

Transforming

for the future

**CPA AUSTRALIA
INTEGRATED REPORT
2023**



About this report

This annual report covers the activities of CPA Australia Ltd (CPA Australia) and its controlled entities and is inclusive of operations in Australia, Asia, Europe, New Zealand, the Pacific and United Arab Emirates (UAE) for the calendar year 1 January to 31 December 2023.

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 Integrated Reporting Framework.

CPA Australia is committed to playing an important role in driving the uptake of Integrated Reporting as it provides a more complete picture as to how a business creates, preserves and erodes value. We believe this represents a crucial chance for members to actively contribute to aligning integrated thinking on the various capitals outlined in the Integrated Reporting Framework (financial, manufactured, intellectual, human, natural, social, and relationship) with strategy, business operations and reporting.

As of August 2022, the International Financial Reporting Standards (IFRS) Foundation assumed oversight of the Integrated Reporting Framework. The IFRS Foundation's International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB) are responsible for the Integrated Reporting Framework and work together to agree on how to build on and integrate the Framework into their standard setting projects and requirements. The IFRS Foundation and Chairs of the IASB and ISSB actively encourage the continued adoption of the Integrated Reporting Framework by preparers.

In September 2023, the ISSB released its first two sustainability standards IFRS S1 (general sustainability-related disclosures) and IFRS S2 (climate-related). We have reported under IFRS S1 and IFRS S2 and this information can be found on pages 60–65.

CPA Australia's Board of Directors (Board) acknowledges its responsibility for the integrity of the Annual Integrated Report, ending on page 82, and has been involved in its development and direction from the beginning. The Board reviewed, considered and provided feedback on the report at its March 2024 meeting.

It is the Board's collective view that the report has been prepared in accordance with the Integrated Reporting Framework and it has received Limited Assurance on this basis. Our materiality process and outcomes (pages 20–23) received Reasonable Assurance.

We believe that environment, social and governance (ESG) reporting belongs within the wider framework of Integrated Reporting and will continue to report on these issues through our Annual Integrated Report. We also consider the United Nations (UN) Sustainable Development Goals (SDGs) in our business model and reporting.

This structure also reflects our strategic goals and related activities for 2023, and our expectations for 2024 and beyond. The principal audience for this report is our members, although the information is also of value to other stakeholders (page 22).

GOVERNANCE AND FINANCIAL REPORT

The financial section at the end of this report is a general-purpose financial report that has been prepared in accordance with the Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that financial statements and notes of the Consolidated Entity comply with IFRS.

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 cpaaustralia.com.au/annualreport-2023

ABOUT CPA AUSTRALIA

CPA Australia is one of the world's largest accounting bodies with a history of more than 137 years. Founded in 1886, we now have 173,431 members globally. Our core services to members include 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. Our sphere of operations covers 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 United Kingdom (UK), UAE and Vietnam.

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About CPA Australia

MEMBERS

173,431

(2022: 172,333)

CPA

72.3%

ASA

19.6%

FCPA

8.1%

FEMALE

51%

MALE

49%

(2022: Female 51% Male 49%)

AGE SPLITS¹

20-29: 6%

60-69: 9%

30-39: 28%

70-79: 4%

40-49: 30%

80-89: 2%

50-59: 20%

1 Figures are rounded and may not equal 100 per cent.

2 Please refer to the Overview of financial results on page 103.

3 Please refer to the statement of profit or loss and other comprehensive income on page 108.

2023 Performance and key activities

SUCCESSFUL LAUNCH
OF OUR NEW MEMBER
MANAGEMENT AND
FINANCE SYSTEMS

IMPLEMENTING A NEW
OPERATING MODEL FOR
A MORE SUSTAINABLE
ORGANISATION

MEMBER RETENTION
(FULLY QUALIFIED)

97.6%

(2022: 98.0%)

MEMBER SATISFACTION

6.87/10

(2022: 7.08/10)

NEW MEMBERS

9332

(2022: 9812)

ASAs ADVANCING TO
CPA STATUS ANNUALLY

5015

(2022: 5801)

NET SURPLUS EXCLUDING
STRATEGIC PROJECT INVESTMENT²

\$9.4m

(2022: -\$7.3m)

DEFICIT BEFORE
INCOME TAX³

-\$1.9m

(2022: -\$31.3m)

President's report



CPA Australia is proud to be a global organisation with 173,431 members working in more than 100 countries. As one of the world's largest accounting bodies, we have a rich heritage dating back 137 years and an extensive global reach. Our network and influence continues to grow; 2023 marked 70 years since appointing our first official representatives in London and we celebrated 15 years in Vietnam.

In my initial message to members as President, I emphasised my dedication to leading with transparency, accountability, and inclusivity. This pledge mirrors CPA Australia's purpose of being 'partners for progress, strengthening trusted relationships with members and communities.' We embody this ethos by cultivating strong bonds within our member networks, including the Council of Presidents, Divisional Councils, discussion groups, and committees.

MAINTAINING ETHICS AND TRUST

In the face of ongoing professional challenges, from technological advancements and automation to the rise of digital finance, along with the ever-shifting global economic landscape and heightened focus on ethics, nurturing these relationships takes on heightened significance.

The events in Australia during 2023, where breaches of confidentiality occurred among some members of the profession, are deeply troubling and underscore the paramount nature of trust within the accounting profession. Maintaining the highest ethical and professional standards is imperative for all accounting professionals, as reflected by the inclusion of the word 'integrity' on the CPA Australia crest. We view it as a privilege to advise governments and regulators on matters concerning the profession and public welfare. All representatives of CPA Australia engaged in such consultations are bound to strictly adhere to professional obligations and Codes of Conduct.

In response to this issue, we've adopted a proactive stance by engaging directly with PwC Australia and submitting a comprehensive submission to the Parliamentary Joint Committee (PJC) Inquiry into Ethics and Professional Accountability. Chief Executive Officer (CEO) Andrew Hunter, along with representatives responsible for education, policy and standards, myself and Deputy President Warren McRae FCPA, personally appeared before both the PJC and Senate inquiries. Moving forward, we remain committed to collaborating with the Australian Government and other stakeholders to discuss regulatory enhancements in this area.

ADAPTING TO CHANGE

In 2023, CPA Australia underwent substantial change. We completed a major digital transformation with the upgrade of our technology systems with the Member Management and Finance program (MMF). We also implemented a new organisational operating model.

In July, CEO Andrew Hunter tendered his resignation, effective April 2024. I want to express my heartfelt appreciation to Andrew for his strong leadership since assuming the role of CEO in April 2018. Collaborating closely with the Board and our members, he played a pivotal role in crafting the organisational strategy for 2018–22 and spearheading our ambitious five-year strategy for 2022–27.

Under his stewardship, Andrew achieved significant milestones, including the restoration of member pride in the CPA designation and a notable improvement in member satisfaction ratings over time. He also ensured the uninterrupted delivery of services to members throughout the challenges posed by the COVID-19 pandemic.

By providing nine months' notice of his departure, Andrew enabled the Board to initiate a global search for a new CEO and ensured the completion of crucial projects aimed at further enhancing our ability to serve our members. As we transition to welcoming our new CEO, Chris Freeland AM, Andrew leaves CPA Australia in a position of strength, with a clear trajectory for continued success.

ENGAGING WITH MEMBERS

Ongoing engagement with members is essential to delivering improved value and service. The Board's outreach program involves Directors meeting with the Council of Presidents and regularly attending Divisional Council meetings and member events.

The Board highly values member feedback, utilising the annual member engagement survey as a primary avenue for gaining insights. In 2023, more than 8900 members worldwide participated, and I extend my sincere gratitude to all who contributed. Their responses serve as a vital performance benchmark.

Our hybrid Annual General Meeting (AGM) was a key member engagement event, with more than 90 people attending in person at our Head Office and more than 235 viewers joining the live webcast. We appreciate the active participation of members who posed questions regarding the organisation's performance and finances.

PRACTISING GOOD GOVERNANCE

In December 2023, the Board endorsed the revision of CPA Australia's By-Laws to adopt clear, contemporary language, aligning with the updated Constitution ratified by members during the 2022 AGM. These By-Laws govern our operational procedures, membership protocols, professional development standards, regulatory guidelines, and oversight of our members' professional conduct, and are readily accessible on our website.

ESG considerations continue to be a focus for CPA Australia as we advance our ESG strategy and pursue our Net Zero Emissions Pathway. As a founding member of the Prince of Wales' Accounting for Sustainability Project (A4S), we actively collaborate with governments and standard setters, including the ISSB, to shape policy initiatives concerning sustainability reporting and climate-related financial disclosures.

