of more than 135 years. Founded in 1886 with just 160 members, we now have 170,826 members around the globe. Further information on members can be found on pages 52 to 55. Our core services to members include providing education, training, technical support and advocacy. Employees and members work together with local and international bodies to represent the views and concerns of the profession to governments, regulators, standard setters, industries, academia and the general public. We operate through offices and representative offices in all states and territories of Australia, Mainland China, Hong Kong Special Administrative Region (SAR), Macau SAR and Taiwan, Fiji, Indonesia, Malaysia, New Zealand, Singapore, the UK, the UAE and Vietnam.

### Our vision

Partnering with members to prepare for today and tomorrow in a globally connected world.

### Our purpose

We're partners for progress. Our trusted relationships with members and our communities ensure we continue to lead the future and develop business professionals with tomorrow's capabilities.

# Who we are

## Governance

The Board is the governing body of CPA Australia. The Board independently and objectively assesses the organisation's decisions and oversees the performance and activities of management.

The Board is responsible for the stewardship of the organisation including:

- Setting, monitoring and approving the organisation's strategy, direction and financial objectives
- Appointing the President and Deputy Presidents
- Approving financial statements and the Integrated Report
- Evaluating the Chief Executive Officer's (CEO) performance
- Making and amending By-Laws
- Managing organisational risks.

The Board is elected by members through the Appointments Council as shown in the figure below.

**Figure 1: Governance**



The Board sets the strategy of the organisation which is then executed by management. More details on our governance activities can be found on pages 28 to 31. The executive team headed by CEO Andrew Hunter, and the percentage of full-time equivalent (FTE) that sits under each executive general manager (EGM) is shown in the figure below.

**Figure 2: Organisational structure and FTE under each role\***

**Andrew Hunter** CEO 7.1% FTE\*\*

**Marissa Alley** EGM People and Culture 3.1% FTE

**Rowena Buddee** EGM Member Experience 16.8% FTE

**Nicholas Diss** FCPA CFO 8.6% FTE

**Karen Hellwig** EGM Member education 11.7% FTE

**Farid Jarrar** Chief Information and Digital Officer 13.6% FTE

**Rebecca Keppel-Jones** FCPA EGM Professional Standards and Business Support 8.6% FTE

**Deborah Leung** FCPA EGM International 18.7% FTE

**Gary Pflugrath** FCPA EGM Policy and Advocacy 3.1% FTE

**Meg Yeates\*\*\*** EGM Marketing 8.8% FTE

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

\*\* Includes Company Secretariat.

\*\*\* Meg Yeates ceased employment on 31 December 2021. Frances Buccheri was appointed EGM Marketing and Communications in February 2022.

A more detailed description of our executive team including the responsibilities of their roles and their experience can be found on our website.

### The CPA Australia Way

Our organisational values under the umbrella 'The CPA Australia Way' are:

- Create opportunity
- Pursue excellence
- Achieve together.



The CPA Australia Way is the heartbeat of our organisation. It represents the fundamental beliefs and principles that drive how we deliver on our strategy.

More details on our value setting process can be found on page 61.

# President's report



In 2021, CPA Australia celebrated 135 years as a professional accounting body, including 65 years in both Hong Kong and Malaysia, 15 years in Shanghai and 10 years in Indonesia. These milestones highlight our rich history and mark our growing global presence. We commemorate these milestones to recognise the members who laid the foundations of the organisation. Our history also imbues us with a depth and breadth of experience. We draw on this experience to help us meet the challenges of the present and the future.

## Supporting members through COVID-19

The challenges presented by the COVID-19 pandemic are like no other I have experienced, with its simultaneous impact on the community and the economy. It has been most heartening to see CPA Australia members rise to these challenges to take a leading role in supporting clients and employees, and helping organisations adapt to an ever-changing environment.

Our focus at CPA Australia has been to provide services and resources to assist members in their roles and advance their careers. The COVID-19 pandemic has seen increased demand for accounting services with members needing to support their organisations or clients in a variety of ways; from accessing government support packages to assisting businesses in distress and managing the impacts of extended lockdowns. To assist members we have regularly updated our COVID-19 information hub on the website with relevant resources and guidance material covering a range of topics, including reporting and auditing, public policy, and health and wellbeing.

CPA Australia is proud to have been involved in delivering mental health training to members in Australia as part of the Australian Federal Government's 'Counting on U' program. This is a collaboration between professional accounting bodies, Deakin University, Beyond Blue, Mental Health First Aid Australia and WorkSafe Victoria. More than 1200 members signed up for the training in 2021. The program assists members to support their clients, employees and themselves in recognising and managing mental health issues.

One of our main priorities is to ensure that Associate members can progress their careers and complete the CPA Program. In 2021, we offered a hybrid exam model with candidates having an option to attend a test centre, where possible, or sit an online proctored exam.

This gave candidates flexibility which was important in Semester 2, when lockdowns and restrictions were reinstated in some regions, and a typhoon alert in Hong Kong, required us to suspend test centre exams and transition candidates to online proctored exams. The willingness of candidates to change their preparations in these circumstances is a testament to their commitment and we greatly appreciate their flexibility.

The way we deliver services and our ability to hold face-to-face events were also severely affected by COVID-19. As in 2020, CPA Australia members responded positively by registering in record numbers for webinars, online workshops and virtual conferences. Overall, CPA Australia held more than 2110 member events in 2021, including more than 1300 virtual events that attracted more than 180,000 registrations. This includes a record 12,000 registering for CPA Virtual Congress which illustrates members' determination to stay engaged and continue to grow, both professionally and personally.

The 2021 Annual General Meeting (AGM) was also held as a hybrid event with 158 members tuning into the live webcast. We were also delighted to welcome members to the AGM in person, in line with capacity limits in place at the time of the meeting. Creating opportunities for members to ask questions directly of the Board is an important aspect of our engagement strategy. Our Board outreach program continued throughout 2021 with Directors attending more than 400 meetings with members, including with each Divisional Council.

The annual member engagement survey is another key instrument in gaining members' perspectives. More than 9500 members took part in the survey with results showing steady improvement in overall member satisfaction since 2017 and an uplift in other key performance areas. These are encouraging results that show we are on the right path as we work to meet the expectations members rightfully place on their professional body.



## Working in the interests of members

There are many challenges ahead for the profession, not least of which is climate change, which CPA Australia considers both an environmental and an economic risk. Accountants and finance professionals have an important role to play in managing and reporting these risks and I am proud that as part of The Prince of Wales's Accounting for Sustainability (A4S), Accounting Bodies Network, CPA Australia is one of 14 accounting bodies worldwide to make a commitment to achieve Net Zero greenhouse gas emissions. Our commitment includes an undertaking to reduce our own greenhouse gas emissions and provide support and guidance to help members reduce greenhouse gas emissions in their organisations.

I'm also proud that in 2021 we published our first Modern Slavery Statement. The statement establishes the protection of individuals as paramount and sets out the actions we will take to identify and mitigate any potential risks the organisation may have to modern slavery in our operations and supply chains.

We have also commenced updating CPA Australia's Constitution in line with the propositions members voted for at the 2018 AGM. There has been consultation with members and the proposed changes will be included in the Notice of Meeting for the 2022 AGM, when members will be able to vote on them.

## Achieving together

One of our key initiatives in 2021 was the launch of CPA Australia's organisational values – The CPA Australia Way. Created by employees, the values take their cue from the letters CPA: C – Create Opportunity, P – Pursue Excellence, A – Achieve Together. These values describe the commitment we make to each other and to members and will be embedded in all our practices and activities.

Looking to the future a key focus will be the development of a new strategy to build on the progress of our 2018–2022 strategy. It will reflect our ongoing investment in members with major technology projects such as the new website and the Member Management and Finance (MMF) program (page 56).

Other key focus areas in 2022 include:

- Publishing our Environment, Social and Governance (ESG) strategy and roadmap to Net Zero
- Development of resources to support members in the areas of ESG and cyber security
- Further enhancing our website
- Continued enhancements to the CPA Program
- Thought leadership and advocacy on behalf of members and in the public interest
- Progressing our Innovate Reconciliation Action Plan (RAP)
- Releasing our small-to-medium (SME) strategy.

There is much to look forward to and I am grateful to my Board colleagues for their guidance and support. It is a tremendous privilege and responsibility to have been re-elected as President and Chairman of CPA Australia to represent more than 170,000 members around the world. The task is made easier and more enriching by the energy of my fellow Directors and their commitment to providing value to members.

I would also like to pay tribute to the Board members that departed in 2021 – Peter Wilson AM FCPA, Enrico De Santi FCPA, Robyn Erskine FCPA and Su-Yen Wong, and thank them for the significant contribution they have made to CPA Australia.

I would particularly like to thank Peter Wilson who retired from the Board on 31 December 2021 and served CPA Australia with great distinction as a past President and Director. Peter joined the Board in October 2017 during one of the most difficult periods in the organisation's history.

As President and Chairman, Peter transformed the organisation into one that prioritises the needs of members, leading a series of major reforms to protect the reputation of the designation and improve governance arrangements. He provided exemplary leadership at a critical juncture in CPA Australia's history and leaves a positive legacy.

I also welcome Professor Yew Kee Ho FCPA, Warren McRae FCPA and Bernard Che-Wai Poon FCPA who joined the Board during 2021 and bring a depth of professional knowledge and experience.

On behalf of the Board, I would like to thank the members who volunteer their time to serve on committees, Divisional Councils and Centres of Excellence (CoEs), as well as those who impart their knowledge through discussion groups, panels, podcasts and webinars. In sharing your knowledge and expertise, you benefit CPA Australia's entire membership and the profession.

I also thank CEO Andrew Hunter, the executive management team and all the employees at CPA Australia for maintaining a strong and unwavering focus on providing high-quality service to members during this challenging period.

In closing, I want to thank all members for placing your trust in CPA Australia as your professional body. Your knowledge and expertise are fundamental to upholding the high standing of the CPA designation and will be pivotal factors as we reconnect with our communities and revitalise our economies through 2022 and the years to follow.

As I write to you to report on the breadth and depth of our work during 2021, to create and preserve value for members, extreme events such as the ongoing pandemic, conflict in Ukraine, floods along the east coast of Australia and a very hot summer on the west coast are affecting all of us. They remind us of the important role accountants play in helping their communities, clients and organisations to deal with the impacts and recovery efforts associated with these events. As your member body we stand ready to support you and have reached out to impacted members to offer our assistance.



**Merran Kelsall FCPA**  
**President and Chairman of the Board**

# CEO's report



Two years into the COVID-19 pandemic it is clear that the pathway out requires the coordinated efforts of governments, health authorities, business groups and individuals. A focus on health and wellbeing combined with a concerted effort to accelerate economic recovery will be integral to our resurgence and collective prosperity. With accountants at the forefront of these efforts, CPA Australia's focus throughout 2021 was on supporting members and providing targeted advocacy on critical policy matters.

It is gratifying that members continue to see value in belonging to a strong professional organisation, with CPA Australia's membership growing to 170,826 members across more than 100 countries, as at 31 December 2021, including a fully qualified member retention rate of 98.3 per cent.

Although some of CPA Australia's planned activities and operations in 2021 were disrupted by COVID-19, including exam scheduling, face-to-face events and the ability of employees and members to access our offices, the various initiatives we introduced provided the impetus for us to continue delivering quality services to members throughout the year. This is reflected in a member satisfaction rating in 2021 of 7.07, the first time since 2014 that we have exceeded a score of 7.00 in this measure.

## Investing in knowledge

Education is one of our core services and in 2021 we expanded our offering, including introducing a new Digital Finance subject as an elective in the CPA Program. In locations where it was possible, we offered Associate members studying the CPA Program the option to attend a test centre or sit an online proctored exam. This meant that when lockdowns and restrictions in some areas forced test centres to close, as they did in Semester 2, candidates were still able to sit their exams and advance their studies.

For fully qualified members we increased the amount of complimentary continuing professional development (CPD) available and expanded our micro-credential offer. Following the initial release in 2020 of the Digital Finance micro-credentials, in 2021, we offered further micro-credentials in:

- Strategic Finance Business Partnering
- Business Advisory
- Leadership Assessments
- Creating Value Through Sustainability.

Our Mentoring Program also grew with 543 pairs of mentors and mentees from Australia and New Zealand participating in the program. The Mentoring Program encourages knowledge-sharing and I thank the fully qualified members who are giving back as mentors.

We also ran public practice and international pilot programs that will continue in 2022.

To support our education and training programs, we released the My Capability Plan tool which helps members self-assess their capabilities. It highlights strengths as well as areas for development and enables members to create personalised development plans to drive their career growth.

## Connecting members

Investing in technology to support members is a key part of our strategy. In 2021 we advanced several significant initiatives, including launching the new website that offers a more personalised online experience and improved search capability. Since release in May, there were more than 9.3 million views on the website. Further enhancements to come in 2022 will see even greater personalisation and tailored content through member dashboards plus a new [intheblack.com](https://www.intheblack.com) site.

The [intheblack.com](https://www.intheblack.com) site complements the evolution of [INTHEBLACK](https://www.intheblack.com) digital magazine that delivers a more interactive experience for readers with embedded videos, webinars, audiocasts and library articles. The digital format enables us to track which articles are of most interest to readers and tailor the content accordingly. Following our 2020 Mental Health and Resilience edition, which was awarded special edition of the year at the Mumbrella Publish Awards, we published three special editions in 2021:

- Jump Start the New Year
- Public Practice
- Leading in Uncertain Times.

Our major networking event, CPA Virtual Congress, ran as a global three-day online event for a second year. More than 12,000 delegates from 40 countries attended the virtual event to participate in panel discussions and hear renowned local and international speakers, including Indra Nooyi, former Chairman and CEO of PepsiCo, Hon. Julia Gillard, 27th Prime Minister of Australia and Jim Hagemann Snabe, Chairman Siemens and Maersk.

Underpinning our commitment to invest in members, in 2021 the Board approved investment in the MMF program (see page 56). This is a critical piece of infrastructure that will future-proof our systems and ensure that we keep pace with advances in digital technology. It will streamline processes, strengthen the security of member data and help us deliver a more efficient, personalised experience for members.

One of the initiatives we introduced in 2020 was our online community platform, CPA Member Connect, which grew to more than 17,000 registered members by the end of 2021. The topics and threads are generated by members and there are now more than 1200 discussion threads and 6000 posts.

We continue to grow our social media presence, launching on Instagram in December as we seek to engage with the next generation of accountants.

As our reliance on technology grows, so does the importance of cyber security to members and to CPA Australia. A new information hub on our website houses a range of resources to support accountants and finance professionals in utilising digital innovation and establishing a cyber safe environment for their clients and their organisations.

### Advocating for the profession

CPA Australia is conscious of the impacts that COVID-19 restrictions are having on business, particularly small businesses. Throughout 2021, CPA Australia engaged extensively with state and federal governments in Australia to shape the development and administration of various COVID-19 business support policies. Examples included the JobSaver payment in New South Wales and the Victorian Small Business COVID Hardship Fund. Given the critical role accountants played in the delivery of many of these support packages, we saw a significant increase in Australian state governments seeking our feedback on the design and improvement of support packages.

Our advocacy and thought leadership activities that have led to important stakeholder engagement and attracted media coverage in international

markets include the twelfth annual Asia-Pacific small business survey, the Business Technology Report and the ESG Reporting White Paper 2021. We presented the results of the Asia-Pacific small business survey and the Business Technology Report to senior officials in government agencies in Malaysia and Indonesia, while we collaborated with a national accounting institute from China on research for the first time with the ESG White Paper.

We also increased our contact with government agencies in our key markets. This includes Hong Kong's Inland Revenue Department and Financial Reporting Council, New Zealand's Inland Revenue Department and Financial Markets Authority, and Malaysia's Inland Revenue Board and Royal Malaysian Customs Department. These relationships with key government agencies across the region enable us to better represent members in those markets on matters of importance to them.

As part of our advocacy, we took a leading role in the media which was reflected in an improved media impact score in Australia, as measured by independent media monitor, Isentia. We received widespread coverage in Australian media for our advocacy for businesses affected by lockdowns. Other campaigns that garnered media attention included our comprehensive tax time campaign and our budget coverage which we expanded in 2021 to include key international budgets. In addition to the Australian Federal Budget, we provided analysis on the budgets of all Australian states and territories, as well as the budgets of Hong Kong SAR, Malaysia, New Zealand and Singapore.

ESG considerations are becoming increasingly important to the profession. CPA Australia's commitment to achieve Net Zero greenhouse gas emissions alongside 13 of the world's largest accounting bodies is a sign of our determination to lead in this field. The announcement of our Net Zero commitment was accompanied by separate media releases in Australia, Mainland China, Malaysia, Hong Kong SAR, Vietnam, India, Indonesia and Singapore.

Each media release was tailored to reflect local conditions and the role of local accountants in charting a course of action to address climate change.

COVID-19 has generated an increased workload for members working in public practice and CPA Australia has introduced a series of initiatives to assist members in Australia and around the world, including:

- Increasing the MY FIRM. MY FUTURE. elearning modules to include a wider variety of complimentary resources to help public practitioners build a sustainable practice
- Launching the CPA Australia Best Practice Program
- Publishing a special digital edition of INPRACTICE magazine by INTHEBLACK covering key issues affecting public practitioners
- Introducing a pilot public practice mentoring program that ran with 17 pairs of mentors and mentees in Australia.

I'm excited by how far we've come, and I'm optimistic about what we can achieve in 2022 and beyond. In particular, I'm looking forward to working alongside members to co-design our new strategy that will forge the future of CPA Australia and the accounting profession.

I would like to thank the Board for its judicious guidance and for providing a strong, supportive foundation to enable the organisation to move forward and prioritise the needs of members. I also thank the executive management team and all of CPA Australia's employees for their ability to implement initiatives and deliver excellent service to members. Finally, I would like to thank CPA Australia's members, for it is your collective expertise and professional outlook that help build a strong and resilient professional organisation.



**Andrew Hunter**  
CEO

# Strategy

In 2021, the organisation focused on a selection of key initiatives that would deliver materially improved services to members, were aligned to our strategic commitment and could be done without significant impact on key services to members. These projects included:

- Public practice resources and tools (page 41)
- CPA Australia Best Practice Program (page 41)
- MMF program (page 56)
- Website delivery (page 57)
- Micro-credentials (page 64)
- My Capability Plan (page 64).

A dedicated strategy progress page is available on our website and features up-to-date progress reports on the various activities and initiatives being undertaken across the business to realise our strategic objectives and goals.

The most significant developments under the strategy are communicated to members via an update from the President after Board meetings and by the CEO in his communications to members.

Due to the disruptions caused by COVID-19 during 2020 and 2021, the Board extended the strategy timeline from the end of 2021 to the end of 2022.

We are currently in the early stages of planning for our 2023 onwards strategy. It will continue to be member-focused and will build on the progress made so far. The strategy will act as a blueprint to push the boundary for the future of accounting through education and policy, which improves the attractiveness of CPA Australia to current and future members. The new strategy will be co-designed in close collaboration with Divisional Councils, members, employees and other stakeholders. Members will have an opportunity to provide input and participate at each stage of the process, with focus groups and workshops to be run in the first half of 2022.

CPA Australia’s current published strategy covers short to medium-term objectives. Long-term strategy is set and discussed by the Board and management at regular meetings and is a feature of the strategic planning currently underway for 2023 onwards.

The impact of our strategic initiatives across the short, medium and long-term is shown on pages 20 and 21.

**Figure 3: CPA Australia Strategy**



**Value for members, support for the community**

# Performance against strategy

CPA Australia has developed a set of external targets (below) to measure performance against each of the strategic goals, as well as a group target that measures financial performance. Additionally, there are further internal metrics that are used to measure performance that feed into how our people are remunerated (page 59). Some of these internal metrics are used throughout this report to further illustrate performance against strategy.

Many of our key performance indicators (KPIs) come from our annual member engagement survey. This is a 20-minute online survey conducted by Forethought to track performance and determine current drivers of satisfaction, value and trust in CPA Australia. With a 9.1 per cent response rate (of those members who have opted in to receive research), 9580 members responded to the survey. In 2020, we had a response rate of 10.7 per cent (10,208). Scores shown for member engagement research are out of a maximum of 10.

The last three years have seen strong momentum from the organisation towards achieving the goals set under the strategy. Targets set for 2021 were ambitious and results of the member engagement survey saw many metrics come very close to target but ultimately just missing (the difference is not statistically significant). Overall, the continued increase in scores is a positive with many scores now at or above 7/10.

The 2022 target for the number of Associates advancing to CPA status is lower than 2021 actual. This reflects the higher 2020 result and historical trends where a higher year is followed by a lower year.

Research targets for 2022 are a range to reflect that scores within a small degree of change would statistically be judged as having met the target.

Targets are not shown beyond 2022 due to the new strategy coming into place in 2023. New KPIs may be required and these will be published in our 2022 Integrated Report.

**Table 1: Key performance indicators**

Goal	Measures	2018 Actual	2019 Actual	2020 Actual	2021 Target	2021 Actual	2022 Target	Related material issues*
Protect, promote and enhance the integrity of the designation	Member retention – fully qualified	97.5%	98.1%	98.3%	98.3%	98.3%	98.3%	M3 M4 M5 M6 M7 M9 M12 M13
	Member satisfaction**	6.23	6.63	6.89	7.08	7.07	7.16–7.24	M1 M3 M4 M5 M6 M7 M9 M12 M14
Lead the future of the accounting profession	Thought leadership**	6.29	6.69	7.00	7.20	7.15	7.21–7.29	M1 M2 M3 M4 M6 M7 M10 M13
Provide members with personalised and engaging experiences	Member satisfaction with contact**	6.28	6.59	6.77	7.00	6.91	6.98–7.06	M4
Provide relevant learning and development content, resources and tools	Value for money CPD**, ***	N/A	N/A	N/A	N/A	6.65	6.81–6.89	M4 M11 M12
Attract and develop the next generation of CPAs	Number of Associates advancing to CPA status annually	5901	5653	4588	5250	5395	4600	M2 M4 M5 M11
Impact policy globally and be active in community advocacy	Policy and advocacy member rating**	6.03	6.46	6.80	7.00	6.93	6.99–7.07	M2 M6 M7 M13
Group: financial performance	Sustainable annual financial performance (budget before tax, FX, mark-to-market)	\$5.5m	\$4.4m	\$5.1m	(\$15.4m) +/--\$3m	(\$12.4m)	(\$15.0m) +/--\$3m	M6 M14

\* Key for material issues shown is on pages 22 to 23.

\*\* Indicates metrics that are drawn from our annual member engagement survey. Where a metric is N/A this is because of a change in measurement method.

\*\*\* We have changed the measurement method for the KPI 'value for money CPD', previously this metric was based on a question that asked members about their satisfaction with the cost of CPD. This year a new survey question has been added that asks for their satisfaction with the overall value of CPD as this was judged to better measure this KPI.

# Financial performance

**Table 2: Financial performance**

\$'000s	2021 total revenue	2021 total expenses	2021 surplus/deficit before tax	2020 surplus/deficit before tax
Australia	112,985	118,009	(5,024)	6,301
New Zealand	3,092	3,826	(734)	(142)
Europe	759	1,393	(634)	(725)
ASEAN Group*	17,686	20,742	(3,056)	(831)
Greater China (including Hong Kong SAR)	22,608	26,329	(3,721)	(1,162)
UAE	62	236	(174)	-
Other overseas	5,053	4,091	962	1,649
<b>All locations</b>	<b>162,245</b>	<b>174,626</b>	<b>(12,381)</b>	<b>5,090</b>

\*ASEAN Group comprises of Singapore, Malaysia, Vietnam and Indonesia.

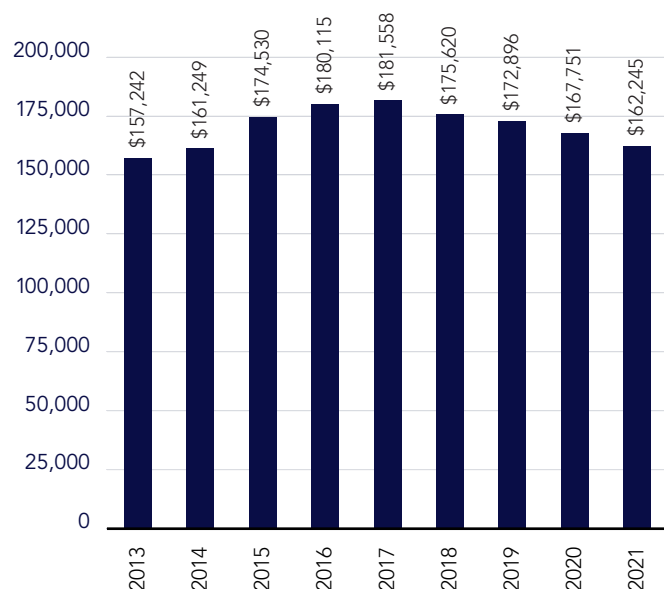
Overhead costs such as corporate services, marketing and product development incurred in Australia have been re-allocated to regions outside of Australia based on the percentage of the groups revenue derived in each location.

## Financial results

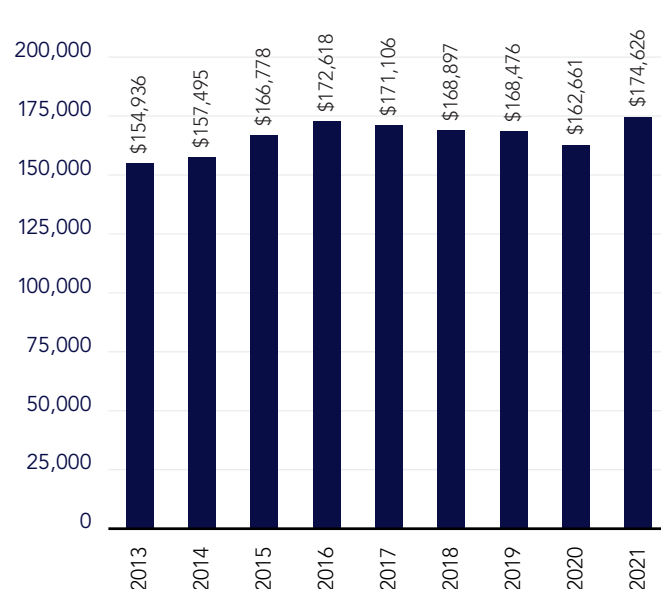
As foreshadowed in the 2020 Integrated Report, the Group delivered an operating deficit before tax in 2021 of \$12.4m (2020 restated surplus: \$5.1m) and an overall comprehensive loss of \$7.9m (after tax, defined benefit, FX and unrealised gain on investments) (2020 overall comprehensive income restated: \$4.4m). During 2021 the organisation continued to invest in the key initiatives to support the strategy put in place in 2018, including MMF program, the new website and expanding our micro-credential offer.

In addition to this, we continued to support our members with access to free and discounted online professional development, membership discounts and continued opportunity to undertake CPA Program exams online. This investment, the change to the interpretation of AASB 138 *Intangible Assets* (refer to page 121 for further details) and the continued impact of the COVID-19 pandemic are the key drivers for the deficit in 2021.

**Figure 4: Total revenue (\$'000s)**



**Figure 5: Total expenditure excluding tax (\$'000s)**



CPA Australia is a global organisation which is an important part of the overall value proposition for members, with more than 30 per cent of members currently located outside Australia. The organisation provides significant support to members in all regions, particularly where there are large numbers of members residing. Consistent with the description above, CPA Australia made further investment aligned to strategy during 2021, which resulted in higher costs that have been proportionally allocated to each region resulting in deficits across most regions.

### Revenue

Overall revenue was lower in 2021 at \$162.2m (2020 restated: \$167.8m). Contributing to the decrease was significantly less COVID-19 related government stimulus and slightly lower membership income. This was partially offset by an increase in CPA Program revenue with more exams delivered compared to 2020, higher investment revenue and strong engagement with the CPA Virtual Congress.

In 2021, membership subscription fees were held constant for the fifth year and CPA Program fees were held constant for the third year. The Group ended the year with 170,826 members (2020: 168,736) which was driven by membership retention rate consistent with that achieved in 2019 and 2020 and solid new member numbers. Although the number of members increased there was a marginal decrease in revenue with a significant number of hardship discounts provided to members during 2021.

### Expenditure

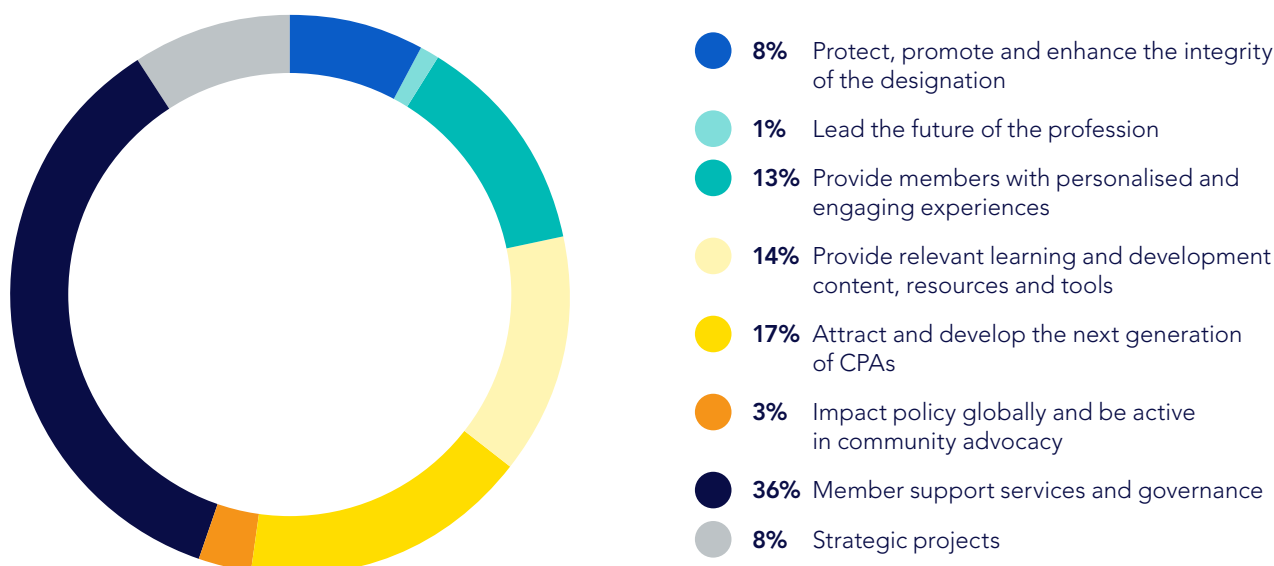
Expenditure before tax was \$11.9m or 7.4 per cent higher than 2020 at \$174.6m (2020 restated: \$162.7m). The increase is primarily attributable to the investment in strategic initiatives, higher costs to deliver CPA Program exams with more candidates sitting exams compared to 2020 and the change to the interpretation of AASB 138 *Intangible Assets*, which has resulted in the investment in the MMF program and several other smaller SaaS arrangements being expensed directly to the profit and loss statement rather than amortised over several years. Refer to Note 3 for further details regarding the impact on 2020.

Employee costs were higher year on year driven by higher employee numbers required to deliver the MMF program and website strategic initiatives for members, however tighter labour markets also contributed to the higher costs in this line. The investment in the MMF program and website strategic initiatives also resulted in higher professional services, and computer hardware and software licences expenses compared to the prior year.

The increases in costs outlined above were partially offset by lower rent and outgoings expenditure achieved through the renegotiation of property leases and a significant reduction in the printing and communication expense largely attributable to moving INTHEBLACK to a digital only publication during 2020, thereby reducing print and distribution costs.

Further discussion on financial performance is set out on pages 97 to 99.

**Figure 6: Expenditure by strategic goals\***



# External environment and outlook

















The external environment impacts our business model and strategy and is a source of the risks and opportunities that we are facing. Key external trends that have the potential to impact the organisation and its members and our response to them are detailed below.

**Table 3: External trends**

Risks and opportunities from our external environment	Likelihood	Impact	Impact on value creation and capitals
<b>Economic/geopolitical</b> – Changes in the economic/political environment.	Possible	Major	Financial impact where the denial or restriction to new or existing markets results in fewer new members joining and existing members choosing not to renew (financial capital). Changes in currency valuations can increase or decrease the cost to operate in overseas markets (financial capital). Negative member experience – inability to adequately deliver quality services that support them in the environment they are operating in (social and relationship capital).
<b>External event</b> – Cyclone/storm, tsunami, earthquake, disease (pandemic, epidemic), bushfire etc.	Almost certain	Moderate	Potential for illness/injury/fatality (human capital). Financial impact from significant or long-term business disruption (financial capital). Negative member experience (inability to adequately deliver quality services) (social and relationship capital).
<b>ESG</b> – ESG obligations (regulatory, social licence to operate) and opportunities (member education, advocacy) do not meet stakeholder expectations including action on climate change and modern slavery and the appropriateness of corporate governance frameworks and processes.	Unlikely	Minor	Negative perception of CPA Australia by key stakeholders and related public criticism (social and relationship capital). Breach of legislative requirements (social and relationship capital). Positive perception where the organisation is seen to be addressing ESG issues including climate change risk (natural capital, social and relationship capital).
<b>Technology</b> – Improvements in accounting software are changing the way accountants use and interact with technology. New processes and systems are shifting the critical skill sets required by accountants. Organisations are outsourcing and automating manual and repetitive tasks to free up employee time to complete more complex tasks.  This external risk/opportunity is related to our internal risk of IT strategy.	Likely	Major	Opportunities for accountants are changing with greater emphasis on analytical, advisory and soft skills (intellectual capital). Technology changes are also impacting the education space and these changes have sped-up due to COVID-19, increasing demand for personalised learning and changing demand for traditional long courses (intellectual capital). Changes in regulation and compliance requirements globally, and in different jurisdictions, also impact technology requirements for members (intellectual capital, social and relationship capital).
<b>Competition</b> – Competition in key markets	Possible	Major	CPA Australia operates in a highly competitive and rapidly changing environment (financial capital, social and relationship capital).  A decline in accounting graduates is increasing competition in some markets (financial capital, social and relationship capital).

Note: Key to strategic goals is on page 18.



Key responses	Strategic goals impacted
<p>Cyclical strategic planning including product lifecycle, IT change and monitoring the competitive landscape.</p> <p>Annual business planning.</p> <p>Board/executive management monitoring of financial performance and trends.</p> <p>Engagement of external advisers as required.</p> <p>Business continuity management policy and plan.</p>	  
<p>CPA Australia has in place business continuity and emergency management plans that reflect the nature of the potential threats in the locations in which we operate.</p> <p>An 'SOS' style service for those travelling overseas and monitoring of alerts issued by relevant government authorities.</p>	 
<p>Environmental sustainability policy and practices.</p> <p>Establishment of an ESG working group.</p> <p>CPA Australia's commitment to the framework of the A4S forum with a dedicated focus on sustainability and transparency.</p> <p>Supplier due diligence.</p> <p>Wellbeing, inclusion and diversity framework.</p> <p>Education of members via the CPA Program and via advocacy and thought leadership around broader sustainability and reporting topics.</p> <p>As an organisation we produce this Integrated Report as it provides a more complete picture as to how we create and preserve value.</p> <p>Modern Slavery Statement.</p>	   
<p>CPA Australia's digital finance suite of products provides members with an understanding of the impact of new technologies and how to harness the capability of these mechanisms.</p> <p>CPA Member Connect which enables members to build local and global networks in a closed, private and secure environment.</p> <p>Investment in our website and MMF program.</p>	    
<p>CPA Australia positions itself as an organisation whose members not only have technical accounting skills, but also broader business skills to cover the changing business landscape.</p> <p>We also look to adapt our services and approach to meet the challenging business landscapes that members around the globe operate in.</p> <p>Investment in technology, to meet member and stakeholder expectations, and to maintain competitiveness.</p>	 

# Our business model and UN SDGs

Our business model is described on pages 18 and 19 and reflects the environment that both members and the organisation operates in, and the strategy in place to 2022 and beyond.

The timeline for our new strategy is shown in the diagram below. For further details of our longer-term strategic planning process and our 2023 to 2027 strategy please see page 10.

It includes consideration of the six capitals under the <IR> Framework; financial, manufactured, intellectual, human, natural and social and relationship.

## Our business model is set to deliver value to members throughout their career journeys as their needs from their professional body change over time.

Through the consideration of our material issues and our business model, we believe we have reviewed and disclosed the most material impacts we have on value creation, preservation and erosion across the capitals.

CPA Australia's competitive advantage comes from the integrity and quality of members, the strength of the member network and strong brand awareness of the CPA designation. Through the CPA Program and a commitment to life-long learning, members have depth, breadth and quality of accountancy and business knowledge and are widely regarded by employers and the communities in which they operate. Our 170,826 members operate in more than 100 countries across the globe and represent a diverse range of finance, accounting and business professionals. Our brand awareness is strongest in Australia and New Zealand. We continue to ensure our activities support this position, engender trust and deliver a sense of pride as the industry undergoes significant change.

We have a long-established presence in Hong Kong SAR, Malaysia and Singapore and a strong network of relationships with standard setters and other professional bodies in these regions. In emerging or less established markets we operate in a highly competitive environment and we continue to establish activities to support members and grow our profile in these important regions.

CPA Australia is a global organisation which is an important part of the overall value proposition for members. With more than 30 per cent of members currently located outside Australia, the scale and spread of CPA Australia's membership helps maintain our relevance in a global environment. It also ensures the designation is recognised in the jurisdictions in which members choose to work.

### Geopolitical environment

The economic and geopolitical environment continues to be challenging with the economic impacts of the COVID-19 pandemic continuing to be observed across the globe. Diplomatic relations between nations continue to shift, with a decline being seen between some nations. These shifts and changes have the ability to impact CPA Australia and are factored into our long-term planning.

Extreme events such as the ongoing pandemic, conflict in Ukraine, floods along the east coast of Australia and a very hot summer on the west coast are affecting many people. They remind us of the important role accountants play in helping their communities, clients and organisations deal with the impacts and recovery efforts associated with these events.

Figure 7: Strategy timeline



## United Nations Sustainable Development Goals

In 2015, all 193 Member States of the UN agreed the 2030 Agenda for Sustainable Development, which resulted in 17 SDGs that reflect global sustainable development priorities. CPA Australia considers the SDGs in its business model and our reporting and the goals where we have an impact are quality education, gender equality, decent work and economic growth, climate action, peace, justice, and strong institutions and partnerships for the goals.

The Board continues to review the organisation's operations against the SDGs and is committed to reporting on the goals where we have an impact.

### 5 GENDER EQUALITY



#### Achieve gender equality and empower all women and girls.

We do this through our diversity and inclusion policy which applies to:

- CPA Australia's Board
- Membership committees appointed by either the Board or management
- All CPA Australia employees and contractors of our organisation
- Persons seeking employment with our organisation.

### 4 QUALITY EDUCATION



#### Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

We do this through our education and knowledge offer which spans the CPA Program, our CPD offer and the wide range of content we make available to members.

### 8 DECENT WORK AND ECONOMIC GROWTH



#### Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

We do this by supporting members in the work they do that impacts their organisations and the economies they work in, and by providing a workplace that values inclusion and diversity.

In 2021, we released our Modern Slavery Statement. It sets out our efforts to prevent and address any involvement we may have in modern slavery and our procurement process includes consideration of modern slavery risks. We equip members with resources that will assist their contributing to the reporting, and response by businesses to the risks of modern slavery in their operations and supply chains.

Our wellbeing, inclusion and diversity strategic framework also demonstrates our commitment to support all employees to thrive, aligned to our vision and purpose.

### 13 CLIMATE ACTION



#### Take urgent action to combat climate change and its impacts.

We do this by being a signatory to the A4S's call to action in response to climate change where we have committed to the following to support members:

- Provide members with the training, support and infrastructure they need to apply their skills to the challenge
- Support relevant market-based policy initiatives and incentives, consistent and well-considered regulation, and more useful disclosure
- Provide sound advice to help governments to create the policy and regulatory infrastructure necessary for a just transition to a Net Zero carbon economy.

In 2021, we released our Climate Change Policy Statement and made a commitment to Net Zero (page 38).

### 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



#### Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

We do this through promoting high ethical standards for members and the profession as a whole. By educating members we play a role in emphasising ethical and professional conduct that supports strong institutions. This includes taking disciplinary action against members who have failed these standards (pages 42 to 43).

### 17 PARTNERSHIPS FOR THE GOALS



#### Strengthen the means of implementation and revitalise the global partnership for sustainable development.

We do this through our partnerships with other professional bodies and membership of organisations such as the International Federation of Accountants (IFAC), A4S, the Global Reporting Initiative (GRI) and the VRF.