Key publications in this realm in 2023 include 'Climate Risk and Audit of Financial Statements' and 'Sustainability Reporting – Key issues and implications for Australian entities and their boards.'

Progress was also made on our Innovate Reconciliation Action Plan (RAP) as part of our ongoing reconciliation journey to foster relationships and opportunities for Aboriginal and Torres Strait Islander peoples.

In May 2023, we released our third modern slavery statement in compliance with *The Modern Slavery Act 2018 (Cth)* (MSA), outlining our efforts to evaluate and mitigate modern slavery risks during 2022. To date, CPA Australia has not identified any instances of modern slavery in our operations or supply chains. We remain vigilant in monitoring for potential modern slavery risk areas and addressing any policy or procedural gaps. Our fourth modern slavery statement covering 2023 will be published in May 2024.

CPA Australia remains a staunch advocate of Integrated Reporting as a means of offering a comprehensive depiction of how businesses generate value over time. We continue to lead on Integrated Reporting in Australia and New Zealand, with our 2022 Integrated Report receiving a Gold Award in the General Awards category at the 2023 Australasian Reporting Awards. This also marked the third consecutive year that our Integrated Report was recognised as a finalist in the special category for Integrated Reporting.

VALUING MEMBERS

I am incredibly privileged to have been elected as President and Chair of CPA Australia. It is a great honour to serve more than 173,000 members around the world and I thank my colleagues on the Board for their unwavering dedication in supporting members and promoting the value of the CPA designation.

I take this opportunity to thank CPA Australia's immediate past President, Merran Kelsall AO FCPA, for the outstanding service she has given the organisation. Merran has served with distinction as a Director and Deputy President from 2017 to 2020, and as President from October 2020 to September 2023. During this time Merran steered the organisation through the COVID-19 pandemic.

I also sincerely thank Rosemary Sinclair AM FCPA and Helen Lorigan FCPA (Hon.) who retired as Directors effective 30 September 2023. Helen and Rosemary made a significant contribution on the Board from 2017 to 2023, with Rosemary serving as Deputy President from October 2021 to September 2022. The Board is committed to working on behalf of members and I welcome Sarah Adam-Gedge CA, Kaushika Jayalath CPA, and Anna Quinn FCPA who joined the Board in October 2023.

On behalf of the Board, I would also like to thank all the members who volunteer their time and expertise by serving on Divisional Councils, Committees and Centres of Excellence, as well as those who share their knowledge and insights through mentoring programs, discussion groups, expert panels, podcasts, and webinars. Your dedication and professionalism greatly enhance our collective membership.

I also thank outgoing CEO Andrew Hunter and all the employees at CPA Australia for their tireless work to improve the member experience. I wish Andrew all the best as he pursues the next phase of his career and I look forward to welcoming Chris Freeland AM as our new CEO.

In closing, I offer my heartfelt gratitude to all members. It is your expertise that reinforces the esteemed reputation of the CPA designation. It is an honour to represent you and I thank you for placing your trust in CPA Australia as your professional body. I am excited about the opportunities that lie ahead for both you and CPA Australia, as well as the accounting profession.

I eagerly anticipate the continuation of our positive relationship in the future.



**Dale Pinto FCPA,
John Curtin Distinguished Professor,
President and Chair of the Board**

2023 CEO's report



CPA Australia made strong progress in 2023 laying the foundations that will enable us to deliver the key objectives of our 2022–27 strategy. Upgrading our technology platform and implementing a new operating model are important steps towards building a sustainable organisation that will continue to meet the needs of members into the future.

BUILDING A ROBUST ORGANISATION

When I joined CPA Australia in April 2018, it was clear that trust and confidence in the organisation had diminished, which was borne out by historically low member satisfaction ratings. One of my first observations was that the organisation had prioritised surpluses over services for many years and there was an overwhelming need for significant investment in improving technology and increasing services. Over the past five years we have embarked on an ambitious program of investment that has seen us introduce a range of initiatives, including an improved CPA Program enrolment experience for Associates, a new website, CPA Member Connect and new education offerings such as micro-credentials and mentoring programs. We also transformed INTHEBLACK into a digital publication and transitioned to an online environment to support the delivery of elearning modules, webinars, and events, including CPA Virtual Congress.

This investment in technology culminated with the release of the MMF program that went live in July 2023. This digital transformation program is a major upgrade of our core systems that enhances our cyber security and enables us to provide more personalised services to members. Implementing this program had some short-term impacts on how we provided services in the first half of 2023, but it will reap long-term benefits. I thank CPA Australia's members for your patience and understanding as we completed this vital work.

A program of this scale required a significant investment of funds. We were aware of this from the outset and advised members in previous Integrated Reports of the need to operate at a deficit for two to three years while we completed the program. As a result, the organisation has reported a deficit of -\$1.9m¹ in 2023, which is a slight improvement on the KPI forecast published in the 2022 Integrated Report of a deficit of -\$3-5m. One of our priorities is to return to surplus in 2024 and we remain on track to do so.

To leverage this investment in technology, we also developed a new organisational structure to help us deliver on the strategy. The new operating model involved some difficult decisions as we introduced new ways of working to eliminate duplication and reduce our reliance on manual processes. These changes meant that some people who have made a significant contribution to CPA Australia left the organisation. We thank these colleagues for their valuable work, and we wish them well. We believe the new structure promotes collaboration and will help us to better engage with members.

BUILDING TRUST IN THE PROFESSION

In 2023, there was a strong focus on ethics, integrity and professional standards stemming from the confidentiality breach involving PwC Australia. CPA Australia is consulting with the government, key stakeholders and other professional bodies on the development of reform proposals and industry standards. We have made submissions to government and accepted invitations to appear at parliamentary inquiries into the matter. We are treating this as a priority and will continue to participate in these discussions to strengthen trust in the profession.

As part of our commitment to ensuring members maintain the highest professional standards, CPA Australia has strengthened obligations for members. Ethics and Governance remains a compulsory subject in the CPA Program and we have introduced mandatory CPD requirements around ethics and integrity. From 1 October 2023, CPA Australia members are required to complete a minimum of 10 hours of ethics CPD each triennium with a minimum of two hours each year.

MAKING KNOWLEDGE ACCESSIBLE

In line with our strategic objectives, we continue to develop the next generation of CPAs through our education initiatives, most notably the CPA Program, the mentoring program, the Member Ambassador pilot and Responsive Membership Pathways. The CPA Program is the cornerstone of our education strategy. In 2023, we delivered more than 39,000 exams across two semesters and more than 5000 Associate members progressed to CPA status.

¹ Please refer to the Statement of profit and loss and other comprehensive income on page 108.

Our Member Ambassador pilot sees experienced members visiting secondary and tertiary institutions to talk to students about the variety of careers that accounting can offer.

In November 2023, we launched Responsive Membership Pathways that create alternative degree avenues for entry into the CPA Program. It encourages business professionals with compatible competencies to study the CPA Program and seek a career in accounting.

We also offer a range of professional development options that assist members to build their interdisciplinary skills. This includes short-form micro-credential courses on topics such as data and digital, creating value through sustainability and strategic finance business partnering. We seek opportunities to partner with national and international higher education institutions to host forums on topics of interest to the profession, including digital transformation at Fudan University in Shanghai, the Accounting Educators Conference with RMIT, the University of Melbourne Australian Accounting Hall of Fame and the future of ESG reporting at the Prince Sultan University in Riyadh in conjunction with the University of Cambridge Judge Business School.

Conferences and events are an important component of our professional development offering. Our major networking event, CPA Virtual Congress, featured 30 sessions from CPA Australia members, industry experts and internationally renowned leaders and attracted more than 10,200 attendees. All together, more than 42,000 people have attended CPA Virtual Congress over the past four years.

PROVIDING THOUGHT LEADERSHIP

One of the four goals of the 2022–27 strategy is to ‘lead, support and advocate for members as the profession evolves’. CPA Australia actively engages with governments and industry stakeholders to advocate on behalf of members and the public interest. Our advocacy and thought leadership draw on the specialised knowledge of members through our six Centres of Excellence (CoEs) as well as their input into our submissions and consultations on proposed legislation and standards. In 2023, we made more than 100 submissions across various public policy areas, including several joint submissions with other professional accounting organisations (PAOs) and industry bodies.

Members also provided input into our research publications, including the 14th annual Asia-Pacific Small Business Survey, which helps inform decision making by business owners, the Business Technology Report, which looks at technology use in businesses across the Asia-Pacific, and our guide to climate risk and its impact on in the audit of financial statements.

We also hosted a series of webinars and podcasts on a range of current events relating to business, accounting and finance. The topics which generated the most interest in 2023 and received widespread media coverage included our analysis of the Australian Federal Budget, the Hong Kong SAR Budget and our tax time campaign.

CPA Australia is committed to servicing members working in public practice. In 2023, we changed the structure of our teams to incorporate activities and services for public practitioners throughout the organisation, including:

- MY FIRM. MY FUTURE. guides and elearning modules
- mentoring program
- events, seminars and conferences
- Professional Standards Scheme
- CPA Australia Best Practice Program
- tools and resources for businesses
- responding to queries from members, certificate processing, licensing
- a digital edition of INPRACTICE magazine by INTHEBLACK.

CREATING A POSITIVE FUTURE

This year was challenging for many businesses, including CPA Australia. This was reflected in the results of our membership engagement survey which saw a softening in ratings across several categories. We set very ambitious targets for 2023 and while we didn’t meet all of them, reputation and upholding ethical standards remain key strengths, overall satisfaction held relatively steady, and there were positive results for eligible members participating in CPD and Associate members advancing to CPA status.

As we look ahead to 2024 and beyond, we are very conscious that cost of living pressures will continue to impact communities and businesses. Understandably, members want value and we are committed to continuing to improve the services we offer and help members advance their careers.

I’m very grateful for the opportunity to have been CEO of CPA Australia and I express my sincere gratitude to the volunteers who offer their time and energy to serve on Divisional Councils and Committees. The organisation is stronger for your involvement and input.

I also thank our current President, Dale Pinto FCPA, John Curtin Distinguished Professor and the Board for its guidance and for providing a supportive environment that encourages innovation. I’d like to pay tribute to past Presidents Merran Kelsall AO FCPA and Peter Wilson AM FCPA for the trust they placed in me as CEO and the leadership and support they showed. I also thank the executive leadership team and all of CPA Australia’s employees for your drive and dedication in implementing our strategic initiatives.

Most importantly I thank CPA Australia’s members. It is your collective knowledge and expertise that binds CPA Australia together and builds a cohesive and resilient membership body. As I depart the organisation, I’m very optimistic about the future of CPA Australia.



Andrew Hunter
CEO

Incoming CEO's report



I'm very excited to be appointed as CEO of CPA Australia and I thank the Board for placing their trust in me. I take over from Andrew Hunter who has done an exceptional job since being appointed in April 2018. Andrew is leaving CPA Australia in a strong and healthy position, and he also leaves with the best wishes of employees and members alike.

It's a privilege to lead such a highly respected organisation as CPA Australia with a history dating back nearly 140 years and a growing global presence of 173,431 members. There are a number of reasons why the position of CEO of CPA Australia was of great interest to me. First and foremost is the CPA designation which is recognised and respected around the world and brings together accounting professionals from across all sectors of the industry.

Over my career, spanning a range of organisations, I've developed skills and experience which I believe will be valuable for CPA Australia, including:

- leadership experience in complex stakeholder environments
- transformation and change management expertise
- knowledge gained from working across many different markets and cultures, especially in Asia.

One of my key roles as CEO will be to set the direction of the organisation and help shape the culture. On both counts, CPA Australia is already well positioned.

There is a five-year strategy in place that was developed after consultation with members and there has been considerable investment in improving technology. Plus, there are well established organisational values that are embedded into the practices and activities of employees.

My initial priorities will be to listen, build relationships with employees and members, find ways to provide value to members, develop our people and continue to grow the organisation and protect the reputation of the CPA designation.

From my experience working in professional service firms in Australia, Asia and the USA, common elements that distinguish successful organisations are:

- a vision that is understood by everyone in the business
- strong engagement with all stakeholders, especially members
- clear values and integrity driven decision-making.

There are a number of emerging factors influencing the accounting and finance profession, such as the advent of Artificial Intelligence (AI) and other new technologies, ESG considerations and many others. I recognise that CPA Australia is taking a lead role in providing training and professional development to help members keep pace with these changes. I see my role as continuing this program.

I appreciate the warm welcome I've received from everyone at CPA Australia and I very much look forward to working with the Board, the Executive Leadership Team (ELT), employees and the wide network of proud CPA Australia members.

A handwritten signature in black ink that reads "C. Freeland".

Chris Freeland AM
CEO (effective 18 March 2024)

CFO's report



CPA Australia's focus is to ensure a financially sustainable professional membership organisation. This means that we aim to generate reasonable profits and have a strong balance sheet which supports continued investment in our operations, processes and systems.

This enables CPA Australia to provide high quality services, positive outcomes and value for members which will ultimately support the achievement of our goals and priorities under the strategic plan launched in October 2022.

I am pleased to present CPA Australia's financial results for 2023. I believe that we can look back on a successful year where CPA Australia improved our overall financial position. As CFO, it is my privilege to share insights into our financial performance and strategic initiatives.

FINANCIAL HIGHLIGHTS

Revenue growth: We have seen positive \$8.4m year on year gain in total revenue growth, resulting from continued membership growth and a focus on new revenue streams.

Cost management: Following an extensive review and focus on our cost base there was a year on year expense reduction of \$8.4m from the positive impact of the new operating model and a focus on discretionary spend across the organisation.

Profitability: The combined focus on revenue growth and cost management has improved financial performance:

- the net operating surplus of \$9.4M has been fully invested in strategic initiatives focused on creating a long-term sustainable business model to deliver on the 2022–27 strategy and deliver greater value and services to members
- the total comprehensive net income has improved from a loss of -\$33.8m in 2022 to a surplus of \$0.82m in 2023
- the 2024 budget projects a similar level of operating surplus and will support a continued investment in strategic initiatives.

STRATEGIC INITIATIVES

Now that the MMF program has been implemented, CPA Australia will broaden our investment plans to ensure a continued member and education focus. Key initial priorities include:

- review of the learning experience to support the CPA Program and CPD portfolio
- a brand campaign to support the organisational strategy
- further development of Responsive Membership Pathways
- leveraging the foundation components of MMF to create further efficiencies.

TABLE 1: OVERVIEW OF FINANCIAL PERFORMANCE

	2023 (\$'000s)	2022 (\$'000s)	Variance (\$'000s)
Total revenue	178,235	169,885	8,350
Total operating expenses including depreciation and finance costs	(168,791)	(177,187)	8,396
Net operating surplus/(deficit) after depreciation and finance costs	9,444	(7,302)	16,746
Strategic project expenditure	(14,898)	(15,799)	901
Net deficit after strategic project expenditure	(5,454)	(23,101)	17,647
Other income (income tax, FX, investment-mark to market)	6,278	(10,699)	16,977
Total comprehensive income/ (loss) for the year	824	(33,800)	34,624

The 2023 net surplus¹ is a positive year on year improvement of \$16.7m and when combined with strong cash balances of \$74.6m and an investment fund of \$85.7m, confirms that we have a strong base for the future.

My focus is to ensure that CPA Australia remains financially sustainable while we can continue to invest to better service members and improve our value proposition. I thank the CPA Australia team for their efforts in creating this improved financial position. I also offer my sincere thanks to CPA Australia's members and hope that you continue to be proud of your designation.

George Kapitelli

George Kapitelli FCPA,
CFO

¹ Net surplus excluding strategic projects (refer page 108).

Member demographics

CPA Australia has a strong and diverse membership representing a multitude of 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.

173,431
Members

Oceania	122,403
Australia	118,610
New Zealand	3026
Other	767
+230	▲

Australia	118,604 ¹
New South Wales	42,304
Victoria	37,633
Queensland	16,923
Western Australia	10,536
South Australia	5607
Australian Capital Territory	3334
Tasmania	1597
Northern Territory	672
+99	▲

¹ CPA Australia has 13 records with an incorrect division that are not included in individual division totals. These are included in the total for Australia.