# Our business model

## Strategic goals



Protect, promote and enhance the integrity of the designation



Lead the future of the accounting profession



Provide members with personalised and engaging experiences



Provide learning and development, content resources and tools



Attract and develop the next generation of CPAs



Impact policy globally and be active in community advocacy

## Supporting platform for achieving the strategic goals



Sustainable annual financial performance

## Inputs

### Financial capital

- Membership fees = \$88m
- CPA Program fees = \$56m
- Financial reserves \$104m

### Human capital

- 170,826 members
- 611 employees

### Intellectual capital

- CPA Program and Public Practice Program
- CPD content
- Member input and expertise
- Policy, advocacy and thought leadership

### Manufactured capital

- 19 offices
- IT systems

### Natural capital

- Paper for publications
- Carbon through airline and other travel

### Social and relationship capital

- Member relationships
- Supplier relationships
- Employee relationships
- Regulator relationships
- Relationships with industry
- Relationships with governments
- Relationships with universities

## Activities

- Engaging with members, employers, academia and the community, so their future needs are understood
- Developing strategies and plans that are based on the needs of current and future members
- Developing content, products and services based on understanding the current and future needs of the profession
- Maintaining the high standards and relevance of the CPA Program and designation
- Delivering a member experience that meets members, needs and goals throughout each stage of their career journeys
- Investing in capability to better deliver member services

## Outputs

Quality CPA Program

Recognised brand in the accounting profession

High-calibre accounting professionals

CPD and publications that deliver valued knowledge

Public Practice Program

Professional standards program

Personalised and engaging member experience

Policy and advocacy work

CPA Australia Best Practice Program

Waste from our offices and through overprints of program materials and other publications

GHG emissions through our use of electricity, flights and other travel

Strong financial reserves

- Developing marketing plans and initiatives that ensure members, employers and prospective members are aware of and understand the benefits of being, or employing, a CPA
- Developing and delivering thought leadership, policy and advocacy work for the benefit of member and public interests
- Attracting high-calibre Associates through a compelling content offer and experience for prospective members
- Building a culture that is collaborative, constructive and has a learning focus
- Reviewing internal controls, procedures, decision-making processes and risk frameworks to ensure strong internal governance
- Managing and investing member funds
- Providing input for standard setting

## Outcomes

-  **Financial capital**  
Productive financial systems supported by the work of those who hold the CPA designation (external impact over the long-term)
-  Sustainable organisation (internal impact over the long-term)
-  **Human capital**  
Engaged and motivated workforce (internal impact from short to medium-term)
-  **Intellectual capital**  
Increasing the knowledge and skills of members and employees (external and internal impact over the short to medium-term)
-  **Manufactured capital**  
Spaces for members and people to work and connect (external and internal impact from short to medium-term)
-  **Natural capital**  
Reduction in natural capital through our publications and emissions (external impact in the short-term)
- Enhancement in natural capital through thought leadership, policy and advocacy work (external impact from short to long-term)
-  **Social and relationship capital**  
Demand and opportunities for those who hold the CPA designation (external impact in the long-term)
- Trust in the business community (external impact across the long-term)
- Protection of the public interest (external impact from short to long-term)

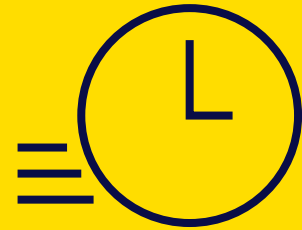
## Societal impact



# Strategic initiatives over time\*

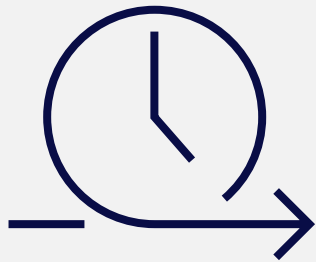
## Strategic initiatives and their impact on value creation

This figure shows our strategic initiatives and impacts and when they will impact on value creation. While some will have some impact across all three horizons, we have focused on where the majority of the impact will be felt.



### Short-term

- 2023 onwards strategy (page 10)
- ESG strategy (page 38)
- Brand strategy (page 40)
- CPA Australia Best Practice Program (page 41)
- MY FIRM. MY FUTURE. (page 46)
- Continuing our focus on the future of work and the future of the profession (page 46)
- SME strategy (page 47)
- Updating and enhancing our core systems to enhance member experience (page 56)
- Service transformation (page 57)
- Enhanced website (page 57)
- Micro-credentials (page 64)
- My Capability Plan (page 64)
- Mentoring Program (page 71)
- Policy and advocacy work (pages 74 to 77)



## Medium-term

- 2023 onwards strategy (page 10)
- ESG strategy (page 38)
- MY FIRM. MY FUTURE. (page 46)
- Continuing our focus on the future of work and the future of the profession (page 46)
- SME strategy (page 47)
- Updating and enhancing our core systems to enhance member experience (page 56)
- Technology strategy (page 56)
- Service transformation (page 57)
- Enhanced website (page 57)
- Micro-credentials (page 64)
- My Capability Plan (page 64)
- Tailored products to support member career outcomes (pages 64 to 65)
- Education strategy (evolving the CPA Program) (page 70)
- Policy and advocacy work (pages 74 to 77)



## Long-term

- 2023 onwards strategy (page 10)
- ESG strategy (page 38)
- Continuing our focus on the future of work and the future of the profession (page 46)
- Updating and enhancing our core systems to enhance member experience (page 56)
- Technology strategy (page 56)
- Tailored products to support member career outcomes (pages 64 to 65)
- Education strategy (evolving the CPA Program) (page 70)
- Policy and advocacy work (pages 74 to 77)

# Materiality and stakeholders

As part of the development of this report, we have worked with independent consultancy Materiality Counts to undertake a materiality determination process.

## Material issues

Our material issues are defined as having the most impact on our ability to create value for members, the organisation and the broader community. Under this definition we acknowledge that there are some trade-offs between material issues. As an example, a material issue may negatively impact value creation for the organisation, but create value for members, that is, high-quality professional development and knowledge for members has a negative impact on financial capital for the organisation but creates value for members in terms of increasing their knowledge and skills.

To inform this report and our operations we gathered a wide range of input across our day-to-day activities. Specific report feedback is undertaken annually and focuses on identifying the topics of most importance to value creation and where improvements can be made from previous years. Stakeholders interviewed include a selection of members from across geographies and industries, Board members, our CEO and executive team. Members interviewed were approached due to their knowledge of, and interest in <IR> and external reporting. We have used this feedback to make changes to this year's report including considering new material issues.

Three new issues have been added in 2021: digitisation of the profession, changing higher education marketplace and geopolitical environment.

These issues reflect changes happening in the external environment in which we and members operate.

The contents of this report have been defined by removing issues that do not have a significant value creation impact, rate highly for stakeholders, or routinely appear as a top three issue for any stakeholder group.

Three material issues have been removed in 2021, professional standards, support for public practitioners and supporting members' career development. These were removed as during the materiality process it was felt that these issues were already captured through higher priority issues (leading the future of the accounting profession, member experience and satisfaction) and as such will still have some coverage in the report.

We continue to review these issues each year to ensure they best reflect our value creation story and strategy.

In looking at our material issues, consideration is given to the order of priority of the issue, its definition, the horizon over which it will impact value creation, and the level of control CPA Australia has over the issue. This is detailed in the table below in order of priority of the issue.

**Table 4: Material issues**

Material issue	Definition	Impact on value creation*	Extent of control
M1 Lead the future of the accounting profession	For members to have sustainable careers the designation must meet the changing expectations of the business community. CPA Australia needs to provide strategies, training and tools to support members through these changes and to address members' needs of staying relevant and informed of key trends in the industry.	Medium to long-term	Moderate
M2 Attract and develop the next generation of CPAs	Attracting high-calibre Associates globally through a compelling content offer and experience, and supporting them through their journey to become a CPA.	Short to long-term	Moderate
M3 Reputation and promotion of the brand and designation	The success of members and thus CPA Australia is predicated on the reputation of the CPA designation and brand in the accounting industry, the wider business community and with the general public.	Medium to long-term	Moderate
M4 Member experience and satisfaction	Members expect a tailored, personalised approach that allows them to interact with CPA Australia in the manner of their choosing, increasingly members are looking to seamless digital interactions. Delivering on this is important to provide member value and satisfaction.	Short to long-term	High
M5 High-quality CPA Program	A high-quality and relevant CPA Program is vital to making sure the designation meets the changing expectations of the organisations members work in and for.	Medium to long-term	High
M6 Social responsibility and sustainability	Ensuring that CPA Australia remains a sustainable organisation from both a financial and non-financial perspective. Our operations must meet our obligations to society including our impact on the natural environment and the impact we and members have on the broader community.	Short to long-term	High

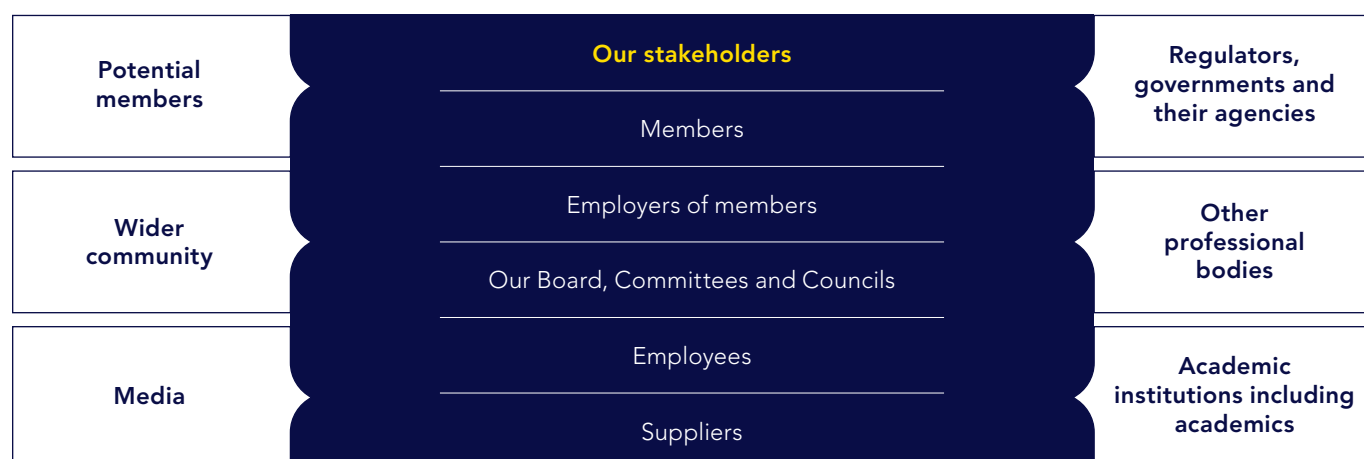


Material issue	Definition	Impact on value creation*	Extent of control
M7 Advocacy and thought leadership (on behalf of members)	Advocating for members and providing thought leadership into the future of the profession are key areas of importance for members.	Short to long-term	Moderate
M8 Digitisation of the profession	The rapid development of new technologies, such as artificial intelligence (AI) and automation provides opportunities for the future of the profession. Accountants will be freed up to take on more strategic roles, with these new developments also presenting opportunities to attract the next generation into the profession. There are risks, however, such as the loss of more traditional accounting roles and challenges relating to ethics, data security and privacy.	Short to long-term	Low
M9 Member trust in CPA Australia	As their professional body, members need to know that CPA Australia acts in their best interests, and that they can trust the organisation is operating with integrity.	Short to long-term	High
M10 Geopolitical environment	The geopolitical environment has been challenging for some years as economies, political systems and centres of power shift, decline and grow. COVID-19 has increased levels of protectionism increasing challenges for organisations operating in multiple markets including CPA Australia.	Short to long-term	Low
M11 Changing higher education marketplace	The education marketplace has been changing over many years including from the impact of new learning technologies, less students choosing accounting degrees and changing flows of where international students choose to study. While this has been a long-term trend in the education market it has been further impacted by COVID-19 which has reduced the number of students choosing to study in Australia. These changes directly impact the pipeline of future CPA Australia members and the way we deliver the CPA Program.	Short to long-term	Low
M12 High-quality professional development and knowledge for members	A commitment to ongoing learning is at the heart of being a professional. As their professional body, members expect that CPA Australia will provide high-quality, accessible CPD that is relevant to them.	Medium to long-term	High
M13 Advocating for the public interest	Protection of the public interest is a key tenet of any professional body. CPA Australia and its members must ensure that protection of the public interest is at the heart of what they do.	Short to long-term	Moderate
M14 Quality of governance processes	Good governance is at the heart of any sustainable organisation, members expect that CPA Australia's governance processes are sound and represent leading practice.	Medium to long-term	High

\* 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.

**Figure 8: Stakeholders**

Our stakeholders are shown in the figure below with the key issues raised by stakeholders shown in Table 5.



Stakeholders who provide inputs into our business model

Stakeholders in our external environment who can impact on our ability to create value

# Materiality and stakeholders

**Table 5: Stakeholder concerns**

Stakeholder group	Key issues raised	How we engage	Quality of our relationships and how we are responding
Members	<ul style="list-style-type: none"> <li>Value of membership</li> <li>Future outlook for the profession</li> <li>The reputation of the CPA designation</li> <li>Quality of the CPA Program and our CPD offer</li> <li>Acting in members' best interests</li> <li>Protecting the public interest</li> <li>Social responsibility and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Website, INTHEBLACK, social media</li> <li>Email, telephone, face to face</li> <li>Professional development, networking and member recognition events</li> <li>Member research</li> </ul>	We track the quality of member relationships through our annual member engagement survey (pages 50 to 51).
Potential members	<ul style="list-style-type: none"> <li>The reputation of the CPA designation</li> <li>Value of membership</li> </ul>	<ul style="list-style-type: none"> <li>Content partnerships</li> <li>Social media, website, webinars</li> <li>Email, phone</li> <li>Networking and campus events</li> </ul>	We track the quality of our potential member relationships through semi-regular brand perception surveys. This survey was not run in 2021.
Employees	<ul style="list-style-type: none"> <li>Investment in capability development</li> <li>Greater empowerment</li> <li>Consistency of behaviours and values</li> <li>Greater collaboration and integration</li> <li>Social responsibility and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Culture survey</li> <li>Day-to-day activities, regular meetings between and within teams</li> <li>Town hall and senior leader events</li> <li>Intranet and weekly updates</li> <li>Development, culture and wellness events</li> </ul>	We track the quality of our employee relationships through attrition measures, exit surveys, and our culture survey (page 60).
Our Board, Councils and Committees	<ul style="list-style-type: none"> <li>Acting in the best interests of the organisation</li> <li>Acting in members' best interests</li> <li>Protecting the public interest</li> <li>The reputation of the CPA Australia designation</li> <li>Social responsibility and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings that include planning and approval of agendas and feedback for papers</li> <li>Input into key activities of the bodies including amendments to Charters, Corporate Governance Statement and the Notice of Meeting for the AGM</li> </ul>	We track the quality of our relationships through regular feedback from engagement and in the respective bodies' assessments at the end of each year and through independent review of Board performance.
Employers of members	<ul style="list-style-type: none"> <li>Quality of the CPA Program and our CPD offer</li> </ul>	<ul style="list-style-type: none"> <li>Content partnerships</li> <li>Social media, website, webinars</li> <li>Email, phone</li> <li>Networking and campus events</li> </ul>	We track the quality of our employer relationships through semi-regular brand perception surveys. This survey was not run in 2021.
Regulators, governments and their agencies	<ul style="list-style-type: none"> <li>Professional standards of members</li> <li>Protecting the public interest</li> <li>Advocating for and advancing effective solutions for regulatory issues</li> <li>Social responsibility and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Act as co-regulator alongside government and regulators</li> <li>Attending regular industry forums and meetings</li> <li>Liaising directly with government and regulators on public policy and regulatory matters</li> </ul>	The quality of our relationships with governments is reflected by them regularly seeking the views and advice of CPA Australia on public policy and regulatory matters.

Stakeholder group	Key issues raised	How we engage	Quality of our relationships and how we are responding
Academic institutions including academics	<ul style="list-style-type: none"> <li>• Enrolment rates in accounting degrees</li> <li>• Ongoing relevance of the content of accounting degrees to the profession</li> <li>• Support from CPA Australia</li> <li>• Changing higher education marketplace</li> </ul>	<ul style="list-style-type: none"> <li>• University advisory boards</li> <li>• Annual meetings with Heads of School</li> <li>• Sponsorship of Accounting and Finance Association of Australia and New Zealand (AFAANZ) and research grant funding</li> </ul>	The strength of our relationships with academic institutions is measured through open dialogue and exchange of information. We are often approached by academics with ideas about research, we regularly publish their commissioned research, and we get a number of applications from academics for appointment to our CoEs.
Suppliers	<ul style="list-style-type: none"> <li>• Operational issues</li> <li>• Timelines for delivery</li> <li>• Future products and processes to deliver member value</li> <li>• Social responsibility and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement market engagement processes</li> <li>• Operational supply delivery</li> <li>• Strategic supplier meetings</li> <li>• Trade events</li> <li>• Conferences</li> </ul>	A good relationship with suppliers is a vital part of our organisation's success. When partnering with key suppliers, CPA Australia adopts a strategic approach as we are aware that this ensures many short and long-term benefits including the delivery of higher-quality member services and overall value for money.
Wider community	<ul style="list-style-type: none"> <li>• Protecting the public interest</li> <li>• Professional standards of members</li> <li>• Social responsibility and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Contact service for customers regarding the professional services they have received from members</li> <li>• Advertising the services of members</li> <li>• Media articles</li> </ul>	Maintaining levels of community trust in the profession depends on our role as a co-regulator ensuring members are held to the highest standards. Levels of complaints against members remain historically low and are detailed on pages 42 to 43.
Media	<ul style="list-style-type: none"> <li>• Communicating critical tax, financial and business information on COVID-19 economic measures</li> <li>• Influencing policy decisions and outcomes by making our positions and views public</li> <li>• Leading the future of the accounting profession</li> </ul>	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Briefings</li> <li>• Interviews</li> <li>• TV and internet-based media</li> </ul>	We track external media coverage and have our media impact independently assessed and compared to an industry benchmark (page 74).
Other professional bodies	<ul style="list-style-type: none"> <li>• Protecting the public interest</li> <li>• Implementing government laws and regulations</li> <li>• Professional standards</li> <li>• Social responsibility and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Participating in working groups, taskforces and forums</li> <li>• Joint submissions to and discussion with government, regulators and agencies</li> </ul>	The quality of our relationships with other professional bodies is reflected by our joint working arrangements to mutually benefit members through recognition of skills and advocacy on matters of importance to the profession (page 76).

# 1 Protect, promote and enhance the integrity of the designation

## Objectives

- Continue to invest in building the CPA Australia brand, so that the designation continues to inspire trust, confidence and respect
- Strengthen internal quality assurance and risk frameworks to ensure integrity and transparency
- Strengthen CPA Australia's position as an international designation

## UN SDGs covered

- 5 Gender equality
- 8 Decent work and economic growth
- 13 Climate action
- 16 Peace, justice and strong institutions

## Performance

A trustworthy brand ▲ 7.46/10

Board communications ▼ 6.38/10

Public practitioner satisfaction ▲ 6.98/10

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### Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

▶ New metric/no change

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Note: For material issues covered under this goal please refer to Table 1 on page 11.



“Successful finance professionals display both a high IQ and EQ. With the skills to understand the complexities of companies, people, and relationships to deliver a more tailored financial solution.”

Mark Broadhead FCPA  
CFO, Aged Care and Human Services

# Governance

## Board focus in 2021

The Board met on 11 occasions during 2021 and together with its committees, considered a wide range of issues across all areas of the business, including:

- Long-term strategic planning and oversight of the education, IT and brand strategies
- Climate change risk and a commitment to setting a roadmap for Net Zero
- Oversight of financial performance of the organisation to ensure long-term sustainability
- Supporting members through the impacts of COVID-19 and other events and assisting with the development of appropriate recovery plans
- Ensuring compliance with government, regulators and industry standard setters
- Oversight of priorities arising from member research
- Review and sign-off of CPA Australia's 2020 Integrated Report and financial statements
- Approval of contracts with external partners and suppliers
- Oversight of engagement with Divisional Councils, including Board outreach, development of member engagement plans and Council elections
- Approval of appointments to IFAC, COEs, Advisory and Compliance committees
- Approval of investment for major projects, website and the MMF program
- Appraisal of independent internal auditor performance and function for consideration of re-appointment
- Oversight of process to develop organisational values
- Ensuring compliance with COVID-19 requirements and regulations for CPA Australia offices and workplaces
- Oversight and approval of the process to develop the 2023 onwards organisational strategy
- The development and publication of CPA Australia's first Modern Slavery Statement
- Ongoing member outreach
- Discussion of the future of work, including digitisation of the profession and cyber security.

## Director skills

The Appointments Council is responsible for appointing Directors to CPA Australia's Board and is made up of one representative from each of the organisation's 13 Divisional Councils. The Appointments Council works closely with the Board and the Nomination Committee to determine the optimum mix of skills and experience required by Directors appointed to the Board, taking into consideration the skill set of current Directors and any potential gaps created by Directors who are leaving the Board.

The process to elect Board members in 2021 began in May with a call for expressions of interest via CPA Update, INTHEBLACK, CPA Australia's website, the *Australian Financial Review*, *The Australian* print and online publications, *Accountants Daily* and *Women on Boards* online portals, the *Finance Times* (Hong Kong and Singapore) and *Business Desk New Zealand* websites. External executive search firm Egon Zehnder reviewed applications against the selection criteria and conducted interviews providing the Nomination Committee with a long list of candidates. After consultation with the Appointments Council, the Nomination Committee interviewed candidates and provided its recommendations. The Appointments Council was consulted at each stage of the process, and also had input in determining the candidates to be shortlisted for the second round of interviews.

The Appointments Council met on 23 August to appoint four Directors to the Board. Professor Yew Kee Ho FCPA, Warren McRae FCPA and Bernard Che-Wai Poon FCPA were appointed as Directors and Professor Dale Pinto FCPA was re-appointed as a Director. Professor Dale Pinto, Professor Yew Kee Ho and Warren McRae were each appointed for a three-year term commencing on 1 October 2021. Bernard Che-Wai Poon was appointed to fill a casual vacancy for one year from 1 October 2021. The casual vacancy was created by Robyn Erskine FCPA resigning from her position as Director effective 4 March 2021. The new appointments brought the number of Directors on the Board to 10, the maximum permitted by CPA Australia's Constitution.

In September, the Board elected its office bearers effective from 1 October 2021, with Merran Kelsall FCPA re-elected as President and Chairman, Professor Dale Pinto re-elected as Deputy President and Rosemary Sinclair elected as Deputy President. Former Deputy President Enrico De Santi FCPA and Su-Yen Wong retired as Directors effective 30 September 2021. The Board wrote to members directly and issued a media release on 28 September to advise the appointments of Directors and office bearers. Director Peter Wilson resigned from the Board on 31 December 2021.

The skills mix of the Board is set out in the table below.

**Table 6: Summary of Board skills mix (number of Directors with skills and experience) as at 31 December 2021**

Experience matrix	Full Board	Audit, Risk and Compliance	Education, Policy and Innovation	Finance and Investment	Member Engagement and Culture	Nomination*
<b>Location</b>						
Metro Australia	8	4	5	3	3	2
Regional Australia	7	3	5	3	3	2
International	9	4	4	3	2	2
<b>Sector</b>						
Academia	6	2	3	2	2	2
Public practice	5	3	3	1	3	1
Government	7	2	4	3	2	2
Large firm	6	3	3	3	1	1
Large listed	6	3	2	2	0	0
Not-for-profit	9	4	5	3	3	2
<b>Industry</b>						
Financial services	7	2	4	3	2	1
Consumer	6	3	3	2	1	2
Industrial	4	2	3	1	2	1
Services	8	3	5	3	3	2
Telecommunications/technology	5	3	2	1	1	2
<b>Executive/non-executive</b>						
Current executive	9	4	5	3	3	2
Practising accountant	4	2	3	1	3	1
Non-executive Director	9	4	5	3	3	2
Board Chair	7	3	4	2	3	2
Committee Chair	10	5	5	3	3	2
<b>General experience</b>						
Financial/commercial acumen	10	5	5	3	3	2
Leadership	10	5	5	3	3	2
Public relations/media	5	2	3	2	1	2
Marketing/communications	5	2	3	2	1	2
Human resources	10	5	5	3	3	2
Legal/regulatory	8	4	5	3	3	2
Organisational management	10	5	5	3	3	2
Business development	10	5	5	3	3	2
Project management	10	5	5	3	3	2
Change management	8	4	5	3	3	2
Risk management	10	5	5	3	3	2
Stakeholder management	9	4	5	3	3	2
Policy development	8	3	4	3	2	2
Advocacy	7	3	5	3	3	2
Member-based organisation governance	10	5	5	3	3	2
Government relations	7	3	4	3	2	2
Corporate governance	10	5	5	3	3	2
Sustainability/IR	6	3	3	2	2	2
Climate related financial disclosures	6	2	3	2	2	1

\* The Nomination Committee is comprised of two Board Directors, two members of the Appointments Council (appointed by the Appointments Council) and two independent non-members. This table reflects the profile of the Board Directors only.

# Governance

## Restructure of Board Committees

CPA Australia's Board governs five Committees that assist the Board in their decision-making. The Board Committees were restructured in 2021 to ensure that CPA Australia maintains the highest standards of governance and is in the best position to deliver on the strategy. The Board Committee structure effective from 1 January 2021 is as follows:

- Audit, Risk and Compliance Committee (ARCC)
- Education, Policy and Innovation Committee
- Finance and Investment Committee
- Member Engagement and Culture Committee
- Nomination Committee.

Members of each committee and the committee charters are published on our website.

## Supporting Divisional Councils

CPA Australia's global network comprises 13 divisions, one in each Australian state and territory as well as Europe, Greater China, Malaysia, New Zealand and Singapore. Each division has a Divisional Council, elected advisory bodies that play an important role in providing support to members, promoting member engagement and maintaining the integrity of the designation.

**Divisional Councils connect with members at a local level by building relationships with community stakeholders and acting as a link between members, the Board and the broader organisation.**

The Board's Member Engagement and Culture Committee facilitates a consultative process through which Divisional Councils develop member engagement plans in accordance with a framework designed to advance member satisfaction and value. Divisional Councils foster member engagement through a network of committees, branches and discussion groups that bring together members from geographic regions, industry sectors or specialist interest groups for professional networking events and activities. As representatives of the members in their division, councillors advise on divisional issues and act as ambassadors for CPA Australia.

Divisional Councils are elected by the members in each division. A call for nominations for members seeking a position on Divisional Council is made in August of each year via CPA Update, INTHEBLACK and the website. In divisions where the number of nominations exceeds the number of positions vacant on the Council, a ballot is conducted to elect the councillors.

In 2021, a total of 86 members nominated for 65 vacancies across the 13 Divisional Councils, including serving councillors eligible to nominate for a further term. Elections were held in seven of CPA Australia's 13 divisions: Australian Capital Territory, New South Wales, New Zealand, Queensland, South Australia, Victoria and Western Australia, and were conducted on behalf of CPA Australia by online polling firm BigPulse. A total of 95,782 members were eligible to vote across the seven divisions that conducted a poll. The voting took place from 27 September to 18 October with the results announced in CPA Update and the website on 26 October. Elected councillors commenced their terms on 1 January 2022.

Each Divisional Council elects a President and Deputy President. The Presidents of the respective Divisional Councils come together to form the Council of Presidents, which is responsible for providing advice to the Board on strategic issues and opportunities with an emphasis on sharing the views and preferences of the members. The Council of Presidents also assists communicating the views and decisions of the Board to members.

## Climate governance

**Key actions for the Board have been to approve our commitment via A4S to publish a roadmap to Net Zero and to support members and their organisations with climate-related risk.**

The ARCC also approved our climate change policy statement, reviewed climate-related risk through the annual risk workshop, oversaw the establishment of an ESG working group and the appointment of Point Advisory to assist with our climate disclosures and ESG strategy and, through this Integrated Report, approved our climate-related disclosures.

## Connecting with members and stakeholders

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**Board communications ▼ 6.38/10**  
(2020: 6.49/10, 2019: 6.34/10, 2018: 5.92/10, 2017: 5.13/10)

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The Board continued its outreach program in 2021 despite COVID-19 restrictions preventing Directors from attending events in person. Directors each took an opportunity to attend Divisional Council meetings during the year. Where it was not possible to attend in person, Directors attended virtually via an online portal and provided councillors with an update from the Board. Directors also actively participated in a variety of webinars, conferences and divisional events throughout the year.



In addition, the President and Chairman wrote directly to members on behalf of the Board on 10 occasions during 2021, after each scheduled Board meeting to provide an update on the topics discussed at the meeting as well as for other important announcements. The score for Board communications has declined slightly with common reasons being a desire for overall communications to be reduced and for less formal feedback.

### Board remuneration

Remuneration to the Board in 2021 was within the pooled amount set out in the Constitution. Detailed disclosure of remuneration paid to all Directors and key management personnel is reported on pages 126 to 130.

In accordance with the Constitution, the pooled amount for Directors increases each year in line with the CPI rate as measured from the prior September quarter to the current September quarter expressed as a percentage.

### Value created

Increasing human, intellectual and social and relationship capital through:

- Maintaining a strong governance framework demonstrating a commitment to meeting the organisation's obligations and best practice
- Overseeing the strategic direction of the organisation over the short, medium and long-term
- Appointing new Directors with the requisite skill sets
- Supporting Divisional Councils whose key role is member engagement and local support for CPA Australia and helping to maintain the integrity of the designation
- Promoting the integrity of the CPA designation by strengthening relationships with key stakeholders
- Building trust in the business community.

### Moving forward

The Board will continue to focus on its governance duties and key elements of CPA Australia's strategy including:

- 2023 onwards strategy
- ESG strategy
- Roadmap to Net Zero
- Alignment with Taskforce for Climate Related Financial Disclosure (TCFD) guidelines
- Progress of key projects including MMF program
- Addressing issues facing the future of the profession including the future of work, digitisation and cyber security.



## Kylie Archer FCPA

CFO, Roberts Co

One of the key moments of Kylie's career to date is her first CFO role in New Zealand. "That first role where you are in a senior position in finance is significant, this was a key opportunity for me." Kylie credits her career progression and success to always being proactive and saying yes to opportunities. "This has opened up many doors for me. Building relationships outside of finance and having a sponsor or mentor also helps."

Kylie notes that having a qualification that is globally and locally recognised has been beneficial for her professional career. "I remember doing the CPA Program while I was in New Zealand and that flexibility and global recognition has been valuable. It also gave me good broad fundamental accounting knowledge and exposure to topics outside of that, like strategy and leadership. This gives a good foundation to take into roles."

In a recent transition, Kylie has moved from retail to construction, a male-dominated industry. "What attracted me to this was working for a company keen for change, diversity and addressing mental health issues. It is a long-standing issue, so it will take time, but starting with a business focused on making changes in that industry has been satisfying."

# Risks and risk management

CPA Australia has a Board-approved risk appetite statement that is reviewed and updated annually or when significant events occur. The statement articulates the amount of risk we are prepared to accept or avoid in pursuit of strategy.

The risk appetite statement enables the Board and management of CPA Australia to be aligned on risk management and to identify, assess and treat risks related to the achievement of objectives while remaining within the Board's approved appetite for these risks. This includes:

- Making decisions that reflect the taking of appropriate risk for appropriate reward, leveraging the right controls
- Providing timely monitoring and reporting on risks to all stakeholders
- Creating a sound risk culture that is embedded throughout the organisation
- Continually improving and maturing the management of risk
- Satisfying corporate governance and regulatory requirements at all times.

Throughout 2021, CPA Australia has continued to further enhance and consolidate its risk management framework and practices including:

- Further embedding a risk management culture across the organisation
- Reviewing and updating the risk appetite statement, risk management framework and risk management policy
- Key risk indicators set by management to help monitor performance against our risk appetite
- Board oversight of risk management activities via quarterly reporting to the ARCC and an annual workshop for the formal assessment of existing, new and emerging risks.

CPA Australia follows the three lines of defence model in its approach to risk management:

- Management and internal controls
- Risk management and compliance monitoring and reporting
- Internal audit.

CPA Australia's internal auditors are RSM Australia. In 2021, the Board endorsed the recommendation of the ARCC to re-appoint RSM Australia as CPA Australia's internal auditor for a further three years.

**Engaging an independent outsourced provider for the internal audit function brings a systematic and disciplined approach to evaluating and improving the effectiveness of the internal audit, strengthens our organisational controls and delivers best practice internal audit capability to CPA Australia.**

A three-year internal audit plan is reviewed annually and is approved by the ARCC. The internal auditor reports to the committee at each of its meetings. Internal audit has access to the ARCC at any time. Key focus areas for internal audit in 2021 were cyber security controls, international offices, compliance and integrity.

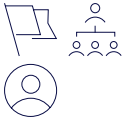



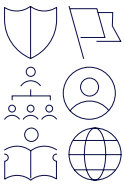

## Enterprise risks

The table on pages 33 to 35 shows the key enterprise risks most relevant to our strategy in order of priority. Priority order has been determined by consideration of the residual likelihood of the risk occurring and the consequences of that risk on our ability to create value for the organisation and its members. Our risk management approach is underpinned by a risk culture that supports decision-making in accordance with CPA Australia's values, objectives and risk appetite.

We have in place cyclical and strategic planning and evaluation processes that form part of our response to managing risks. We also engage external advisers with specific expertise as and when required and have an enterprise project management office that provides oversight and reporting over our strategic projects and their associated risks.






























Risks shown on the following page represent the key specific responses to each individual risk. For our external risks and opportunities please refer to pages 14 to 15.


**Table 7: Risks and opportunities**

Risks and opportunities	Timeframe*	Key responses	Likelihood	Impact	Strategic goals impacted***	Material issues**
<p><b>Cyber security</b> – Incident encompassing but not limited to: the exploitation of security vulnerabilities, phishing attacks, ransomware and third party supply chain exposure.</p>	Short to medium-term	<p>Physical access and security controls operating at all office locations.</p> <p>Daily monitoring of external cyber attacks and network penetration attempts.</p> <p>Network penetration test conducted quarterly with findings actioned and reported to the ARCC.</p> <p>Disaster recovery procedure in place, tested annually.</p> <p>User access controls.</p> <p>IT system back ups.</p> <p>Regular employee training and testing.</p> <p>Information security controls.</p> <p>Cyber security updates provided to the ARCC quarterly.</p> <p>Daily monitoring of IT system performance with escalation of system downtime.</p> <p>IT change management process and related controls.</p> <p>Dedicated IT security team.</p>	Likely	Major		
<p><b>Education strategy</b> – Education strategy not successfully executed.</p> <p>Successful execution of the education strategy that meets the future needs of the profession.</p>	Medium to long-term	<p>Dedicated steering committee oversight and reporting.</p> <p>Staged project implementation and review.</p> <p>Dedicated program manager oversight.</p> <p>Engagement of external advisers as required.</p>	Possible	Major		
<p><b>People</b> – Inability to attract, retain and develop talent aligned to culture and capability requirements and/or to support employee health and wellbeing.</p> <p>Attracting, retaining and developing talent to deliver valuable services to members.</p>	Short-term	<p>Board-approved remuneration policy.</p> <p>Recruitment policy and procedures.</p> <p>Formal employee performance monitoring, development and training.</p> <p>Annual employee culture survey.</p> <p>Employee health and wellbeing programs.</p> <p>Workplace, health and safety policy and inspections.</p> <p>Dedicated management committee oversight.</p> <p>Wellbeing, inclusion and diversity framework.</p>	Possible	Major		

# Risks and risk management

Table 7: Risks and opportunities continued

Risks and opportunities	Timeframe*	Key responses	Likelihood	Impact	Strategic goals impacted***	Material issues**
<p><b>Education and professional development</b> – Education and professional development does not meet stakeholder design, quality and/or delivery expectations.</p> <p>Delivering education and professional development that members value and assists them in their careers.</p>	Medium to long-term	<p>Benchmarking of the competitive landscape and our offer.</p> <p>Annual review of CPA Program content by specialist subject advisory panels.</p> <p>Maintenance of CPA Program integrity.</p> <p>Education governance framework.</p> <p>Consultation and engagement with key stakeholders to understand the market and member needs.</p>	Possible	Major	  	     
<p><b>IT strategy</b> – Failure to effectively transition and implement CPA Australia IT strategy.</p>	Medium to long-term	<p>IT governance framework including quarterly reporting to the ARCC and Board.</p> <p>Steering committee oversight and reporting.</p>	Possible	Major	   	    
<p><b>Fraud and corruption</b> – The risk of fraud and corruption.</p>	Short to medium-term	<p>Director appointments overseen/ approved by Appointments Council.</p> <p>Policies and procedures (i.e. Employee Code of Conduct, Whistleblower Policy, Fraud and Corruption Policy, Financial Delegations Policy, Gift and Benefit Policy).</p> <p>Background checks conducted for all new employees and contractors.</p> <p>Outsourced internal audit program.</p>	Possible	Moderate		   
<p><b>Compliance</b> – Legal and regulatory non-compliance.</p>	Short to medium-term	<p>Enterprise-wide risk and compliance team and dedicated compliance resources in specific areas of high risk.</p> <p>Director training and updates.</p>	Possible	Moderate		    

Risks and opportunities	Timeframe*	Key responses	Likelihood	Impact	Strategic goals impacted***	Material issues**
<p><b>Member</b> – member value and experience not demonstrated.</p> <p>Successful delivery of member experience and value.</p>	Short to medium-term	<p>Annual member engagement survey.</p> <p>Board/CEO oversight of policy and advocacy.</p> <p>Enterprise project management office oversight of key strategic projects.</p> <p>Dedicated steering committee oversight and reporting.</p> <p>Member experience performance monitoring.</p> <p>Complaints handling policy.</p> <p>Board/executive management monitoring of complaints and trends.</p> <p>Board outreach program.</p>	Possible	Moderate	 	    

\* Short-term impacts are 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 to material issues is on pages 22 to 23.

\*\*\* Key to strategic goals is on page 18.

### Value created

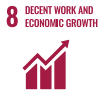
Protecting financial and social and relationship capital through:

- A risk management framework and approach that ensures consideration of risks across our activities including those risks most likely to impact our strategy, business model and ability to create value over time
- A three lines of defence model to ensure appropriate oversight
- Increasing understanding of risk across the business
- Continued maturation and improvement of the management of risk
- Protecting the sustainability of the organisation.

### Moving forward

- Review and update risk framework and implement new compliance procedure
- Review and update of Incident Management and Response Planning Framework ensuring consistency of incident management, assessment and escalation across related policies and procedures
- Increased governance of fraud, corruption and conflicts of interest through creation of new policies and procedures

# Social



## Supporting members and the community

The wellbeing of members and our people is of great importance. This continued to be the case in 2021 with the reintroduction of lockdowns and restrictions in many jurisdictions. We offered practical tools and tips for members to deal with the various regulations and restrictions introduced by governments around the world, but also focused on how we could support the mental and physical wellbeing of members. Activities included:

- Releasing a special issue of INTHEBLACK, which featured a curated collection of articles and resources that offered members tools to deal with uncertainty, burnout and stress. The issue covered a variety of content for both individuals and businesses. Within 30 days of the release of the magazine it had achieved more than 17,200 views
- Partnering with Deakin University to roll out Counting on U, a workplace mental health and relationship-building intervention, that aims to provide training to business advisers to better support the needs of SME business owners in Australia, with more than 1240 members signing up
- Launching 'COVIDchat for Business', a weekly podcast series to help members untangle the latest COVID information. In each episode, our in-house experts offer their insights, ranging from business grants and tax information to roadmaps out of lockdowns, and more
- Releasing our five-point plan for post-lockdown business support in Australia
- Through the Australian Scholarships Foundation we also offered five 100 per cent scholarships to the CPA Program. This scholarship enables managers and financial officers of registered charitable organisations to enhance their knowledge and skills to further contribute to the management and accountability of charitable not-for-profit organisations.

## Five-point plan for post-lockdown business support in Australia

Our five-point plan recommended:

- Tapered support for SMEs with eligibility based on decline in turnover
- Deferral of Commonwealth and state or territory SME revenue collection
- A moratorium on Commonwealth and state or territory compliance activity, such as ATO debt collection
- Consumer incentives, such as dining, travel and accommodation vouchers
- Financial assistance for businesses to seek professional advice.

In Australia, the plan received widespread media coverage across television, radio and print media with CEO Andrew Hunter being interviewed for major metro, regional and trade outlets, and publishing an opinion piece. We also conducted a survey among members on Australia's economic and business sentiment against the national COVID-19 plan and shared the results and recommendations in a media release.

Throughout 2021, CPA Australia engaged extensively with state and federal governments in Australia to shape the development and administration of various COVID-19 business support policies. Examples included the JobSaver payment in New South Wales and the Victorian Small Business COVID Hardship Fund. Given the critical role accountants played in the delivery of many of these support packages, we saw a significant increase in state governments seeking our advice on the design and improvement of support packages.

## Support of First Nations People

With the successful completion of CPA Australia's first Reflect RAP in February 2021, throughout 2021 we have been developing our next level RAP to be released in early 2022, a Reconciliation Australia Innovate RAP.

A Reconciliation Australia Innovate RAP runs for two years, and outlines actions for achieving an organisation's vision for reconciliation. Innovate RAP commitments focus organisations to gain a deeper understanding of its sphere of influence, and establish its own unique approach to advance reconciliation. An Innovate RAP focuses on developing and strengthening relationships with Aboriginal and Torres Strait Islander peoples, engaging employees and stakeholders in reconciliation, and developing and piloting innovative strategies to empower Aboriginal and Torres Strait Islander peoples.

Our Innovate RAP will focus on three key areas:

- Increase the number of Aboriginal and Torres Strait Islander peoples in the accounting profession through education and career pathways
- Promote the value that accounting creates for First Nations communities and supporting self-determination
- Continue to build our internal capability through ongoing awareness and education.

We will also create an Indigenous Advisory Group made up of a range of First Nations members, to ensure our RAP represents Indigenous voices and will help support and guide us during this two-year RAP.

In 2021, we also awarded two Maori scholarships in New Zealand and five Indigenous scholarships in Australia.

### Wellbeing, inclusion and diversity

We continued to support our people throughout 2021 as many continued to work from home where restrictions were in place. Throughout the pandemic, individual health, safety, and wellbeing have been a priority.

In recognition of this we reviewed our original inclusion and diversity strategy that was created in 2018.

In 2021, the Board endorsed a framework that includes wellbeing, inclusion and diversity.

The new framework will continue to build on the foundations of the original 2018 strategy, enabling us to build a place where all people at CPA Australia can do their best work and feel like they belong.

The framework aims to help us achieve:

- A people-centred workplace, that is safe, equitable, inclusive, and values all of our diversity
- An environment where people are supported and set up to succeed in both their professional and life goals
- A place where people want to come to work.

The framework will support a best practice inclusion and diversity program that recognises mental health and individual wellbeing as an ongoing priority as well as an effective program that is able to accommodate the unique and diverse needs of our people. For more information on our activities in this area please see pages 59 to 61.

### Modern slavery

Every year, CPA Australia engages with more than 1000 suppliers of goods and services who support our global operations. In accordance with the Australian and UK modern slavery laws, our Modern Slavery Statement was published in 2021.

It sets out our efforts to prevent and address any involvement we may have in modern slavery and is guided by three principles:

- The risk to individuals is paramount to all other risk considerations.
- We actively seek to identify the risk of modern slavery in our operations and supply chains even if we do not find instances of modern slavery.
- Assessing modern slavery risk and taking actions to address those risks is the right thing to do, and drives commercial and social value for CPA Australia, which results in value for members.

### Value created

Increasing social and relationship capital through:

- Our wellbeing, inclusion and diversity framework
- Support for members and our people through the continuation of the pandemic
- Increase in financial and social and relationship capital through assessing modern slavery risk and taking actions to address those risks.

### Moving forward

- Release of our 2022–2024 Innovate RAP
- Creating an Indigenous Advisory Group to inform our RAP
- Further developing our wellbeing, inclusion and diversity program
- Publishing our next Modern Slavery Statement

# Environment

13 CLIMATE ACTION



On 6 October, CPA Australia joined with 13 other professional accounting bodies from around the globe in signing a commitment to achieve Net Zero greenhouse gas (GHG) emissions within each of our organisations and to encourage and support members to do the same. The commitment involves setting a roadmap for how we will achieve Net Zero and reporting against our roadmap. We also committed to supporting members with the tools, resources, policy and advocacy they need to play a role in tackling climate change in their own organisations.

We believe there are two main reasons for accountants to be concerned:

- Climate change is an economic risk that accountants from across the world must act on.
- It is the responsibility of professional accountants to act in the public interest. This responsibility now includes helping organisations to address climate change.

The accountancy profession can play a significant and vital role in achieving both climate change mitigation and adaptation. In many small to medium organisations, accountants may be the only employees with the knowledge to assist with climate change risks and reporting.

## Supporting members

As part of our commitment to support members with tools and resources to play a role in tackling climate change, we released a Climate Change Policy statement in April 2021, continued to make submissions to governments related to climate change and released reports, factsheets and webinars. We released a 'Creating value through sustainability' micro-credential and held several events covering sustainability including:

- In Mainland China, CPA Australia and Ernst & Young co-hosted a seminar on the theme of 'Opportunities and Challenges under the Carbon Neutral Vision'
- In Indonesia we partnered with The Institute of Indonesia Chartered Accountants and the Indonesian Institute of Certified Public Accountants to host the 'Sustainability Reporting: An Overview of Best Practices in Australia and Perspectives from Indonesia's Landscape' event
- New Zealand half-day ESG Workshop
- New Zealand Integrated Reporting Awards
- Queensland Accounting for climate change discussion group
- Tasmania ESG roundtable 'CFO Connect' series.

## ESG response

**CPA Australia has a long history of supporting ESG and climate-related initiatives whether it be through our policy and advocacy work, education of members or through sustainability and wider forms of Extended External Reporting.**

ESG considerations are incorporated into many aspects of our business (procurement, facilities, travel, wellbeing, inclusion and diversity framework, Modern Slavery Statement and our RAP). To consolidate activities in this area, including those relating to climate issues, we have brought together a working group that will:

- Review and endorse climate-related disclosures, risks and opportunities to the Board
- Oversee the development of an ESG strategy and sustainability initiatives for approval by the Board
- Champion ESG issues and initiatives across the business and with members.

## GHG emissions

In 2021, we began the work to set the boundaries for future emission reduction targets via measuring emissions data based on 2020 activity. That base was then updated with 2021 data and our GHG emissions in 2021 are shown in Table 8. This is the first year of disclosing our GHG emissions since 2014, and represents the start of our path to reach Net Zero.

CPA Australia has no Scope 1 emissions. Gaps in our Scope 3 data include emissions from purchased goods and services (actual), waste from some offices, ground transport and employee commuting. Only emissions from purchased goods and services will have a significant material impact on our emissions.

In 2021, the major source of our emissions is our supply chain. In 2022, we will be taking further steps to be able to more accurately measure the emissions footprint of our supply chain. We will also look to quantify emissions in our investment portfolio and address other data gaps where they are material. We will also disclose our Net Zero roadmap and interim targets (2030).



**Table 8: GHG emissions\***

Scope	Source	Amount	Unit	CPA Australia emissions tCO <sub>2</sub> -e
S2 and S3	Purchased electricity	1,155,660	kWh	1037
S3	Purchased goods and services (actual)	\$322,511	\$ AUD	372
S3	Purchased goods and services (I-O)**	\$92,229,705	\$ AUD	12,907
S3	Office consumables and waste			30
S3	Paper	1269	kg	3
S3	Waste sent to landfill	19,402	kg	25
S3	Water consumption	2365	kL	1
S3	Business Travel			48
S3	Business travel – flights	273,762	km	31
S3	Business travel – rental cars, taxi/ride-sharing	\$30,526	\$ AUD	2
S3	Business travel – accommodation	334	nights	15
S3	Employee commuting	4,121,283	km	539
<b>Total – quantified</b>				<b>2026</b>
<b>Total – including (I-O)</b>				<b>14,933</b>

\* CPA Australia has no Scope 1 emissions.

\*\* (I-O) refers to input-output which uses spend to calculate emissions where actual data is not available from suppliers.



We are a member of the GRI Community and support the mission of GRI to empower decision-makers everywhere, through GRI Sustainability Reporting Standards and its multi-stakeholder network, to take action towards a more sustainable economy and world.

**Value created**

- Increase in intellectual capital through our policy and advocacy work around climate change
- Increase in intellectual capital through our sustainability micro-credential
- Enhancement in natural capital through thought leadership, policy and advocacy work
- Reducing our impact on natural capital through our publications and emissions

**Moving forward**

- Continued education and policy and advocacy in this area
- Release of our roadmap to Net Zero and interim targets to reduce our GHG emissions
- Publication of our ESG strategy
- Further incorporation of TCFD recommendations
- In Hong Kong SAR, forming an ESG member committee to address the UN SDGs

# Brand and reputation

## A trustworthy brand ▲ 7.46/10

(2020: 7.27/10, 2019: 6.88/10, 2018: 6.34/10, 2017: 5.53/10)

The value of the CPA Australia designation is generated by the technical expertise and reputation of members. We enhance this reputation by building our brand profile through a range of activities including bringing together members with employer and industry sector groups, building relationships with governments, regulators, standard-setters and international accounting bodies and organisations, engaging with students and educational institutions, and utilising various communication and social media channels to connect with our stakeholders. We continue to evolve our brand strategy to position the designation for the benefit of members and their careers.

### Ethical scorecard

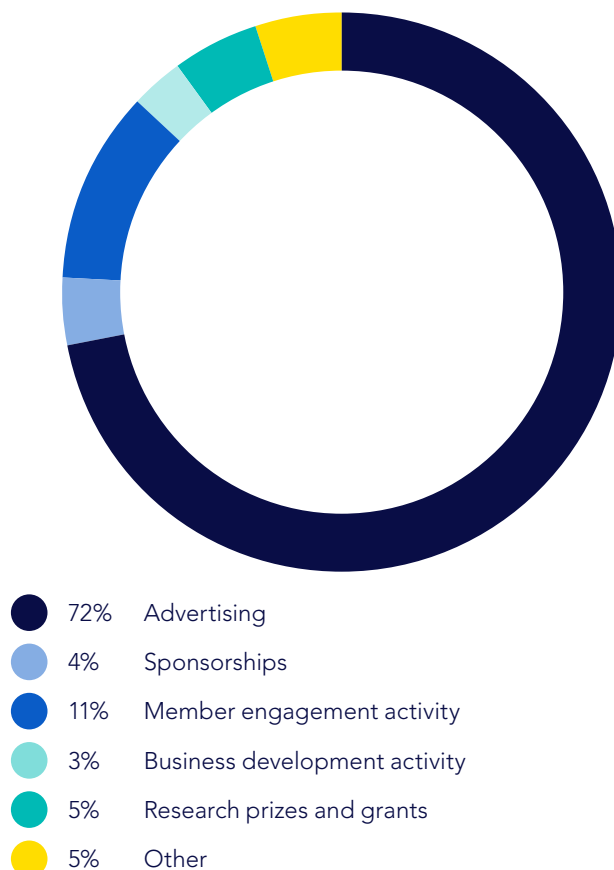
CPA Australia has ranked as one of Australia’s top five most ethical member associations according to the Governance Institute of Australia’s annual ethics index. The index surveyed more than 1000 people across Australia to gauge their perception of ethics in different sectors, institutions and professions. The accounting profession overall also rated as highly ethical with ‘your accountant’ rating as the fourth most trusted professional survey respondents have contact with, behind ‘your doctor’, ‘your pharmacist’ and ‘nearest local hospital’.

**CPA Australia is proud of the strength of these ratings in a year when, according to the survey, trust overall has declined. This reflects the hard work and integrity CPA Australia’s members and employees have displayed in supporting businesses and the Australian community throughout the pandemic.**

### Marketing investment

CPA Australia’s marketing investment for 2021 was \$5.06m (refer Note 6C on page 112). Our investment in marketing (Figure 9) includes advertising to promote members and to attract and develop the next generation of CPAs, sponsorship and other activities. We continue to examine our spend in these areas and our spend again reduced in 2021 (2020: \$5.3m).

Figure 9: Advertising and promotion expense



### Value created

Increasing intellectual and social and relationship capital through:

- As part of our brand strategy renewing our brand identity to a digitally durable design that supports the careers of members
- Demand and opportunities for those who hold the CPA designation
- Research into perceptions of the accounting profession to understand the next generation of the profession.

### Moving forward

- Continued roll out of the new brand identity
- Launch of TikTok and Instagram accounts to build brand awareness
- Launching a new benefit offer for members

# Public interest and professional standards



**Public practitioner satisfaction ▲ 6.98/10**  
(2020: 6.73/10, 2019: 6.31/10, 2018: 5.85/10, 2017: 5.27/10)

**Unique members accessing public practitioner tools and resources 2021: 26%**  
(2020: 17%, 2019: N/A, 2018: N/A, 2017: N/A)

CPA Australia members have a responsibility to act in the public interest and are required to comply with the obligations detailed in CPA Australia's Constitution and By-Laws, Code of Professional Conduct and applicable industry standards and regulations. We support the work of many international standard setting boards, including the International Accounting Standards Board (IASB), the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA).

We help to develop international and national standards relevant to the profession, and promote their adoption and implementation, through engagement, advocacy and consultation with regulators and industry bodies in all regions where members practice. In accordance with our commitment to act in the public interest, all members who hold a Public Practice Certificate are subject to periodic reviews.

## Public practitioner resources and tools

Members working in public practice are facing significant challenges in the current business environment. To help members navigate these challenges we published a special digital edition of INPRACTICE magazine by INTHEBLACK. The edition covered the key issues affecting public practitioners. Publication coincided with the Public Practice Virtual Conference in August that attracted more than 860 delegates who participated in a mix of live and on-demand sessions featuring a line-up of local and international speakers.

## The CPA Australia Best Practice Program

After reviewing the quality review program in 2020, we developed a new CPA Australia Best Practice Program. Based on insights from a scan of the international accounting environment and extensive member input, the program was piloted twice in 2021. The first pilot was completed in August 2021 with a cohort of 17 Public Practice Certificate holders who volunteered to be part of the inaugural assessments.

The objective of this pilot was to test out the methodology and the tools that have been developed over the last year.

The assessments are structured in a manner that allows CPA Australia to determine whether members understand their professional and ethical standards in a guided and supportive way.

The second pilot commenced in October 2021 and included the use of a new technology platform to support members through their assessments.

The feedback we have received about the program and the assessments has been positive. We will continue to test and refine our methodology as we finalise the second pilot and fully launch the new program in 2022.

We also launched the CPA Australia Best Practice Program peer consultation process in July 2021. This enables new Public Practice Certificate holders to connect with experienced public practitioners as the first step to setting up the right foundations for success as part of their professional journey.

## Tax time campaign

Tax time is a busy period for many members and CPA Australia provided comprehensive coverage to coincide with the end of the financial year for our public practice members in Australia and New Zealand.

**The tax time campaign focused on ensuring members had access to the tools, resources and information they need to support businesses and their clients as well as educating the public about tax time considerations.**

This included dedicated tax time editions of our weekly Tax News to promote key messages and resources to members, and complimentary webinars and podcasts tailored for public practitioners.

## Value created

Increasing intellectual and social and relationship capital through:

- Improving the experience of our public practitioners through the CPA Australia Best Practice Program
- Supporting members providing taxation services through an integrated tax time campaign
- Providing opportunities for members to connect and develop their professional skills through the Public Practice Virtual Conference
- Protection of the public interest.

# Public interest and professional standards

## Professional conduct

Membership of CPA Australia means committing to the obligations spelt out in CPA Australia's Constitution and By-Laws, APES 110 Code of Ethics for Professional Accountants and applicable regulations.

To ensure all members uphold these standards, CPA Australia has a formal process that enables complaints about its members to be heard, evaluated and, where appropriate, disciplinary action taken. Investigations and disciplinary processes are guided by the principles of procedural fairness, confidentiality, independence and the right to appeal. CPA Australia has undertaken to act in the public interest and has an obligation to ensure that complaints about members are investigated thoroughly in an impartial, timely manner; striving to preserve the rights of members while acknowledging the public interest concern of complainants.

Details of complaints received and the outcomes of those complaints are detailed in the tables below.

<b>Table 9: Number of complaints received and resolved</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Total complaints received	623	348	264
Relevant complaints received	300	197	122
Complaints received and resolved	471	261	206
<b>Total complaints resolved (including complaints open from previous years)</b>	<b>578</b>	<b>352</b>	<b>329</b>

Notes:

**Total complaints received** refers to all complaints received (phone, email or complaint form), including those formally investigated and those dealt with by phone or email.

**Relevant complaints received** refers to all complaints formally investigated, that is, they are not considered 'unviable'. An unviable complaint as defined in the By-Laws is one that concerns a matter that occurred more than five years prior to the date of the complaint, concerns a person who is not a member at the time the complaint is lodged, is not supported on the available evidence, or is primarily a fee dispute.

**Complaints resolved** refers to complaints closed upon the conclusion of an assessment, an investigation or a Disciplinary Tribunal.

The breakdown of relevant complaints received in 2021 compared with previous years is as follows:

<b>Table 10: Source of relevant complaints investigated</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Internal complaints – referred from other CPA Australia business units	134	72	24
External complaint from the public	106	81	58
Complaints raised due to adverse outcomes by statutory/regulatory authorities	44	23	24
Complaints initiated due to external media reporting or disclosure by the member or the public	16	21	16
<b>Total</b>	<b>300</b>	<b>197</b>	<b>122</b>

The outcomes of relevant complaints, including those initiated in 2021 and those unresolved from previous years:

<b>Table 11: Outcome of complaint investigations</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Complaints formally investigated and closed with no case to answer	274	141	78
Complaints determined by Disciplinary Tribunal (20 still in appeal phase at end of 31 December and not closed)	27	54	53
Internal reprimands/cautions issued to members	30	30	33
<b>Total closed</b>	<b>331</b>	<b>207</b>	<b>163</b>

Matters which proceed to a Disciplinary Tribunal for hearing consist of one or more complaints (charges), which constitute the allegations made against the member. Of the 53 complaints heard at Disciplinary Tribunal hearings in 2021, the breakdown of the complaints is as follows:

<b>Table 12: Complaints heard at a Disciplinary Tribunal</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Breaches of Constitution, By-laws, Code of Professional Conduct, applicable regulations	4	14	16
Standard of professional care	4	10	14
Conduct dishonourable/derogatory or not in the best interests of CPA Australia or its members	1	18	17
Become insolvent/bankrupt	1	3	2
Adverse finding by any statutory body, civil or criminal court	23	25	26
Failure to comply with request/determination from CPA Australia	6	23	17
<b>Total</b>	<b>39</b>	<b>93</b>	<b>92</b>

The penalties imposed for the complaints heard at Disciplinary Tribunal hearings are summarised as follows:

<b>Table 13: Sanctions ordered by Disciplinary Tribunals</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Forfeiture of membership	10	39	34
Suspension of membership	2	3	3
Severe reprimand	13	35	39
Admonishment	5	7	6
Complete a Quality Review	7	3	5
Training and development	12	15	13
Fine	8	35	22
Other	3	10	13

Notes:

In addition to the penalties imposed, members are often required to meet certain criteria prior to any application for re-admission. This may include such as conditions as providing evidence of further education, having repaid monies, producing a medical certificate etc.

The decline in complaints received in 2021 and 2020 was mostly due to the suspension of the quality review program when restrictions were in place due to COVID-19. This reduced the number of complaints received through this process.

#### **Moving forward**

- Full launch of the CPA Australia Best Practice Program
- Continued focus on local support for our public practice members through divisional forums across Australia
- The development of resources to support members in the areas of ESG, cyber security and succession planning to enhance members' advisory skills and protect the integrity of their businesses

# 2 Lead the future of the accounting profession

## Objectives

- Understand the emerging changes in the accounting profession and the implications for members in the future
- Develop strategies, training and tools to support members through the future changes to the accounting profession
- Provide opportunities and pathways for business professionals wanting to develop their skills and employment options while ensuring high professional standards

## UN SDGs covered

- 17 Partnerships for the goals

## Performance

Thought leadership ▲ 7.15/10

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### Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

▶ New metric/no change

---

Note: For material issues covered under this goal please refer to Table 1 on page 11.

“Being a CPA offers greater prospects across different sectors and disciplines. With a professional network and supportive community that makes anything feel possible.”

Nicole Hatten CPA  
Project Manager,  
Seven Consulting



# Lead the future of the accounting profession

## Thought leadership ▲ 7.15/10

(2020: 7.00/10, 2019: 6.69/10, 2018: 6.29/10, 2017: 5.71/10)

A key to the sustainability of members and CPA Australia lies in meeting the changing expectations of the community and the landscape that organisations operate in. We look to do this by conducting research into issues facing the profession both by ourselves and with partners, supporting the development of the profession in under-represented areas and partnering with other professional accounting bodies to advance the future of the profession. We continue to increase our thought leadership activity, with members rating our activity higher than in previous years.

### Digitisation of the profession

The rapid development of new technologies, such as artificial intelligence and automation provides opportunities for the future of the profession. Accountants will be freed up to take on more strategic roles, with these new developments also presenting opportunities to attract the next generation into the profession. There are risks, however, such as the loss of more traditional accounting roles and challenges relating to ethics, data security and privacy. We aim to help members through these challenges and opportunities to support them in their roles as advisers, helping them contribute to developing new strategies and accelerating programs of transformation within their organisations.

As part of our commitment to provide thought leadership on this, we published a 2021 Business Technology Report. The report is based on the results of a survey undertaken with 725 professionals from different industries. It examines technology use and financial performance by businesses in Australia, Mainland China, Hong Kong SAR, Macau SAR, Malaysia and Singapore. The report shows that technology use is a major factor in business success and that businesses investing in technology can significantly improve their growth prospects.

In June 2021, we ran a major international forum on Digital Disruption and the Future of Accounting Education – Perspectives from Academia and the Profession which attracted close to nearly 1000 delegates.

### MY FIRM. MY FUTURE.

The MY FIRM. MY FUTURE. report was released in 2019 and we continue to release resources to support members based on the findings of the research. Activity in 2021 included new elearning modules as well as the first micro-credential for public practitioners with a focus on people and process. These resources are based on the MY FIRM. MY FUTURE. framework that we developed in consultation with members and business advisers. This framework acts as a guide to navigate the categories and topics essential for building a sustainable business. Each module takes approximately one hour to complete and is complimentary to members.

### Research into the future of the profession

Our grant program the Global Research Perspectives Program aims to encourage research of interest and relevance to our membership and wider community.

The research themes for 2021 were:

- Impacts of technology and digital transformation on the accountancy profession
- The role of the accountancy profession in addressing the impacts of climate change and long-term sustainability
- The future of corporate reporting
- Ethics and integrity in the accountancy profession and business environment
- Hybridisation of accounting employability skills
- Tax reform.

### 17 PARTNERSHIPS FOR THE GOALS



### Partnering with the profession

As careers become more mobile and accountants need to be able to work across jurisdictions, it is important that we continue to build our partnerships with accounting bodies, educational institutions and other bodies representing the interests of the broader business community.

In 2021, we announced a number of collaborations, recognition and pathway agreements with the following professional organisations:

- A mutual pathway agreement with the Association of National Accountants Nigeria
- A Memorandum of Cooperation with the Hainan Institute of Certified Public Accountants in Haikou, China
- CPA Australia and the Institute of Chartered Accountants of India (ICAI) renewed their Mutual Recognition Agreement for another five years.

We also partner with the profession through joint activities to benefit members including:

- A panel discussion with the ICAI on trends and opportunities around outsourcing and how it's changing during the pandemic
- An e-commerce landscape and digital transformation event in Vietnam, in partnership with Ernst & Young Vietnam, the Vietnam Association of Certified Public Accountants, Vietnam E-commerce Association and Vietnam Payment Solutions
- A joint ESG Whitepaper with Xiamen National Accounting Institute.



## SME strategy

During 2021 we completed research into the SME sector and in 2022 will be launching our SME strategy. Many members work in SMEs and we recognise they require a unique set of skills that they can draw from and build upon, to influence, make informed decisions and run a successful business. The strategy will deliver the tools and framework to help members confidently tackle challenges in the unique SME environment. It will create opportunities to connect them with like-minded CPA Australia members and experts.

### Value created

Increasing intellectual and social and relationship capital through:

- Support for public practice through MY FIRM. MY FUTURE.
- Agreements with other accounting bodies that benefit members through the sharing of common and strong interests in advancing the profession
- A recognised brand in the accounting profession
- Increasing the knowledge and skills of members.

### Moving forward

- Continuing research into areas that will impact the profession into the future
- Releasing our new strategy developed with members
- Releasing our SME strategy



## Tim Timchur FCPA

Managing Director,  
365 Architechs

Tim was attracted to the idea of business from an early age and was “one of those unusual people who wanted to be an accountant before they finished school”. Since then, he has spent a decade implementing accounting systems and reverting back to traditional accounting roles as CFO and Financial Controller.

During his time as a member Tim has been involved in CPA Australia committees, as a Divisional Council member, on the ESG CoE and has represented CPA Australia at many conferences. “I find it invaluable immersing myself with people smarter than me and see the opportunities as providing greater value than commitment given.” The delivery of micro-credentials is seen by Tim as one example in which CPA Australia is providing a means for members to develop skills that are relevant to facilitating AI processes in the workplace. Tim’s company is an IT business which focuses on the latest AI technology. “When we think about the skill set we need to implement AI in organisations, we need people who are good at breaking down processes and analytically look at problems – people good at justifying ROI and understanding the value of digital transformations. And that to me sounds like what we train accountants to do as part of their studies with CPA Australia.”

Tim feels strongly that AI is the future of the accounting profession and already an integral component of the workplace. “AI is here, and accountants are best placed to do it.”

# 3

## Provide members with personalised and engaging experiences

### Objectives

- Improve member experience and tailored communications based on individual member needs and feedback, enabled by data, technology and digital solutions
- Create a more effective local support model for members through divisions, branches and committees
- Develop a culture that enables a personalised and engaging member experience

### UN SDGs covered

- 5 Gender equality
- 8 Decent work and economic growth

### Performance

Members ▲ 170,826

Member satisfaction ▲ 7.07/10

Member retention ► 98.3%

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#### Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

► New metric/no change

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Note: For material issues covered under this goal please refer to Table 1 on page 11.

"As the industry changes, CPAs will play a greater advisory role for businesses. Acting as a trusted partner with high ethical standards, we'll help drive strategic and tactical decision-making."

Ikesh Tharmarajah CPA  
Regional Controller APAC,  
Preformed Line Products



# Member engagement and satisfaction

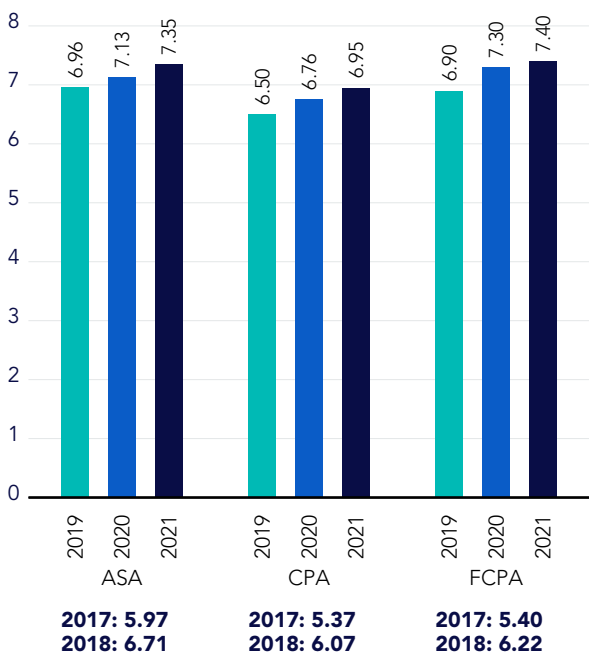
Member engagement research is a key way in which we track the quality of the relationships we have with members. The current study has been undertaken in all years since 2017 through a third-party provider (Forethought).

In 2021, this consisted of a 20-minute online survey which received a 9.1 per cent response rate (of those members

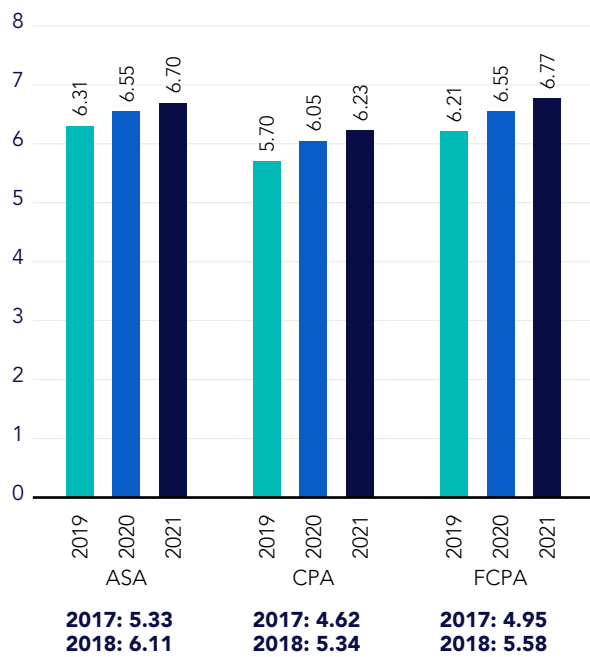
who have opted in to receive research), with 9580 members responding to the survey. Performance on value and satisfaction by country, age and designation are shown below.

Scores below are out of a maximum of 10.

**Figure 10: Satisfaction by designation**



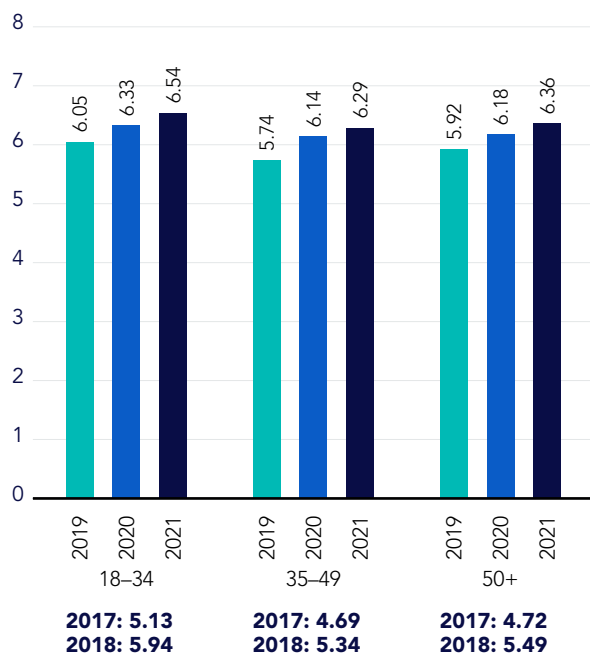
**Figure 11: Value by designation**



**Figure 12: Satisfaction by age**



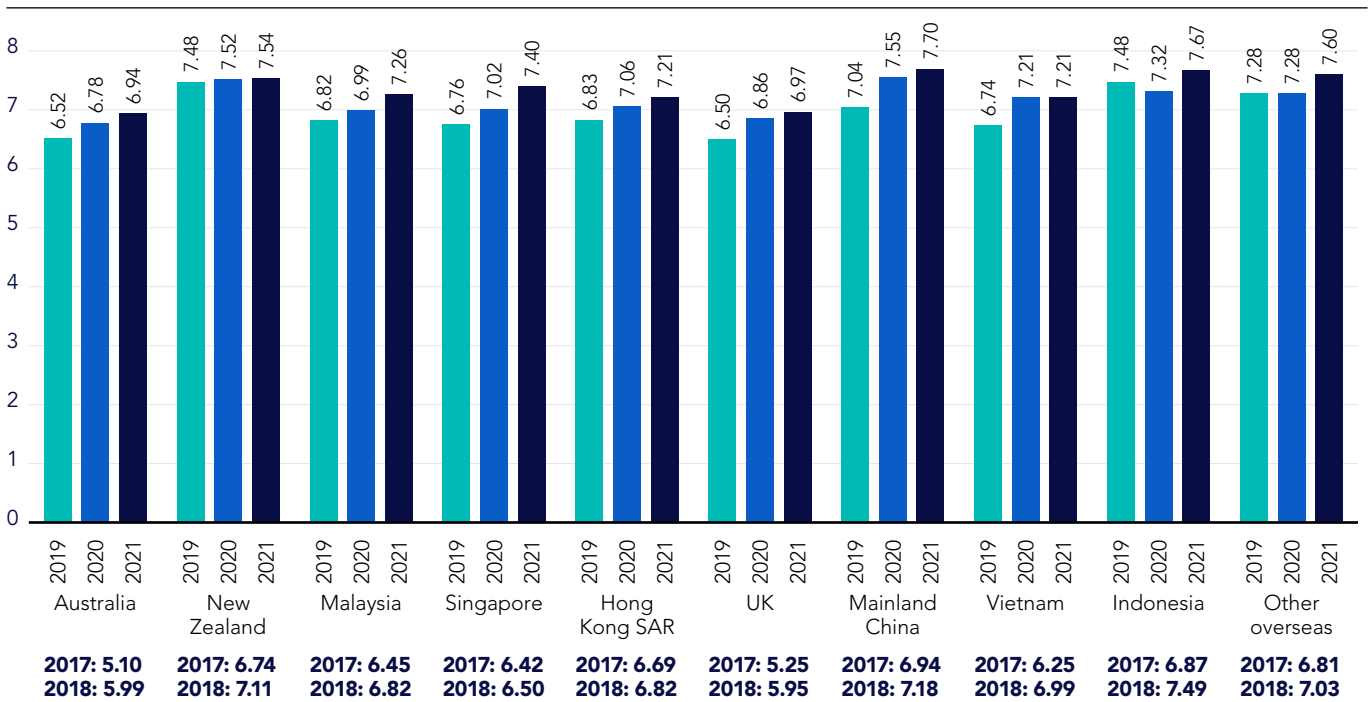
**Figure 13: Value by age**



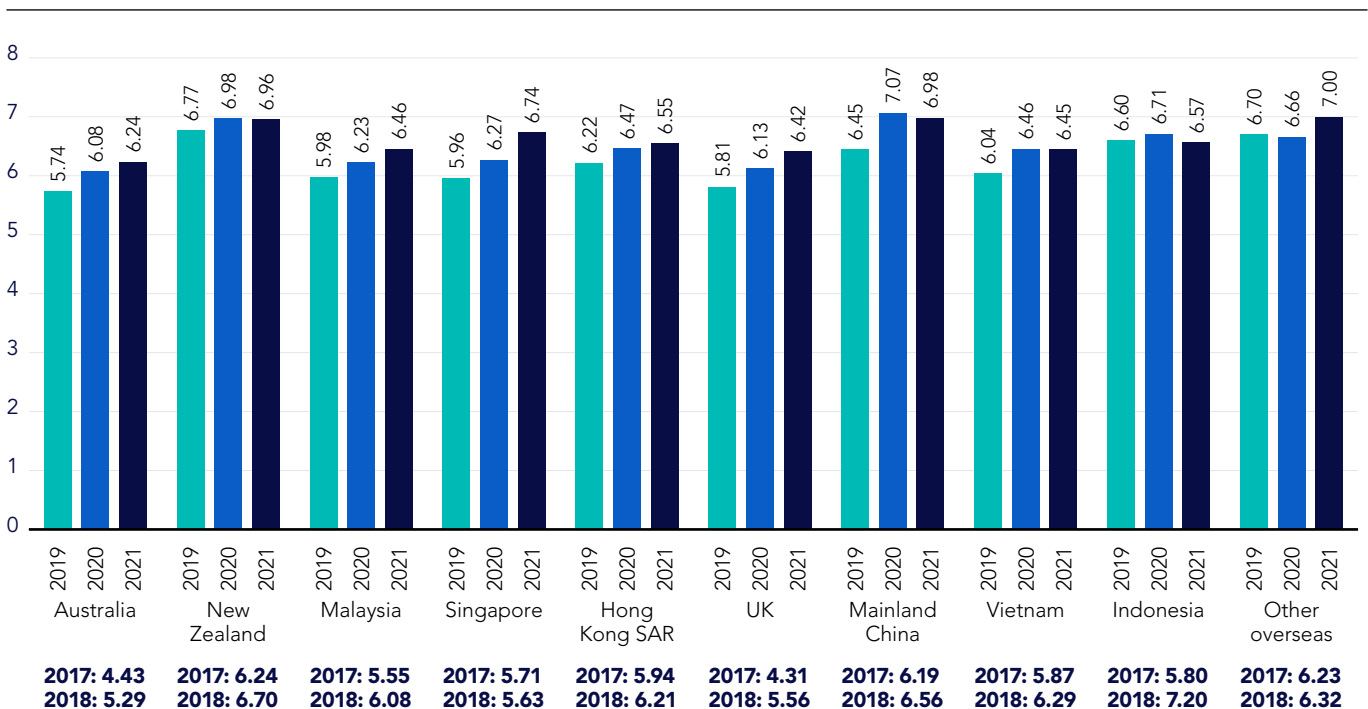
Key themes from the research included:

- Key metrics continued to trend up in 2021
- Members would like more tailored and personalised communications
- Reputation and future career development were still the most important drivers for member satisfaction.

**Figure 14: Satisfaction by country/region**



**Figure 15: Value by country/region**





# Member demographics

CPA Australia has a strong and diverse membership representing numerous business and industry sectors in more than 100 countries and regions around the world.

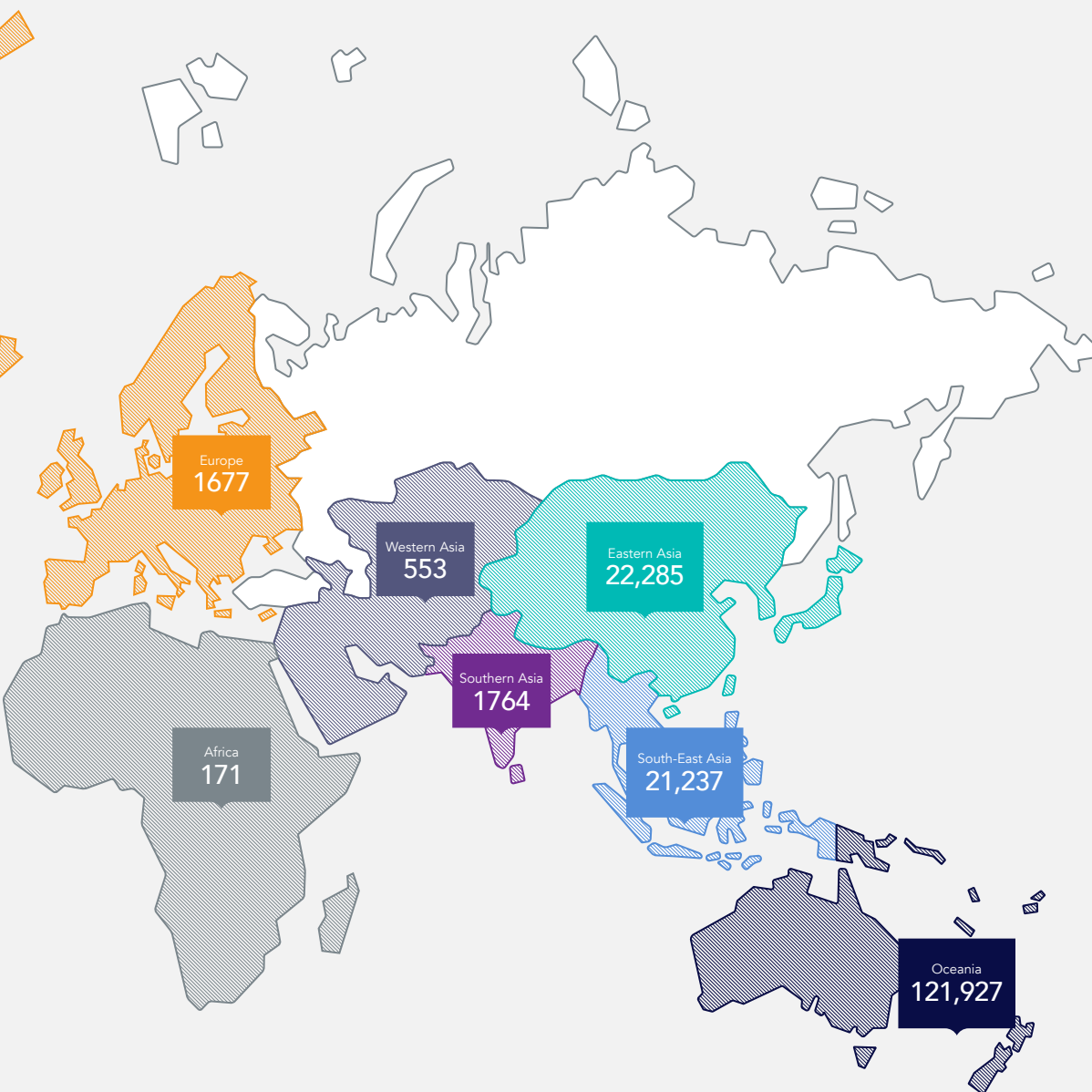
Members occupy a broad spectrum of the accounting and finance profession, from public practitioners working with clients, accountants working in small business, members working in not-for-profit organisations, academia, the public sector and large corporate entities.