South-East Asia	20,979
Malaysia	10,351
Singapore	8576
Vietnam	1219
Indonesia	445
Philippines	173
Other	215
-129	▼

Europe	1840
UK	1411
Other	429
+70	▲

Eastern Asia	23,915
Hong Kong SAR	16,033
Mainland China	6514
Other	1368
+628	▲

Western Asia	647
UAE	411
Other	236
+68	▲

Africa	212
+25	▲

Southern Asia	2104
India	1438
Sri Lanka	480
Other	186
+129	▲

Americas	1331
US	675
Canada	605
Other	51
+81	▲

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 2: EXTERNAL TRENDS

Risks and opportunities from our external environment	Related enterprise risk ¹	Impact on value creation and capitals	Key responses	Strategic goals impacted ²
Cyber security				
Governments, organisations and consumers are increasingly exposed to cyber attacks. Building resilience to cyber attacks, and the maintenance of prompt and effective incident response measures are required.	Technology	Changes in regulation and compliance requirements globally, and in different jurisdictions, also impact technology requirements for members (intellectual capital, manufactured capital, social and relationship capital).	Significant investment in the MMF program to enhance security and controls. 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. CPA Member Connect which enables members to build local and global networks in a closed, private and secure environment.	1 2 4
Markets and segments				
CPA Australia's international markets are subject to a variety of critical external pressures; changes in global dynamics, propensity to pay in emerging markets and other barriers to entry.	Global	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).	Maximising value for current members (in addition to the attraction of new members) to drive sustainability.	2 3 4
Economic uncertainty due to a slower pace of growth, rising interest rates and inflation is impacting all markets and segments.	Financial		2022–27 strategy developed in collaboration with members.	
	Member experience	Changes in currency valuations can increase or decrease the cost to operate (financial capital).	Board/executive management monitoring of financial performance and trends.	
	ESG	Negative member experience – inability to adequately deliver quality services that support members (social and relationship capital).		
		Increased competition in key markets (financial capital, social and relationship capital).		
Declining pool of accounting graduates				
A declining pool of accounting graduates in Australia, Asia and globally.	Profession	Increased competition in key markets (financial capital, social and relationship capital).	Providing innovative and multidisciplinary education offerings to attract students to the profession.	2 3 4
	Financial			
	Member experience	Negative member experience – inability to adequately deliver quality services that support them in the environment they are operating in (social and relationship capital).	Continue to help shape the future of the accounting profession through education and advocacy.	
	ESG			

Risks and opportunities from our external environment	Related enterprise risk ¹	Impact on value creation and capitals	Key responses	Strategic goals impacted ²
Role of the accounting professional				
The role of the accounting professional has shifted from compliance-focused to a strategist performing various diverse roles.	Education Profession Member experience ESG	Negative member experience – inability to adequately deliver quality services that support them in the environment they are operating in (social and relationship capital).	The evolving role of the accounting profession and the increasing prevalence of emerging technologies require that CPA Australia provides personalised, customisable education offerings that keep pace with trends impacting members and members' employers and align to the changing skills economy.	1 2
Diversification and growth of member organisations				
Member organisations are increasingly looking to diversify and grow.	Global Education ESG	Opportunity to attract professionals from other disciplines without compromising the quality of the designation (social and relationship capital).	Introduction of responsive membership pathways. Transformation of the CPA Program.	2 3

¹ Our external risks relate to our enterprise risks and likelihood and impact are aligned to those enterprise risks (page 29).

² For definition of our strategic goals please refer to page 34.

COMPETITIVE ADVANTAGE

CPA Australia's competitive advantage comes from the integrity and quality of our members, the strength of our global member network and strong brand awareness of the CPA designation. Through the CPA Program and a commitment to life-long learning, our members hold a soundness in depth, breadth and quality of knowledge and are widely regarded by employers and the communities in which they operate.

Our 173,431 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 and we continue to ensure our activities support this position, grow our brand in international markets and continue to engender trust and deliver a sense of pride as the industry undergoes significant change.

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

OUR BUSINESS MODEL

Our business model is set to deliver value to members throughout their career journey 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.

Our business model is on pages 18–19 and reflects the environment that both our members and the organisation operates in, and the strategy in place to 2027 and our longer-term planning beyond 2027.

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

United Nations (UN) Sustainable Development Goals (SDG)

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. The goals where we have an impact are shown below.

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.

5 GENDER EQUALITY



Achieve gender equality and empower all women and girls.

We do this through our actions and 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.

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 2023, we released our third Modern Slavery Statement and a Board approved Human Rights Policy as well as guidance around modern slavery for members and suppliers.

Our Wellbeing, Inclusion and Diversity framework also demonstrates our commitment to support all employees to thrive.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

We do this by implementing responsible consumption practices in our operations including:

- reduction of plastic use and transportation of disposable bottles through on-site bottling of water in reusable glass bottles
- installing food waste trackers in our main commercial kitchen to measure and reduce our food waste and implementing guidelines around responsible food ordering
- implementing a sustainable merchandise policy
- reducing our reliance on printed materials by increasing use of digital channels.

13 CLIMATE ACTION



Take urgent action to combat climate change and its impact.

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.

We have also committed to Net Zero in our own operations and in 2022 published our initial Net Zero Emissions Pathway. We will continue to track and report our emissions over time and in 2024 we will update and republish our Net Zero Emissions Pathway.

15 LIFE ON LAND



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

We do this by investing in carbon offsets for our flights and other travel that support projects including Bringing Bush Back (Human Induced Regeneration Projects) which works with landholders to regenerate and protect native vegetation to help improve marginal land, reduce salinity and erosion and provide income to farmers.

We are also providing a higher number of plant forward food options in our catering to lessen impacts on the ecosystem.

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 mandatory ethics training and taking disciplinary action against members who have failed these standards.

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 our membership of organisations such as the International Federation of Accountants (IFAC), A4S, the Global Reporting Initiative (GRI) and the IFRS Foundation.

Our business model

Our vision

Lead the future of the global accounting profession and develop business professionals with tomorrow’s capabilities.

Our purpose

We’re partners for progress, strengthening trusted relationships with members and communities.

Strategic goals

- 1

Build members’ interdisciplinary and contemporary skills to accelerate their career success.
- 2

Lead, support and advocate for members as the profession evolves.
- 3

Connect with our ecosystem of members and strategic partners to promote the designation.
- 4

Attract new members through unrivalled offerings.

Supporting platform for achieving the strategic goals



Our members
Our people
Our performance

Inputs

- FINANCIAL CAPITAL**

- Membership fees = \$100.4m
 - CPA Program fees = \$59.4m
 - Financial reserves \$70.6m
- MANUFACTURED CAPITAL**

- 20 offices
 - Enhanced digital systems
- NATURAL CAPITAL**

- Paper for publications
 - Carbon through airline and other travel
- HUMAN CAPITAL**

- 173,431 members
 - 516 employees
- INTELLECTUAL CAPITAL**

- CPA Program and Public Practice Program
 - CPD content
 - Member input and expertise
 - Policy, advocacy and thought leadership
- SOCIAL AND RELATIONSHIP CAPITAL**

- Member relationships
 - Employee relationships
 - Supplier relationships
 - Regulator relationships
 - 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
- Delivering a member experience that meets member needs and goals and delivers value throughout each stage of their journey
- Attracting high-calibre Associates through a compelling content offer and experience for prospective members

Outputs

- Strong financial reserves – page 18
- Future-proofed digital systems – page 44
- Personalised and engaging member experience – page 46
- CPD and publications that deliver valued knowledge – page 49
- Policy and advocacy work – page 56
- Greenhouse gas (GHG) emissions through our use of electricity, flights and other travel – page 64
- Waste from our offices and through overprints of program materials and other publications – page 64
- Recognised brand in the accounting profession and the broader community – page 72
- Professional standards program – page 72
- CPA Australia Best Practice Program – page 72
- High-calibre accounting professionals – page 78
- Quality CPA Program – page 80

- Investing in and developing technology and systems to support members
- 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
- Realigning our operating model to ensure an efficient and sustainable organisation
- Reviewing internal controls, procedures, decision making processes and risk frameworks to ensure strong internal governance
- Management and investment of member funds
- Providing input for standard setting

Outcomes

1 2
3 4

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)

1 4

MANUFACTURED CAPITAL

Spaces for our members and people to work and connect (external and internal impact from short to medium-term)

Sustainable technology and systems to deliver member service needs into the future (external and internal impact from short to long-term)

1 2
3 4

INTELLECTUAL CAPITAL

Increasing the knowledge and skills of our members and employees (external and internal impact over the short to medium-term)

1 2
3 4

HUMAN CAPITAL

Reorganised workforce to support strategy execution (internal impact from short to medium-term)

2 4

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)

2 3
4

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



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.

We choose to work with an independent consultant to provide anonymity for our stakeholders and to ensure a robust materiality process.

MATERIAL ISSUES

Our material issues are defined as having the most impact on our ability to create value for our members, the organisation and the broader community. We acknowledge that there are some trade-offs between material issues. A material issue may negatively impact value creation for one capital, but create value in another capital. Changes to our operating model have been necessary to ensure a financially sustainable organisation and to capitalise on our investment in technology, however this has negatively impacted social and relationship capital.

To inform this report and our operations we gather 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 Board members, our CEO, executive team and a selection of other employees.

We also conducted an online survey that reflected the structure of the interviews with members of our Divisional Councils to

gather input from members. We continue to review these issues each year to ensure they reflect our value creation story and strategy. In 2023, this included consideration of new issues based on changes in the external environment and matters raised in the media and other sources throughout the year.