This strength and diversity allows CPA Australia, through its members, to make a positive contribution to business, organisations, the accounting profession and the broader community. The retention of our existing members and attraction of new members reflect member and community trust in CPA Australia and those who hold the CPA designation.

<b>Oceania</b>	<b>121,927</b>
Australia	118,382
New Zealand	2755
Other	790
<b>+557</b>	<b>▲</b>

<b>Australia</b>	<b>118,382</b>
New South Wales	42,633
Victoria	37,629
Queensland	16,618
Western Australia	10,249
South Australia	5453
Australian Capital Territory	3400
Tasmania	1711
Northern Territory	689
<b>+381</b>	<b>▲</b>

170,826 members  
in more than  
100 countries



<b>Europe</b>	<b>1677</b>
UK	1247
Other	430
<b>+25</b>	<b>▲</b>

<b>South-East Asia</b>	<b>21,237</b>
Malaysia	10,545
Singapore	8675
Vietnam	1189
Indonesia	463
Other	365
<b>+179</b>	<b>▲</b>

<b>Southern Asia</b>	<b>1764</b>
India	1189
Other	575
<b>+232</b>	<b>▲</b>

<b>Americas</b>	<b>1212</b>
US	677
Canada	481
Other	54
<b>-31</b>	<b>▼</b>

<b>Africa</b>	<b>171</b>
<b>+5</b>	<b>▲</b>

<b>Western Asia</b>	<b>553</b>
UAE	333
Other	220
<b>+3</b>	<b>▲</b>

<b>Eastern Asia</b>	<b>22,285</b>
Hong Kong SAR	14,513
Mainland China	6512
Other	1260
<b>+1120</b>	<b>▲</b>

# Member demographics

Figure 16: Member designation\*

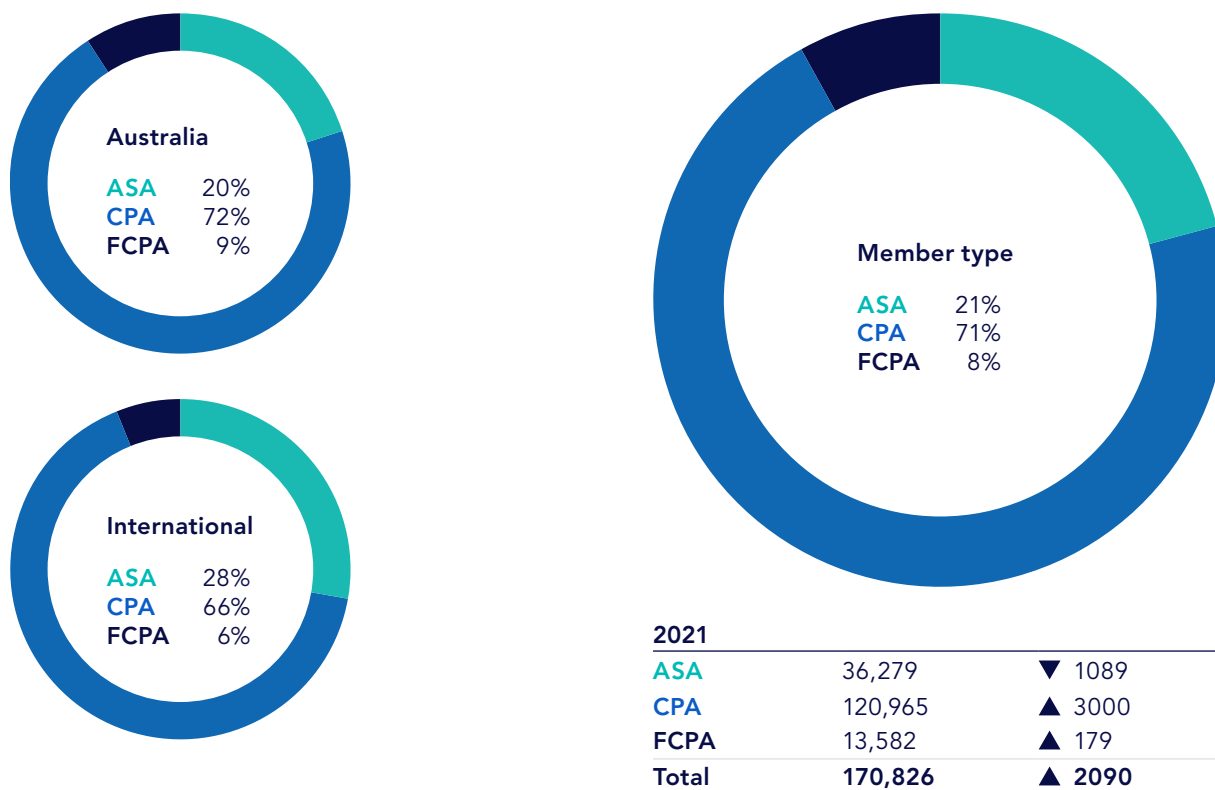
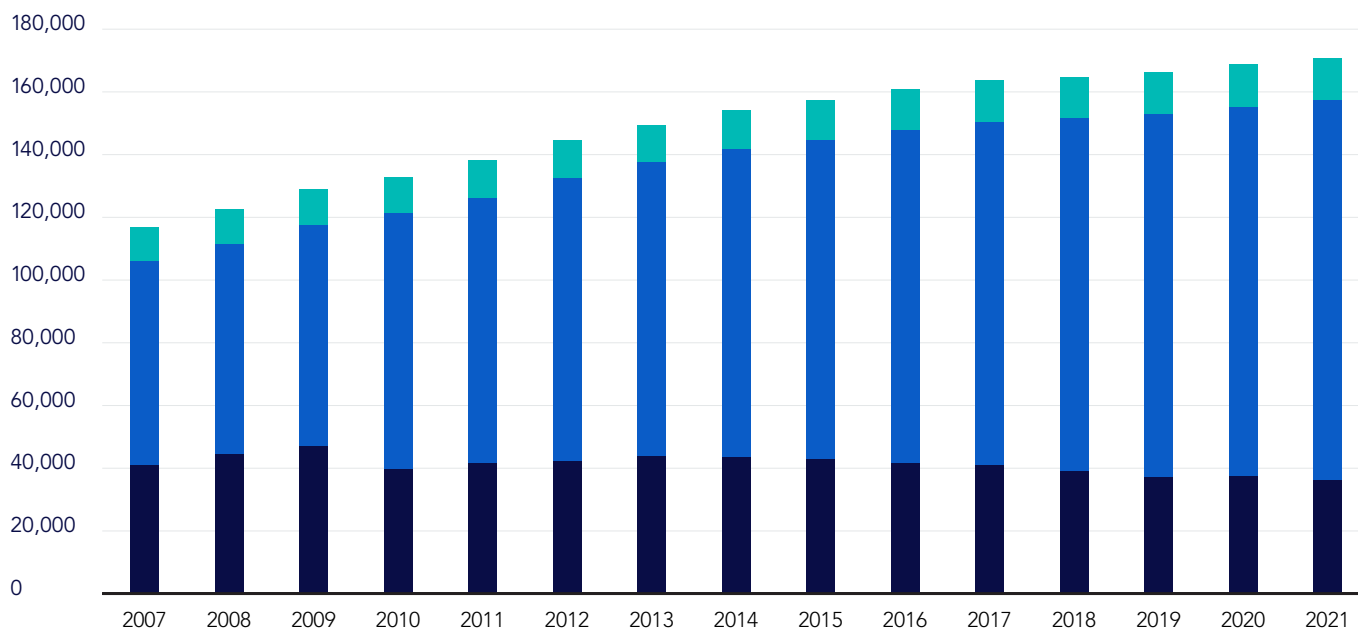


Figure 17: Membership growth



Note: Our total membership includes 72 records that do not have an accurate birth date and 39 records of gender other or unspecified.

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



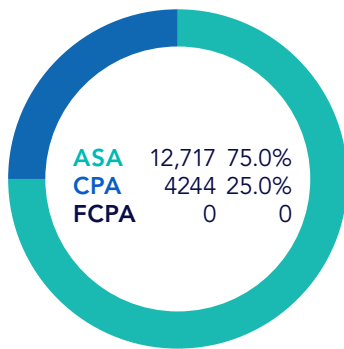
Figure 18: Membership by age group\*

Age	
20–29	10%
30–39	32%
40–49	28%
50–59	17%
60–69	8%
+70	5%

# Female 50%

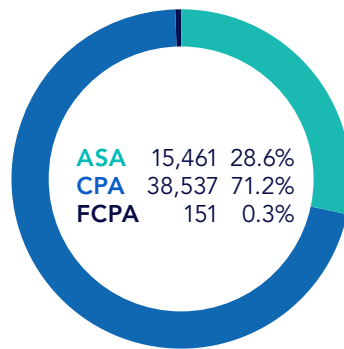
# Male 50%

Age 20–29



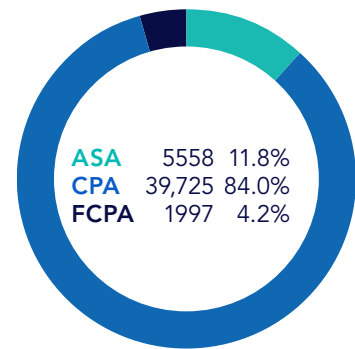
Female	10,306	60.9%
Male	6,637	39.1%
Undisclosed	18	
<b>Total</b>	<b>16,961</b>	

Age 30–39



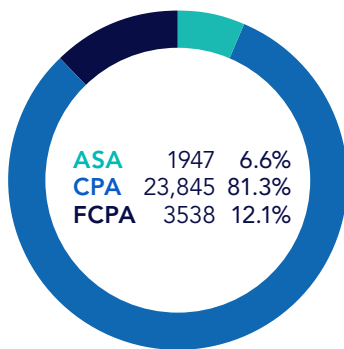
Female	31,882	58.9%
Male	22,259	41.1%
Undisclosed	8	
<b>Total</b>	<b>54,149</b>	

Age 40–49



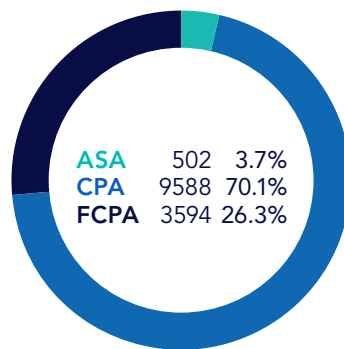
Female	26,230	54.7%
Male	21,049	45.3%
Undisclosed	1	
<b>Total</b>	<b>47,280</b>	

Age 50–59



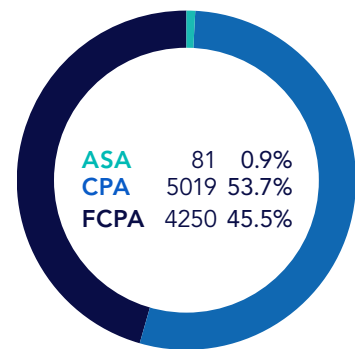
Female	12,937	42.6%
Male	16,391	57.4%
Undisclosed	2	
<b>Total</b>	<b>29,330</b>	

Age 60–69



Female	3,441	23.2%
Male	10,243	76.8%
Undisclosed	-	
<b>Total</b>	<b>13,684</b>	

Age 70+



Female	802	8.0%
Male	8,548	92.0%
Undisclosed	-	
<b>Total</b>	<b>9,350</b>	

Note: Our total membership includes 72 records that do not have an accurate birth date and 39 records of gender other or unspecified.

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

# Member trust and engagement

**Member satisfaction ▲ 7.07/10**  
(2020: 6.89/10, 2019: 6.63/10, 2018: 6.23/10, 2017: 5.52/10)

**Member retention ► 98.3%**  
(2020: 98.3%, 2019: 98.1%, 2018: 97.5%, 2017: 98.1%)

CPA Australia’s vision is to partner with members to help them prepare for today and tomorrow in a globally connected world. We look to build trusted relationships with members by prioritising their needs, providing services to help advance their careers and protecting the reputation of the designation. We use insights from research conducted with members to drive the development of products and services and ensure that the voice of the member is represented in CPA Australia’s activities.

The ongoing COVID-19 pandemic has affected members both personally and professionally. Lockdowns and restrictions across the various regions where CPA Australia members live and work impacted on the ability of members to come together for business, networking and professional development.

This has highlighted the importance of CPA Australia creating opportunities for members to connect with each other in person, where possible, or online where that is the best option.

## MMF program

Feedback from members and the ongoing digitisation of the profession has highlighted the need for us to make significant investments in technology following years of under-investment. From 2019 onwards, we have communicated this to members through the Integrated Report. In 2021, the Board approved investment to develop a cloud-based integrated finance, marketing and customer relationship management system that will streamline processes and improve the way we deliver services to members. The MMF program will provide a more personalised, efficient and consistent experience for members and help us deliver services tailored to different stages of each member’s journey. It will future-proof our systems, strengthen the security and confidentiality of member data and provide a safer environment for online transactions.

This project forms part of our technology strategy and stems from a need to invest in technology that enables us to better meet the demands of the digital age and protect data from cyber security risks. The investment required will see the need for us to operate at a deficit over the next two to three years, including in 2021.

### Experience

Enhance member relationships and employee experience



Personalised, relevant and targeted approach to members



Improve operational efficiency



Improve analytics and insights capability



### Value

Flexibility to offer innovative products, payments, services and pricing options



Enterprise-wide view of the member



Secure collection and storage of member data



Future proof CPA Australia business systems



## Objectives

### Efficiency

### De-risk

### Providing guidance and support to members

Members contact CPA Australia for a variety of reasons, including to seek information, access tools and resources, register for an event or webinar, or enrol in the CPA Program or a professional development course. Members have the ability to contact member support team directly via phone, email or live webchat.

In total, CPA Australia's member support team handled more than 104,000 phone enquiries, more than 71,000 emails and more than 21,000 webchats during 2021. Due to an increase in volume of contacts across all channels, we did not meet our KPI in the contact centre, answering 53 per cent of calls within 20 seconds (KPI: 80 per cent within 20 seconds) and responding to 44 per cent of webchats within 30 seconds (KPI: 80 per cent within 30 seconds).

We aim to provide members with efficient and personalised service. As a way of measuring our performance, we invite members to participate in a voluntary survey at the conclusion of each contact. Members are given four questions and asked to rate the team member's service out of 10, with respect to their helpfulness, level of knowledge, the degree to which they took responsibility and the outcome of the interaction. The response rate to all survey channels in 2021 was 56.4 per cent. For phone calls, 100 per cent of respondents rated the team member's service above 9/10 for being helpful, knowledgeable and taking responsibility for the outcome.

### New CPA Australia website

One of the major projects CPA Australia invested significant time and resources into was the development of a new website. The new website offers a more personalised online experience with advanced functionality including easier navigation, an improved search function and a new content management system with increased website security and performance benefits. Member dashboards are accessible through the public facing website, with personalised CPA Program and continuing professional development trackers to support members' learning and development. The experience was enhanced with a new design, easy to read content for global audiences and real-time user feedback functionally.

The new website was released on 6 May 2021 and by the end of the year had recorded more than 9.3 million page views, including 2.8 million views for the 'Become a CPA' pages. 'Important dates' was the most searched-for topic. The member dashboards provide targeted, personalised information with 68 per cent of users logging in to access their dashboard.

### Divisional activity

In a year when CPA Australia is celebrating 135 years as a member organisation, we are also commemorating 125 years in Western Australia, 65 years in Hong Kong SAR and Malaysia, 15 years in Shanghai and 10 years in Indonesia, highlighting the importance of CPA Australia's international divisions to our global network.



## Michael Mekhitarian FCPA

Co-Founder, ATB Partners

Michael commenced work in his public practice in 1994 and since then has been passionate about helping small business owners with future planning and resolving resourcing challenges relating to tax returns. "The pace of change is increasing exponentially. Finishing tax returns is necessary but it doesn't change people's lives, helping them plan does."

CPA Australia has enhanced Michael's professional career by providing access to networks and community. "One of the greatest supports are the people and colleagues. This has enabled me to connect with other CPAs and be able to share our knowledge. It's a professional and valuable approach where we can chat and speak about achieving efficiencies and what we're doing to help clients."

For Michael, volunteering has been a critical component of his professional career. "Someone once said, we get a lot from this life and we have a duty to give back. If we only take, there's nothing left for any of us in the end." Michael has been involved with the chamber of commerce, not-for-profits and charities at various levels. As part of his involvement, Michael was able to leverage on his professional experience and have a positive impact by supporting not-for-profit organisations through internal changes and challenges. "It's great to see they are now doing well and thriving."

# Member trust and engagement

CPA Australia works with each division to support member communication and provide advice and resources to promote member engagement events. As part of their member engagement initiatives, Divisional Councils convene committees and discussion groups that bring together members from industry sectors, local geographic regions or specialist areas of the accounting and finance profession.

Divisional Councils draw on their professional and member networks to ensure that the events are relevant to local members.

By putting in place committees and discussion groups and encouraging members to participate in divisional activities, Divisional Councils play a key role in facilitating opportunities for members to share their expertise for the benefit of their communities and the accounting profession.

## Member engagement events

One of CPA Australia's strategic goals is to provide members with personalised and engaging experiences. One way we seek to achieve this is by initiating a variety of inclusive member events that enhance the CPA designation and add value to membership. Members are invited to join workshops and webinars, take part in forums and focus groups, attend roundtables and recognition ceremonies and participate in discussion groups and Divisional Council networking events.

In 2021, CPA Australia held more than 2110 events around the world in a mix of virtual, in-person and hybrid formats that attracted a total attendance of more than 220,000 attendees. The majority of these events were held as online virtual events that received more than 180,000 registrations.

Some of the most popular events held in 2021 included:

- Inaugural Western Australian (WA) Resources and Energy Finance Forum
- Combined Australian Capital Territory/Tasmania Allan Barton Memorial Lecture
- Inaugural South Australian members' gala dinner
- International women's day events
- New Zealand Integrated Reporting Awards
- CPA Virtual Congress
- Virtual Public Practice Conference
- CPA Australia Virtual Charity Run in Hong Kong SAR
- E-commerce landscape and digital transformation in Vietnam.

CPA Australia recognises the significance of marking the academic and professional achievements of members by holding recognition ceremonies. We continued to hold recognition ceremonies to celebrate members advancing from Associate to CPA status, CPA to FCPA status, and those commemorating an important membership milestone. We held face-to-face certificate presentation events where possible as well as virtual recognition ceremonies in which members received a certificate or milestone pin.

## CPA Member Connect

CPA Member Connect complements our other social media channels and gives members an opportunity to connect with peers, share knowledge and resources, and engage in meaningful discussions about the profession. This has been particularly valuable in a period where members have had limited opportunities to come together in person.

The community is growing organically and now has more than 17,000 registered members. Topics and threads are generated by members and as at 31 December 2021, there were in excess of 1200 discussion threads and 6000 posts. Discussions cover a variety of topics such as working from home, support for businesses, government grants and entitlements, taxation and employment. Taxation grew in popularity as a topic of conversation and, as a result, we launched the Tax Community in June. To date, more than 1500 members have opted-in to join the community, where they can engage in relevant tax-related discussions.

## Value created

Increasing manufactured and social and relationship capital through:

- Growing member connections through CPA Member Connect
- Increasing the ways in which members can contact us
- Providing efficient member service through upgrading our systems
- Providing a personalised and engaging member experience
- Local support for members through our divisional offices.

## Moving forward

- Implementation of the MMF program to deliver a more personalised, efficient and consistent experience for members
- Further enhancements to the website throughout 2022 focusing on delivering more tailored content

# Our people



**Regretted turnover of leaders ▲ 5%**  
(2020: 0%, 2019: 11%, 2018: 14%, 2017: 14%)

**Employees outside Australia ▼ 19%**  
(2020: 21%, 2019: 20%, 2018: 21%, 2017: 19%)

**Roles filled internally ▲ 30%**  
(2020: 24%, 2019: 30%, 2018: 28%, 2017: 25%)

CPA Australia aims to foster an engaged and motivated workforce that is empowered to deliver on our strategy and organisational objectives. To achieve this, we have policies and workplace practices that are centred around attracting, developing and retaining talent. Our people have continued to be a focus in 2021 as many continued to work from home depending on restrictions in their location.

## New ways of working

The continuation of the pandemic into 2021 presented an ongoing challenge. We continued implementing new ways of working (flexible working hours, supply of office equipment for home use) with our workforce being based in their homes for much of the year. This was supported by a range of wellbeing initiatives during this time, including limiting the length of meetings and running webinars on topics such as maintaining resilience, life after lockdown and managing virtual teams.

## Remuneration

We have in place a remuneration framework that outlines the principles and approach to remuneration components (fixed and variable) and a process for applying these remuneration components for all employees. Remuneration levels are benchmarked against the market by a third party.

The framework links remuneration with KPIs (page 11) enabling CPA Australia to focus employees on key member experience and service outcomes and to reward employee commitment to the achievement of the organisational strategy through an at-risk incentive component.

Further information on remuneration of the Board and other key management personnel can be found in Note 20 to the financial statements on pages 126 to 130 this report and in the schedule of Directors' remuneration on pages 147 to 150. Table 16 on page 61 shows the remuneration for the 20 highest-paid individuals in the organisation.

The current pay equity position is 0.88 to 1.03; the competition for talent for key strategic projects and a gender unbalanced candidate pool in a number of technical specialist roles, primarily in our technology and digital solutions business unit, does impact this ratio. We did not meet our 2021 target for a ratio of between 0.92 to 1.02 across all remuneration grade levels. This remains as our target for 2022. Further information on our gender balance can be found in the Workplace Gender Equality Agency report which is available on our website.

**Table 14: Ratio of female to male remuneration (Australia only)**

	2017	2018	2019	2020	2021
Administration and support	0.96	0.98	1.04	1.02	1.03
Supervisor/technical	0.95	0.96	0.94	0.88	0.88
Professional specialist	0.95	0.94	0.96	0.95	0.95
Senior management (L6)	0.88	0.9	0.98	-	-
Senior management (L7)	-	0.91	0.97	0.99	0.91

# Our people



## Inclusion and diversity

### Gender composition of workforce

**67% Female/33% Male**

(2020: 67% Female/33% Male, 2019: 67% Female/33% Male, 2018: 68% Female/32% Male, 2017: 66% Female/34% Male)

CPA Australia values and promotes an inclusive and diverse culture supported by a wellbeing, inclusion and diversity framework (page 37).

In 2021, we continued to celebrate diversity and a culture of inclusion through continued support of our LGBTIQ+ employee network, PRISM and the Families @ CPA Australia network. These programs provide ways to engage and connect alongside advocacy, support and a sense of community to enable our employees with family and caring responsibilities to be successful both at work and at home. Our employee networks play an important role in building an inclusive culture.

In 2022, we will look to increase the disclosures we make around our people to better show diversity. Key to this is ensuring our people feel safe to bring their whole selves to work.

As at 31 December CPA Australia employed 611 people (full time – 89 per cent, part time – 9 per cent, parental leave – 2 per cent and in 2021 employed no casuals). We are committed to attracting and retaining employees whose composition reflects a diversity of backgrounds, knowledge, experience and abilities. The executive management team currently has a 60 female/40 male gender balance. The gender balance across our locations is shown below.

### Culture and engagement

In 2021, we again undertook an employee culture survey which had a 92 per cent participation rate. Our culture survey uses the Denison Culture Framework which is based on a model of organisational performance and is benchmarked against global organisations. The diagnostic measures four core domains; adaptability, mission, involvement and consistency.

**We have maintained the gains seen in the previous year with scores on all four culture pillars remaining relatively consistent. The greatest improvement was seen across the adaptability domain with the only decline being seen in one aspect of the involvement domain.**

**Table 15: CPA Australia employees by region**

	2019			2020			2021		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Australia	64%	36%	79%	64%	36%	79%	63%	37%	79%
Greater China	86%	14%	9%	86%	14%	9%	88%	12%	9%
Malaysia	88%	13%	4%	91%	9%	4%	91%	9%	4%
Singapore	60%	40%	4%	57%	43%	4%	64%	36%	4%
Other	79%	21%	4%	80%	20%	4%	77%	23%	5%
<b>Total</b>	<b>67%</b>	<b>33%</b>	<b>100%</b>	<b>67%</b>	<b>33%</b>	<b>100%</b>	<b>67%</b>	<b>33%</b>	<b>100%</b>

**Table 16: Remuneration of 20 highest-paid employees 2021\*\***

Salary and fees band	2020	2021
\$200,000–\$300,000	11	9
\$300,001–\$400,000	6	6
\$400,001–\$500,000	2	4
\$500,001–\$600,000	-	-
\$600,001–\$700,000	-	-
\$701,001–\$800,000	1	-
\$800,001–\$900,000	-	-
\$900,001–\$1,000,000	-	-
\$1,000,001–\$1,100,000	-	1
<b>Total number of employees</b>	<b>20</b>	<b>20</b>

\*\* This table does not include termination payments or accrued leave so will vary from the key management personnel on pages 128 to 130.



**Defining our values**

Through engagement activities with employees throughout 2021 and in consultation with the Board’s Member Engagement and Culture Committee our core organisational values were defined, tested and validated.

Our organisational values under the umbrella ‘The CPA Australia Way’ are:

- Create opportunity
- Pursue excellence
- Achieve together.

The CPA Australia Way is the heartbeat of our organisation. It represents the beliefs and principles that drive how we deliver on our strategy. We demonstrate our values through our behaviours, which in turn creates and defines our organisational culture.

**Value created**

Increasing intellectual, human and social and relationship capital through:

- Clearly defined values that allow us to embed consistent behaviours across the organisation
- A workplace where wellbeing, inclusion and diversity are valued
- An engaged and motivated workforce
- Increasing the knowledge and skills of our employees.

**Moving forward**

- Welcoming our people back to our offices in a safe manner, in a way that works for them and retains member focus
- Transitioning employees to a hybrid workplace model, with the ability to work from home as appropriate
- Maintaining a focus on wellbeing
- Increasing the level of data and reporting on the diversity of our employees

# 4 Provide relevant learning and development content, resources and tools

## Objectives

- Improve value for money, relevance and flexibility of CPD
- Develop and deliver high-quality products and services to build careers of specific member groups

## UN SDGs covered

- 4 Quality education

## Performance

Value for money CPD ► 6.65/10

Participation of eligible members in CPD ▼ 31.3%

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### Legend:

- ▲ Increased score from previous year
  - ▼ Decreased score from previous year
  - New metric/no change
- 

Note: For material issues covered under this goal please refer to Table 1 on page 11.



“With significant international recognition, the CPA designation opens endless career pathways in Australia and overseas.”

Dr Maria Balatbat FCPA  
Senior Lecturer Accounting,  
University of New South Wales  
(UNSW) Business School



# Professional development and knowledge



Value for money CPD ► 6.65/10  
(2020–2017: N/A\*)

Participation of eligible members in CPA Australia CPD ▼ 31.3%  
(2020: 31.6%, 2019: 27.3%, 2018: 21.8%, 2017: 18.3%)

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 members undertake to ensure their knowledge remains relevant.

We have in place an education strategy that covers both the CPA Program and our professional development offer. Throughout 2021, we have focused on maintaining our core professional development offering as well as developing new products for members.

## Micro-credentials

We launched new micro-credentials in 2021, to provide in-demand skills to members so they are equipped to deliver to the changing needs of organisations and the business environment. Micro-credentials are flexible, short-form certifications that can be consumed anywhere, anytime, and at a pace that suits the learner.

All micro-credentials include a formal assessment and upon successful completion, learners receive a digital badge that can be shared on social platforms.

Our expanded micro-credential offering includes the following topics:



- Digital Finance
- Strategic Finance Business Partnering
- Creating Value Through Sustainability
- Business Advisory
- Leadership.

\* We have changed the measurement method for the KPI 'value for money CPD', previously this metric was based on a question that asked members about their satisfaction with the cost of CPD. This year a new survey question has been added that asks for their satisfaction with the overall value of CPD as this was judged to better measure the KPI.

## My Capability Plan

This self-assessment tool is an exclusive opportunity for members to independently evaluate their capabilities against CPA Australia's new accounting and finance capability framework that underpins all of our education and professional development offer. My Capability Plan was developed in collaboration with, and validated by more than 70 members, employers, subject matter experts and thought leaders.

It is available worldwide to all members and is visible on the dashboard of the website upon login. Once completed, members can identify their capability gaps through a visual report. Each report contains insights unique to the member, alongside recommendations of existing learning opportunities provided by CPA Australia to help members reach their career goals.

## CPA Virtual Congress

CPA Virtual Congress 2021 took place from Wednesday 20 October to Friday 22 October.

**A global online community of 12,000 people from more than 40 countries signed up to network with peers, listen to renowned local and international speakers, and learn from thought leaders and industry experts from across the accounting profession.**

The theme 'Leadershift' speaks to the leadership we can all show in our respective roles as we forge a path to recovery. The program included panel discussions and live sessions featuring many CPA Australia members from a range of industries sharing their knowledge and expertise.

Key sessions included:

- Hon. Julia Gillard AC, 27th Prime Minister of Australia
- Simon Loong FCPA, Founder and Group CEO, WeLab
- Indra Nooyi, Former Chairman and CEO, PepsiCo
- Duncan Wardle, Former Head of Innovation and Creativity, The Walt Disney Company.

In total, CPA Virtual Congress showcased 13 live sessions, 33 recorded sessions and had more than 150,000 views across all sessions peaking at more than 7900 views for a single session.

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## Satisfaction with INTHEBLACK ▲ 7.08/10 (2020: 7.05/10, 2019: 7.00/10, 2018: 6.73/10, 2017: 6.31/10)

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### 85 years of INTHEBLACK

Since the first edition of our publication, originally known as "The Australian Accountant" in February 1936, a lot has changed for our flagship publication. In July 2020, we transitioned to fully digital and in 2021, more than 241,000 views of the INTHEBLACK flipbook have been recorded.

Since launch of the digital version there have been more than 2,354,000 page views and 123,000 unique visitors who viewed an average 19 pages per visitor. The companion website had more than 2,367,000 page views in this time. Content from INTHEBLACK is repurposed into our social media channels with a highlight being an explainer video on non-fungible tokens (NFTs) receiving more than 9700 views across Facebook and LinkedIn and more than 78,000 views on Instagram.

The interactivity of the flipbook allows readers to navigate to tools, reports and events on the CPA Australia website, with close to 7000 clicks through to resources. Embedded videos in the flipbook have attracted more than 18,000 views.

In 2021, the 2020 Mental Health and Resilience Special Edition was named Special Edition of the Year at the Mumbrella Publish Awards. The special edition was produced in response to a pressing need from CPA Australia members for more mental health resources to support their teams, their clients and their own mental health. To date, it has had more than 21,000 views, making it one of the most viewed editions since the publication went digital-only.

### Value created

Increasing intellectual capital through:

- The development of new micro-credentials
- Supporting members' career development through My Capability Plan
- Increasing the knowledge and skills of members
- CPD and publications that deliver valued knowledge.

### Moving forward

- Further developing tools to enhance career outcomes for members
- INTHEBLACK will continue to focus on content that supports members' future career development



## Li Li Kuan FCPA

Independent Director, CapitaLand China Trust, RH Petrogas and Salvia Pte Ltd

While Li Li had held a number of finance leadership positions, the promotion to Country Manager and COO in Barclays was a key moment in Li Li's career.

"It's not common for an accountant or a tax specialist to move into a country manager role. It's also rare for women in investment banking to assume the country lead role. So the promotion was a real blessing and highlight that I wasn't expecting. People tend to put you in a box if you're a specialist, but you actually see a lot of what is happening in a company that's pertinent for an executive level role."

Li Li is an advocate of CPA Congress and has been welcoming of the evolution of the event to an online format. "While I did miss in-person networking opportunities, it's compensated by the calibre and quality of the speakers curated from all over the world". Reflecting on the takeaways from speakers who included Duncan Wardle and Julia Gillard, Li Li concludes that "the sessions imparted knowledge and sharing which are invaluable to me, both professionally and personally."

In the future, Li Li would like to continue to contribute through serving on boards. She would also like to expand on her existing skill sets to support Singapore's under-resourced eldercare sector. "I recently enrolled in an eldercare/community care course – the idea is to learn about aging and community care needs to see how I can contribute in this sector. I believe CPA Australia will continue to support me with whatever I may need to be prepared and constantly kept up to date with trends and insights to face a changing world."

# 5 Attract and develop the next generation of CPAs

## Objectives

- Maintain the high standards and relevance of the CPA Program for the global digital future
- Improve the support model for CPA Program students to attain full membership
- Attract high-calibre Associates globally through a compelling content offer and experience for prospective members

## UN SDGs covered

- 4 Quality education

## Performance

Associate satisfaction ▲ 7.35/10

Exams delivered ▲ >43,500

New members ▼ 9918

---

### Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

▶ New metric/no change

---

Note: For material issues covered under this goal please refer to Table 1 on page 11.



“Clients see me as a financial business partner instead of just a traditional tax accountant. I work with clients on the bigger picture, like building strategies for business financial growth, while also keeping them compliant.”

Kirsty Donachie CPA  
Principal Accountant,  
The Pen Accounting

# Attract and develop the next generation of CPAs

Attracting new members is key to the sustainability of the organisation as older members retire and leave the profession. New member growth continues to mostly trend downwards as competition from local and global bodies increases and the changing higher education landscape leads to lower numbers of accounting graduates.

## Attracting new members

### New members ▼ 9918

(2020: 10,052, 2019: 9891, 2018: 10,350, 2017: >11,000)

In broadening our reach to potential members, CPA Australia partners across the profession to engage with high-quality candidates including:

- Partnering with the prestigious China European International Business School for an event on career growth for middle management professionals in the financial sector
- In Hong Kong SAR, we have partnered with PwC since 2018 on a joint internship program to help students gain valuable work experience. In 2021, 11 interns were taken in by PwC

- In Malaysia, we collaborated with Curtin University to organise a series of virtual industrial visits to selected employers to help students gain a better understanding on corporate culture and expectations
- In Vietnam, we partnered with the University of Economics and Law in Ho Chi Minh City, to support Vietnam's largest accounting and finance competition, with more than 2000 students participating.

## Supporting the employers of members

To further support those who employ members we launched an account-based approach. As the finance industry continues to transform, finance professionals are experiencing significant disruption and challenges.

**Working across the organisation we delivered customised solutions to employers. By focusing on a holistic relationship with employers we can help to equip members with the necessary skills to meet the demands of their job now and into the future.**



### Supporting accounting students

We developed a program of work to engage with university students and continued to support academic excellence through academic prizes. We also commissioned research into perceptions of the accounting profession, to better understand how students choose a career in accounting and when these decisions are made.

#### Value created

Increasing social and relationship capital through:

- Promotion of the profession to employees and tertiary students
- Being a recognised brand in the accounting profession
- Attracting high-calibre Associates through a compelling content offer and experience for prospective members.

#### Moving forward

- Delivery of a program to further engage with tertiary students



## Christopher Burke FCPA

Executive Chairman,  
HotDeskPlus

Chris commenced his career in accounting in Australia in a private practice and wanted to be an accountant from a young age. "The idea of business was attractive to me." Chris is the Executive chairman of HotDeskPlus, an innovative workspace management tool which optimises workspace, reduces costs, and improves employee wellbeing and productivity. In the last two years, Chris has been involved first-hand in the changing landscape and requirements of work office environments.

Thinking about the future, and mid to long-term trends of the working environment, Chris highlights the importance of a bespoke approach by workplaces. "There's no one size fits all. For example, some roles will be more suitable to a different model of working. Technology and climate change will also have an impact on the future of how we work in office environments."

Chris would like to see CPA Australia continue to have more involvement with technology. "I think that CPA Australia is heading in the right direction."

# CPA Program and certification



## >43,500 exams delivered ▲

(2020: >42,000, 2019: >44,000, 2018: >46,000, 2017: >51,000)

## 5395 Associates progressed to CPA status ▲

(2020: 4588, 2019: 5653, 2018: 5901, 2017: 5693)

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. It aims to develop agile and adaptable accounting professionals who are ready to meet the challenges of a changing business world.

We have in place an education strategy and associated steering group that oversees changes and developments to the CPA Program to ensure its ongoing relevance.

COVID-19 continued to impact on the already declining number of students choosing to study an accounting degree. CPA Australia looks to address both the direct impacts of the pandemic and the systemic changes in members' and potential members' career aspirations. We continue to evolve the CPA Program to ensure that it addresses the future needs of members and their employers.

We maintain strong relationships across the higher education sector to ensure our programs are meeting the needs of the profession. This is primarily done through annual roundtables with Heads of Accounting Departments and Schools; membership of Department Advisory Boards; and the Professional Education Advisory Council which brings together accounting professors to share information and provide advice and guidance.

In addition, CPA Australia engages collaboratively with research academics via sponsorship and participation in the annual conference of the AFAANZ and engages with academic leaders through the Chairs of Accounting and Finance Forum.

### Digital Finance

To meet the changing needs of the profession, in 2021 we added a new elective to the CPA Program, Digital Finance. It includes modules on the digital finance ecosystem, the future of money, technology and its use in finance, data analytics, interpretation and visualisation and risk management, governance and regulation.

### Flexible exam options

We continued to offer flexible exam options to our candidates throughout 2021. This included a choice between taking an online proctored exam or taking an exam at a test centre. In Semester 1 2021, more than 7000 exams were delivered as an online proctored exam, and in Semester 2 2021, this increased to more than 13,000 exams. In Semester 2 2021, the pandemic and extreme weather events prevented us from delivering test centre exams in a number of regions. Originally, 30 per cent of candidates were scheduled to sit an online proctored exam in Semester 2 2021, and this increased to 65 per cent of exam appointments due to the suspension of test centre delivery around the world.

### Support through the CPA Program

CPA Australia partners with KnowledgeEquity to provide guided learning and online tuition options that best support self-study. Support provided includes:

- Module quizzes: multiple-choice quizzes to test candidates understanding of each module
- Mid-semester test: a multiple-choice test to check comprehension after the first five weeks of the semester
- PDF downloads: webinar slides and subject specific flowcharts, tables or articles
- Exam preparation advice
- Two practice exams
- Ask the Expert forums that are moderated by subject matter experts and allow candidates to raise any technical queries.

The total percentage of candidates who accessed the KnowledgeEquity Guided Learning support in Semester 2 2021 was 83 per cent (compared with 86 per cent in Semester 1 2021). Candidates who engaged with the Guided Learning offer continued to perform better in their exams.

### Mentoring early and mid-career accountants

In 2021, the CPA Australia Mentoring Program connected more than 500 pairs of mentees and mentors across Australia and New Zealand. We also ran additional pilot programs for public practitioners and international members, to ensure we can tailor programs to meet their individual needs.



Through initiatives like this, we can help build strong support networks and encourage knowledge-sharing. Feedback shows it's helped mentees to accelerate their careers and boost their confidence, and supported mentors to shape the next generation of leaders within the accounting profession.

Close to 50 per cent of mentors and mentees responded to the survey and of those who responded, more than 80 per cent were satisfied with the program and would recommend it to another member.

A pilot Mentoring Program was launched this year to the international members across Mainland China, Hong Kong SAR, Singapore, Malaysia, the UK, Vietnam and Indonesia. The program connected close to 90 mentees and mentors and ran successfully from June to December 2021.

Almost 40 per cent of mentors and mentees responded to the survey and of those who responded, close to 90 per cent were satisfied with the program and would recommend it to another member.

#### Value created

Increasing intellectual, social and relationship and financial capital through:

- A hybrid exam model that enables our candidates to progress their studies when the pandemic or natural events made sitting exams at a test centre more difficult
- Delivering the Mentoring Program
- Increasing the knowledge and skills of members
- A high-quality CPA Program.

#### Moving forward

- CPA Australia will continue to work with our partners to provide a safe and flexible exam experience to respond to the ongoing COVID-19 challenges globally
- We will focus on enabling CPA Program and Foundation candidates to progress to CPA status by setting clear expectations for all members, and intervening with appropriate advice and resources where needed



## Shonna Hennessy ASA

Budget Analyst,  
Department of Treasury  
and Finance

In her current role at the Department of Treasury and Finance, Shonna has found it rewarding to work on a community support fund. "I can actually see things in the community that I have supported, like new sporting grounds that have been upgraded."

Shonna reflects on the value CPA Australia has provided in her role so far. "CPA Australia are good at out of the box accounting which is useful for me because that's what I do day to day. I don't do the standard financial numbers accounting, so it has been beneficial to see how I can take my studies and apply them."

"One of the best parts about being a CPA is access to all the bits and pieces like CPA Congress, social events and training modules. Navigating the training modules on the website is intuitive. The different topics were useful for what I studied."

Thinking about the future, Shonna sees herself continuing to work in the public sector. "The best part of this is that it can mean anything, which is exciting. I'm interested in the changing area and role of accounting and looking forward to utilising my CPA Australia experience and resources for this."