Three new issues have been added in 2023 as follows: digitisation and cyber security; changing higher education market-place and trust in the profession. The issue determined to have lower materiality in 2023 and thus not included in the report as a distinct issue is the geopolitical environment.

Through the interview process, stakeholders mentioned that some issues had some crossover and could be merged and definitions expanded:

- reputation of the designation has been expanded to include governance
- lead the future of the accounting profession has been expanded to include climate-action.

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.

Our most material issues are detailed in the table below in order of priority. Our stakeholders are shown in Figure 1 with the key issues raised by stakeholders shown in Table 4 on pages 22–23.

TABLE 3: MATERIAL ISSUES

Material issue	Definition	Impact on value creation¹	Extent of control	
M1	Attract and develop the next generation of CPAs	Attracting high-calibre Associates globally through a compelling content offer and experience through a high-quality and relevant CPA Program, ensuring the designation meets the changing expectations of the organisations members work in and for, and supporting them through their journey to become a CPA.	Short to long-term	Moderate
M2	Lead the future of the accounting profession	For members to have sustainable careers the CPA designation must meet the changing expectations of the business community by providing strategies, training and tools to support members through these changes, helping them stay relevant and informed of key trends. This includes the growing focus on ESG reporting, specifically climate-related reporting and governance through our own actions and influencing and educating our members.	Medium to long-term	Moderate
M3	Reputation and promotion of the brand and designation	Ensuring the continued success of members and CPA Australia by protecting and promoting the reputation of the CPA designation in the accounting industry, the wider business community and the general public. Acting in the best interests of members by operating with integrity and transparency. Demonstrating sound and leading governance practices expected by members, central to strategic decision-making and core to any sustainable organisation, including codes of conduct, fair remuneration, leading corporate reporting and embedding ESG decision-making in all that CPA Australia does.	Medium to long-term	Moderate

Material issue	Definition	Impact on value creation ¹	Extent of control
M4 Member value	Providing members with a tailored, personalised approach that allows them to interact with CPA Australia in the manner of their choosing, including seamless digital interactions, for member value, satisfaction with their experience and effective communication that builds awareness of all that is on offer.	Short to long-term	High
M5 High-quality CPA Program	Delivering a high-quality and relevant CPA Program, ensuring the designation meets the changing expectations of the organisations members work in and for.	Medium to long-term	High
M6 Attract, retain and develop top talent for the organisation	Attracting, retaining and developing talent. This includes investing in employee engagement and leadership that is aligned to the values, culture and capability needed to deliver member value, in an external environment of labour and skills shortages. We also reflect the diverse membership in the workforce, supporting them with an inclusive working environment focused on their health and wellbeing.	Short to medium-term	High
M7 Supporting members' careers	Supporting the diverse range of members' careers and the changing world of work by catering for the changing roles in accounting, providing necessary inter-disciplinary, technical and business skills, offering career development and advice to help increase job prospects and providing local office support.	Medium to long-term	Moderate
M8 High-quality professional development and knowledge for members	Providing members with high-quality accessible and relevant CPD that delivers members' commitment to ongoing learning.	Medium to long-term	High
M9 Financially sustainable organisation	Successfully executing the strategy, resulting in strong financial performance, value creation and opportunities for growth, contributing to a sustainable CPA Australia into the future.	Short to long-term	High
M10 Digitisation of the profession	The rapid development of new technologies, such as AI and automation provides opportunities for the future of the profession. Accountants will be freed up to take on more strategic work, 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
M11 Advocacy and thought leadership	Advocating for members and providing thought leadership into the future of the profession.	Short to long-term	Moderate
M12 Trust in the profession	Ensuring that members protect the public interest as trusted professionals operating to the highest ethical standards and adhering to the Code of Conduct and By-Laws.	Short to long-term	High
M13 Changing higher education marketplace	Adapting to the changing education marketplace from the impact of new learning methods, approaches and technologies, fewer students choosing accounting degrees and changing flows of where international students choose to study. These changes directly impact the pipeline of future members and how the CPA Program is delivered.	Medium to long-term	Moderate
M14 Digitisation and cyber security	Protecting against possible losses, including member data, through increased cyber attacks, with appropriate cyber security controls, including the successful implementation of the Digital strategy and the appropriate use of AI.	Short to long-term	High

¹ Short-term impact is currently occurring or likely to occur in the near future, medium-term within one to five years and long-term in five to 10 years.

Materiality and stakeholders

FIGURE 1: STAKEHOLDERS



- Stakeholders who provide inputs into our business model
- Stakeholders in our external environment who can impact on our ability to create value

TABLE 4: STAKEHOLDERS

Stakeholder group	Key issues raised	How we engage	Quality of our relationships and how we are responding
Members	- Value of membership - Future outlook for the profession - The reputation of the CPA brand and designation - Quality of the CPA Program and our CPD offer - Acting in members' best interests - Trust in the profession - ESG considerations	- Website, INTHEBLACK, social media - Email, telephone, face-to-face - Professional development, networking and member recognition events - Member research	We track the quality of member relationships through our annual member engagement survey (page 40).
Potential members	- The reputation of the CPA brand and designation - Value of membership - High quality CPA Program - Supporting members' careers	- Content partnerships - Social media, website, webinars - Email, phone - Networking and campus events	We track the quality of our potential member relationships through semi-regular brand perception surveys. This survey was not run in 2023 and was last run in 2019.
Our Board, Councils and Committees	- Acting in the best interests of the organisation - Trust in the profession - The reputation of the CPA Australia designation - ESG considerations	- Regular meetings that include planning and approval of agendas and feedback for papers - Input into key activities including amendments to Charters, Corporate Governance Statement and the Notice of Meeting for the AGM	We track the quality of our relationships through regular feedback from engagement with respective bodies' assessments at the end of each year and through independent review of Board performance.
Employers of members	- Quality of the CPA Program and our CPD offer - Reputation of the brand and designation	- Content partnerships - Social media, website, webinars - Email, phone - Campus events	We track the quality of our employer relationships through questions included in our member engagement survey (page 40).

Stakeholder group	Key issues raised	How we engage	Quality of our relationships and how we are responding
Employees	- Investment in capability development - Greater empowerment - Consistency of behaviours and values - Greater collaboration and integration - ESG considerations - Operating model changes	- Culture survey - Day to day activities, regular meetings between and within teams - Town hall and senior leader events - Intranet and weekly updates - Development, culture and wellness events	We track the quality of our employee relationships through attrition measures, exit surveys, and our culture survey (page 67). We acknowledge that changes to our operating model have negatively impacted social and relationship capital with employees and are taking steps to address this (page 67).
Regulators, governments and their agencies	- Trust in the profession - Reputation of the brand and designation - Advocating for and advancing effective solutions for regulatory issues - ESG considerations	- Act as co-regulator alongside government and regulators - Attending regular industry forums and meetings - Liaising directly with government and regulators on public policy and regulatory matters	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.
Academic institutions	- Enrolment rates in accounting degrees - Ongoing relevance of the content of accounting degrees to the profession - Support from CPA Australia - Changing higher education marketplace	- University advisory boards - Annual meetings with Heads of School - Sponsorship of Accounting and Finance Association of Australia and New Zealand and research grant funding	The strength of our relationships with academic institutions is measured through open dialogue and exchange of information.
Suppliers	- Operational issues - Timelines for delivery - Future products and processes to deliver member value - ESG considerations	- Procurement market engagement processes - Operational supply delivery - Strategic supplier meetings - Trade events and conferences	We hold regular supplier meetings with key partners to monitor performance and discuss any concerns. When partnering with key suppliers, CPA Australia adopts a strategic approach as we are aware that this ensures many short and long-term benefits.
Wider community	- Trust in the profession - Reputation of the brand and designation - Social responsibility and sustainability	- Contact service for customers regarding the professional services they have received from members - Advertising the services of members - Media articles	Maintaining levels of community trust in the profession depends on our role as a co-regulator ensuring members are held to the highest standards.
Media	- Communicating critical tax, financial and business information - Influencing policy decisions and outcomes by making our positions and views public - Leading the future of the accounting profession	- Press releases - Briefings - Interviews - TV and internet-based media	We track the strength of our relationships through regular tracking of external media coverage.
Other professional bodies	- Trust in the profession - Reputation of the brand and designation - Implementing government laws and regulations - ESG considerations	- Participating in working groups, taskforces and forums - Joint submissions to and discussion with government, regulators and agencies	The quality of our relationships with other professional bodies is reflected by our joint working arrangements to benefit members through recognition of skills and advocacy on matters of importance to the profession (page 56).

Governance

The Board is the overarching 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 elected by members through the Appointments Council as shown in Figure 2 on page 25.

- The Board is responsible for a number of decisions including:
- setting and approving the organisation’s strategy, direction, risk appetite and financial objectives
 - appointing the President and Deputy Presidents
 - approving financial statements
 - appointing the CEO and evaluating the CEO’s performance
 - making and amending By-Laws.

The Board and each Board Committee reviews its respective performance regularly throughout the year. A peer and self-assessment review is undertaken annually by all Directors and Board Committee members, with the exception of every third year where there is an independent review of the Board.

In 2024, the Member Engagement and Culture Committee will become the Member Engagement Committee, with cultural oversight part of the full Board agenda. The Best Practice Advisory Committee will also be amalgamated into an enhanced Public Practice Advisory Committee.

Remuneration to the Board in 2023 was within the pooled amount set out in the Constitution. Detailed disclosure of remuneration paid to all Directors and key management personnel in 2023 is reported on pages 138–139.

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.

BOARD SKILLS MIX

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. Skills and experience of the Board and Committee members is shown in Table 5 on page 27.

In 2023, we announced the reappointment of one Director and the appointment of three new Directors to the Board. Anthony Wright who has been re-elected to the Board as a Director for a three-year term commencing 1 October 2023. Sarah Adam-Gedge CA, Kaushika Jayalath CPA and Anna Quinn FCPA are new appointments for a three-year term starting 1 October 2023.

In September, the Board announced its office bearers, congratulations to Dale Pinto FCPA, John Curtin Distinguished Professor on being elected as President and Chair, and Warren McRae FCPA and Louise Cox FCPA on being elected as Deputy Presidents. Each of these appointments is for 12 months from 1 October 2023.

Merran Kelsall AO FCPA, past President and Chair, Helen Lorigan FCPA (Hon.) past Director and Rosemary Sinclair AM FCPA, past Director retired from the Board on 30 September 2023 and we thank for them for their service.

INTEGRITY OF THE PROFESSION

At CPA Australia, we consider it a privilege to be consulted by governments and regulators on issues relating to the profession and the public interest. All CPA Australia representatives involved in such discussions are bound by professional ethical standards and obligations and Codes of Conduct. Upholding the ethics and integrity of the profession is integral to the CPA designation and our role as a professional body.

The Board and executive leadership team were extremely concerned and disappointed by the breach of confidentiality involving PwC Australia. The Board contacted PwC Australia to determine if any CPA Australia members were involved and we also wrote to members who identified PwC Australia as their employer.

CPA Australia is not aware of any members being involved in this matter. Nor have we received any complaints against our members regarding this matter.

CPA Australia has also taken a number of steps to reinforce the importance of ethics and integrity to members including determining that all members of CPA Australia are now required, from 1 October 2023, to complete a minimum of 10 hours each triennium, and a minimum of two hours each year, of CPD related to ethics and professional responsibility.

Members are highly aware of the responsibility to uphold the ethical standards of the profession with 82 per cent being aware of our activities to educate and inform members about the ethical standards of the profession¹.

¹ Source: 2023 Member Engagement survey

FIGURE 2: GOVERNANCE STRUCTURE



Governance

BOARD FOCUS IN 2023

The Board, together with its Committees met regularly throughout 2023 and considered a wide range of issues across all areas of the business, with impacts across the six capitals of Integrated Thinking and Reporting as shown below.

Financial capital

- Oversight of financial performance of the organisation to support long-term sustainability
- Review and sign-off of CPA Australia's 2022 Integrated Report and financial statements
- Approval of contracts with external partners and suppliers
- Approving and overseeing investment in the MMF program
- Further information on financial capital can be found throughout this report, in particular in the Governance and Financial Report from pages 87 to 147

Human capital

- The review development and publication of CPA Australia's most recent Modern Slavery Statement
- The review and development and approval of CPA Australia's Human Rights Policy 2023
- Oversight of the new operating model, designed to separate strategy, design and improvement of the member journey from the delivery of services. This separation is based on grouping common work, aligned skills and ways of working. The Board acknowledges this has provided opportunity for career growth, but has also impacted some across the organisation where roles have been made redundant or teams have changed

Intellectual capital

- Long-term strategic planning including oversight of the education, digital and brand strategies
- Policy input to government, regulators and industry standard-setters
- The future of work, including digitisation of the profession, technological developments and cyber security
- Input into the implementation of the organisational strategy
- Alongside the Appointments Council and Nomination Committee, ensuring there is the right skills mix on the Board

Natural capital

- Monitoring climate change risk and approving CPA Australia's ESG Steering Committee charter and reporting approach
- The ongoing incorporation of ESG considerations into all CPA Australia's activities in order to meet the present and future needs of our members, employees and other stakeholders to support long-term ESG performance

Manufactured capital

- Oversight and approval of major programs including the MMF program, CPA Australia's key strategic initiative for 2023 which went live for members on 24 July
- Officially opening a new office in Abu Dhabi in the UAE

Social and relationship capital

- Engagement with Divisional Councils who are elected by members in their division 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
- Oversight and review of CPD requirements regarding ethics
- Approval of nominations and appointments to IFAC, international and national standard-setting boards, CoEs, and Advisory and Compliance Committees
- Ongoing member outreach including attending webinars, conferences and divisional events throughout the year
- Oversight of CPA Australia's values; "The CPA Australia Way"

VALUE IMPACT

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
- in conjunction with the Appointments Council, appointing new Directors with the requisite skill sets
- promoting the integrity of the CPA designation by strengthening relationships with key stakeholders.

MOVING FORWARD

- Continued focus on delivering value and services to members
- Continued focus on governance duties
- Oversight of the benefits realisation of the MMF program
- Oversight of the operating model changes to improve service delivery to members
- Developing alternative membership pathways to attract new members from across accounting and adjacent disciplines
- Understanding and acting on emerging trends that affect the future of the profession
- Continued oversight of the ESG strategy and Net Zero Emissions Pathway
- Continued oversight of the integrity of the profession

TABLE 5: BOARD SKILLS AND EXPERIENCE

Strategic goals	Experience area	Board members with experience	Low experience ¹	Moderate experience ¹	Strong experience ¹
Build members' interdisciplinary and contemporary skills to accelerate their career success	Member-based organisation governance	10	1	4	5
Lead, support and advocate for members as the profession evolves	Advocacy	10	4	3	3
	Climate related financial disclosures	10	5	5	0
	Government relations	9	2	6	1
	International markets	8	1	4	3
	Marketing/communications	10	1	7	2
	Policy development	9	2	6	1
	Public relations/media	10	3	6	1
	Regional Australia	8	3	4	1
	Sustainability/Integrated Reporting	10	2	6	2
Connect with our ecosystem of members and strategic partners to promote the designation	Stakeholder management	10	0	2	8
Attract new members through unrivalled offerings	Business development	10	0	0	10
Supporting goals to achieve strategy					
Overarching	Corporate governance	10	2	2	6
	Leadership	10	0	1	9
	Organisational management	10	0	2	8
	Project management	10	0	2	8
	Practicing accountant	8	2	3	3
	Non-executive Director	10	1	2	7
	Board Chair	5	0	1	4
	Committee Chair	8	1	2	5
Overarching – Industry/sector	Financial services	9	3	3	3
	Consumer	9	1	5	3
	Industrial	8	2	3	3
	Services	9	0	3	6
	Telco/tech	9	1	4	4
	Academia	8	5	1	2
	Public practice	5	1	2	2
	Government	8	3	3	2
	Large firm	8	2	2	4
	Large listed company	9	2	3	4
	Not for profit	10	1	4	5
People and culture	Change management	10	2	2	6
	Human resources	10	1	8	1
Financial sustainability	Financial/commercial acumen	10	0	0	10
	Legal/regulatory	10	2	2	6
	Risk management	10	0	4	6

¹ Low experience refers to some limited experience, moderate experience refers to sound knowledge and experience but not extensive, strong experience refers to a qualification or extensive senior experience.

Risks, opportunities and risk management

CPA Australia has a Board-approved Risk Appetite Statement that is reviewed and updated annually or more frequently 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:

- protecting members and the organisation
- 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 2023, 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 and Risk Management Policy
- establishing and reporting on key climate-related risks
- setting key risk indicators to help monitor performance against risk appetite
- Board oversight of risk management activities with quarterly reporting to the Audit, Risk and Compliance Committee (ARCC) and an annual Board and ELT 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, including management and internal controls, risk management and compliance monitoring and reporting, and internal audit.