# 6

# Impact policy globally and be active in community advocacy

## Objectives

- Enhance and extend the amount of policy work that CPA Australia undertakes for the benefit of members and the communities they serve, to build recognition of the CPA Australia brand
- Advocate for member and public interests through local and international policy work

## UN SDGs covered

- 16 Peace, justice and strong institutions
- 17 Partnerships for the goals

## Performance

Media impact score ▲ 3.5

Policy and advocacy rating ▲ 6.93/10

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### Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

▶ New metric/no change

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Note: For material issues covered under this goal please refer to Table 1 on page 11.



“There’s a certain pride in being a CPA. Like a mark of quality and integrity that says we work with diligence and fairness, and always have our clients’ best interests at heart.”

Simon Wu FCPA  
Chairman, SWU Group

# Policy and advocacy



## Media impact score in Australian media ▲ 3.5 (2020: 2.9, 2019: 2.7, 2018: 1.4, 2017: -0.7)

CPA Australia seeks to impact policy globally and be active in community advocacy on issues that matter to members, advance the profession and are in the public interest.

We actively engage with governments, regulators, government agencies and standard setters to promote public policies that stimulate sustainable economic growth and have positive business and social outcomes. Our broad membership base allows us to seek a variety of views and provide an array of industry perspectives. We represent the views of members across the spectrum of accounting, finance and business disciplines.

### Engaging with the media

We aim to provide a credible voice for the accounting and finance profession. We use this voice to engage with the media to support our policy priorities. In doing so, we seek to influence the debate on legislative and regulatory issues that matter to members and the profession, and which are in the public interest.

**In 2021, we took a more prominent position in the media on a range of issues, with a strong focus on COVID-19. In particular, we called for additional government support for businesses affected by lockdowns and a post-lockdown business support strategy.**

We issued media releases on a diverse range of topics as well as providing expert commentary directly to media outlets. Our media presence covered print and online news sites, and radio and television and included specialist finance industry publications as well as mainstream media.

Some of our media releases that attracted mainstream media coverage in Australia were:

- 'More dirt track than roadmap until businesses receive answers'
- 'Call to avoid hard landing with post-lockdown business support strategy'
- 'Don't poke the bear this tax time'
- 'Expansionary budget provides more hits than misses'

Copies of these and other media releases are available on the 'Media' page of the CPA Australia website.

We also engage with the media in international markets on issues which are relevant to the regions where CPA Australia members live and work, generating media interest across international markets with the following topics:

- Business technology usage in the Asia-Pacific
- Twelfth annual Asia-Pacific small business survey
- Hong Kong, Malaysia, New Zealand and Singapore budgets
- Global accounting profession Net Zero commitment.

We measure the effectiveness of our media engagement using the Media Impact Score (MIS) which is calculated by independent media monitor, Isentia. The MIS provides a comparative benchmark ranking based on audience reach, messaging and tone. In 2021, CPA Australia increased our MIS to 3.5, which is the highest ranking we have achieved, and positions us among the highest range of industries monitored by Isentia.

### Engaging with members

CPA Australia places great importance on ensuring the views of members are represented in the development of our policy positions. We convene six CoEs comprising members experienced in the following areas of the profession:

- ESG
- External reporting
- Retirement savings
- Taxation
- Digital transformation
- Ethics and professional standards.

The CoEs provide advice and expertise to inform CPA Australia's policy responses to issues affecting the profession and the wider community.

COVID-19 restrictions prevented us from embarking on in-person policy and advocacy roadshows across the various divisions. We continued to offer virtual updates to members in different regions, as well as face-to-face forums in locations where restrictions allowed. These forums covered a range of topics including:

- COVID-19 business support, preparedness and resources
- Developments in ESG
- Key developments in tax policy, reporting, audit and retirement savings
- Parliamentary inquiries
- Media engagement and advocacy outcomes.

We hosted a series of policy-focused webinars featuring experts from different areas of the accounting and finance profession engaging with members in a virtual format. In total, we hosted 27 webinars and four hybrid/face-to-face sessions, which received more than 14,270 member registrations. All sessions where the presenter had given permission were made available on CPA Member Connect to ensure members could continue to access these informative sessions.

The most popular topics included:

- CPA Roundtable: Climate change and decarbonisation in the Asia-Pacific
- Accountants of the Future
- Tax Time Update and Year-End Resources
- Crypto Assets – Accounting, Auditing and Tax Implications
- Federal Budget – 2021–2022.

To engage a broader base of members with our policy and advocacy activities, CPA Australia held two policy think tank events in 2021. These events were designed to provide an innovative and engaging way for members to participate in or learn about a policy issue. A workshop-style think tank was held to explore the 'Understandability of Accounting Standards'; and a debate-style webinar looked at the issue of 'Ethics and Sustainability'. Both events were member-led and provided key insights and thought leadership on these issues. A short report was published showcasing the main points arising from the 'Understandability of Accounting Standards' think tank event.

## Support for members

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**Policy and advocacy member rating ▲ 6.93**  
(2020: 6.80/10, 2019: 6.46/10, 2018: 6.03/10, 2017: 5.30/10)

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CPA Australia produces a range of guidance material and business resources for members via the website as well as through periodic publications, including Tax News, CPA Update, INPractice and INTHEBLACK digital magazine.

We also produced 36 podcast episodes covering business, finance, tax, technology, wellbeing, careers, COVID-19 and other issues. There were more than 41,400 downloads with the most popular topics including:

- Tax Tips 2021 series
- Australian Federal Budget 2021–2022: An expert analysis
- How to improve audit quality.

CPA Australia works with stakeholders across business, governments and academia to produce thought leadership and research reports, specialist industry guides and publications. In 2021 we released the following publications and policy statements:

- Business Technology Report (page 46)
- Corporate reporting and sustainability policy statement
- Climate change policy statement (page 30)
- Climate change and financial reporting: guide to climate change assumptions and disclosures in financial statements
- Factsheets on the removal of Special Purpose Financial Statements
- ESG Reporting White Paper
- Asia-Pacific Small Business Survey 2020–2021
- Understanding Auditing and Assurance – Malaysian and Singapore Listed Companies
- Self-managed Superannuation Fund auditor independence fact sheet and FAQs.

# Policy and advocacy

## 17 PARTNERSHIPS FOR THE GOALS

### Representing the profession



In 2021, we engaged with governments, regulators, standard-setters and industry organisations, and prepared 160 public submissions across a diverse range of policy areas. Important changes connecting to our engagement and advocacy work included:

- A freeze on the Australian Securities and Investment Commission (ASIC) industry funding levies for members in financial planning and the commitment by government to review the ASIC Industry Funding Model
- Increased financial reporting thresholds for registered charities, thereby reducing the reporting burden for many smaller charities
- Removing the need for recipients of the New South Wales JobSaver payment to recalculate their decline in turnover each fortnight as part of the reconfirmation requirement
- Removing the requirement for accountants to sign off that a client's application for the Victorian Small Business COVID Hardship Fund was 'true and correct in every particular'
- Rewording the Accountants' Letter of the Queensland 2021 COVID-19 Business Support Grant to reduce the potential liability risks of members signing such letters for their clients.

Major submissions in 2021 included:

- Input to the IASB on its work program for the five-year period 2022 to 2026
- Tax deductibility of interest expenses on residential rental properties in New Zealand
- Compensation Scheme of Last Resort Proposal Paper (Banking Royal Commission reform)
- A single disciplinary body for financial advisers and the transfer of the regulation of tax (financial) advice from the Tax Practitioner's Board to ASIC
- Shared responsibilities in drought support
- Establishing permanent measures to allow technology-enabled statutory interactions with company members including virtual/hybrid AGMs
- Pre-budget submissions to each of the Australian Federal, Malaysian and Hong Kong SAR Governments
- Submission to the inquiry into mobile payment and digital wallet financial services.

CPA Australia also makes joint submissions and advocates collectively, with Chartered Accountants Australia and New Zealand (CA ANZ) and other industry bodies to provide a unified voice for the profession in the public interest. Major joint submissions and collective advocacy included:

- Accounting for business combinations under common control and accounting for crypto assets and liabilities
- New statutory financial reporting and auditing requirements for Registrable Superannuation Entities
- Accounting for public sector leases and concessionary leases
- The new Retirement Income Covenant requirements for APRA-regulated superannuation funds
- Response to the Tax Practitioners Review Final Report recommendations
- ATO Practical Compliance Guideline on allocation of professional firm profits
- Representations to government and regulators in relation to the non-arms length income and expenses restrictions on superannuation funds, which has involved CPA Australia and 14 other accounting, tax, superannuation and actuarial associations working with the ATO, Treasury and the Minister's office.

CPA Australia is regularly consulted by governments and regulators and invited to participate in parliamentary inquiries, government forums and roundtables on issues affecting the industry. In 2021, we participated in the following public hearings:

- Senate inquiry into 'The adequacy and efficacy of Australia's anti-money laundering and counter-terrorism financing regime'
- Parliamentary Joint Committee on Corporations and Financial Services inquiry into 'Mobile Payment and Digital Wallet Financial Services'
- Senate Economics References Committee inquiry into the collapse of the Sterling Income Trust
- Senate Economics Legislation Committee inquiry into the 'Treasury Laws Amendment (Your Future, Your Super) Bill 2021'
- Australian Council of Financial Regulators presentation on the reporting of climate-related risks and climate-related disclosures in companies' audited financial statements
- Royal Malaysian Customs Department Sales Tax and Service Tax Implementation technical meetings.

### Coverage of government budgets

This year CPA Australia significantly expanded our budget coverage in Australia and internationally.

We provided members with insights into the budgets relevant to where they live and work and highlighted how different governments are managing their economies during the pandemic. In addition to the Australian Federal Budget, we provided information and commentary on the budgets of all Australian states and territories, as well as Hong Kong SAR, Malaysia, New Zealand and Singapore.

Ahead of each budget, we identified local issues of interest to businesses and members. In each instance, we provided expert analysis and detailed commentary on the budget through media releases and INTHEBLACK articles that were available to members within hours of the respective budget announcements.

#### Value created

Increasing intellectual and social and relationship capital through:

- Advocating for the New Zealand Government to reconsider its proposed tax changes on the denial of residential interests, which have been postponed pending further consideration
- Working with Australian state and territory governments to improve the design and implementation of COVID-19 business support programs, including the guidelines and application process
- Advocating to ASIC in Australia for relief from financial reporting and AGM requirements for companies in external administration and decided against imposing proposed additional reporting conditions. This will alleviate some of the administrative burden on companies undergoing financial hardship
- In line with our submission, lease assets were removed from the net tangible asset calculations for Australian Financial Services Licences, achieving a consistent approach between the calculation of lease assets and lease liabilities
- Building trust in the business community
- Protection of the public interest.

### Moving forward

CPA Australia will continue to engage with key stakeholders to promote policy and advocacy activities that are in the interests of members, the profession and the broader public with the following being key areas of focus:

- As vaccination rates for COVID-19 increase around the world, we anticipate that economic activity will increase and that governments and regulators will start to focus on areas where they can stimulate economic recovery
- The establishment of the International Sustainability Standards Board, and the expected sustainability standards to be issued in 2022 will have a significant impact on the work and activities of many of members
- As part of our commitment to Net Zero emissions, CPA Australia will be aiming to support members in what they may need to do on this important topic.



## Independent Limited Assurance Report to the Directors of CPA Australia Limited

### Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the CPA Australia Integrated Report 2021 for the year ended 31 December 2021 is not prepared, in all material respects, in accordance with the International Integrated Reporting Council's International Integrated Reporting <IR> Framework.

### Information Subject to Assurance

Information subject to assurance comprises the CPA Australia Integrated Report 2021 for the year ended 31 December 2021 (the 2021 Report).

### Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the International Integrated Reporting Council's Integrating Reporting <IR> Framework (<IR Framework>) as disclosed in the 2021 Report.

### Basis for Conclusion

We conducted our work in accordance with the Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the 2021 Report, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

We have not been engaged to provide an assurance conclusion on the fitness for purpose or the operating effectiveness of the CPA Australia strategy or how CPA Australia creates value, including the governance, strategic management and other key business processes. The procedures we have performed in relation to the CPA Australia strategy and how CPA Australia creates value are outlined below.

### Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Interviews with executives, senior management and staff to understand the internal controls, governance structure and reporting process relevant to the 2021 Report.
- Reviewing the description of the CPA Australia strategy and how CPA Australia creates value in the 2021 Report and enquiring of management as to whether the description accurately reflects their understanding.
- Assessment of the suitability and application of the <IR> Framework in respect of the 2021 Report.
- Reviewing CPA Australia's processes underlying the identification of material issues and considering CPA Australia's own materiality assessment with reference to multiple sources of information including internal assurance findings, print and social media, external framework requirements and peer and industry reporting trends.
- Assessment of the alignment between the CPA Australia strategy and the disclosures on how CPA Australia creates value and what matters most to CPA Australia stakeholders.
- Reviewing Board minutes to check consistency with the 2021 Report.
- Agreeing the 2021 Report to relevant underlying documentation on a sample basis.





- Analytical procedures over the key metrics in the 2021 Report.
- Review of the 2021 Report in its entirety to ensure it is consistent with our overall knowledge obtained during the assurance engagement.
- Obtaining a letter of representation from management on the content of the 2021 Report.

### **How the Standard Defines Limited Assurance and Material Misstatement**

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 a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of CPA Australia.

### **The Limitations of our Review**

The 2021 Report includes prospective information. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the 2021 Report.

### **Use of this Assurance Report**

This report has been prepared for the Directors of CPA Australia for the purpose of providing an assurance conclusion on the 2021 Report and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of CPA Australia, or for any other purpose than that for which it was prepared.

### **Management's responsibility**

Management are responsible for:

- determining that the <IR> Framework is appropriate to meet their needs and the needs of other intended users;
- preparing and presenting the 2021 Report in accordance with the <IR> Framework,
- ensuring the CPA Australia strategy is well-presented in the 2021 Report and reflects how CPA Australia creates value as they operate in practice
- identifying stakeholders and stakeholder requirements;
- identifying material issues and reflecting those in the 2021 Report; and
- establishing internal controls that enable the preparation and presentation of the 2021 Report that is free from material misstatement, whether due to fraud or error.

### **Our Responsibility**

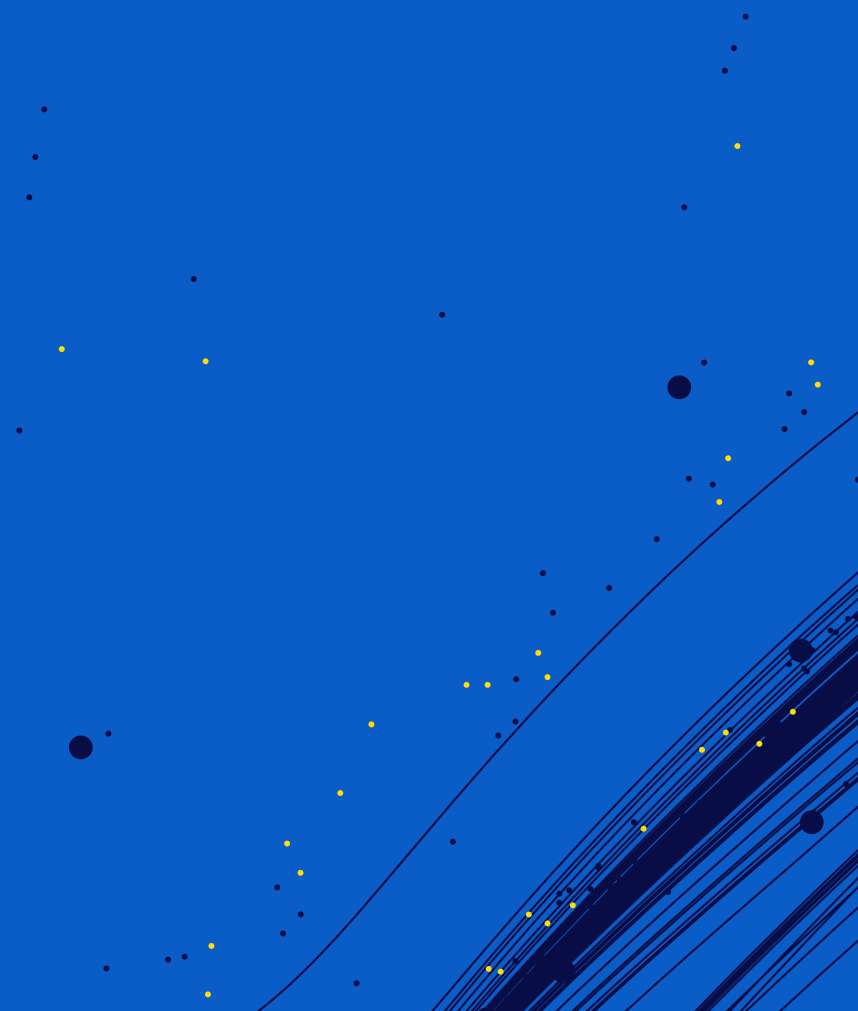
Our responsibility is to perform a limited assurance engagement in relation to the CPA Australia Integrated Report 2021 for the year ended 31 December 2021, and to issue an assurance report that includes our conclusion.

### **Our Independence and Quality Control**

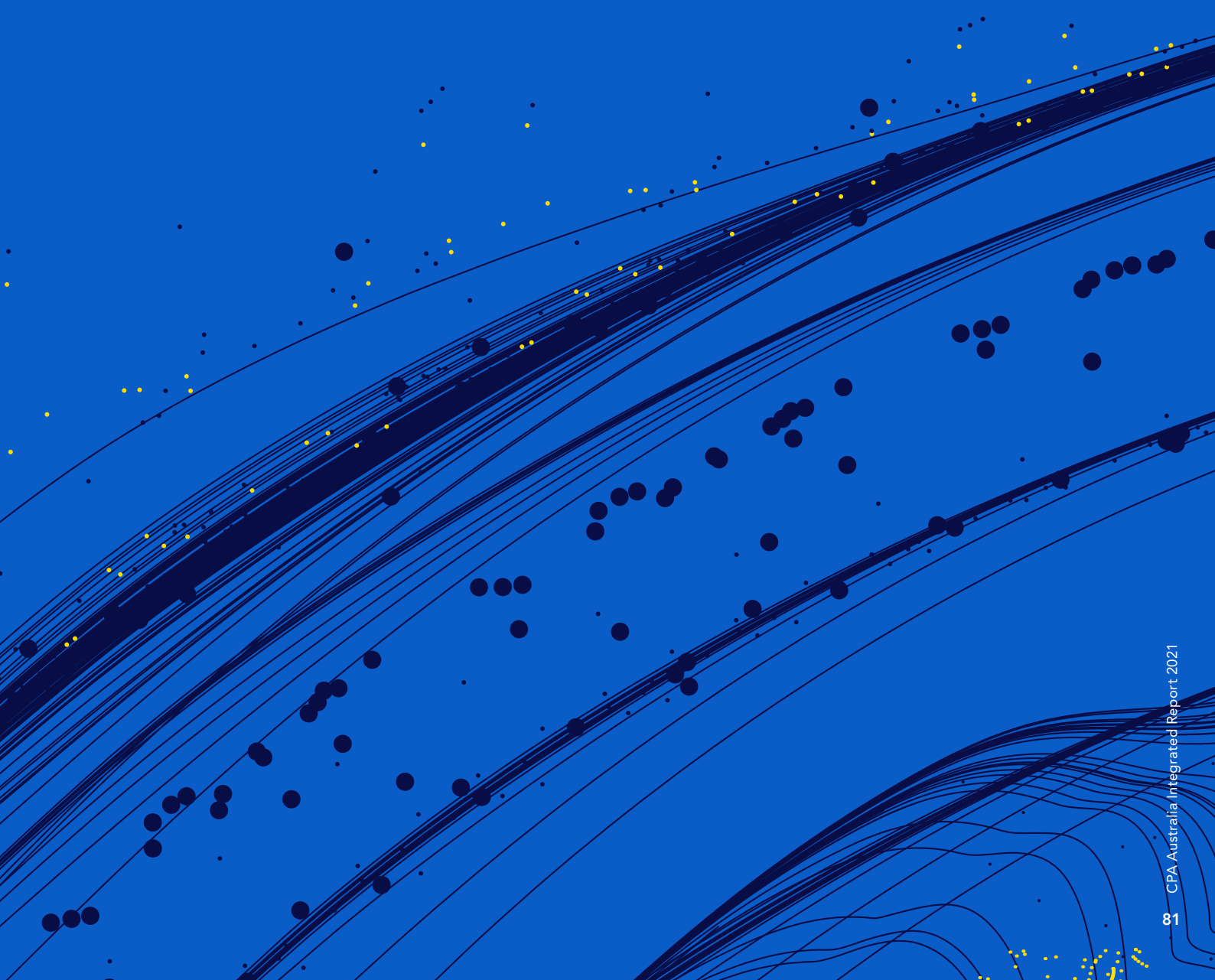
We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

**KPMG**

Julia Bilyanska  
Partner  
Melbourne  
15 March 2022



# Governance and financial report



# Board of Directors

As at 31 December 2021

The Board of Directors is the governing body for CPA Australia and is responsible for strategy development, independently and objectively assessing the organisation's decisions and overseeing the performance and activities of management under the approved strategy.

Information on our approach to this area including our governance framework and structures can be found in the corporate governance statement on our website and in the governance section on pages 28 to 31 of this report.

## Board diversity

The Nomination 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 Committee regularly considers diversity issues and advises on the diversity of the Board and its Committees. The Board recommends that a minimum of 50 per cent of Directors on the Board should be female. The diversity of the current Board is shown in Table 17 below with the skills represented on the Board and its Committees in Table 6, on page 29.

**Table 17: Board diversity as at 31 December\* 2021**

Age groups	Total		Female		Male	
	Directors	%	Directors	%	Directors	%
Under 30	0	0%	0	0%	0	0%
30–50	0	0%	0	0%	0	0%
Over 50	10	100%	5	50%	5	50%
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>5</b>	<b>50%</b>	<b>5</b>	<b>50%</b>

## 2020

Age groups	Total		Female		Male	
	Directors	%	Directors	%	Directors	%
Under 30	0	0%	0	0%	0	0%
30–50	1	10%	1	10%	0	0%
Over 50	9	90%	6	60%	3	30%
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>7</b>	<b>70%</b>	<b>3</b>	<b>30%</b>

## 2019

Age groups	Total		Female		Male	
	Directors	%	Directors	%	Directors	%
Under 30	0	0%	0	0%	0	0%
30–50	1	10%	1	10%	0	0%
Over 50	9	90%	5	50%	4	40%
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>6</b>	<b>60%</b>	<b>4</b>	<b>40%</b>

\* Figures are rounded and may not equal 100%.



## Merran Kelsall FCPA

**President and Chairman of the Board**  
BCom (Hons) FCA MBA FAICD F Fin

Merran Kelsall served as Deputy President of CPA Australia for three years from October 2017. She has a portfolio of independent directorships, with more than 25 years' experience on numerous boards and committees in the private and public sectors.

Merran is committed to serving organisations with a commitment to outcomes for members, stakeholders and the public interest. She is particularly focused on aligning performance management with strategy, and in Extended External Reporting on financial and non-financial matters, including strategy, risk management and ESG issues. She has considerable expertise in corporate governance, finance, audit, risk and compliance.

She operated in public practice for 20 years, including 10 years as a partner at BDO. Her industry experience includes financial and professional services, education, insurance and health.

Her current appointments include, Director of CareSuper, Australian Red Cross Lifeblood, Medical Indemnity Protection Society and TarraWarra Museum of Art. Merran is also an Adjunct Professor in the School of Accounting, Auditing and Taxation at the UNSW Business School. Her previous appointments include Professor of Practice at UNSW, Chairman and CEO, Australian Auditing and Assurance Standards Board (AUASB), Member International Auditing and Assurance Standards Board, Deputy Chair of Melbourne Water Corporation, Director of RACV Ltd, National Gallery of Victoria and Council of RMIT University.



## Professor Dale Pinto FCPA

**Deputy President**  
PhD (Law) (Melb) MTax (Hons) (Syd)  
PGradDipBus (Dist) (Curtin) BBus  
(Dist) (Curtin) FTMA FAAL CACTA-Life  
AFAIM MAICD

Professor Dale Pinto is currently Chair of the Academic Board at Curtin University as well as Professor of Taxation Law in the Curtin Law School. Dale is the author and co-author of numerous books, refereed articles and national and international conference papers and sits on the editorial board of several peer-reviewed journals as well as being the Editor-in-Chief of several refereed journals.

He is a Fellow of CPA Australia and was a member of the WA Divisional Council, including serving as President of the WA Division in 2018 until his appointment to the CPA Australia Board on 1 October 2018. Dale is also a Fellow of the Australian Academy of Law as well as being a Chartered Accountant, Chartered Tax Adviser and Honorary Life Member of the Tax Institute. He is also a Life Member of the Australasian Tax Teachers Association and the Australasian Law Academics Association.

Dale has been a registered tax agent for more than 30 years and was appointed by the Assistant Treasurer as one of the inaugural members of the National Tax Practitioners Board. He is a current member of the Board of Taxation's Special Advisory Panel, the ATO's Public Advice Guidance Panel and the Strategic Advisory Council of the Australian Council of Professions, as well as having served on the Chamber of Commerce and Industry's Economic Development Forum in WA.

Dale is a member of the Tertiary Education and Quality Standards Agency Register of Experts and is also a member of the Australian Academic Integrity Network.



## Rosemary Sinclair AM FCPA

**Deputy President**  
BA LLB BBus MCom FAICD

Rosemary Sinclair has extensive experience at CEO and senior executive level in the communications, media, publishing, higher education and energy sectors. Roles have included significant stakeholder engagement responsibilities as CEO of the Australian Telecommunications Users Group, Director of External Relations for the Australian Business School UNSW, inaugural CEO of Energy Consumers Australia, and currently CEO of .au Domain Administration.

Rosemary's Board level experience spans private sector companies, public sector and not-for-profit organisations and includes roles as member or Chair of Audit and Risk Committees for more than 20 years. Rosemary has international Board experience in telecommunications and internet policy development committees.

Rosemary was a Member (part-time) of the Australian Communications and Media Authority from 2013 to 2018 and was a Director of the Board and Chair of the Risk and Audit Committee of the Wests Tigers Rugby League Football Club from 2014–2017.

Rosemary was made a Member of the Order of Australia in June 2018 for significant service to business, particularly through leadership and administrative roles in the telecommunications industry.

# Board of Directors

As at 31 December 2021



## Michaela Browning

### Director

BEC (Hons), Masters FADT, GAICD

Michaela Browning is Vice President for Government and Public Policy for the Asia Pacific for Google. Prior to Google, Michaela has been a senior career diplomat. Michaela possesses a deep understanding of international and economic policy and has a proven track record of leadership in economic development, risk management and governance.

Most recently she served as the inaugural CEO and established the National Foundations for Australia-China Relations. She has served as the Australian Consul General for Hong Kong and Macau (2017–2020). She has held a range of senior positions in the Australian Commonwealth Government leading the design and implementation of economic and security policy and business engagement and promotion. She was Head of Investment Promotion for Australia with the Australian Trade and Investment Commission (Austrade) and Head of all Established Markets (North America, Europe, Japan, Korea, Turkey, Israel, NZ and the Pacific) and Special Adviser to the CEO on Strategy and China. She ran the official development program for Afghanistan and Pakistan. She has been Senior Adviser to Defence and Foreign Ministers. Ms Browning was also Director of Agriculture Negotiations for the Doha Development Round, and a negotiator on the free trade agreements Australia negotiated with the USA and Singapore. She has previously served on diplomatic missions overseas in Thailand and Singapore.

Michaela is a Graduate of the Australian Institute of Company Directors, holds a Masters in Foreign Affairs and Trade and a Bachelor of Economics with Honours, both from Monash University.



## Louise Cox FCPA

### Director

BBus (Mgt), BBus (Accy), LLB (Hons), GradDipLegalPrac, LLM, MTax

Louise Cox is a well-respected accountant and lawyer with more than 30 years' experience as a CEO, CFO and non-executive Director across the legal, accounting, architecture, education and mental health sectors.

As an experienced Board member, Louise has served in a range of roles including Chair, Deputy Chair, Chair of Finance and Risk, and Chair of Governance, Remuneration and Nomination in various commercial, public sector and not-for-profit boards.

Currently, Louise is Chair of Open Minds Australia and the Griffith University Department of Accounting, Finance and Economics Advisory Committee. She is also a member of the Executive Committee of the Caxton Legal Centre and a member of the QUT School of Accountancy Advisory Board.

Having previously served as a Director of TAFE Queensland, Thomson Adsett and as a member and Chair of the Metropolitan South Institute of TAFE Council, Louise brings strong corporate governance experience to the Board. She has been active with CPA Australia as a member of the Public Practice Advisory Committee and served for five years as a member of the Queensland Divisional Council, including as its President in 2012.



## Professor Yew Kee Ho FCPA

### Director

BEcon (Hons), MEcon, MSIA, PhD, FCA, CFA, FSID

Professor Yew Kee Ho is Associate Provost (SkillsFuture), and Cluster Director, Business, Communication and Design at Singapore Institute of Technology where he is also Professor of Accounting. He oversees Continuing Education and Training for adults and the Design and Specialised Businesses degree programs.

Yew Kee has served on the Boards of publicly listed companies and held appointments as Professor and Head, Department of Accounting; Vice Dean (Finance and Administration); and Chairman, Executive Education at the National University of Singapore Business School. He had previously served as a Board member of the Accounting and Corporate Reporting Authority (Singapore), the Singapore Tax Academy, Ngee Ann Polytechnic.

He is active in the community, serving on the boards and committees of various charities, including the Singapore National Kidney Foundation, St Luke's Eldercare, Dover Park Hospice, Prison Fellowship Singapore, and CBMC (Singapore) Ltd. A Fellow of CPA Australia, he sits on CPA Australia's Singapore Divisional Council. He is also a Fellow of Chartered Accountants Singapore and the Singapore Institute of Directors, and holds the Chartered Financial Analyst (CFA) qualification.

Yew Kee obtained his Bachelor (First Class) and Master of Economics from Monash University, Australia, and his Master of Science in Industrial Administration and PhD from Carnegie Mellon University, US.



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## Helen Lorigan

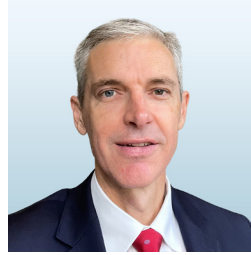
### Director

BCom GAICD SF Fin

Helen Lorigan was appointed as a Managing Partner of Sapien Ventures, a venture capital company with partners based in Sydney, Silicon Valley, Melbourne and Shanghai, in June 2021. Helen originally commenced as an Executive-in-Residence at Sapien Ventures in February 2016 which led to her subsequent appointment to three fintech company Advisory Boards: HashChing, Investfit and Moroku. Helen is leading a number of key initiatives across superannuation, self-directed advice and funds management which involve the identification, sourcing and curating of high quality fintech and online market-place start-ups for potential investment.

Helen has previously held the position of CEO of Elders Financial Planning, formed as a Joint Venture between ANZ and Elders, an Australian global agricultural corporation, in 2009 after initially commencing with Elders as General Manager, Wealth Management in 2006. Helen has also held senior executive leadership roles in wealth management and banking with the ANZ Group, CBA and MLC.

Helen holds a Bachelor of Commerce from UNSW, is a Graduate of the AICD, a Senior Fellow of FINSIA and has served as a Director, Responsible Manager and Advisory Board member on numerous financial services Boards and Australian Financial Services Licences. In 2019, Helen was also appointed as a Director of the Financial Services Institute of Australasia and in 2021, was appointed as a Director of Nimble Money Limited.



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## Warren McRae FCPA

### Director

BBus (Accy/Banking and Finance)  
FGIA MAICD

Warren McRae is an experienced senior executive who has recently returned to Australia after enjoying a distinguished international career at senior management level with Barclays PLC, a multinational financial services organisation.

Working across different countries and cultures, most recently as Global Chief Operating Officer for Barclays Private Bank, Warren has deep experience in operational and commercial management, strategy, digital and technology innovation, as well as accountability for risk, control and governance across multiple entities and countries.

Warren has held a series of governance and Board positions in both Europe and Asia, including as Chair of Global Crisis Leadership, Operating, Service Management and Financial Crime Oversight Committees for Barclays Global Private Bank, and directorships at BPB Holdings SA, Zedra Trust Company (Suisse), Barclays Switzerland Services SA, and BWS Limited (Japan).

Warren is a Fellow of CPA Australia and is active in the CPA community. He was a member of the Europe Divisional Council for four years, including serving as President and Chair in 2019 and 2020, and the Council of Presidents. He volunteers as the auditor of financial accounts for St. Paul's Church in Armidale NSW.

# Board of Directors

As at 31 December 2021



## Bernard Che-Wai Poon FCPA

### Director

BCom BSc FRICS

Bernard Che-Wai Poon is a Partner at Ernst & Young where he has worked for nearly 30 years in a number of key executive positions. He specialises in valuations and financial modelling and has extensive experience in the valuation of businesses, shares and intangible assets for transaction analysis, business strategy, taxation, financial reporting and acting as an expert witness.

A Fellow of CPA Australia, Bernard is an Honorary Adviser to the Greater China Divisional Council, in which he was a member from 2010–2018, serving as Deputy President in 2011 and President in 2012. He is currently Chairman of the Continuing Professional Development Committee and a member of the Corporate Sector Committee and CPA Virtual Congress Advisory Panel. He previously served on the Hong Kong SAR Executive Committee, including as Chairman in 2012 and was a member of the Appointments Council in 2017–2018. Bernard's long association with CPA Australia saw him awarded with the Board of Directors Award for Outstanding Service in 2020.

Active in the community, Bernard was a member of the Appeal Board Panel of the Urban Renewal Authority Ordinance (2013–2019) and was appointed by the Ministry of Finance in China as a consultant in accounting in Hong Kong SAR (2016–2018). Bernard is a Fellow of the Hong Kong Institute of Certified Public Accountants (HKICPA), a member of the HKICPA Valuations Working Group Committee, a Fellow of the Royal Institute of Chartered Surveyors, advisor to the Hong Kong University Business and Economics Association and an External Advisor, Department of Accountancy and Law, Hong Kong Baptist University.



## Peter Wilson AM FCPA

### Director

BCom (Hons) MA (Melb) FCPHR FAICD  
FCIPD (UK)

Peter Wilson is immediate Past President and Chairman. Peter is also an Independent Member and Chairman of the following: Australian Alcohol and Drug Foundation; Australian Network on Disability Ltd; Australian Retail Credit Association Ltd; Reciprocity and Data Exchange Administrator Ltd; and the Audit and Risk Management Committee of the Auditor-General in Western Australia. Peter was Chair of the Australian HR Institute from 2006–2020, and now chairs its National Certification Council. He is a non-executive Director of Vision Super.

Peter has held recent academic appointments as, Adjunct Professor in Management at the Monash Business School, Monash University, Accredited PhD Supervisor at the La Trobe Business School, La Trobe University, Advisor to the International Consortium for Research into Employment and Work at Monash University, Advisor to the ARC CoE into Population Ageing Research at The University of Sydney, Chairman of the Advisory Council of the Victorian Institute of Strategic Economic Studies at Victoria University.

Peter held senior executive roles in the Commonwealth and Victorian Treasuries, and group executive roles at ANZ Bank, Amcor Limited, and as Group CEO of Energy 21. He has held non-executive Director appointments on Boards of Dalgety Farmers Ltd, Kimberly-Clark Australia, and the Commonwealth Safety Rehabilitation and Compensation Commission as Chairman. Peter Wilson was made a Member of the Order of Australia in 2005 for services to workplace relations and safety and community service and was awarded a Centenary Medal in 2004. Peter resigned from the Board on 31 December 2021.



# Councils and Committees

## Divisional Councils

### Australian Capital Territory

Annie Ryan FCPA, President  
Matthew Geysen CPA,  
Deputy President  
Phillipa Leggo CPA, Deputy President  
Erin Adams CPA  
Mark Brown FCPA  
Rob Hanlon FCPA  
Lawrence Hosking FCPA  
Emily Jasprizza FCPA  
Cha Jordanoski FCPA  
Tony Marks FCPA  
Marvin Wee CPA  
Karen Williams FCPA

### New South Wales

Lisa Gill FCPA, President  
Richard Morton FCPA,  
Deputy President  
Bernadette Smyth CPA,  
Deputy President  
Maria Balatbat FCPA  
Andrew Crawford FCPA  
Michelle Cull FCPA  
Jennifer Dalitz FCPA  
Helen Dong FCPA  
Krista Fletcher FCPA (casual vacancy)  
Kerryn Goddard FCPA  
Ruyi Jin FCPA  
Stephan Kasanczuk FCPA  
(casual vacancy)  
Sarah Lawrance FCPA  
Maggie Lo CPA  
Thomas O'Keeffe FCPA  
Lynette Pinder CPA (resigned January)  
Karen Pitt CPA  
Christine Winwick CPA  
Shan Wu CPA

### Northern Territory

Donna Moore CPA, President  
Michelle Bain CPA, Deputy President  
Lisa Blakeley FCPA, Deputy President  
Ashley Challis CPA  
Benjamin Inglis FCPA  
Shawgat Kutubi CPA (casual vacancy)  
Steven Lawrence FCPA  
(casual vacancy)  
Iain MacPherson CPA  
Derek Mayger FCPA  
Tricia Richardson CPA  
Peter Scott FCPA (resigned April)  
Suyana Shrestha CPA  
Ross Springolo FCPA

### Queensland

Deborah Nisbet FCPA, President  
Douglas Dunstan FCPA,  
Deputy President  
Tanya Feekings FCPA,  
Deputy President  
Steven Austen FCPA  
Melissa Georgiou FCPA  
David Hardidge FCPA  
Shanna Hunter FCPA  
Sofia Keryk CPA  
Cissy Ma FCPA  
Theresa O'Connor FCPA  
Kerry Phillips FCPA  
Doug Tyler CPA

### South Australia

Chau Chiem FCPA, President  
Karen Conlon FCPA,  
Deputy President  
Scott Williams FCPA,  
Deputy President  
Hanne Damgaard CPA  
Rob Drusetta FCPA (casual vacancy)  
Jason Huang FCPA  
Janice Loftus FCPA (casual vacancy)  
Robert Maloney FCPA  
Shakhlo Rasulova CPA  
(casual vacancy)  
Rikky Wang CPA  
Jodi Wright CPA  
John Zerella FCPA

### Tasmania

Fiona Stagg FCPA, President  
Gary O'Donovan FCPA,  
Deputy President  
Enrico De Santi FCPA,  
Deputy President  
Steve Allen FCPA  
Paul Gimpl FCPA  
Carolyn Harris FCPA  
James Hipwood CPA  
Roger Lu CPA  
Donna Powell CPA  
Meg Richards FCPA (resigned April)  
Claire Smith CPA  
Belinda Williams FCPA

### Victoria

Jacquetta Griggs FCPA, President  
Brent Szalay FCPA, Deputy President  
Melville Yates FCPA,  
Deputy President  
Georgina Fordham CPA  
Judy Gao CPA  
Michelle Tyquin-Frey CPA  
Devini Goonetilleke FCPA  
Justin Gordon FCPA  
Kerry Harris FCPA  
Anne La Fontaine FCPA  
Andrea Moody CPA  
Ted Turner CPA  
Murray Wyatt FCPA (deceased July)

### Western Australia

John Dawson FCPA, President  
Thomas Griebel FCPA,  
Deputy President  
Tracy Jones CPA, Deputy President  
Erica Haddon FCPA  
Tanvi Haria FCPA  
Quentin Hooper FCPA  
Helen Lo Presti CPA  
Mark Narustrang FCPA  
Tim Roach FCPA  
Byron Savage CPA  
(casual vacancy)  
Andrew Seinor FCPA  
Kerri Warner CPA

### Greater China

Janssen Chan FCPA, President  
Eden Wong FCPA, Deputy President  
Johnny Lam CPA, Deputy President  
(resigned November)  
Vickie Fan FCPA  
Cliff Ip FCPA (casual vacancy)  
Anthony Lau FCPA  
John Lo FCPA  
Roy Lo FCPA  
Samuel Lung FCPA (casual vacancy)  
Grace Ng CPA  
Wilson Pang FCPA  
Karina Wong CPA (resigned April)  
Ryan Wu FCPA (resigned November)  
Angus Yiu CPA (resigned May)

# Councils and Committees

## Europe

Warwick Syphers FCPA, President  
Nigel Garrow FCPA, Deputy President  
Catherine Riney FCPA,  
Deputy President  
Garth Britton CPA  
Christopher Burke FCPA  
Christopher Crellin FCPA  
Kerry Huggler CPA  
Andrea Mestrov CPA  
Matthew Tilling CPA

## Malaysia

Jimmy Lai FCPA, President  
Dato Azlan Abdullah FCPA,  
Deputy President  
Surin Segar FCPA, Deputy President  
Alan Chung FCPA  
Bryan Chung FCPA  
Ree Nie Koh FCPA  
Fatimah Mis CPA  
Zulkiflee Mohamed FCPA  
Terence Tan FCPA  
Beng Siew Toh FCPA  
Sau Shiung Yap FCPA  
Kit Weng Yip FCPA

## New Zealand

Matthew Needham FCPA, President  
Paul Shallard CPA, Deputy President  
Liz Plowman CPA, Deputy President  
Gina Brighthouse CPA  
Gillian Craig CPA  
John Gill FCPA  
Brad Golchin FCPA  
Darby Healey CPA  
Angus Ogilvie FCPA  
Mark Saunders CPA  
Ray Smith CPA  
Julia Wu CPA

## Singapore

Max Loh FCPA, President  
Pui Yuen Cheung FCPA,  
Deputy President  
Tony Alizzi FCPA  
Lay Chew Chng FCPA  
Yew Kee Ho FCPA  
Kah Sek Koh FCPA  
Su Min Ling CPA  
Haryane Mustajab FCPA  
Li Anne Ooi CPA  
Shiuh Ying Tang CPA  
Greg Unsworth FCPA  
Don Yeo FCPA

## Board Committees

During 2021

### Audit, Risk and Compliance Committee

Enrico De Santi FCPA, Chair (until  
30 September)  
Rosemary Sinclair AM FCPA, Chair  
(from 1 October)  
Michaela Browning  
Louise Cox FCPA (from 1 October)  
Robyn Erskine FCPA (until  
4 March 2021)  
Warren McRae FCPA (from  
1 October)  
Bernard Poon FCPA (from 1 October)  
Peter Wilson AM FCPA (from  
1 October)  
Su-Yen Wong (until 30 September)

### Education, Policy and Innovation Committee

Dale Pinto FCPA, Chair  
Louise Cox FCPA  
Merran Kelsall FCPA  
Helen Lorigan  
Peter Wilson FCPA

### Finance and Investment Committee

Merran Kelsall FCPA, Chair  
Robyn Erskine AM FCPA (until  
4 March)  
Helen Lorigan  
Peter Wilson AM FCPA  
Su-Yen Wong (until 30 September)

### Member Engagement and Culture Committee

Merran Kelsall FCPA, Chair  
Michaela Browning  
Louise Cox FCPA  
Enrico De Santi (until 30 September)  
Dale Pinto FCPA

### Nomination Committee

Peter Wilson AM FCPA (until  
10 November)  
Dale Pinto FCPA, Chair (from  
11 November)  
Melissa Georgiou FCPA  
Michaela Healey (from 1 February)  
Mark Narustrang FCPA  
Geoff Rees  
Rosemary Sinclair AM FCPA

## Advisory Committees

As at 31 December 2021

### Appointments Council

Merran Kelsall FCPA, Chair  
Mark Narustrang FCPA,  
Deputy Chair  
Melissa Georgiou FCPA, Appointor  
Chng Lay Chew FCPA  
Paul Gimpl FCPA  
Anne La Fontaine FCPA  
Anthony Lau FCPA  
Sarah Lawrance CPA  
Angus Ogilvie FCPA  
Catherine Riney FCPA  
Surin Segar FCPA  
Ross Springolo FCPA  
Karen Williams FCPA  
Jodi Wright CPA

### Council of Presidents

Matthew Needham FCPA, Chair  
Fiona Stagg FCPA, Deputy Chair  
Janssen Chan FCPA  
Chau Chiem FCPA  
John Dawson FCPA  
Lisa Gill FCPA  
Jacquetta Griggs FCPA  
Jimmy Lai FCPA  
Max Loh FCPA  
Donna Moore CPA  
Deborah Nisbet FCPA  
Annie Ryan FCPA  
Warwick Syphers FCPA

### Professional Education Advisory Committee

Carla Wilkin FCPA, Chair  
Steve Allen FCPA  
Weina Ang FCPA  
Peter Best FCPA  
Ka Fai (Jeffrey) Chan FCPA  
Mandy Cheng FCPA  
Anthony Hayes FCPA  
Jason Kotkin CPA  
Meredith Tharapos CPA  
Jim Tognolini  
Denis Vinen FCPA  
Jon Yorke

### **Public Practice Advisory Committee**

Andrew Pearce FCPA, Chair  
Shabnam Amirbeaggi FCPA  
Sharman Arumugam FCPA  
Terrence Cheong FCPA  
Shanna Hunter FCPA  
Prue McStay CPA  
Damian Pearce CPA  
Gavin Swan FCPA  
Brent Szalay FCPA  
Hugh Zimmerman CPA

### **CPA Australia Best Practice Advisory Committee**

Craig Slater, Chair  
Dona Alahakoone CPA  
Shabnam Amirbeaggi FCPA  
John Havas FCPA  
Phil McCann FCPA  
Leanne Oliver CPA

### **Compliance Panels**

#### **Disciplinary Panel**

Gerry Schembri FCPA, Chair  
Rebecca Hemperger FCPA,  
Deputy Chair  
David Morgan, Deputy Chair  
Daen Soukseun FCPA, Deputy Chair

#### **Professional Conduct**

##### **Oversight Panel**

James Syme, Chair  
Mark Brown FCPA  
Leslie Young

### **Life Members**

Elizabeth Alexander AO FCPA  
Patrick Barrett AO FCPA  
David Baulch FCPA  
Brian Blood FCPA  
David Boymal AM FCPA  
John Cahill FCPA  
Poon Wing Cheung FCPA  
Denis Cortese FCPA  
Mark Coughlin FCPA  
Clyde Dickens AM FCPA  
Kenneth Eastwood AM FCPA  
John Gill FCPA  
Scott Henderson AM FCPA  
Robert Jeffery FCPA  
Low Weng Keong FCPA  
Jim Kropp FCPA  
Robert Shiu-Hung Lee FCPA  
Graeme McGregor AO FCPA  
Ian McPhee AO FCPA  
Paul Meiklejohn FCPA  
John Miller AO FCPA  
Joycelyn Morton FCPA  
Graham Paton AM FCPA  
Des Pearson AO FCPA  
Patrick Ponting FCPA  
Loh Hoon Sun FCPA  
Brian Waldron OAM FCPA  
Bernard Wright AM FCPA

### **Other Boards and Committees**

#### **A4S Advisory Council**

Merran Kelsall FCPA

#### **ASEAN Federation of Accountants**

Priya Terumalay FCPA

#### **Confederation of Asian and Pacific Accountants**

Priya Terumalay FCPA

#### **IFAC Board<sup>1</sup>**

Merran Kelsall FCPA (observer representing CPA Australia)

#### **IFAC Nominating Committee**

Michael Codling FCPA

#### **IFAC Small and Medium Practices Committee**

Baubre Murray FCPA

#### **International Public Sector Accounting Standards Board**

Mike Blake FCPA

#### **IESBA**

Ian McPhee FCPA

#### **IFAC Professional Accountants in Business**

Paul Urquhart FCPA

#### **IFAC Public Policy and Regulation Advisory Group**

Dr Gary Pflugrath FCPA

#### **IFAC Technology Advisory Group**

Dr Jana Schmitz

#### **VRF <IR> Council**

Nicholas Diss FCPA

1 CPA Australia shares representation on these bodies with CA ANZ.

# Councils and Committees

## Centres of Excellence

### Digital Transformation

Stephannie Jonovska FCPA, Chair  
Perry Abbott FCPA  
Kylie Baxter CPA  
Michael Davern FCPA  
David Hardidge FCPA  
Tony Krizan FCPA  
Mahendhiran Sanggaran Nair FCPA  
Anouk Pinchetti  
Joni Pirovich  
Alan Tsen

### ESG

Vladimir Malcik FCPA, Chair  
Andrew Amer  
Sharon Ditchburn FCPA  
Robyn Erskine FCPA  
Jin Ghee Ong CPA  
Lucy Hamnett CPA  
Felix Lam CPA  
Cissy Ma FCPA  
Paul Mather FCPA  
Kathleen O'Sullivan FCPA  
Juergen Seufert CPA  
Terence Tan FCPA  
Tim Timchur FCPA

### Ethics and Professional Standards

Brendan O'Connell FCPA, Chair  
Mahesh Balakrishnan CPA  
Anju De Alwis FCPA  
Andy Lai CPA  
John Halliday FCPA  
Dr Gerard Illott FCPA  
Leonie Navara CPA  
Alex Ooi Thiam Poh FCPA  
Peter Pontikis FCPA  
Kimberly Singh FCPA

### External Reporting

Andrew Marks FCPA, Chair  
Elizabeth Giust CPA  
Michelle Harrison CPA  
Mark Hucklesby FCPA  
Len Jui FCPA  
Vanessa Lim FCPA  
Ian Mackintosh FCPA  
Siva Sivanantham CPA  
Shaun Steenkamp CPA  
Nick Walker CPA

### Retirement Savings

Noelle Kelleher FCPA, Chair  
Jane Barrett  
Leon Jennings CPA  
Alex Harken-Yumru CPA  
Bruce Mackley CPA  
Suzanne Maloney FCPA  
Brett Marsh CPA  
Neil Marshall CPA  
Paul May CPA  
Nicole Osborne CPA

### Taxation

Alexis Kokkinos CPA, Chair  
Keith Clissold FCPA  
Stuart Drake CPA  
Ken Fehily FCPA  
Sunita Jogarajan  
Phil McCann FCPA  
Aaron Ng CPA  
Michael Parker ASA  
Ian Raspin FCPA  
Sue Williamson FCPA

# Report of the Board of Directors

## Directors

The Directors submit the annual financial report of CPA Australia Ltd ("CPA Australia") and its controlled entities ("the Group") for the financial year ended 31 December 2021. In order to comply with the *Corporations Act 2001* and 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 83 to 86 of this report, together with their qualifications, experience and special responsibilities. Details of meeting attendance are set out on pages 92 to 93 and their remuneration is included in Note 20.c on page 128.

## Company Secretary

Kerrell Ma LLB, LLM (First Class Honours), legal practitioner, was appointed as Company Secretary on 15 June 2018.

## Principal activities

The principal activities of the Group 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 loss before income tax for the year was \$12,381,000 (2020 consolidated surplus restated: \$5,090,000). The consolidated loss after tax for the year was \$11,784,000 (2020 consolidated surplus after tax restated: \$4,734,000).

## Review of operations

A review of the operations of the Group during the financial year and the results of those operations are contained in the discussion and analysis of the financial results – see pages 97 to 99.

## Corporate governance

The Board met on 11 occasions in 2021 with three Directors elected in September; two Directors commencing their three-year term on 1 October 2021 and one Director commencing a one-year term on 1 October 2021. During 2021, the Board maintained a strong focus on consolidating the governance changes that had been implemented during the previous year, continuing to focus on providing services and resources to support members and managing the impact of the COVID-19 outbreak.

In 2021, five Board Committees of Directors operated: Audit, Risk and Compliance; Finance and Investment (previously Finance and Policy); Education, Policy and Innovation; Nomination, and Member Engagement and Culture.

Further information on the governance of the Company is included in the corporate governance statement on our website and on pages 28 to 31 of this report.

## Directors' meetings

The tables on pages 92 to 93 set out the number of Board and Board Committee meetings held and the number of meetings attended by each Director during 2021.

## Changes in state of affairs

CPA Australia Advice Pty Ltd, a wholly owned subsidiary of CPA Australia Ltd was deregistered with ASIC on 31 October 2021 in line with the 2018 decision by the Board of CPA Australia.

There were no other significant changes in the state of affairs of the Group, other than referred to in the financial statements or notes thereto.

## Subsequent events

There has been no matter or circumstance occurring since the end of the financial year to the date of this report that has affected or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

## Future developments

Likely developments in the activities of the Group are noted elsewhere in this report, with the Group working towards the achievement of its objectives under the strategy.

## Indemnification of officers and auditors

During the year the Group 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 94 and forms part of this report.

## 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.

# Report of the Board of Directors

## Board of Directors' meetings 2021

Directors	Scheduled meetings		Ad hoc meetings		Total 2021 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Merran Kelsall, Chair	8	8	3	3	11	11
Michaela Browning	8	8	3	2	11	10
Louise Cox	8	8	3	3	11	11
Enrico De Santi <sup>2</sup>	6	6	2	2	8	8
Robyn Erskine <sup>1</sup>	1	1	1	1	2	2
Yew Kee Ho <sup>3</sup>	2	2	1	1	3	3
Helen Lorigan	8	8	3	3	11	11
Warren McRae <sup>3</sup>	2	2	1	1	3	3
Bernard Che-Wai Poon <sup>3</sup>	2	2	1	1	3	3
Dale Pinto	8	8	3	3	11	11
Rosemary Sinclair	8	8	3	3	11	11
Peter Wilson	8	8	3	3	11	11
Su-Yen Wong <sup>2</sup>	6	6	2	2	8	8

## Audit, Risk and Compliance Committee meetings 2021

Directors	Scheduled meetings		Ad hoc meetings		Total 2021 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Rosemary Sinclair, Chair <sup>7</sup>	6	6	0	0	6	6
Enrico De Santi, Former Chair <sup>4</sup>	5	5	0	0	5	5
Michaela Browning	6	5	0	0	6	5
Louise Cox <sup>8</sup>	1	1	0	0	1	1
Robyn Erskine <sup>5</sup>	2	1	0	0	2	1
Warren McRae <sup>8</sup>	1	1	0	0	1	1
Bernard Poon <sup>8</sup>	1	1	0	0	1	1
Peter Wilson <sup>8</sup>	1	1	0	0	1	1
Su-Yen Wong <sup>6</sup>	5	5	0	0	5	5

## Finance and Investment Committee meetings 2021

Directors	Scheduled meetings		Ad hoc meetings		Total 2021 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Merran Kelsall, Chair	4	4	0	0	4	4
Robyn Erskine <sup>5</sup>	1	1	0	0	1	1
Helen Lorigan	4	4	0	0	4	4
Peter Wilson	4	4	0	0	4	4
Su-Yen Wong <sup>6</sup>	3	3	0	0	3	3

### Education, Policy and Innovation Committee meetings 2021

	Scheduled meetings		Ad hoc meetings		Total 2021 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Directors						
Dale Pinto, Chair	4	4	0	0	4	4
Louise Cox	4	4	0	0	4	4
Merran Kelsall	4	4	0	0	4	4
Helen Lorigan	4	3	0	0	4	3
Peter Wilson	4	4	0	0	4	4

### Nomination Committee meetings 2021

	Scheduled meetings		Ad hoc meetings		Total 2021 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Directors						
Dale Pinto, Chair <sup>10</sup>	1	1	1	1	2	2
Peter Wilson, Former Chair <sup>9</sup>	6	6	1	1	7	7
Melissa Georgiou <sup>13</sup>	7	7	2	2	9	9
Michaela Healey <sup>11,12</sup>	7	7	2	1	9	8
Mark Narustrang <sup>13</sup>	7	7	2	2	9	9
Geoff Rees <sup>12</sup>	7	6	2	1	9	7
Rosemary Sinclair	7	7	2	2	9	9

### Member Engagement and Culture Committee meetings 2021

	Scheduled meetings		Ad hoc meetings		Total 2021 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Directors						
Merran Kelsall, Chair	5	5	0	0	5	5
Michaela Browning	5	4	0	0	5	4
Louise Cox	5	5	0	0	5	5
Enrico De Santi <sup>6</sup>	4	4	0	0	4	4
Dale Pinto	5	5	0	0	5	5

<sup>1</sup> Term as a Director concluded 4 March 2021

<sup>2</sup> Term as a Director concluded 30 September 2021

<sup>3</sup> Term as a Director commenced on 1 October 2021

<sup>4</sup> Term as Chair of Committee ended on 30 September 2021

<sup>5</sup> Term on Committee ended on 4 March 2021

<sup>6</sup> Term on Committee ended on 30 September 2021

<sup>7</sup> Term as Chair of Committee commenced on 1 October 2021

<sup>8</sup> Term on Committee commenced on 1 October 2021

<sup>9</sup> Term as Chair and Committee member concluded on 10 November 2021

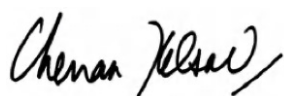
<sup>10</sup> Term as Chair and Committee member commenced on 11 November 2021

<sup>11</sup> Term on Committee commenced on 1 February 2021

<sup>12</sup> Independent Non-Director Committee members

<sup>13</sup> Appointments Council representative on the Nomination Committee

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



Merran Kelsall FCPA  
Director



Rosemary Sinclair AM FCPA  
Director

15 March 2022



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of CPA Australia Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of CPA Australia Ltd for the financial year ended 31 December 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG

Chris Sargent  
*Partner*

Melbourne  
15 March 2022



# Overview of financial results

for the year ended 31 December 2021

		Restated <sup>1</sup>	
		2021	2020
Strategic pillars		\$'000s	\$'000s
Protect, promote and enhance the integrity of the profession	Revenue	643	1,676
	Cost	(14,099)	(13,923)
	<b>Result</b>	<b>(13,456)</b>	<b>(12,247)</b>
Lead the future of the accounting profession	Revenue	1,866	2,074
	Cost	(1,327)	(1,242)
	<b>Result</b>	<b>539</b>	<b>832</b>
Provide members with personalised and engaging experiences	Revenue	85,041	88,096
	Cost	(22,545)	(20,958)
	<b>Result</b>	<b>62,496</b>	<b>67,138</b>
Provide relevant learning and development content, resources and tools	Revenue	7,276	7,357
	Cost	(23,762)	(26,870)
	<b>Result</b>	<b>(16,486)</b>	<b>(19,513)</b>
Attract and develop the next generation of CPAs	Revenue	62,653	61,730
	Cost	(30,448)	(29,441)
	<b>Result</b>	<b>32,205</b>	<b>32,289</b>
Impact policy globally and be active in community advocacy	Revenue	-	371
	Cost	(5,052)	(5,560)
	<b>Result</b>	<b>(5,052)</b>	<b>(5,189)</b>
Member support services and governance	Revenue	4,545	6,283
	Cost	(62,387)	(55,792)
	<b>Result</b>	<b>(57,842)</b>	<b>(49,509)</b>
CPA Australia Advice	Revenue	-	-
	Cost	(14)	(37)
	<b>Result</b>	<b>(14)</b>	<b>(37)</b>
Total CPA Australia excluding strategic projects	Revenue	162,024	167,587
	Cost	(159,634)	(153,823)
	Tax credit/(expense)	597	(356)
	<b>Result</b>	<b>2,987</b>	<b>13,408</b>
Strategic projects	Revenue	221	164
	Cost	(14,992)	(8,838)
	<b>Result</b>	<b>(14,771)</b>	<b>(8,674)</b>
Total CPA Australia including strategic projects	Revenue	162,245	167,751
	Cost	(174,626)	(162,661)
	Tax credit/(expense)	597	(356)
	<b>Result</b>	<b>(11,784)</b>	<b>4,734</b>
Other comprehensive income/(expense) for the year, net of tax		3,925	(335)
<b>Total comprehensive income/(loss) for the year</b>		<b>(7,859)</b>	<b>4,399</b>

<sup>1</sup> Refer to Note 3 for explanations on the restatement of FY2020

In 2021, CPA Australia continued to invest in key initiatives that support the strategy put in place in 2018, and on initiatives that would support members through COVID-19. This includes, launching our new website to provide a more personalised online experience, increasing the amount of complimentary CPD available for members, expanding the microcredential offer introduced in 2020 with an additional four subjects, increasing the support for members in public practice and further investment in the MMF program which will go live in 2023. CPA Australia also continued to enhance our thought leadership and advocacy for our members and the public interest.

In addition to these strategic investments, the overview of financial results has been presented to align with the six pillars of the strategy along with financials for member support services and governance, and strategic projects.

Protect, promote and enhance the integrity of the profession's core activities includes managing and developing the brand, professional standards and quality assurance. The decrease in the net result is primarily driven by significantly lower COVID-19 government stimulus received in 2021 compared to prior year. (In 2020, the COVID-19 government stimulus was proportionally allocated to each strategic pillar based on the number of FTE).

Lead the future of the accounting profession includes the development of strategies, training and tools to support members through the future changes to the profession and the development of membership pathways for skilled business professionals from non-accounting backgrounds. The net result has decreased on the prior year due to lower foundation exam enrolments and additional development costs.

Provide members with personalised and engaging experiences is a core activity that includes the delivery of the membership offer, administration and assessment of members' admissions and advancements, member engagement including increased support at branch level, member communications, member benefits and membership retention. The net result has decreased due to a significant reduction in government COVID-19 stimulus payments and increased spend on membership recognition and networking.

Provide relevant learning and development content, resources and tools include the development and delivery of CPD products include and training workshops and congress, a structured mentoring program, library services and publications such as INTHEBLACK, CPA Update and Australian Accounting Review. The improved result is attributable to a significant reduction in the printing and communication expense largely driven by a shift to a digital-only publication during 2020, thereby reducing print and distribution costs.

Attract and develop the next generation of CPAs includes development and delivery of the CPA Program and Public Practice Program, development of meaningful and effective relationships with employers, academics and universities to support students and early career professionals and the development of career pathways for students studying outside their home country. The increase in revenue and expenditure is due to higher CPA Program sales in 2021 compared to 2020.

Impact policy globally and be active in community advocacy includes policy and research, advocacy and government relations and support for the profession locally (AASB, AUASB and Australian Professional and Ethical Standards Board) and internationally (IFAC, ASEAN Federation of Accountants, Confederation of Asian and Pacific Accountants etc.). The decrease in spend is attributable to a small decrease in payments to the bodies outlined above.

Member support services and governance include internal support activities such as finance, legal, procurement, property management, technology, organisational development, human resources and planning. They also include activities associated with the Board, Board Committees and Board secretariat. The decrease in the net result is primarily driven by a significant reduction in government COVID-19 stimulus payments. Further impacting the result under this pillar was higher employee costs driven by tight labour markets and additional business as usual employees to support members. Further impacting the result were higher computer hardware and software licence expenses compared to the prior year.

During 2021, CPA AustraliaAdvice was deregistered in line with the 2018 decision by the Board of CPA Australia.

Strategic projects include costs associated with the new website and member management and finance system, development of public practitioner tools including expansion of the MY FIRM. MY FUTURE., investment in the CPA Australia Best Practice Program launched in early 2022, and additional micro-credential courses.

# Discussion and analysis of the financial results 2021

## Financial results

As foreshadowed in the 2020 Integrated Report, the Group delivered an operating deficit before tax in 2021 of \$12.4m (2020 restated surplus: \$5.1m) and an overall comprehensive loss of \$7.9m (after tax, defined benefit, FX and unrealised gain on investments) (2020 overall comprehensive income restated: \$4.4m). During 2021 the organisation continued to invest in the key initiatives to support the strategy put in place in 2018, including the MMF program, the new website and expanding our micro-credential offer. In addition to this, we continued to support our members with access to free and discounted online professional development, membership discounts and continued opportunity to undertake CPA Program exams online. This investment, the change to the interpretation of AASB 138 Intangible Assets (refer to page 120 for further details) and the continued impact of the COVID-19 pandemic are the key drivers for the deficit in 2021.

## Revenue

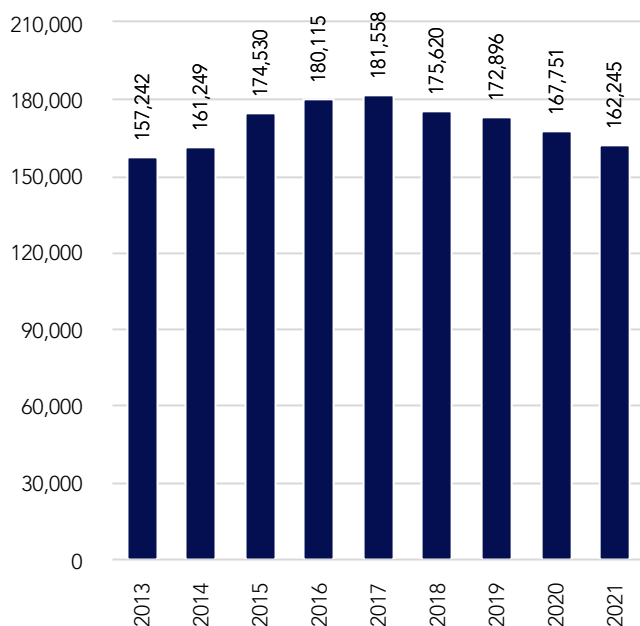
Overall revenue was lower in 2021 at \$162.2m (2020 restated: \$167.8m). Contributing to the decrease was significantly less COVID-19 related government stimulus and slightly lower membership income. This was partially offset by an increase in CPA Program revenue with more exams delivered compared to 2020, higher investment revenue and strong engagement with the CPA Virtual Congress.

In 2021, membership subscription fees were held constant for the fifth year and CPA Program fees were held constant for the third year. The Group ended the year with 170,826 members (2020:168,736) which was driven by membership retention rate consistent with that achieved in 2019 and 2020 and solid new member numbers. Although the number of members increased there was a marginal decrease in revenue with a significant number of hardship discounts provided to members during 2021.

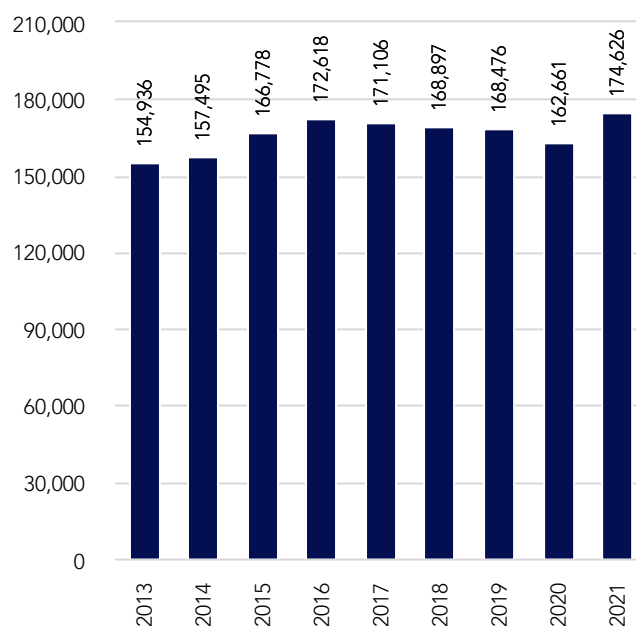
## Expenditure

Expenditure before tax was \$11.9m or 7.3 per cent higher than 2020 at \$174.6m (2020 restated: \$162.7m). The increase is primarily attributable to the investment in strategic initiatives, higher costs to deliver CPA Program exams with more candidates sitting exams compared to 2020 and the change to the interpretation of AASB 138 Intangible Assets, which has resulted in the investment in the MMF program and several other smaller SaaS arrangements being expensed directly to the profit and loss statement rather than amortised over several years. Refer to Note 3 for further details regarding the impact on 2020.

Total revenue (\$'000's)



Total expenditure excluding tax (\$'000's)



Employee costs were higher year on year driven by higher employee numbers required to deliver the MMF program and website strategic initiatives for members, however tighter labour markets also contributed to the higher costs in this line. The investment in the MMF program and website strategic initiatives also resulted in higher professional services and computer hardware and software licences expenses compared to the prior year.

The increases in costs outlined above were partially offset by lower rent and outgoings expenditure achieved through the renegotiation of property leases and a significant reduction in the printing and communication expense largely attributable to moving INTHEBLACK to a digital only publication during 2020, thereby reducing print and distribution costs.

### Taxation

The income tax benefit recognised in profit or loss for 2021 is \$0.6m (2020: income tax expense \$0.4m). The total income tax expense recognised in other comprehensive income for the year is \$0.7m (2020: income tax benefit of \$0.2m). This is primarily attributable to the deferred tax recognised on temporary differences at balance date. Further details are contained in Note 7 on pages 114 to 117.

### Foreign exchange

Foreign currency cash is held to meet the short-term working capital requirements of foreign operations. Any excess cash is returned to Australia to reduce to the Group's exposure to fluctuations in exchange rates. Exchange rate fluctuations contributed to a foreign exchange loss on translation of cash of \$1.3m for the full year (2020: \$0.2m loss). A foreign exchange gain of \$1.4m (2020: \$0.2m loss) on translation of foreign operations for the year ended 31 December 2021 is recognised in other comprehensive income.

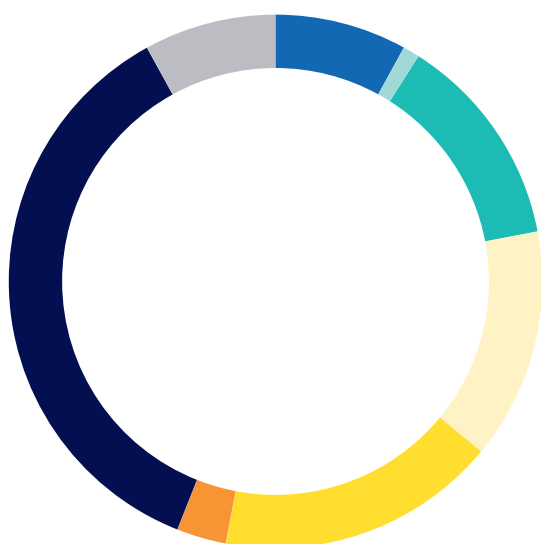
### Cash flow

The net cash inflows from operating activities decreased by \$9.4m during 2021 to \$6.6m (2020 restated: increased \$2.5m) attributable to higher payments to suppliers and employees during the year. The net increase in cash and cash equivalents of \$24.4m (2020: decrease of \$45.9m) was primarily due to a net reduction of \$35m in other current financial assets held to \$19.3m (2020: \$54.3m). This reduction in other current financial assets was partially offset by an increase in in other non-current financial assets (\$10.6m) during 2021.

### Investments

The Group's investment portfolio returned \$4.6m (2020: \$3.5m) of revenue and an unrealised gain of \$3.7m in 2021 (2020: \$0.6m).

## Expenditure by strategic goals



- 8% Protect, promote and enhance the integrity of the designation
- 1% Lead the future of the profession
- 13% Provide members with personalised and engaging experiences
- 14% Provide relevant learning and development content, resources and tools
- 17% Attract and develop the next generation of CPAs
- 3% Impact policy globally and be active in community advocacy
- 36% Member support services and governance
- 8% Strategic projects

## Balance sheet

The Group's balance sheet reflects net assets decreasing by \$7.9m or 7 per cent compared to 2020, which is largely attributable to the 2021 deficit being driven by investment in strategic projects.

Cash and cash equivalents increased by \$24.4m compared to 2020 which is primarily due to a drawdown in other financial assets and higher revenue received in advance at year end partially offset by the deficit discussed above.

Trade and other receivables have decreased by \$0.7m to \$1.6m in 2021 (2020: \$2.3m); this is due to the lower payments received from member benefit partners with greater focus on core services that deliver member value.

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

Current and non-current other financial assets are lower than 2020 by \$24.4m which is attributable to an increase in cash and cash equivalents. The increase in cash and cash equivalents is discussed further above.

Property, plant and equipment has decreased by \$3.1m to \$27.9m (2020: \$31.1m) which relates to disposal of assets and the depreciation charged during the year.

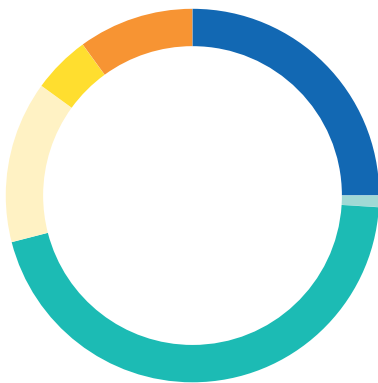
Intangible assets are higher than 2020 by \$5.0m, which is directly attributable to the addition of SaaS arrangements offset by the amortisation charged during the year. A change in accounting policy on adoption of the IFRIC agenda decisions impacting how current accounting standards apply to SaaS has resulted in a reclassification of \$1.6m intangible assets as an expense in the statement of profit or loss and comprehensive income, impacting both current and prior periods presented. Refer to note 3 for further detail.

Trade and other payables were higher by \$0.1m compared to the previous year; this is due to a timing difference in payments to trade creditors.

Current and non-current provisions ended the year \$0.9m higher than 2020. This is primarily due to an increase in provisions related to employee benefits.

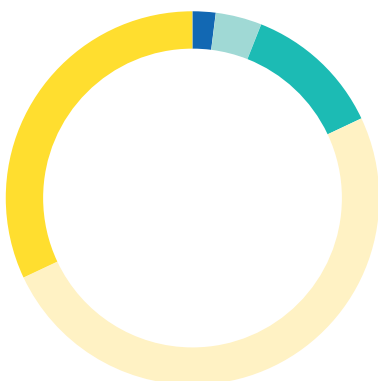
Other current liabilities were \$9.2m higher than 2020 which is due to higher subscriptions and fees received in advance.

## Assets



- 25% Cash and cash equivalents
- 1% Trade and other receivables
- 45% Other financial assets
- 14% Right-of-use asset
- 5% Other assets (incl intangibles)
- 10% Property, plant and equipment

## Liabilities



- 2% Non-current provisions
- 4% Current provisions
- 12% Trade and other payables
- 50% Subscriptions and fees in advance
- 32% Lease liabilities

# Statement of profit or loss and other comprehensive income

For the year ended 31 December 2021

	Note	Consolidated	
		2021	Restated <sup>1</sup>
		\$'000s	\$'000s
Revenue	4	157,619	156,141
Other income	4.d	69	8,079
Finance income	5	4,557	3,531
Employee benefits expense	6.a	(81,976)	(74,957)
Education and CPA Program expense	6.b	(16,805)	(14,871)
Advertising and promotion expense	6.c	(5,064)	(5,344)
Rent and outgoings expense		(4,804)	(5,972)
Computer hardware and software licences expense		(8,065)	(5,989)
Event delivery expense	6.d	(6,928)	(6,610)
Professional services expense	6.e	(22,636)	(19,470)
Printing and communication expense	6.f	(2,872)	(4,589)
Travel and catering expense	6.g	(859)	(1,315)
Other staff costs	6.h	(3,867)	(3,692)
Depreciation and amortisation expense	12, 13, 14	(14,747)	(12,914)
Finance costs		(1,806)	(1,713)
Net foreign exchange gain/(loss)		(1,256)	(199)
Gain/(loss) on sale of financial assets at FVTPL		184	(95)
Changes in the fair value of financial assets at FVTPL		2,068	1,186
Impairment gain/(loss)		127	(479)
Loss allowance for trade receivables		(107)	(440)
Gain/(loss) on sale of property, plant and equipment		-	15
Other expenses	6.i	(5,213)	(5,213)
<b>Surplus/(deficit) before income tax</b>		<b>(12,381)</b>	<b>5,090</b>
Tax (expense)/income	7.a	597	(356)
<b>Surplus/(deficit) for the year</b>		<b>(11,784)</b>	<b>4,734</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Actuarial gain/(loss) on defined benefit plan	23	-	(20)
Changes in the fair value of equity investments at FVOCI		1,754	(674)
Gain/(loss) on sale of financial assets at FVOCI		900	396
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		1,364	(170)
Changes in the fair value of debt instruments at FVOCI		(93)	133
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>3,925</b>	<b>(335)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(7,859)</b>	<b>4,399</b>

<sup>1</sup> Refer to Note 3 for explanations on the restatement of FY2020.

CPA Australia 2021 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 104 to 137.

# Statement of financial position

as at 31 December 2021

	Note	Consolidated	
		2021	Restated <sup>1</sup>
		\$'000s	2020 \$'000s
<b>Current assets</b>			
Cash and cash equivalents	8	66,927	42,559
Trade and other receivables	9	1,593	2,290
Other financial assets	11	19,273	54,268
Other assets	10	6,105	5,559
<b>Total current assets</b>		<b>93,898</b>	<b>104,676</b>
<b>Non-current assets</b>			
Other financial assets	11	104,353	93,754
Deferred tax assets	7.d	69	67
Property, plant and equipment	12	27,937	31,050
Intangible assets	13	6,148	1,135
Right-of-use asset	14.a	37,783	38,087
Other assets	10	544	526
<b>Total non-current assets</b>		<b>176,834</b>	<b>164,619</b>
<b>Total assets</b>		<b>270,732</b>	<b>269,295</b>
<b>Current liabilities</b>			
Trade and other payables		19,994	19,889
Provisions	15	6,750	6,173
Lease liabilities	14.b	7,546	9,456
Other liabilities	16	84,258	75,034
<b>Total current liabilities</b>		<b>118,548</b>	<b>110,552</b>
<b>Non-current liabilities</b>			
Provisions	15	3,381	3,107
Lease liabilities	14.b	45,200	44,174
<b>Total non-current liabilities</b>		<b>48,581</b>	<b>47,281</b>
<b>Total liabilities</b>		<b>167,129</b>	<b>157,833</b>
<b>Net assets</b>		<b>103,603</b>	<b>111,462</b>
<b>Members' funds</b>			
Reserves		8,745	5,720
Retained surplus		94,858	105,742
<b>Total members' funds</b>		<b>103,603</b>	<b>111,462</b>

<sup>1</sup> Refer to Note 3 for explanations on the restatement of FY2020.

## CPA Australia 2021 financial statements

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 104 to 137.

# Statement of changes in members' funds

for the year ended 31 December 2021

	Consolidated				Total \$'000s
	Note	Investment revaluation reserve \$'000s	Foreign currency translation reserve \$'000s	Retained surplus \$'000s	
Balance at 1 January 2020		5,988	443	100,958	107,389
Impact of change in accounting policy:					
IFRIC agenda decision on SaaS arrangements (derecognition of intangibles)	3			(325)	(325)
<b>Restated balance at 1 January 2020</b>		<b>5,988</b>	<b>443</b>	<b>100,633</b>	<b>107,064</b>
Other comprehensive income/(loss)		(541)	(170)	376	(335)
Surplus/(deficit) for the year		-	-	4,733	4,733
<b>Balance at 1 January 2021</b>		<b>5,447</b>	<b>273</b>	<b>105,742</b>	<b>111,462</b>
Other comprehensive income		1,661	1,364	900	3,925
Surplus/(deficit) for the year		-	-	(11,784)	(11,784)
<b>Balance at 31 December 2021</b>		<b>7,108</b>	<b>1,637</b>	<b>94,858</b>	<b>103,603</b>

## CPA Australia 2021 financial statements

The statement of changes in members' funds is to be read in conjunction with the notes to the financial statements set out on pages 104 to 137.



# Statement of cash flows

for the year ended 31 December 2021

	Note	Consolidated	
		2021 \$'000s	Restated <sup>1</sup> 2020 \$'000s
<b>Cash flows from operating activities</b>			
Receipts from operations		178,405	164,786
Receipts from government assistance	4.d	69	8,079
Payments to suppliers and employees		(170,048)	(155,122)
Interest on leases	14.b	(1,791)	(1,678)
<b>Net cash inflows from operating activities</b>	8	<b>6,635</b>	<b>16,065</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment and intangible assets	12, 13	(7,710)	(16,888)
Net receipts/(payments) for deposits less than 1 year but greater than 90 days		34,994	(23,998)
Proceeds from sale of investments		20,390	14,980
Purchase of investments		(25,451)	(30,571)
Investment interest and dividends received		4,645	3,570
<b>Net cash (outflows)/inflows from investing activities</b>		<b>26,868</b>	<b>(52,907)</b>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities	14.b	(7,744)	(8,161)
<b>Net cash outflows from financing activities</b>		<b>(7,744)</b>	<b>(8,161)</b>
Net increase/(decrease) in cash and cash equivalents held		25,759	(45,003)
Cash and cash equivalents at the beginning of the financial year		42,559	88,486
Effects of exchange rate changes in the balance of cash held in foreign currencies		(1,391)	(924)
<b>Cash and cash equivalents at the end of the financial year</b>	8	<b>66,927</b>	<b>42,559</b>

<sup>1</sup> Refer to Note 3 for explanations on the restatement of FY2020.

## CPA Australia 2021 financial statements

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 104 to 137.

# Notes to the financial statements

## 1 Adoption of new and revised Accounting Standards

The Group adopts all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the operations and effective for the current annual reporting period.