CPA Australia's internal auditors are RSM Australia. Internal audit has no direct operational responsibility or authority over any of the activities audited and maintains objectivity and independence. Internal audit has access to the ARCC at any time. They also report to the ARCC five times per year.

A three-year internal audit plan is reviewed annually and approved by the ARCC and the internal audit plan was framed according to key strategic priorities and risks and evaluating the effectiveness of CPA Australia's controls to deliver and further operationalise the strategy. In 2023, the internal audit plan included reviewing the membership renewal process and MMF post implementation.

In addition to this, internal audit also focussed on:

- IT operational audits, including managing third party IT risk management and the IT strategy framework
- payroll review.

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

ENTERPRISE RISKS

Table 6 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.

The Board has determined that all enterprise risks have the potential to impact achievement of strategic goals both now and into the next 12 months. As such, each risk has the ability to impact on all strategic goals and the timeframe for all risks starts in the short-term. For our external risks and opportunities please refer to pages 14–15.

TABLE 6: RISKS AND OPPORTUNITIES

Risk/opportunity	Timeframe ¹	Key responses	Inherent risk ²	Residual risk ²	Material issues ³
Cyber security – Cyber security event compromising CPA Australia’s systems, infrastructure and/or data.	Short to long-term	- Daily monitoring of external cyber attacks and network penetration attempts - Network penetration testing - Regular employee training and testing - Deliver of enhanced security and controls through MMF - Actively managing data privacy	Extreme (L5, C5)	Extreme (L5, C4)	M3 M10 M14
Technology, data, governance and compliance – Inadequate or ineffective organisation-wide data protection and compliance. Successful delivery and execution of CPA Australia’s Digital strategy.	Short to long-term	- Physical access and security controls operating at all office locations - Annually tested disaster recovery procedure - User access controls - IT system back ups - IT change management process and related controls - Dedicated IT security team	High (L4, C4)	High (L4, C4)	M3 M4 M8 M10 M12 M14
Member attraction/retention – Disruption and/or uncertainty impacting member attraction/retention in CPA Australia’s mature, emerging and frontier markets.	Short to long-term	- Voice of the Customer program - Investment in technology to provide member services - Performance monitoring - Complaints handling policy - Board/executive monitoring of complaints and trends - Board outreach program	High (L4, C4)	Medium (L3, C3)	M1 M3 M4 M5 M8 M11
People – Attraction, retention, and development of talent aligned to CPA Australia’s culture. Support of employee health, safety, and wellbeing. Prioritisation and creation of workforce capability and capacity to deliver and execute CPA Australia’s strategic objectives.	Short-term	- Board-approved remuneration policy - Recruitment policy and procedures - Formal employee performance monitoring, development and training - Employee culture survey - Workplace, health and safety policy and inspections - Wellbeing, Inclusion and Diversity framework	High (L4, C4)	High (L3, C4)	M4 M6
Education – Design and delivery of contemporary and personalised education and professional development products and services that: - attract new members from related fields - empower members to adapt to new technologies - develop interdisciplinary skills.	Short to long-term	- Benchmarking of the competitive landscape - Review of CPA Program content by specialists - Maintenance of CPA Program integrity - Consultation and engagement with stakeholders to understand market and member needs	High (L4, C4)	High (L3, C4)	M1 M2 M3 M4 M5 M8 M9 M12 M13

Risks, opportunities and risk management

Risk/opportunity	Timeframe ¹	Key responses	Inherent risk ²	Residual risk ²	Material issues ³
Profession – The accounting profession becomes less relevant and/or attractive.	Short to long-term	- Cyclical strategic planning and annual business planning - Board/executive monitoring of performance and trends - Consultation and engagement with key stakeholders to understand the market and member needs	High (L4, C4)	Medium (L3, C3)	M1 M2 M3 M5 M6 M7 M9 M11 M12
Financial sustainability – Financial sustainability allowing CPA Australia to undertake its core functions, deliver products and services and achieve its strategic objectives.	Short to medium-term	- Board/executive monitoring of performance and trends - Engagement of external advisors as required - Business continuity management policy and plan - Policies and procedures (i.e. Code of Conduct, Fraud and Corruption and Financial Delegations policies) - Outsourced internal audit program - Investment policy	Medium (L3, C3)	Medium (L2, C3)	M2 M10 M12
Member experience – Providing and/or enhancing value and experience of our members.	Short to medium-term	- Annual member engagement survey - Voice of the customer program - Delivery of MMF - Performance monitoring - Complaints handling policy and monitoring of complaints and trends - Board outreach program	Medium (L4, C3)	Medium (L3, C3)	M2 M3 M5 M6 M7 M8 M11 M12
ESG – Successful delivery and execution of CPA Australia's ESG strategy.	Short to medium-term	- ESG Steering Committee and working groups - Adoption of IFRS S1 and S2 - Net Zero Emissions Pathway - Supplier due diligence - Education of members around ESG and reporting - Modern Slavery Statement and Human Rights Policy - Wellbeing, Inclusion and Diversity framework - Innovate RAP	Medium (L2, C4)	Medium (L2, C3)	M1 M2 M3 M6 M8 M9 M11

¹ Short-term impact is currently occurring or likely to occur in the near future, medium-term within one to five years and long-term in five to 10 years.

² Key to inherent and residual risk is in Figure 3: Risk matrix on page 31.

³ Key to material issues is in Table 3 on pages 20–21.

FIGURE 3: RISK MATRIX

RISK MATRIX						Likelihood
	Insignificant	Minor	Moderate	Major	Severe	
Almost Certain	Low (L5, C1)	Medium (L5, C2)	High (L5, C3)	Extreme (L5, C4)	Extreme (L5, C5)	
Likely	Low (L4, C1)	Medium (L4, C2)	Medium (L4, C3)	High (L4, C4)	Extreme (L4, C5)	
Possible	Low (L3, C1)	Low (L3, C2)	Medium (L3, C3)	High (L3, C4)	High (L3, C5)	
Unlikely	Low (L2, C1)	Low (L2, C2)	Medium (L2, C3)	Medium (L2, C4)	High (L2, C5)	
Rare	Low (L1, C1)	Low (L1, C2)	Low (L1, C3)	Medium (L1, C4)	High (L1, C5)	
Consequence						

Risk impact is rated as follows in order of increasing severity: insignificant (negligible/lowest impact), minor, moderate, major and severe (highest impact).

Impact is rated against seven factors; financial and/or loss of membership base, strategy delivery, brand/reputation, legal/regulatory, people and culture, health and safety and business disruption/service delivery.

VALUE IMPACT

Protecting and preserving financial and social and relationship capital through:

- a risk management approach that ensures consideration of risks across our activities including 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
- continued maturation and improvement of the management of risk across the business
- protecting the sustainability of the organisation.

MOVING FORWARD

- Development and rollout of CPA Australia's Risk Management Maturity Roadmap
- Business continuity planning review and update
- Review and update the Incident Management and Response Planning Framework
- Ongoing Risk, Compliance and Internal Audit monitoring and reporting to key internal and/or external stakeholders

Strategy and Performance

CAPITALS IMPACTED

- Financial capital
- Human capital
- Intellectual capital
- Manufactured capital
- Social and relationship capital





Xukie Wong

CPA

Finance Business Partner –
Commercial, Reckitt

"CPA Australia stands out for its emphasis on continuous learning, networking opportunities, and a global perspective. The distinctiveness lies in its vibrant community and a focus on holistic professional growth. It's not just about numbers; it's a platform that encourages connection, mentorship, and continuous learning, creating a unique support system."

Strategy to 2027

In 2022, we developed and published our 2022–27 strategy.

The 2022–27 strategy builds on the progress we made with our previous strategy (2018–22) and positions CPA Australia to push the boundaries and help shape the future of the global accounting profession through education and advocacy.

It equips CPA Australia to tackle the major issues shaping the profession with initiatives to stimulate tertiary study of accounting and finance, attract new members from related fields, and empower members to adapt to new technologies and develop interdisciplinary skills.

We are now moving from horizon one to horizon two of our five-year strategy. Horizon one (2022–23) saw us transition from our previous strategy, delivering and building the foundation we need to support growth and new offerings for members. This included the design of our new operating model and the delivery of the MMF program (pages 44–45).

Our focus now turns to horizon two, the development and delivery of new products and partnerships to enhance member value, promote the designation and grow membership. Horizon two will run for 18 months, to ensure we’re delivering to our strategy.

A more detailed view of how the external environment impacts strategy and value creation is on pages 14–15.

KEY PERFORMANCE INDICATORS (KPIs)

We also have further internal KPIs that help provide a common language and understanding for tracking our performance, are focused on outcomes, encourage the right behaviours and help drive continuous improvement.