### Change in accounting policy

The Group has early adopted *AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions*

In response to the COVID-19 pandemic, the AASB issued an amendment to *AASB 16 Leases* which incorporates the IASB standard *COVID-19-Related Rent Concessions (Amendment to IFRS 16)* issued in May 2020. The amendment provides practical relief for lessees in accounting for rent concessions. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

In the current year, the IFRIC issued two final agenda decisions which impact how current accounting standards apply to SaaS arrangements under the standard *AASB 138 Intangible Assets*. The two final agenda decisions provide guidance on two key interpretations under the standard:

- *An entity's right to receive access to a supplier's software hosted on the cloud* (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term
- *Configuration or customisation costs in a cloud computing arrangement* (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Group's accounting policy has historically been to capitalise all costs related to SaaS arrangements as intangible assets in the statement of financial position. The Group has adopted the agenda decisions and revised its accounting policy dealing with intangible assets to recognise that the costs of configuring or customising suppliers' application software in a SaaS arrangement are required to be expensed in the statement of profit or loss and other comprehensive income, unless they meet the recognition criteria in *AASB 138 Intangible Assets*.

The changes apply retrospectively and the impact due to the adoption of the IFRIC agenda decisions on cloud computing arrangements is outlined in Note 3 changes in significant accounting policies.

The new accounting policy is presented in further detail in Note 13.

### Standards issued but not yet effective

A number of Australian Accounting Standards, Interpretations and Amendments are in issue but are not yet effective and have not been applied in preparing these financial statements. These are not expected to have a material impact on the Group's financial statements when applied.

## 2 Summary of significant accounting policies

### 2 (a) Basis of preparation

The general purpose consolidated financial statements have been prepared on an accruals basis and are based on historical costs. They do 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.

### 2 (b) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, Interpretations and other authoritative pronouncements of the AASB. CPA Australia is a not-for-profit entity for the purpose of preparing the financial statements, however there is no impact on the recognition and measurement of amounts from applying paragraphs specific to not-for-profit entities. Therefore, compliance with Australian Accounting Standards results in full compliance with the IFRS as issued by the IASB.

As at 31 December 2021, current liabilities are \$24.7m greater than current assets. This is mainly due to investments purchased during the year being classified as non-current assets based on the Group's intention to realise these assets. It is also impacted by deferred revenue, a non-cash item being classified as a current liability. The Group has sufficient liquidity to pay its debts as and when they become due and payable. Consequently, the directors have prepared the financial statements on a going concern basis.

CPA Australia is limited by guarantee and domiciled in Australia.

The consolidated financial statements for the year ended 31 December 2021 were authorised by the Board of Directors on 15 March 2022.

### 2 (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 to obtain benefits from its activities.

All intercompany transactions, balances, income and expenses are eliminated in full on consolidation.

## 2 (d) 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.

## 2 (e) 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 or loss in the period they occur.

### *Foreign currency operations*

The assets and liabilities of the Group'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 charged/credited to other comprehensive income and recognised in the foreign currency translation reserve in equity.

## 2 (f) Government assistance

Government assistance is recognised in the statement of profit or loss and other comprehensive income once there is reasonable assurance the entity will comply with the conditions attached and the assistance will be received.

Government assistance received during 2021 is outlined in further detail in Note 4.d.

## 2 (g) 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.

## 2 (h) Critical judgements in applying the Group'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.

### *Intangible and other assets*

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

### *SaaS arrangements*

Note 13 describes the Group's accounting policy in respect of configuration and customisation costs incurred in implementing SaaS arrangements. In applying the Group's accounting policy, the directors made the following key judgements that may have the most significant effect on the amounts recognised in the financial statements.

- i. Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

ii. Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, the Group has developed software code that enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

**Deferred tax assets**

Deferred tax assets in respect of current and prior period accumulated tax losses are not (unless related to overseas jurisdictions) recognised at balance sheet date as management has assessed that it is not probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

**3 Changes in significant accounting policies**  
**SaaS arrangements**

During the year ended 31 December 2021, the Group revised its accounting policy dealing with SaaS arrangements and configuration and customisation costs incurred in implementing cloud computing arrangements with cloud providers. The change in accounting policy resulted from the implementation of agenda decisions issued by the IFRIC clarifying its interpretation of how current accounting standards apply to SaaS arrangements, infrastructure as a service, and hosting arrangements with cloud providers.

The Group's accounting policy has historically been to capitalise all costs related to SaaS arrangements as intangible assets in the statement of financial position. The Group has reviewed its computer software assets following the adoption of the above agenda decisions to ensure that costs capitalised in both the 2020 and 2021 financial years are in line with AASB 138 *Intangible Assets* and the updated accounting policy. This has resulted in a reclassification of certain intangible assets as an expense in the statement of profit or loss and other comprehensive income, impacting both the current and prior periods presented. There is no impact on the opening balances at 1 January 2019.

In addition to the impact in the prior period a significant amount of the member management and finance system, which under our previous accounting policy would have been reflected in the statement of financial position and amortised over a number of years, has in the 2021 reporting period been expensed directly to the statement of profit or loss and other comprehensive income. In addition to this there were several other small SaaS projects also expensed directly to the statement of profit or loss and other comprehensive income. The impact of the change in accounting policy represented a total negative impact of \$9.8m within the statement of profit or loss and other comprehensive income.

The new accounting policy is presented in Note 13.

The following tables summarise the impact resulting from the change in accounting policy for the financial year ended December 2020 for the line items affected:

	Consolidated		
	Pre adjustment	Adjustment	Post adjustment
Statement of profit or loss and other comprehensive income – 2020	\$'000s	\$'000s	\$'000s
<b>Expenses</b>			
Employee benefits expense	(74,730)	(227)	(74,957)
Professional services expense	(18,396)	(1,074)	(19,470)
Depreciation and amortisation expense	(12,958)	44	(12,914)
<b>Total expenses</b>	<b>(161,404)</b>	<b>(1,257)</b>	<b>(162,661)</b>
<b>Surplus before income tax</b>	<b>6,347</b>	<b>(1,257)</b>	<b>5,090</b>
Tax (expense)/income	(356)	-	(356)
<b>Surplus for the year</b>	<b>5,991</b>	<b>(1,257)</b>	<b>4,734</b>
<b>Total comprehensive income for the year</b>	<b>5,656</b>	<b>(1,257)</b>	<b>4,399</b>

	Consolidated		
	Pre adjustment	Adjustment	Post adjustment
Statement of financial position – opening balance sheet 1 January 2020	\$'000s	\$'000s	\$'000s
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	1,229	(325)	904
<b>Total non-current assets</b>	<b>128,161</b>	<b>(325)</b>	<b>127,836</b>
<b>Total assets</b>	<b>255,138</b>	<b>(325)</b>	<b>254,813</b>
<b>Net assets</b>	<b>107,389</b>	<b>(325)</b>	<b>107,064</b>
<b>Members' funds</b>			
Retained surplus	100,958	(325)	100,633
<b>Total members' funds</b>	<b>107,389</b>	<b>(325)</b>	<b>107,064</b>

	Consolidated		
	Pre adjustment	Adjustment	Post adjustment
Statement of financial position – 2020	\$'000s	\$'000s	\$'000s
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	2,718	(1,583)	1,135
<b>Total non-current assets</b>	<b>166,202</b>	<b>(1,583)</b>	<b>164,619</b>
<b>Total assets</b>	<b>270,878</b>	<b>(1,583)</b>	<b>269,295</b>
<b>Net assets</b>	<b>113,045</b>	<b>(1,583)</b>	<b>111,462</b>
<b>Members' funds</b>			
Retained surplus	107,325	(1,583)	105,742
<b>Total members' funds</b>	<b>113,045</b>	<b>(1,583)</b>	<b>111,462</b>

	Consolidated		
	Pre adjustment	Adjustment	Post adjustment
Statement of cash flows – 2020	\$'000s	\$'000s	\$'000s
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees	(153,821)	(1,301)	(155,122)
<b>Net cash inflows from operating activities</b>	<b>17,336</b>	<b>(1,301)</b>	<b>16,035</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment and intangible assets	(18,189)	1,301	(16,888)
<b>Net cash outflows from investing activities</b>	<b>(54,208)</b>	<b>1,301</b>	<b>(52,907)</b>

#### 4 Revenue

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Revenue from contracts with customers</b>		
Member fees and subscriptions	88,163	89,268
Education and CPA Program	56,402	54,835
Professional development	7,430	5,924
Other services	3,586	4,063
Marketing, promotion and publications	2,038	2,051
	157,619	156,141

#### 4 (a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products and service lines and the timing of revenue recognition.

	Consolidated					Total
	Member fees and subscriptions	Education and CPA Program	Professional development	Other services	Marketing, promotion and publications	
2021	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue from contracts with customers	88,163	56,402	7,430	3,586	2,038	157,619
<b>Timing of revenue recognition</b>						
At a point in time	2,177	2,690	7,430	3,586	2,038	17,921
Over time	85,986	53,712	-	-	-	139,698
	<b>88,163</b>	<b>56,402</b>	<b>7,430</b>	<b>3,586</b>	<b>2,038</b>	<b>157,619</b>
<b>2020</b>						
Revenue from contracts with customers	89,268	54,835	5,924	4,063	2,051	156,141
<b>Timing of revenue recognition</b>						
At a point in time	2,231	4,104	5,924	4,063	2,051	18,373
Over time	87,037	50,731	-	-	-	137,768
	<b>89,268</b>	<b>54,835</b>	<b>5,924</b>	<b>4,063</b>	<b>2,051</b>	<b>156,141</b>

##### **Member fees and subscriptions**

The membership subscription year runs 1 January to 31 December, with subscriptions payable annually in advance. Only those membership fees and subscriptions that are attributable to the current financial year are recognised as revenue over time. 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 liabilities.

##### **Education and CPA Program**

Education and CPA Program revenue is recognised as associated performance obligations are satisfied. Payments are received in advance except in a small number of cases where customers are invoiced, and payment is due within 30 days. Revenue that relates to future periods is shown in the statement of financial position as subscriptions and fees in advance under the heading of current liabilities – other liabilities.

##### **Professional development**

Professional development revenue is recognised at a point in time as events are delivered or as goods are transferred to customers. Payments are generally received in advance; where customers are invoiced, payment is due within 30 days. Revenue that relates to future periods is shown in the statement of financial position as subscriptions and fees in advance under the heading of current liabilities – other liabilities.

##### **Marketing, promotion and publications**

Revenue from marketing, promotion and publications activity is recognised at the time of the sponsored event or publication issue. Payment is due from customers within 30 days of invoicing. Where payment is received in advance, it is recognised as a liability until the performance obligation is satisfied.

##### **Other revenue generating activities**

Revenue from other contracts with customers is transferred at a point in time when performance obligations are satisfied by transferring promised goods or services to customers. Payment is due from customers within 30 days of invoicing.

#### 4 (b) Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Consolidated	
	2021	2020
	\$'000s	\$'000s
Receivables (included in trade and other receivables)	1,680	2,375
Loss allowance	(95)	(94)
Total receivables	1,585	2,281
<hr/>		
Subscriptions and fees received in advance	84,258	75,034

Subscriptions and fees in advance are shown in the statement of financial position under the heading of current liabilities – other liabilities; this represents advance consideration received from customers for which revenue is recognised in accordance with the satisfaction of performance obligations.

Significant changes in contract balances during the period are as follows:

	Consolidated	
	2021	2020
	\$'000s	\$'000s
Revenue recognised that was included in the subscriptions and fees received in advance balance at the beginning of the period	75,034	78,730
Increases due to cash received, excluding amounts recognised as revenue during the period	(84,258)	(75,034)

#### 4 (c) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at 31 December 2021.

	Consolidated
	2021
	\$'000s
Member fees and subscriptions	63,963
Education and CPA Program	19,941
Professional development	186
Other services	168
	84,258

#### 4 (d) Other income

	Consolidated	
	2021	2020
	\$'000s	\$'000s
Government assistance	69	8,079

Government assistance includes various subsidies issued by Governments globally in response to the COVID-19 pandemic. The Group was eligible for and received the following:

##### *JobKeeper (Australia)*

A total of 401 employees of CPA Australia were eligible for fortnightly payments under the JobKeeper scheme in 2020 totalling \$7,404,825. CPA Australia was not eligible for further assistance under the JobKeeper scheme beyond 27 September 2020 and received no payments during 2021.

##### *Job Support Scheme (Singapore)*

Confirmation of eligibility was received in April 2020 with a total amount of \$349,526 received between April 2020 and October 2020. Final payments totalling \$68,853 were received between March 2021 and June 2021.

##### *Employment Support Scheme (Hong Kong SAR)*

CPA Australia Hong Kong SAR was not eligible for further assistance in 2021 (2020: \$278,059).

##### *Wage Subsidy Scheme (New Zealand)*

CPA Australia New Zealand was not eligible for further assistance in 2021 (2020: \$46,370).

All employee expenses related to the subsidies received are disclosed separately under employee benefits expense in the statement of profit or loss and other comprehensive income.

##### *Other assistance*

In 2020 CPA Australia China was eligible for Social Insurance Relief amounting to \$100,733. The reduction of this expense was reflected in the employee benefits expense in the statement of profit or loss and other comprehensive income. CPA Australia China was not eligible in 2021 for Social Insurance Relief assistance.



## 5 Finance income

	Consolidated	
	2021	2020
	\$'000s	\$'000s
Dividends and distributions	4,066	2,466
<i>Interest income on:</i>		
Financial assets held as investments	485	1,014
Bank deposits	6	51
	4,557	3,531

### *Dividends and distributions*

Dividends are recognised as finance income in profit or loss when the right to receive payment is established.

### *Interest*

Interest is recognised as finance income in profit or loss using the effective interest rate method.

## 6 Expenditure

### 6 (a) Employee benefits

	Consolidated	
		Restated <sup>1</sup>
	2021	2020
	\$'000s	\$'000s
Salaries and other benefits	75,674	69,102
Defined contribution	6,274	5,699
Fringe benefits tax	28	195
Defined benefit plan	-	(39)
	81,976	74,957

1 Refer to Note 3 for explanations on the restatement of FY2020.

### 6 (b) Education and CPA Program expense

Exam delivery	10,681	8,936
Exam and content development	6,124	5,935
	16,805	14,871

### 6 (c) Advertising and promotion expense

Acquisition advertising	3,640	3,832
Member engagement activity	565	539
Other	217	352
Sponsorships	217	225
Research prizes and grants	243	174
Business development activity	148	154
Media monitoring	23	36
Public practice program campaign	11	32
	5,064	5,344

### 6 (d) Event delivery expense

Professional development events	4,945	5,259
Member engagement events	1,891	1,291
Recruitment events	45	54
Education events	47	6
	6,928	6,610

#### 6 (e) Professional services expense

	Consolidated	
	Restated	
	2021	2020
	\$'000s	\$'000s
Strategic investment	9,647	7,947
Corporate support	3,304	3,506
Technology projects	3,757	1,598
Publications	1,154	1,460
Governance	363	1,369
Product development and delivery	1,520	1,191
Business development activity	950	966
Legal	1,112	607
Professional conduct activity	703	600
AGM	126	226
	22,636	19,470

#### 6 (f) Printing and communication expense

Publications	402	1,828
Telephone, internet and WAN costs	1,136	1,045
Printing and stationery	361	702
Postage	499	599
Other	474	415
	2,872	4,589

#### 6 (g) Travel and catering expense

Member engagement activity	222	238
Corporate support	328	302
Business development activity	102	227
Board and internal audit	131	276
Education and professional development activity	23	138
Public practice activity	11	77
Advocacy	15	47
Professional conduct activity	7	10
Strategic projects	20	-
	859	1,315

#### 6 (h) Other staff costs

	Consolidated	
	Restated	
	2021	2020
	\$'000s	\$'000s
Agencies employment expense	1,356	1,411
Staff training and development	945	1,087
Staff recruitment	1,235	795
Other staff costs	331	399
	<b>3,867</b>	<b>3,692</b>

#### 6 (i) Other expenses

Memberships and contributions	2,567	2,659
Merchant fees and bank fees	2,444	2,173
CPA Australia Best Practice Program	118	190
Other	84	191
	<b>5,213</b>	<b>5,213</b>

#### 7 Taxation

As an organisation that is carried on for the benefit of its members collectively, not individually, the Group applies the principle of mutuality which is a common law principle based on the premise that individuals (members in the case of CPA Australia) cannot derive taxable income from themselves.

In applying the principle of mutuality, revenue in the form of member receipts represents mutual income and is not subject to income tax. Expenses associated with such mutual income are likewise not tax deductible for income tax purposes. The principle of mutuality does not extend to all other receipts and payments of the Group and as such need to be classified for income tax purposes in accordance with Australian income tax legislation.

Expenditure of the Group has been apportioned between mutual and non-mutual income using an appropriate methodology which has been validated by external tax advisors.

#### 7 (a) Income tax recognised in profit or loss

	Consolidated	
	2021	2020
	\$'000s	\$'000s
Tax expense overseas entities	115	124
Deferred tax expense/(benefit) (refer 7(d))	(712)	232
<b>Total income tax expense/(income)</b>	<b>(597)</b>	<b>356</b>

In addition to its Australian operations, the Group also operates in a number of overseas jurisdictions. The revenue derived by the foreign branches of CPA Australia are generally not subject to Australian income tax. Expenses associated with the activities of the foreign branches of CPA Australia are similarly not tax deductible under Australian income tax law.

In 2020, CPA Australia reviewed the transfer pricing policy for the Group and as a result, there is a slightly higher tax expense in some overseas jurisdictions. The transfer pricing policy is guided by the broader taxation policy of the Group and has regard to both the arm's length standard as set out in the Organisation for Economic Co-operation and Development Guidelines, and the local transfer pricing requirements in the jurisdictions in which the Group has a presence.

### 7 (b) Reconciliation of prima facie income tax

The assessable income of the Group 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	
	2021	2020
	\$'000s	\$'000s
Surplus/(deficit) before income tax	(12,381)	6,347
Income tax expense calculated at 30%	(3,714)	1,904
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Mutual revenue	(43,955)	(46,268)
Mutual expenses	43,267	42,197
Foreign operations revenue	(4,964)	(4,741)
Foreign operations expenditure	6,585	6,228
Other tax adjustments	650	230
	(2,131)	(450)
Tax effect of:		
Temporary differences	256	1,540
Recognition/(dercognition) of prior year tax losses as deferred assets	1,163	(858)
Impact of tax in foreign jurisdiction	115	124
	1,534	806
<b>Total income tax expense/(income)</b>	<b>(597)</b>	<b>356</b>

Non-mutual operating and investment revenue totalled \$16.6m in 2021 (2020: \$22.2m). Non-mutual operating expenditure totalled \$20.4m in 2021 (2020: \$19m). This gives rise to a non-mutual taxable loss of \$3.8m (2020: surplus \$3.2m) prior to any tax adjustments.

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.

## 7 (c) Income tax recognised in other comprehensive income

	Consolidated	
	2021	2020
	\$'000s	\$'000s
Deferred tax expense/(benefit) arising on the fair value remeasurement of equity investments at FVOCI (refer 7(d))	752	(289)
Deferred tax expense/(benefit) arising on the fair value remeasurement of debt instruments at FVOCI (refer 7(d))	(40)	57
<b>Total income tax recognised in other comprehensive income</b>	<b>712</b>	<b>(232)</b>

The deferred tax expense arising on the fair value measurement of equity investments and debt instruments is included in the changes in the fair value of equity investments and debt instruments in other comprehensive income in the statement of profit or loss and other comprehensive income.

## 7 (d) Deferred tax assets (DTAs)/(liabilities) arise from the following

	Consolidated							
	Opening balance 2020	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance 2020	Recognised in profit or loss	Recognised in other comprehensive income	Fx Revaluation	Closing balance 2021
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Investments	(3,380)	(356)	232	(3,504)	(620)	(712)	-	(4,836)
Property, plant and equipment	-	(390)	-	(390)	346	-	-	(44)
Employee benefits	308	(56)	-	252	32	-	-	284
Provisions	35	(18)	-	17	(1)	-	-	16
Leases	570	(720)	-	(150)	(13)	-	-	(163)
Tax losses	2,467	1,308	-	3,775	968	-	-	4,743
Foreign subsidiaries	67	-	-	67	-	-	2	69
	<b>67</b>	<b>(232)</b>	<b>232</b>	<b>67</b>	<b>712</b>	<b>(712)</b>	<b>2</b>	<b>69</b>

CPA Australia Ltd and its Australian subsidiary CPA Australia Advice Pty Ltd formed a tax consolidated group on 1 April 2016. On 31 October 2021, CPA Australia Advice Pty Ltd was deregistered in line with the 2018 decision by the Board of CPA Australia and exited its tax sharing and funding agreement with the consolidated group. Other members of the tax consolidated group remain part of the tax sharing and funding agreement.

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 assets are recognised for all deductible temporary differences. The Group has recognised a deferred income tax asset for all carry forward tax losses to such an extent so that total net deferred income tax assets and liabilities are nil. Any deferred tax asset related to other tax jurisdictions are recognised in the balance sheet. Further details on the deferred tax assets not brought to account are outlined below.

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 statement of profit or loss and other comprehensive Income.

#### 7 (e) Deferred tax assets (DTAs) not brought to account

Deferred tax assets not brought to account are as follows:

	Consolidated	
	2021	2020
	\$'000s	\$'000s
Tax losses not recognised as DTAs	2,635	1,472

#### 8 Cash and cash equivalents

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Current</b>		
Cash at bank and in hand	52,927	38,059
Deposits at call	14,000	4,500
	66,927	42,559

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

Cash and cash equivalents decreased due to the purchase of investments during the year and higher deposits less than one year but greater than 90 days.

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Inflow from operating activities</b>		
Surplus/(deficit) for the year	(11,784)	4,734
<b>Plus/(minus) non-operating items:</b>		
Interest and dividend income received	(4,557)	(3,531)
Net (gain)/loss on sale of property, plant and equipment	-	(15)
Net (gain)/loss on sale of financial assets at FVTPL	(184)	95
<b>Plus/(minus) non-cash items:</b>		
Depreciation and amortisation	14,747	12,914
Foreign exchange translation	1,256	199
Provision for impairment	(127)	479
Addback loss allowance on trade receivables	107	440
Deferred tax adjustment	(712)	256
Make-good expense/(gain)	(580)	(312)
(Gain)/loss on revaluation of financial assets at FVTPL	(2,068)	(1,186)
Movement in Fiji funds	213	-
Lease rental concessions	-	(146)
Finance costs	11	35
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in receivables	697	245
(Increase)/decrease in other assets	(564)	(161)
Increase/(decrease) in payables	105	6,936
Increase/(decrease) in subscriptions and fees in advance	9,224	(3,696)
Increase/(decrease) in other liabilities	-	-
Increase/(decrease) in provisions	851	(1,221)
<b>Net cash inflow from operating activities</b>	<b>6,635</b>	<b>16,065</b>

1 Refer to Note 3 for explanations on the restatement of FY2020.

## 9 Trade and other receivables

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Current assets</b>		
Trade and other receivables	1,685	2,378
Loss allowance	(95)	(94)
	1,590	2,284
<b>Other receivables:</b>		
Accrued interest on bank deposits	1	1
Accrued interest on financial assets at amortised cost	2	5
	3	6
	1,593	2,290

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore classified as current. No interest is charged on outstanding trade receivables. Trade receivables are recognised initially at the transaction amount. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

In determining the recoverability of a trade receivable, the Group 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 consist of many members and customers, spread across diverse industries and geographical areas. The Group 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.

The movement in the allowance for impairment in respect of trade receivables is as follows:

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Movement in loss allowance</b>		
Balance at 1 January	94	49
Amounts recovered	-	-
Remeasurement of loss allowance	1	45
Balance at the end of the year	95	94

Details on the calculation of the loss allowance are provided in Note 24.

## 10 Other assets

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Current</b>		
Prepayments	6,084	5,559
Security deposit and other	21	-
	6,105	5,559
<b>Non-current</b>		
Security deposit and other	544	526
	544	526

## 11 Other financial assets

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Current</b>		
Deposits greater than 90 days, less than one year	19,273	54,268
	19,273	54,268
<b>Non-current</b>		
Financial assets at fair value through profit or loss (FVTPL)	67,200	56,237
Financial assets at fair value through other comprehensive income (FVOCI)	37,153	37,517
	104,353	93,754

Details on accounting policies for financial assets are outlined in Note 24.



## 12 Property, plant and equipment

	Consolidated				
	Building at cost \$'000s	Plant and equipment and leasehold improvements at cost \$'000s	Library books at cost \$'000s	Capital work in progress \$'000s	Total \$'000s
<b>Gross carrying amount</b>					
Balance at 1 January 2020	3,800	42,888	51	1,974	48,713
Additions	-	274	12	26,280	26,566
Derecognition of assets	-	(15,755)	(8)	-	(15,763)
Transfers to/from asset class	-	27,304	-	(27,304)	-
<b>Balance at 1 January 2021</b>	<b>3,800</b>	<b>54,711</b>	<b>55</b>	<b>950</b>	<b>59,516</b>
Additions	-	333	6	3,432	3,771
Derecognition of assets	-	(1,582)	(9)	-	(1,591)
Transfers to/from asset class	-	2,782	-	(2,782)	-
<b>Balance at 31 December 2021</b>	<b>3,800</b>	<b>56,244</b>	<b>52</b>	<b>1,600</b>	<b>61,696</b>
<b>Accumulated depreciation and impairment</b>					
Balance at 1 January 2020	(1,672)	(36,092)	(20)	-	(37,784)
Derecognition of assets	-	13,984	8	-	13,992
Depreciation	(76)	(4,587)	(11)	-	(4,674)
<b>Balance at 1 January 2021</b>	<b>(1,748)</b>	<b>(26,695)</b>	<b>(23)</b>	<b>-</b>	<b>(28,466)</b>
Derecognition of assets	-	1,412	9	-	1,421
Depreciation	(76)	(6,627)	(11)	-	(6,714)
<b>Balance at 31 December 2021</b>	<b>(1,824)</b>	<b>(31,910)</b>	<b>(25)</b>	<b>-</b>	<b>(33,759)</b>
<b>Net book value</b>					
Property, plant and equipment as at 31 December 2020	2,052	28,016	32	950	31,050
Property, plant and equipment as at 31 December 2021	<b>1,976</b>	<b>24,334</b>	<b>27</b>	<b>1,600</b>	<b>27,937</b>

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

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 as follows:

Buildings	50 Years
Strata title	50 Years
Property, plant and equipment	3 – 13 Years
Library books	5 Years

### *Land and buildings*

Valuations are obtained biennially and were obtained in 2021. All valuations received exceeded the assets 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 where there exists an obligation to restore the property to its original condition. These costs are included in the value of plant and equipment (comprising of leasehold improvements assets) with a corresponding provision for the restoration taken up.

### 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.

### Sale of non-current assets

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

## 13 Intangible assets

	Consolidated		
	Intangible assets at cost	Capital work in progress – intangible assets	Total
	\$'000s	\$'000s	\$'000s
<b>Gross carrying amount</b>			
Balance at 1 January 2020 (restated) <sup>1</sup>	31,631	52	31,683
Additions (restated) <sup>1</sup>	-	1,033	1,033
Derecognition of assets	(1,467)	-	(1,467)
Transfers to/from asset class (restated) <sup>1</sup>	742	(742)	-
<b>Balance at 1 January 2021</b>	<b>30,906</b>	<b>343</b>	<b>31,249</b>
Additions	-	5,816	5,816
Derecognition of assets	(9,992)	-	(9,992)
Transfers to/from asset class	3,380	(3,380)	-
<b>Balance at 31 December 2021</b>	<b>24,294</b>	<b>2,779</b>	<b>27,073</b>
<b>Accumulated amortisation and impairment</b>			
Balance at 1 January 2020 (restated) <sup>1</sup>	(30,780)	-	(30,780)
Derecognition of assets	1,467	-	1,467
Amortisation and impairment (restated) <sup>1</sup>	(801)	-	(801)
<b>Balance at 1 January 2021</b>	<b>(30,114)</b>	<b>-</b>	<b>(30,114)</b>
Derecognition of assets	9,985	-	9,985
Amortisation and impairment	(796)	-	(796)
<b>Balance at 31 December 2021</b>	<b>(20,925)</b>	<b>-</b>	<b>(20,925)</b>
<b>Net book value</b>			
Intangible assets as at 31 December 2020	792	343	1,135
Intangible assets as at 31 December 2021	3,369	2,779	6,148

<sup>1</sup> Refer to Note 3 for explanations on the restatement of FY2020.

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.

#### Website costs

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

#### SaaS Arrangements

The Group's accounting policy has historically been to capitalise all costs related to SaaS arrangements as intangible assets in the statement of financial position. The Group updated its policy in relation to cloud computing arrangement costs during 2021 in response to IFRIC agenda decisions as outlined at Note 3.

SaaS arrangements are service contracts providing CPA Australia with the right to access the cloud provider's application software over the contract period. As such, the Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits. These facts indicate that there is no ownership of the asset as the supplier controls the application software (intellectual property) to which CPA Australia has access. Where there is no ownership, control or possession of the asset, the cloud computing arrangement (SaaS) will be a service contract and costs are treated as operating expenditure in accordance with AASB 138 *Intangible Assets*.

Implementation costs including costs to configure or customise the cloud provider's application software under the SaaS are recognised as operating expenditure and are categorised as either being distinct or not distinct from the SaaS access to determine the timing of the expense. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

If the Group pays the supplier before receiving the customisation services, it recognises the prepayment as an asset and the asset is expensed when the service is supplied. Conversely, an accrued expense is recognised if it receives a service in advance of paying for that service.

Configuration and customisation costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition of and recognition criteria for an intangible asset, are recognised as intangible software assets. Such costs of customisation or modification may be capitalised as a stand-alone software asset or part of the cost of an existing software asset provided the recognition criteria in AASB 138 *Intangible Assets* are met.

#### Impairment of intangible assets

At each reporting date, the Group reviews the carrying amounts of its intangible 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 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 recoverable amount of the cash-generating unit to which the asset belongs is estimated. 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.

## 14 Leases

### 14 (a) Right-of-use asset

The Group leases properties in the jurisdictions from which it operates. In some jurisdictions, it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. In some jurisdictions, the periodic rent is fixed over the lease term.

	Consolidated
	Leased properties
	Right-of-use asset
	\$'000s
<b>Gross carrying amount</b>	
Balance at 1 January 2020	45,311
Additions/modification to right-of-use assets	7,533
Derecognition of right-of-use assets	(287)
Foreign exchange movements	(634)
<b>Balance at 1 January 2021</b>	<b>51,923</b>
Additions/modification to right-of-use assets	6,660
Derecognition of right-of-use assets	-
Foreign exchange movements	747
<b>Balance at 31 December 2021</b>	<b>59,330</b>
<b>Accumulated depreciation</b>	
Balance at 1 January 2020	(7,161)
Depreciation	(7,439)
Derecognition of right-of-use assets	287
Foreign exchange movements	477
<b>Balance at 1 January 2021</b>	<b>(13,836)</b>
Depreciation	(7,237)
Derecognition of right-of-use assets	-
Foreign exchange movements	(474)
<b>Balance at 31 December 2021</b>	<b>(21,547)</b>
<b>Net book value</b>	
Right-of-use asset as at 31 December 2020	38,087
Right-of-use asset as at 31 December 2021	<b>37,783</b>

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low-value assets and leases with a duration of twelve months or less. Lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income over the lease term.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease; and
- Initial direct costs incurred.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

### 14 (b) Lease liabilities

	Leased properties
	\$'000s
<b>Reconciliation of lease liability</b>	
Balance at 1 January 2020	45,565
Additions/modification	7,533
Interest expense	1,678
Lease payments	(9,839)
Lease rental concessions	(146)
Lease incentives received	9,027
Foreign exchange movements	(188)
<b>Balance at 1 January 2021</b>	<b>53,630</b>
Additions/modification	6,472
Interest expense	1,791
Lease payments	(9,535)
Lease rental concessions	-
Lease incentives received	100
Foreign exchange movements	288
<b>Balance at 31 December 2021</b>	<b>52,746</b>

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate which is determined by obtaining interest rates from various external financing sources. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

The Group early adopted in the prior year *AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions* and applied the practical expedient consistently to eligible rent concessions. Amounts received are treated as a credit to rent and outgoings in the statement of profit or loss and other comprehensive Income. During 2021, the Group did not receive any COVID-19 related rental concessions (2020: \$146,311). For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

Service charges are not included in the calculation of lease liabilities and are expensed in the statement of profit or loss and other comprehensive Income. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability includes:

- Amounts expected to be payable under any residual value guarantee
- The exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at a revised discount rate at the time of remeasurement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- In all other cases where renegotiating increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

#### Extension options

Some property leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassess whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$21m.

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Lease commitments<sup>1</sup></b>		
Less than one year	9,054	9,456
One to two years	8,317	8,226
Two to three years	7,613	6,900
Three to four years	6,627	5,955
Four to five years	6,616	5,998
More than five years	29,377	33,548
<b>Total</b>	<b>67,604</b>	<b>70,083</b>

1 Lease commitments reflect the contractual undiscounted cash flows.

## 15 Provisions

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Current</b>		
Employee benefits	6,665	5,825
Restoration of leased properties	85	348
	6,750	6,173
<b>Non-current</b>		
Employee benefits	1,369	1,008
Restoration of leased properties	2,012	2,099
	3,381	3,107
	10,131	9,280

### Employee benefits

The employee benefits provision represents annual leave and vested and unvested long service leave entitlements accrued.

Employee benefits expected to be settled within one year after the end of the period in which the employees render the service have been measured at the amounts expected to be paid when the liabilities are settled and includes on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future payments to be made for those benefits. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that most closely match the terms of maturity of the related liabilities. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

	Consolidated	
	2021	2020
<b>Employee numbers</b>		
Average number of full-time equivalent employees (FTEs) during the financial year	577	525

### Restoration of leased properties

In accordance with AASB 116 *Property, Plant and Equipment* the Group recognises a restoration provision as part of the asset cost for leasehold improvements. The provision is reviewed annually in accordance with AASB 137 *Provisions, Contingent liabilities and Contingent assets* and AASB Interpretation 1 *Changes in existing decommissioning, restoration and similar liabilities*. At this time, the discount for the time value of money is unwound and recognised as a finance cost and circumstances are reviewed and the provision re-measured if required.

In 2021, the provision was re-measured based on changes in expected costs to restore applicable sites, to the lease terms, inflation and discount rates. This resulted in a decrease to the provision.

	Consolidated	
	2021	2020
	\$'000s	\$'000s
Balance at 1 January	2,447	3,702
Provision charged/(credited) to plant and equipment	64	(978)
Provision charged/(credited) to profit or loss	(425)	(312)
Unwinding of discount and effect of changes in the discount rate	11	35
Balance as at 31 December	2,097	2,447

## 16 Other liabilities

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Current</b>		
Subscriptions and fees received in advance	84,258	75,034
	84,258	75,034

## 17 Parent entity disclosure

	Consolidated	
	Restated <sup>1</sup>	
	2021	2020
	\$'000s	\$'000s
<b>Financial position</b>		
<b>Assets</b>		
Current assets	88,454	99,992
Non-current assets	176,246	163,823
<b>Total assets</b>	<b>264,700</b>	<b>263,815</b>
<b>Liabilities</b>		
Current liabilities	117,804	109,832
Non-current liabilities	47,687	46,153
<b>Total liabilities</b>	<b>165,491</b>	<b>155,985</b>
<b>Net Assets</b>	<b>99,209</b>	<b>107,830</b>
<b>Members' funds</b>		
Retained surplus	90,638	102,742
Reserves		
Investment revaluation reserve	7,109	5,447
Foreign currency translation reserve	1,462	(359)
<b>Total members' funds</b>	<b>99,209</b>	<b>107,830</b>

1 Refer to Note 3 for explanations on the restatement of FY2020

As at 31 December 2021, current liabilities are \$29.4m greater than current assets. This is mainly due to investments purchased during the year being classified as non-current assets based on the Group's intention to realise these assets. It is also impacted by deferred revenue, a non-cash item being classified as a current liability. The Company has sufficient liquidity to pay its debts as and when they become due and payable.

### Loan to subsidiary

On 31 October 2021, CPA Australia Advice Pty Ltd was deregistered with ASIC in line with the 2018 decision to cease operations by the Board of CPA Australia. To satisfy the requirements for voluntary deregistration under the *Corporations Act*, CPA Australia Advice Pty Ltd was required to reduce its assets below \$1,000, this was achieved by transferring \$85,758 representing the balance of remaining funds to the parent company CPA Australia Ltd. The transfer of assets is treated as a reduction in equity capital contribution in the accounts of CPA Australia Advice Pty Ltd. As CPA Australia Ltd previously impaired the loans to CPA Australia Advice Pty Ltd, the funds returned to CPA Australia Ltd are treated as a reversal of the impairment provision in the accounts of CPA Australia Ltd. The reversal of the impairment is eliminated on consolidation and has no impact on the consolidated financial statements.

## 18 Commitments

	Consolidated	
	2021	2020
	\$'000s	\$'000s
<b>Other non-cancellable contractual commitments</b>		
Not later than one year	17,977	4,265
Later than one year but not later than five years	12,282	2,503
Later than five years	13,591	13,810
	<b>43,850</b>	<b>20,578</b>

### Other contractual commitments

Other non-cancellable commitments include the Group's contribution to the strata administration and capital works fund in respect of the Sydney premises, software development costs and software licensing agreements.

The Group has no contractual commitments for the acquisition of property, plant and equipment as at the end of the reporting period.

### Other commitments

In 2022, the Group will continue to support the following organisations: APESB, IFAC and the VRF <IR> Council. Support of these organisations is aligned with our strategic goals to protect, promote and enhance the integrity of the designation and to lead the future of the accounting profession.

The Group has provided support in 2021 to IFAC in the pursuit of their objectives. The contribution for the 2021 year was \$1,406,821 (2020: \$1,632,004).

As part of the undertakings with APESB, CPA Australia, CA ANZ and the Institute of Public Accountants contribute funds necessary for the pursuit of the objectives of APESB. The contributions for the 2021 year were \$473,500 (2020: \$473,500).

The Group has provided support in 2021 to the VRF <IR> Council in the pursuit of their objectives. The contribution for the 2021 year was \$69,587 (2020: \$78,590).

These contributions are included in other expenses in the statement of profit or loss and other comprehensive income.

### 19 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 the Group being wound up would not exceed \$10 per member.

## 20 Related parties

### 20 (a) Key management personnel

Key management personnel (KMP) are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

The following were KMP of CPA Australia Ltd during the reporting period. Directors of subsidiaries have only been included where they are also Directors of CPA Australia Ltd or are considered KMP of the Group. Unless otherwise indicated, the following non-executive Directors and executives were KMP for the entire period:

#### Non-executive Directors

Name	Title	Appointed/resigned	Term end date
Merran Kelsall	President and Chairman	Re-appointed 1 October 2020	30 September 2023
Dale Pinto	Deputy President	Re-appointed 1 October 2021	30 September 2024
Rosemary Sinclair	Deputy President	Re-appointed 1 October 2020	30 September 2023
Enrico De Santi	Former Deputy President	Retired 30 September 2021	Not applicable
Peter Wilson	Former Director	Resigned 31 December 2021	Not applicable
Su-Yen Wong	Former Director	Retired 30 September 2021	Not applicable
Robyn Erskine	Former Director	Resigned 4 March 2021	Not applicable
Louise Cox	Director	Appointed 1 October 2019	30 September 2022
Helen Lorigan	Director	Re-appointed 1 October 2020	30 September 2023
Michaela Browning	Director	Appointed 31 December 2020	30 September 2023
Yew Kee Ho	Director	Appointed 1 October 2021	30 September 2024
Warren McRae	Director	Appointed 1 October 2021	30 September 2024
Bernard Che-Wai Poon	Director	Appointed 1 October 2021	30 September 2022

#### Executives

Name	Title	Appointed/ceased
Andrew Hunter	CEO	
Nicholas Diss	CFO Director – CPA Australia (Shanghai) Co., Ltd Director – CPA Australia Advice Pty Ltd	Ceased 31 October 2021
Simon Easson	EGM Member Education	Ceased 30 June 2021
Karen Hellwig	EGM Member Experience	Ceased 30 June 2021
	EGM Member Education	Appointed 1 July 2021
Rowena Buddee	EGM Public Practice and Professional Standards	Ceased 30 June 2021
	EGM Member Experience	Appointed 1 July 2021
Rebecca Keppel-Jones	EGM Professional Standards and Business Support	Appointed 1 July 2021
Meg Yeates	EGM Marketing	Ceased 31 December 2021
Deborah Leung	EGM International Director – CPA Australia (Shanghai) Co., Ltd	
Farid Jarrar	Chief Information and Digital Officer	
Gary Pflugrath	EGM Policy and Advocacy	
Marissa Alley	EGM People and Culture	Appointed 1 April 2021



## 20 (b) Compensation of key management personnel

### (i) Non-executive Director compensation

Directors are remunerated in accordance with the provisions of the Constitution, the changes being adopted at the AGM in 2018. Director remuneration for 2021 was below the pooled amount for 10 Directors, calculated under the Constitution. From 1 October 2020 to 30 September 2021, the pooled amount for 10 Directors was \$1,017,339. From 1 October 2021 to 30 September 2022, the pooled amount was increased to \$1,047,859. The annual remuneration paid to the Directors in 2021 is set out in Note 20.c– key management personnel.

Director Enrico De Santi was Deputy Auditor General of Tasmania upon his initial appointment to CPA Australia's Board in October 2017. Mr De Santi's participation on the CPA Australia Board was approved by the Auditor General of Tasmania and was reported in the 2017 CPA Australia Integrated Report. On 20 November 2018, CPA Australia's Board communicated to all members advising that Mr De Santi, in consultation with the Auditor General, advised that he would perform his CPA Australia Director duties on a pro bono basis effective 16 November 2018. Mr De Santi retired from the Tasmanian Audit Office on 2 July 2021 and was paid Director fees from then until his term on the Board ended on 30 September 2021.

Director Michaela Browning is a long-standing senior executive of the Australian Diplomatic corps and brings to the Board a deep understanding of industry and international relations in regions where CPA Australia operates. Due to the Diplomatic positions held by Ms Browning, she advised upon appointment to the Board on 31 December 2020 that she would perform her CPA Australia Director duties on a pro bono basis. Ms Browning stepped down from her public service position as CEO of the National Foundation for Australia China Relations in July 2021 and was paid Director fees from 1 July 2021 to 31 October 2021. Ms Browning advised CPA Australia that she would return to performing her Director duties in a pro bono capacity from 1 November 2021.

The Group may pay all reasonable travelling, accommodation and other expenses that a Director properly incurs in attending meetings of the Board, committees of the Board, meetings of members or otherwise in connection with the business of the Company. Where a non-Director is a member of a Board committee, they will be entitled to a per diem amount. For the Nomination Committee, members were entitled to receive a maximum amount of \$450 per hour, capped at a total of \$50,000 per annum.

The Board has determined that no Directors of CPA Australia are to sit on the Boards of any CPA Australia subsidiaries. CPA Australia Advice Pty Ltd was de-registered in 2021.

### (ii) Executive compensation

Executive remuneration is comprised of a fixed component based on total salary cost (TSC) and an at-risk component comprising an incentive scheme as discussed below.

TSC equals total gross remuneration plus the employer superannuation contribution. Remuneration reviews are conducted annually and any salary increases following on from these reviews will normally be effective from 1 January each year. Remuneration of the CEO and direct reports of the CEO is approved by the Board. Salary increases for all other staff are determined by the CEO in consultation with business unit leaders and approved by the Board.

The Group has in place an incentive scheme for its staff that is designed to focus employees on the organisation's strategy including critical member service outcomes and to reward employee commitment to the overall strategic objectives of the Group. Overall the Group's KPIs must be achieved for incentive payments to be made; performance is reviewed by the Board at the end of each year and the incentive pool is approved. It is noted that in 2021 the Group achieved the annual KPI targets designated and as such the executive management team were eligible and did receive an incentive payment, this is in contrast to 2020 where despite achieving the annual KPI targets set the CEO and executive management team did not receive an incentive payment.

The Board has also adopted the market median as the policy reference point to determine annual executive remuneration, including that of the CEO. Bands of +/- 20 per cent from the market median will be used in future to determine relevant salary ranges for each executive position, taking into account the individuals experience and competence.

## 20 (c) 2021 Compensation – key management personnel

Name	Company	
<b>Non-executive Directors</b>		
Merran Kelsall	CPA Australia Limited	Chairman and President
Dale Pinto <sup>5</sup>	CPA Australia Limited	Deputy President
Rosemary Sinclair	CPA Australia Limited	Deputy President
Enrico De Santi <sup>6,7</sup>	CPA Australia Limited	Former Deputy President
Chin Aik Wong <sup>8</sup>	CPA Australia Limited	Former Deputy President
Peter Wilson <sup>9</sup>	CPA Australia Limited	Former Director
Su-Yen Wong <sup>10</sup>	CPA Australia Limited	Former Director
Robyn Erskine <sup>11</sup>	CPA Australia Limited	Former Director
Louise Cox	CPA Australia Limited	Director
Helen Lorigan	CPA Australia Limited	Director
Michaela Browning <sup>12</sup>	CPA Australia Limited	Director
Yew Kee Ho <sup>13</sup>	CPA Australia Limited	Director
Warren McRae <sup>13</sup>	CPA Australia Limited	Director
Bernard Che-Wai Poon <sup>13</sup>	CPA Australia Limited	Director
<b>Total non-executive Directors</b>		
<b>Executives</b>		
Andrew Hunter	CPA Australia Limited	CEO
Nicholas Diss	CPA Australia Limited	CFO
	CPA Australia (Shanghai) Co., Ltd	Director
	CPA Australia Advice Pty Ltd	Former Director <sup>14</sup>
Karen Hellwig <sup>15</sup>	CPA Australia Limited	EGM Member Education
Meg Yeates <sup>16</sup>	CPA Australia Limited	Former EGM Marketing
Simon Eassom <sup>17</sup>	CPA Australia Limited	Former EGM Member Education
Farid Jarrar	CPA Australia Limited	Chief Information and Digital Officer
Deborah Leung	CPA Australia Limited	EGM International
	CPA Australia (Shanghai) Co., Ltd	Director
Rowena Buddee <sup>18</sup>	CPA Australia Limited	EGM Member Experience
Gary Pflugrath	CPA Australia Limited	EGM Policy and Advocacy
Rebecca Keppel-Jones <sup>19</sup>	CPA Australia Limited	EGM Professional Standards and Business Support
Erica Traicos <sup>20</sup>	CPA Australia Limited	Former EGM People and Culture
Marissa Alley <sup>21</sup>	CPA Australia Limited	EGM People and Culture
<b>Total executives</b>		
<b>Total non-executive Directors and executives</b>		

1 Other long-term benefits include long service leave entitlements accrued during the year.

2 Includes annual leave entitlements accrued during 2021.

3 Additional leave awarded during 2021.

4 Other short-term benefits include car parking and fringe benefits.

5 Re-appointed as Deputy President effective 1 October 2021.

6 Retired as Deputy President effective 30 September 2021.

7 Mr De Santi elected to perform his Director duties on a pro bono basis from 16 November 2018. He retired from the Tasmanian Audit Office on 2 July 2021 and was paid Director fees from then until his term on the Board ended on 30 September 2021.

8 Term as Deputy President ended on 30 September 2020.

9 Retired as Director effective 31 December 2021.

10 Retired as Director effective 30 September 2021.

11 Resigned as Director effective 4 March 2021.

12 Ms Browning elected to perform her Director duties on a pro bono basis from 31 December 2020. She stepped down from her public service position as CEO of the National Foundation for Australia China Relations in July 2021 and was paid Director fees from 1 July 2021 to 31 October 2021. Ms Browning returned to performing her Director duties in a pro bono capacity from 1 November 2021.

Short-term employee benefits				Post-employment benefits	Other long-term benefits <sup>1</sup>	Total 2021 (excl termination benefits)	Termination benefits	Total 2021 (incl termination benefits)	Total 2020
Salary and fees <sup>2</sup>	Incentive	Additional leave <sup>3</sup>	Other <sup>4</sup>	Superannuation					
201,314	-	-	-	19,631	-	220,945	-	220,945	141,825
97,306	-	-	-	9,489	-	106,795	-	106,795	85,375
79,525	-	-	-	7,770	-	87,295	-	87,295	78,875
24,091	-	-	-	2,409	-	26,500	-	26,500	-
-	-	-	-	-	-	-	-	-	87,000
96,584	-	-	-	9,416	-	106,000	-	106,000	197,875
54,711	-	-	-	5,289	-	60,000	-	60,000	78,875
13,301	-	-	-	1,264	-	14,565	-	14,565	78,875
74,130	-	-	-	7,230	-	81,360	-	81,360	78,875
74,130	-	-	-	7,230	-	81,360	-	81,360	78,875
24,242	-	-	-	2,424	-	26,666	-	26,666	-
19,418	-	-	-	1,942	-	21,360	-	21,360	-
19,418	-	-	-	1,942	-	21,360	-	21,360	-
19,418	-	-	-	1,942	-	21,360	-	21,360	-
<b>797,588</b>	-	-	-	<b>77,978</b>	-	<b>875,566</b>	-	<b>875,566</b>	<b>906,450</b>
793,378	266,640	59,725	3,379	24,597	12,856	1,160,575	-	1,160,575	790,530
346,340	73,360	26,292	3,286	26,250	5,632	481,160	-	481,160	372,679
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
346,806	80,000	27,953	3,004	26,250	5,784	489,797	-	489,797	350,970
268,287	29,868	21,052	2,201	28,894	4,506	354,808	116,828	471,636	291,548
201,913	-	30,136	1,115	18,392	3,240	254,796	167,763	422,559	431,474
357,913	74,953	26,905	952	26,250	5,764	492,737	-	492,737	364,796
412,405	74,501	27,290	-	17,738	5,912	537,846	-	537,846	464,853
-	-	-	-	-	-	-	-	-	-
291,065	68,000	22,188	3,149	26,250	4,969	415,621	-	415,621	288,509
294,972	64,242	22,593	1,150	26,250	4,878	414,085	-	414,085	317,915
115,268	27,500	-	1,382	12,016	2,005	158,171	-	158,171	-
-	-	-	-	-	-	-	-	-	417,296
194,481	58,000	18,212	1,939	20,000	3,266	295,898	-	295,898	-
<b>3,622,828</b>	<b>817,064</b>	<b>282,346</b>	<b>21,557</b>	<b>252,887</b>	<b>58,812</b>	<b>5,055,494</b>	<b>284,591</b>	<b>5,340,085</b>	<b>4,090,570</b>
<b>4,420,416</b>	<b>817,064</b>	<b>282,346</b>	<b>21,557</b>	<b>330,865</b>	<b>58,812</b>	<b>5,931,060</b>	<b>284,591</b>	<b>6,215,651</b>	<b>4,997,020</b>

13 Term as a Director commenced on 1 October 2021.

14 Term as Director ceased 31 October 2021 on de-registration of CPA Australia Advice Pty Ltd.

15 Karen Hellwing was EGM Member Experience until 30 June 2021.

16 Annual leave entitlements totalling \$24,648 and long service leave entitlements totalling \$53,170 were also paid on cessation; this amount is not included in the termination payment.

17 Annual leave entitlements totalling \$9,552 were also paid on cessation; this amount is not included in the termination payment.

18 Rowena Buddée was EGM Public Practice and Professional Standards until 30 June 2021.

19 Appointed effective 1 July 2021.

20 Ceased effective 31 December 2020.

21 Appointed effective 1 April 2021.

#### 20 (d) Loans and amounts owing to key management personnel

There are no loans between key management personnel and the Group.

Director fees of \$1,606 have been accrued in respect of Andrew Heng, a Director of CPA Australia (M) Sdn. Bhd. and are payable in early 2022.

#### 20 (e) Other transactions of key management personnel and key management personnel related entities

Priya Dharshini Terumalay, Country Head Malaysia, is a Director of CPA Australia (M) Sdn. Bhd. and a Director of CPA Australia (Shanghai) Co., Ltd. Nicholas Diss, CFO is a Director of CPA Australia (Shanghai) Co. Ltd and CPA Advice Pty Ltd (ceasing 31 October 2021) and Deborah Leung, Country Head Greater China and EGM International is a Director of CPA Australia (Shanghai) Co. Ltd.

In February 2021, a transaction between CPA Australia and Brooke Bird to the value of \$10,000 (excl GST) was identified. Robyn Erskine who was a Director of CPA Australia Ltd at the time of the transaction was also a Partner of Brooke Bird and had a controlling interest in Brooke Bird. The transaction was on arm's length commercial terms to develop education manuals and materials. Robyn Erskine resigned from her position as Director effective 4 March 2021 and the monies paid to Brooke Bird in relation to the services provided were repaid to CPA Australia Ltd. In March 2021, the organisation implemented a new process whereby any creditors identified as a related party of a Director are deactivated with payments only occurring once approval is obtained by the CFO.

There are no other transactions conducted between the Group and key management personnel or their related parties, apart from those disclosed above relating to compensation or that were conducted other than in accordance with a normal employee relationship, on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

#### 21 Auditor remuneration

	Consolidated	
	2021	2020
	\$	\$
<b>Auditor of parent entity, Australia subsidiaries and New Zealand branch</b>		
Audit of financial report	230,400	259,390
Other assurance services	72,500	95,185
<b>Affiliated firms</b>		
Audit of financial reports for overseas subsidiaries and branches	125,135	97,443
	<b>428,035</b>	<b>452,018</b>

The 2021 annual financial report has been audited by KPMG Australia.

Any activity that involves the engagement of the company auditor must adhere to the Board endorsed principles and requires the prior approval of the Board ARCC to ensure there is no conflict of interest. As a general principle, the use of the external auditor 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 deliver professional development, article authoring or CPA Program authoring, this is to be documented and provided to the Board ARCC for endorsement quarterly.

Offshore divisions can enter into sponsorships arrangement with their local KPMG office where Deloitte, PwC and Ernst & Young will also be represented. Sponsorships can be raised for member awards where the member is the direct recipient of the cash benefit.

During 2021, the Hong Kong division received local sponsorship for a charity run from KPMG.

## 22 Investment in controlled entities

	Class of share	Entity interest		Amount of investment	
		2021	2020	2021	2020
		%	%	\$	\$
<b>Controlled entity</b>					
CPA Australia (M) Sdn. Bhd.	Ordinary	100	100	160,127	160,127
CPA Australia (Shanghai) Co., Ltd	Ordinary	100	100	1,206,987	1,206,987
CPA Australia Advice Pty Ltd	Ordinary	-	100	-	1

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

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

CPA Australia (Shanghai) Co., Ltd is incorporated in China to facilitate the provision of services to members in China.

CPA Australia Advice Pty Ltd was incorporated in Australia and provided financial advice under its Australian Financial Services Licence and Australian Credit Licence. On 31 October 2021 the subsidiary was deregistered with ASIC in line with the 2018 decision to cease operations by the Board of CPA Australia.

### 23 Superannuation and defined benefit plan

Employees have the choice to contribute either to the Group 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.

Eligibility to enter the defined benefit plan ceased on 31 December 1999. In consultation with the plans Trustees,

CPA Australia was granted a 'contribution holiday' to the value of the defined benefit assets as at 31 December 2019, at which point there were no defined benefit members remaining in the fund. During 2020 the plan operated as a deemed defined benefit plan enabling the surplus contributions to be recognised for Superannuation Guarantee purposes. The surplus in the deemed defined benefit fund was fully utilised as at 31 December 2020.

### Reconciliation of the net defined benefit liability/(asset)

Financial year ended	31 December 2021	31 December 2020
	\$'000s	\$'000s
Net defined benefit liability/(asset) at start of year	-	(355)
Current service cost	-	(42)
Net Interest	-	-
Actual return on fund assets less interest income	-	-
Actuarial (gains)/losses arising from liability experience	-	20
Employer contributions/payments	-	377
<b>Net defined benefits liability/(asset) at end of year</b>	<b>-</b>	<b>-</b>

## Reconciliation of the fair value of fund assets

Financial year ended	31 December 2021	31 December 2020
	\$'000s	\$'000s
Fair value of fund assets at beginning of the year	-	355
Interest income	-	-
Actual return on fund assets less interest income	-	(20)
Employer contributions/payments	-	(377)
Contributions by fund participants	-	-
Benefits paid	-	-
Taxes, premiums and expenses paid	-	42
Fair value of fund assets at end of the year	-	-

## 24 Financial instruments and risk management

### 24 (a) Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments at fair value through other comprehensive income (FVOCI).

Classifications are determined by both:

- The Group's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets.

### *Financial assets at amortised cost*

Financial assets are measured at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

These financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group's cash and cash equivalents, term deposits, trade receivables and loans to related parties fall into this category of financial instruments.

### *Financial assets at fair value through profit or loss (FVTPL)*

These financial assets are mandatorily measured at FVTPL as they are debt instruments that do not qualify for measurement at either amortised cost or FVOCI. They are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

### *Financial assets at fair value through other comprehensive income (FVOCI)*

The Group classifies the following financial assets at FVOCI:

- Equity instruments that are not held for trading, and for which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

Equity investments at FVOCI are subsequently measured at fair value in other comprehensive income and are never reclassified to profit or loss. Dividends are recognised as income within the profit or loss unless the dividend clearly represents a return of capital.

Debt investments at FVOCI are subsequently measured at fair value in other comprehensive income and will be reclassified to profit or loss upon derecognition of the asset. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss.

#### **Financial liabilities – trade payables**

In accordance with AASB 9, the Group classifies its trade payables as other financial liabilities and these are measured at amortised cost.

Trade payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid as at the reporting date. The amounts are unsecured and are usually paid within 30 days of recognition. The Group's terms and conditions of purchase state payment terms of 30 days from date of invoice.

#### **24 (b) Carrying amounts and fair values of financial instruments**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities at the end of the reporting period.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Level 3 fair value measurements are those that are valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There were no transfers between levels during the year.

Consolidated

				Carrying amount
	Amortised cost	FVOCI - debt instruments	FVOCI - equity instruments	FVTPL - others
as at 31 December 2020	\$'000s	\$'000s	\$'000s	\$'000s
<b>Financial assets measured at fair value</b>				
Equities	-	-	26,419	-
Equity funds	-	-	-	16,230
Property funds	-	-	-	2,218
Securities	-	510	-	-
Securities - bonds	-	10,588	-	-
Alternatives - infrastructure	-	-	-	3,014
Alternatives	-	-	-	1,818
Hybrids	-	-	-	32,957
<b>Total financial assets measured at fair value</b>	<b>-</b>	<b>11,098</b>	<b>26,419</b>	<b>56,237</b>
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalents	42,559	-	-	-
Term deposits	54,268	-	-	-
Receivables	2,284	-	-	-
<b>Total financial assets not measured at fair value</b>	<b>99,111</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>				
Trade payables	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>as at 31 December 2021</b>				
<b>Financial assets measured at fair value</b>				
Equities	-	-	27,149	-
Equity funds	-	-	-	23,507
Property funds	-	-	-	6,107
Securities	-	-	-	-
Securities - bonds	-	10,004	-	-
Alternatives - infrastructure	-	-	-	3,234
Alternatives	-	-	-	2,326
Hybrids	-	-	-	32,026
<b>Total financial assets measured at fair value</b>	<b>-</b>	<b>10,004</b>	<b>27,149</b>	<b>67,200</b>
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalents	66,927	-	-	-
Term deposits	19,273	-	-	-
Receivables	1,590	-	-	-
<b>Total financial assets not measured at fair value</b>	<b>87,790</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>				
Trade payables	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Other financial liabilities \$'000s	Total \$'000s	Fair value			Total \$'000s
		Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	
-	26,419	26,419	-	-	26,419
-	16,230	-	16,230	-	16,230
-	2,218	-	2,218	-	2,218
-	510	510	-	-	510
-	10,588	-	10,588	-	10,588
-	3,014	-	3,014	-	3,014
-	1,818	-	1,818	-	1,818
-	32,957	4,144	28,813	-	32,957
-	93,754	31,073	62,681	-	93,754
-	42,559	-	-	-	-
-	54,268	-	-	-	-
-	2,284	-	-	-	-
-	99,111	-	-	-	-
16,801	16,801	-	-	-	-
16,801	16,801	-	-	-	-
-	27,149	27,149	-	-	27,149
-	23,507	-	23,507	-	23,507
-	6,107	-	6,107	-	6,107
-	-	-	-	-	-
-	10,004	-	10,004	-	10,004
-	3,234	-	3,234	-	3,234
-	2,326	-	2,326	-	2,326
-	32,026	4,762	27,264	-	32,026
-	104,353	31,911	72,442	-	104,353
-	66,927	-	-	-	-
-	19,273	-	-	-	-
-	1,590	-	-	-	-
-	87,790	-	-	-	-
16,663	16,663	-	-	-	-
16,663	16,663	-	-	-	-

## 24 (c) Risk management objectives and policies

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

The Group focuses on actively securing its short to medium-term cash flows by minimising the exposure to financial markets. Long term financial investments are managed to generate maximum member returns while not exposing the Group to a high level of risk. Investment of funds is in line with the Group's Cash and Investment Policy.

The most significant financial risks to which the Group is exposed are described below.

### (i) Foreign currency risk

The Group operates internationally and is mainly exposed to Singapore dollars, Hong Kong dollars, Chinese yuan and Malaysian ringgits. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities

	Minimum		Average		Maximum	
	2021	2020	2021	2020	2021	2020
Annual risk by risk type	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Foreign exchange	270	211	1,301	1,017	2,483	1,941

### (ii) Interest rate risk

Exposures to interest rate risk are limited to financial assets bearing variable interest rates, including cash at bank and some debt instruments. Most of the interest-bearing financial assets are instruments held to maturity with fixed interest rates and term.

The Group does not have any interest-bearing financial liabilities.

### (iii) Equity security price risk

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

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 5 per cent higher / lower equity reserves would have increased/decreased by \$1.4m (2020 \$1.3m) due to changes in fair value.

### (iv) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored and limits reviewed annually.

Trade receivables consist of members and customers, spread across diverse industries and geographical areas. The Group 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 term deposits is mitigated by ensuring the authorised deposit taking institutions have a minimum S&P credit rating of BBB+ (or Moody's/Fitch equivalent).

denominated in a currency that is not the functional currency of the parent entity.

The Group does not 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 Group's Finance Business Unit and reported to the relevant operation through management reports which analyse exposures by degree and magnitude of risks.

In 2021, the depreciation of the Australian Dollar against the currencies where substantial cash is held resulted in a foreign exchange loss of \$1.3m for the full year.

The following table illustrates the sensitivity of profit for 2021 and intercompany loan amounts to shifts in foreign exchange rates. Minimum and maximum exposure is calculated at shifts of one per cent and 10 per cent change in exchange rates respectively.

The credit risk on financial assets of the Group which have been recognised on the statement of financial position is generally the carrying amount, net of any loss allowance. 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.

### Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. The Group has two types of financial assets that are subject to the ECL model:

- Trade receivables
- Debt instruments carried at FVOCI.

The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1')
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking

information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. Based on its analysis, the Group has allowed 5.70 per cent for all amounts, which is based on an average loss over the past five years.

The loss allowance as at 31 December 2021 was determined as follows for trade receivables:

	Consolidated				
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>31 December 2020</b>					
Expected loss rate	5.39%	5.39%	5.39%	5.39%	
Gross carrying amount – trade receivables	1,246	397	77	28	1,748
<b>Loss allowance</b>	<b>67</b>	<b>21</b>	<b>4</b>	<b>2</b>	<b>94</b>
<b>31 December 2021</b>					
Expected loss rate	5.70%	5.70%	5.70%	5.70%	
Gross carrying amount – trade receivables	1,398	198	39	32	1,667
<b>Loss allowance</b>	<b>80</b>	<b>11</b>	<b>2</b>	<b>2</b>	<b>95</b>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the group and failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented in the statement of profit or loss and other comprehensive income.

#### Debt instruments

Debt instruments at FVOCI include listed and unlisted securities and are limited to 12 months' expected losses. No loss impairment allowance has been recognised at 31 December 2021.

#### (v) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management.

The Group 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.

The Group 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.

Whilst current liabilities exceed current assets, the Board considers that there is no liquidity risk as there are significant other financial assets within the organisation's investment

portfolio that could be easily liquidated to fund any shortfall in working capital should it eventuate as outlined in Note 11.

#### (vi) Market risk management

Market risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The Group manages the financial risks relating to its investments set out in accordance with the Group's *Investment Policy Statement*. The policy contains thresholds that cannot be exceeded, including weighting for asset classes and individual limits within each asset class.

#### (vii) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern, while maximising the return on investments. The overall strategy remains unchanged from 2020.

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

The Group has a global presence and operates through branches in the United Kingdom, New Zealand and Asia. No operations of the Group are subject to externally imposed capital requirements.

#### 25 Contingent liabilities

There are no contingent liabilities as at 31 December 2021.

#### 26 Subsequent events

There has been no matter or circumstance occurring since the end of the financial year to the date of this report that has affected or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group 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 Group; 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



Merran Kelsall FCPA  
Director



Rosemary Sinclair AM FCPA  
Director

15 March 2022



# Independent Auditor's Report

To the members of CPA Australia Ltd

## Opinion

We have audited the **Financial Report** of CPA Australia Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2021
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in members' funds and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



## Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Recognition of revenue \$157,619,000	
Refer to Note 4 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>Recognition of revenue is a key audit matter due to its significance to the Group's financial results and the significant audit effort associated with assessing different revenue contracts.</p> <p>The Group generates revenue from a variety of service offerings, with revenue recognised at a "point in time" or "over time" depending on the nature of the service. Significant revenue contracts include:</p> <ul style="list-style-type: none"> <li>• fees from membership subscriptions;</li> <li>• fees from the provision of educational services and the CPA Program; and</li> <li>• fees from the provision of other professional development services.</li> </ul> <p>We focused on the Group's assessment of conditions driving revenue recognition and the judgement applied. This included consideration of the:</p> <ul style="list-style-type: none"> <li>• timing of when performance obligations are satisfied;</li> <li>• relative standalone selling and transaction prices for services; and</li> <li>• allocation of transaction prices to the satisfaction of performance obligations.</li> </ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• We evaluated the Group's accounting policy for the determination of performance obligations, the assessment of when these performance obligations were satisfied, transaction prices and the allocation of transaction prices to performance obligations against the requirements of the accounting standards.</li> <li>• We obtained an understanding of the Group's processes regarding accounting for revenue from membership subscriptions and other fees. We tested key controls such as: <ul style="list-style-type: none"> <li>- the Board's annual approval of member fee and subscription rates; and</li> <li>- management's review and approval of member fee and subscription rates as entered into the Group's financial reporting system.</li> </ul> </li> <li>• For a sample of "point in time" revenue transactions relating to fees from the CPA Program, the provision of educational services and fees from the provision of other professional development services, we: <ul style="list-style-type: none"> <li>- identified the nature of services provided for those transactions by inspecting relevant features of underlying contracts and comparing these features to the conditions in the accounting standard. We did this to assess the Group's identification of performance obligations;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- assessed the Group’s determination of relative standalone selling prices for services by checking the prices charged for stand-alone services to Board approved rates. We did this to assess the Group’s allocation of transaction prices to the relevant performance obligations; and</li> <li>- checked the timing of satisfaction of performance obligations to published CPA Program timetables and the scheduling of other professional development activities.</li> <li>• Involving our data and analytics specialists, we checked a sample of “point in time” and “over time” revenue transactions to the relevant invoices and cash received by the Group. This included checking the period the transaction related to in order to assess the recognition of revenue in the current period.</li> <li>• We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.</li> </ul>
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**Other Information**

Other Information is financial and non-financial information in CPA Australia Ltd’s annual reporting which is provided in addition to the Financial Report and the Auditor’s Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Schedule of Directors’ Remuneration and selected Integrated Reporting Information included within the 2021 Integrated Report and our related assurance opinions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor’s Report we have nothing to report.



## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar5.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf). This description forms part of our Auditor's Report.

KPMG

Chris Sargent  
Partner

Melbourne  
15 March 2022



# Schedule of Directors' remuneration for the year ended 31 December 2021

15 March 2022

We disclose below an audited schedule of remuneration paid and payable to each Director of CPA Australia Ltd and its subsidiaries for the year ended 31 December 2021. This schedule is included on the following page titled Schedule which discloses the remuneration paid to each Director for the year ended 31 December 2021, prepared as if CPA Australia Ltd had received a direction from members to disclose the information prescribed under section 202B of the Act.

To assist members, we have also provided below a reconciliation of the information disclosed in the schedule to the total key management personnel remuneration included in the 2021 CPA Australia Ltd Consolidated Financial Report together with comparative information in respect of the 2020 financial year.

## **Basis of preparation**

This schedule of Directors' remuneration has been prepared as if the Company had received a direction to disclose the information prescribed under section 202B of the *Corporations Act 2001* and on that basis is prepared and presents the information consistent with the requirements of section 202B of the Act in that it discloses all remuneration paid to each Director of CPA Australia Limited and its subsidiaries for the year ended 31 December 2021 regardless of whether it was paid to the Director in relation to their capacity as Director or another capacity (the remuneration of each Director is as defined in the Act and has been determined in accordance with requirements of AASB 124 *Related Party Disclosures*). The remuneration is on an accruals basis.

The determination of remuneration in this schedule has been applied consistently with that used in the schedule for the financial year ended 31 December 2020.

Name	Company	Position	Date appointed	Date retired/resigned
<b>Non-Executive Directors</b>				
Merran Kelsall	CPA Australia Limited	Chairman and President	Re-appointed 1 October 2020	
Dale Pinto	CPA Australia Limited	Deputy President	Re-appointed 1 October 2021	
Rosemary Sinclair	CPA Australia Limited	Deputy President	Re-appointed 1 October 2020	
Enrico De Santi <sup>5</sup>	CPA Australia Limited	Former Deputy President		Retired 30 September 2021
Chin Aik Wong	CPA Australia Limited	Former Deputy President		Retired 30 September 2020
Peter Wilson	CPA Australia Limited	Former Director		Resigned 31 December 2021
Su-Yen Wong	CPA Australia Limited	Former Director		Retired 30 September 2020
Robyn Erskine	CPA Australia Limited	Former Director		Resigned 4 March 2021
Louise Cox	CPA Australia Limited	Director		
Helen Lorigan	CPA Australia Limited	Director		
Michaela Browning <sup>6</sup>	CPA Australia Limited	Director		
Yew Kee Ho	CPA Australia Limited	Director	Appointed 1 October 2021	
Warren McRae	CPA Australia Limited	Director	Appointed 1 October 2021	
Bernard Che-Wai Poon	CPA Australia Limited	Director	Appointed 1 October 2021	
Suzanne Haddan	CPA Australia Advice Pty Ltd	Former Director <sup>7</sup>		Ceased 31 October 2021
Andrew Heng <sup>8</sup>	CPA Australia (M) Sdn. Bhd.	Director		
<b>Total non-executive Directors</b>				
<b>Executive Directors</b>				
Nicholas Diss <sup>9</sup>	CPA Australia Limited	CFO		
	CPA Australia (Shanghai) Co., Ltd	Director		
	CPA Australia Advice Pty Ltd	Former Director <sup>7</sup>		Ceased 31 October 2021
Priya Dharshini Terumalay <sup>9</sup>	CPA Australia (M) Sdn. Bhd.	Country Head Malaysia		
	CPA Australia (M) Sdn. Bhd.	Director		
	CPA Australia (Shanghai) Co., Ltd	Director		
Deborah Leung <sup>9</sup>	CPA Australia (Shanghai) Co., Ltd	EGM International		
	CPA Australia (Shanghai) Co., Ltd	Director		
Kerrell Ma <sup>9</sup>	CPA Australia Limited	Company Secretary and General Counsel		
	CPA Australia Advice Pty Ltd	Former Director <sup>7</sup>		Ceased 31 October 2021
<b>Total executive Directors</b>				
<b>Total non-executive and executive Directors</b>				

1 Other long-term benefits include long service leave entitlements accrued during the year.

2 Includes annual leave entitlements accrued during 2021.

3 Additional leave awarded during 2021.

4 Other short-term benefits include car parking and fringe benefits.

5 Mr De Santi elected to perform his Director duties on a pro bono basis from 16 November 2018. He retired from the Tasmanian Audit Office on 2 July 2021 and was paid Director fees from then until his term on the Board ended on 30 September 2021.

	Short-term employee benefits				Post-employment benefits Superannuation	Other long-term benefits <sup>1</sup>	Total 2021 (excl termination benefits)	Total 2021 (incl termination benefits)	Total 2020
	Salary and fees <sup>2</sup>	Incentive	Additional leave <sup>3</sup>	Other <sup>4</sup>					
	201,314	-	-	-	19,631	-	220,945	220,945	141,825
	97,306	-	-	-	9,489	-	106,795	106,795	85,375
	79,525	-	-	-	7,770	-	87,295	87,295	78,875
	24,091	-	-	-	2,409	-	26,500	26,500	-
	-	-	-	-	-	-	-	-	87,000
	96,584	-	-	-	9,416	-	106,000	106,000	197,875
	54,711	-	-	-	5,289	-	60,000	60,000	78,875
	13,301	-	-	-	1,264	-	14,565	14,565	78,875
	74,130	-	-	-	7,230	-	81,360	81,360	78,875
	74,130	-	-	-	7,230	-	81,360	81,360	78,875
	24,242	-	-	-	2,424	-	26,666	26,666	-
	19,418	-	-	-	1,942	-	21,360	21,360	-
	19,418	-	-	-	1,942	-	21,360	21,360	-
	19,418	-	-	-	1,942	-	21,360	21,360	-
	6,849	-	-	-	651	-	7,500	7,500	16,250
	1,606	-	-	-	-	-	1,606	1,606	1,725
	<b>806,043</b>	-	-	-	<b>78,629</b>	-	<b>884,672</b>	<b>884,672</b>	<b>924,425</b>
	346,340	73,360	26,292	3,286	26,250	5,632	481,160	481,160	372,679
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	196,948	21,585	-	-	50,108	4,791	273,432	273,432	287,210
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	412,405	74,501	27,290	-	17,738	5,912	537,846	537,846	464,853
	-	-	-	-	-	-	-	-	-
	271,496	30,008	19,610	-	25,859	9,407	356,380	356,380	281,154
	-	-	-	-	-	-	-	-	-
	<b>1,227,189</b>	<b>199,454</b>	<b>73,192</b>	<b>3,286</b>	<b>119,955</b>	<b>25,742</b>	<b>1,648,818</b>	<b>1,648,818</b>	<b>1,405,896</b>
	<b>2,033,232</b>	<b>199,454</b>	<b>73,192</b>	<b>3,286</b>	<b>198,584</b>	<b>25,742</b>	<b>2,533,490</b>	<b>2,533,490</b>	<b>2,330,321</b>

6 Ms Browning elected to perform her Director duties on a pro bono basis from 31 December 2020. She stepped down from her public service position as CEO of the National Foundation for Australia China Relations in July 2021 and was paid Director fees from 1 July 2021 to 31 October 2021. Ms Browning returned to performing her Director duties in a pro bono capacity from 1 November 2021.

7 Term as Director ceased 31 October 2021 on de-registration of CPA Australia Advice Pty Ltd.

8 Total 2021 remuneration has been accrued in the 2021 financial statements. All amounts are payable early 2022.

9 These Directors are employees of the CPA Australia Limited Group who do not receive remuneration in their capacity as Directors of subsidiaries.

Reconciliation of total remuneration per section 202B disclosure to the total key management personnel remuneration per the CPA Australia Limited Consolidated Financial Report

	Year ended 31 December 2021	Year ended 31 December 2020
<b>Total section 202B basis of disclosing Director's remuneration (CPA Australia Ltd, CPA Australia Advice Pty Ltd, CPA Australia (M) Sdn. Bhd. and CPA Australia (Shanghai) Co., Ltd)</b>	<b>2,533,490</b>	<b>2,330,321</b>
less: Andrew Heng (non-executive Director of CPA Australia (M) Sdn. Bhd. but not key management personnel of CPA Australia Ltd Group)	(1,606)	(1,725)
less: Suzanne Haddan (non-executive Director of CPA Australia Advice Pty Ltd but not key management personnel of CPA Australia Ltd Group)	(7,500)	(16,250)
less: Kerrell Ma (former Director of CPA Australia Advice Pty Ltd but not key management personnel of CPA Australia Ltd Group) <sup>1</sup>	(356,380)	(281,154)
less: Director of a foreign subsidiary but not key management personnel of CPA Australia Ltd Group (Priya Dharshini Terumalay) <sup>2</sup>	(273,432)	(287,210)
add: Key management personnel of CPA Australia but not Directors (Andrew Hunter, Karen Hellwig, Meg Yeates, Simon Eassom, Farid Jarrar, Rowena Buddee, Gary Pflugrath, Rebecca Keppel-Jones, Erica Traicos and Marissa Alley)	4,321,079	3,253,038
<b>Total key management personnel remuneration per CPA Australia Limited Consolidated Financial Report</b>	<b>6,215,651</b>	<b>4,997,020</b>

1 Remuneration for Kerrell Ma was excluded as she is not a key management personnel of CPA Australia Ltd Group.

2 Remuneration for Priya Dharshini Terumalay was excluded as she is not a key management personnel of CPA Australia Ltd Group.



# Independent Auditor's Report

To the Directors of CPA Australia Ltd

## Opinion

We have audited the **Schedule of Directors' Remuneration** (the Schedule) of CPA Australia Ltd and its subsidiaries (the **Group**).

In our opinion, the accompanying Schedule presents fairly, in all material respects, the remuneration paid to each director for the year ended 31 December 2021 in accordance with the Basis of Preparation of CPA Australia Ltd described in the Schedule of Directors' Remuneration.

The **Schedule** comprises:

- the remuneration paid to each director for the year ended 31 December 2021
- the basis of preparation of CPA Australia Ltd.

The **Group** consists of CPA Australia Ltd (the Company) and the entities it controlled at the year end or from time to time during the financial year.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the schedule* section of our report.

We are independent of the Group in accordance with 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to page 143 of the Schedule, which describes the basis of preparation.

The Schedule has been prepared to assist the Directors of CPA Australia Ltd for the purpose of presenting information consistent with the requirements of section 202B of the Act.

As a result, the Schedule and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of CPA Australia Ltd and its members and should not be used by or distributed to parties other than the Directors of CPA Australia Ltd and its members. We disclaim any assumption of responsibility for any reliance on this report, or on the Schedule to which it relates, to any person other than the Directors of CPA Australia Ltd and its members or for any other purpose than that for which it was prepared.

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## Other Information

Other Information is financial and non-financial information in CPA Australia Ltd.'s annual reporting which is provided in addition to the Schedule and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Schedule does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon with the exception of the Financial Statements and Global Reporting Initiatives information included within the 2021 Integrated Report and our related assurance opinions.

In connection with our audit of the Schedule, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Schedule or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Schedule of Directors' Remuneration

The Directors are responsible for:

- the preparation and fair presentation of the Schedule in accordance with the Basis of Preparation of CPA Australia Ltd described in the Schedule of Directors' Remuneration.
- implementing necessary internal control to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Schedule of Directors' Remuneration

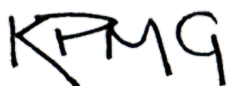
Our objective is:

- to obtain reasonable assurance about whether the Schedule 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 Schedule.

A further description of our responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our Auditor's Report.



KPMG



Chris Sargent  
Partner  
Melbourne  
15 March 2022

# Acronyms

AASB Australian Accounting Standards Board	IESBA International Ethics Standards Board for Accountants
AFAANZ Accounting and Finance Association of Australia and New Zealand	ICAI Institute of Chartered Accountants of India
A4S Accounting for Sustainability	IFAC International Federation of Accountants
AGM Annual general meeting	IFRIC International Financial Reporting Interpretations Committee
AI Artificial intelligence	IFRS International Financial Reporting Standards
A-IFRS Australian Equivalents to International Financial Reporting Standards	I-O Input-Output
AM Member of the Order of Australia	IPSASB International Public-Sector Accounting Standards Board
AO Officer of the Order of Australia	<IR> Integrated Reporting
APESB Accounting Professional and Ethical Standards Board	KMP Key management personnel
ARCC Audit, Risk and Compliance Committee	KPI Key performance indicator
ASA Associate	LGBTIQ+ Lesbian, gay, bisexual, transgender, intersex, queer and asexual+
ASAE Australian Standard on Assurance Engagements	MMF Member Management and Finance
ASIC Australian Securities and Investments Commission	MIS Media Impact Score
AUASB Australian Auditing and Assurance Standards Board	NFT Non-fungible token
CA ANZ Chartered Accountants Australia and New Zealand	OAM Medal of the Order of Australia
CEO Chief Executive Officer	RAP Reconciliation Action Plan
CFA Chartered Financial Analyst	SaaS Software-as-a-Service
CFO Chief Financial Officer	SAR Special Administrative Region
CoE Centre of Excellence	SDGs Sustainable Development Goals
CPA Certified Practising Accountant	SMEs Small-to-medium enterprise
CPD Continuing professional development	TCFD Taskforce for Climate Related Financial Disclosures
DTA Deferred tax assets	UAE United Arab Emirates
EGM Executive General Manager	UN United Nations
ESG Environmental, social and governance	UNSW University of New South Wales
FCPA Fellow of CPA Australia	UK United Kingdom
FTE Full-time equivalent	VRF Value Reporting Foundation
GHG Greenhouse gas	WA Western Australia
GRI Global Reporting Initiative	
GST Goods and services tax	
HKICPA Hong Kong Institute of Certified Public Accountants	

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