The final outcomes of the KPIs reflect the challenging year CPA Australia encountered in 2023. The business was impacted by the implementation of MMF in July and the work entailed in achieving the outcomes of the new operating model design and implementation. Both programs caused disruption within the business while adjustments to roles and processes were made that were observable to some members. Changes made continue to be monitored with a view to drive improvements in services to members.

The new member target (internal KPI) of 10,500 was not achieved with a final result of 9332. This is a disappointing outcome and a reflection of the continuing global decline in the interest of young people in the accounting profession. Our strategy seeks to address this through:

- refining membership pathways
- the review and re-design of the CPA Program and Foundation pathway to create a best-in-class, digital-first offering
- the Member Ambassador pilot
- working alongside other professional accounting bodies to increase the attractiveness of the profession.

In terms of KPIs from the member engagement survey, the overall results are satisfactory and a significant improvement on the lows of 2017. However, all survey results fell short of targets, impacting the overall KPI outcome.

Despite the above, we have continued to maintain focus on the business and delivered a much-improved financial result¹.

Figure 4: Strategic goals



¹ Refer to the Statement of profit or loss and other comprehensive income on page 108.

KPIs

TABLE 7: 2023 KPIS

Goal	Measure	2021 actual	2022 actual	2023 actual	2023 target	Material issues
Build members' interdisciplinary and contemporary skills to accelerate their career success	Participation of eligible members in professional development	31.3%	33.6%	33.1% ¹	33%	M4 M5 M8 M9 M12
Lead, support and advocate, and support members as the profession evolves	Policy, advocacy and thought leadership member rating	New measure	6.92	6.79	6.94–7.00	M2 M3 M4 M7 M11 M12
Connect with our ecosystem of members and strategic partners to promote the designation	Effectiveness in promoting the designation to employers	New measure	7.25	7.05	7.27–7.38	M1 M2 M3 M4 M7 M9
Attract new members through unrivalled offerings	ASAs advancing to CPA status annually	5395	5801	5015	4800–5000	M1 M2 M3 M5 M9 M10 M13 M14
Group: overarching	All member satisfaction	7.07	7.08	6.87	7.10–7.18	M3 M4 M5 M7 M8 M9 M11 M14
	Member retention – fully qualified ²	98.3%	98.0%	97.6%	98.3%	M2 M3 M4 M5 M6 M7 M8 M9 M11 M14
Group: financial performance and risk management	Surplus/(deficit) before income tax	(\$12.4m)	(\$31.3m)	(\$1.9m)	Break-even +/- \$3m	M1 M3 M5 M8 M10 M14

1 This figure is an estimate due to changes in our finance system, the final figure is unlikely to be materially different and will be restated in our 2024 Integrated Report.

2 The member retention KPI year is 1 November to 31 October. Membership year is 1 January to 31 December.

In 2024, we will introduce a refined set of KPIs to drive performance as shown in the table below. These will be finalised after the start of the new CEO in March 2024.

TABLE 8: DRAFT 2024 KPIS

Goal	Measure	2024 Target
Build members' interdisciplinary skills to accelerate their career success	Completion rates for interdisciplinary and contemporary skills training	Score benchmarked in 2024
Connect with our ecosystem of members and strategic partners to promote the designation	Employer likelihood to recommend the CPA designation to their employees	7.38–7.58
Attract new members through unrivalled offerings	Number of new members	10,000
Our members	All member satisfaction	6.96–7.04
	Member retention – fully qualified	98%
Our people	Employee engagement index	TBD
Our performance	Surplus/deficit before income tax	\$0.5m +/- \$2m

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

- 2022–27 strategy – page 34
- Digital transformation (MMF) – page 44
- ESG strategy – page 60
- CPA Australia Best Practice Program – page 72
- MY FIRM. MY FUTURE. – page 72
- Mentoring program – page 80

Short-term impacts are likely to occur in the next one or two years.

Medium-term

- 2022–27 onwards strategy – page 34
- Digital capability – continued investment in digital and technology to support members – page 44
- Tailored products to support member career outcomes – page 49
- Policy and advocacy for advancing broader corporate reporting – page 56
- ESG strategy – page 60
- Net Zero Emissions Pathway – page 62
- Responsive Membership Pathways – page 78
- Member Ambassador Pilot – page 79
- Transforming the CPA Program – page 81

Medium-term impacts are likely to occur in the next two or five years.

Long-term

- Digital capability – continued investment in digital and technology to support members – page 44
- Tailored products to support member career outcomes – page 49
- Policy and advocacy for advancing broader corporate reporting – page 56
- ESG strategy – page 60
- Net Zero Emissions Pathway – page 62
- Responsive Membership Pathways – page 78
- Member Ambassador Pilot – page 79
- Transforming the CPA Program – page 81

Long-term impacts are likely to occur in the next five to 10 years.

Resourcing our strategy

ELT

The Board sets the strategy of the organisation in consultation with members and other stakeholders, which is then executed by management.

The executive team in 2023 was headed by CEO Andrew Hunter, and the percentage of full-time equivalent (FTE) roles that sits under each ELT member is shown in the figure below.

FIGURE 5: ORGANISATIONAL STRUCTURE AND FTE UNDER EACH ROLE

Andrew Hunter	CEO	1.7%
Marissa Alley	Chief People Officer	3.9%
Rowena Buddee	Chief Member Experience Officer	19%
Farid Jarrar	Chief Information and Digital Officer	11.6%
George Kapitelli FCPA	Chief Financial Officer	11.2%
Elinor Kasapidis	Interim Chief Learning and Innovation Officer	17.8%
Rebecca Keppel-Jones ¹ FCPA	Chief of Member Operations Officer	34%
		Total FTE ²
		100%

1 Rebecca Keppel-Jones is a member of the ELT but reports into Rowena Buddee, Chief Member Experience Officer.

2 Figures are rounded and may not equal 100 per cent.

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

In June 2023, we advised members that CPA Australia would be implementing a new functional operating model designed to create consistent and collaborative ways of working and to support the delivery of our 2022–27 strategy.

The new structure has been designed using best practice principles for an organisation of our size and complexity, and positions us to deliver on our strategic objectives.

The new operating model aims to create more collaborative ways of working and engaging with members, and leverages our technology investment undertaken as part of the MMF program.

This change is necessary to support CPA Australia in the delivery of our 2022–27 organisational strategy, with its focus on member growth opportunities and providing members with interdisciplinary skills to enhance their career prospects.

Our new, streamlined structure includes five functions. Two are focused on the strategic planning, design, delivery and ongoing improvement of member services with the other three functions supporting the delivery of this work.

In March 2024, our new CEO, Chris Freeland AM will join CPA Australia.

SUPPORTING OUR GLOBAL STRATEGY

As an organisation with members spread across the globe we resource our strategy across all our locations.

The table below shows financial performance across the major regions we operate in.

TABLE 9: FINANCIAL PERFORMANCE BY LOCATION

\$'000s	2023 Total revenue	2023 Total expenses ¹	2023 Surplus/deficit before tax	2022 Surplus/deficit before tax
Australia	100,811	99,817	994	(33,285)
New Zealand	5,668	6,105	(438)	713
Europe	2,014	2,738	(723)	(107)
ASEAN group ²	27,221	30,352	(3,131)	(1,913)
Greater China (including Hong Kong SAR)	36,420	33,051	3,369	2,692
Other overseas	6,100	5,817	283	(718)
All locations	178,235	177,881	354	(32,618)

¹ Total expenses includes operating expenses, depreciation and finance costs, strategic product expenditure, FX and revaluation of investments, in line with the Overview of financial results on page 103.

² ASEAN group consists of Indonesia, Malaysia, Singapore and Vietnam.



Shoeb Kotwal CPA, Product Owner Finance Operations, CPA Australia

"As a proud member of CPA Australia, I deeply appreciate the organisation's global footprint. This expansive presence not only creates opportunities and mobility for individuals holding the CPA designation but also ensures the longevity and sustainability of the designation itself."

Member engagement and satisfaction

Overall, results for the 2023 Member Engagement survey generally declined from 2022. Whilst these declines were not statistically significant, the MMF project and changes to the operating model saw disruption to normal business activities impacting some of the services delivered to members.

Countries that experienced the largest declines for overall satisfaction were Australia, Malaysia, Singapore and Mainland China, whilst ratings in New Zealand, the UK, Vietnam and Indonesia improved year on year.

The total sample size for the 2023 survey was 8935, representing a statistically relevant response rate of 8.8 per cent. The sample in 2023 was an increase from 7694 in 2022.

FIGURE 6: SATISFACTION BY COUNTRY/REGION

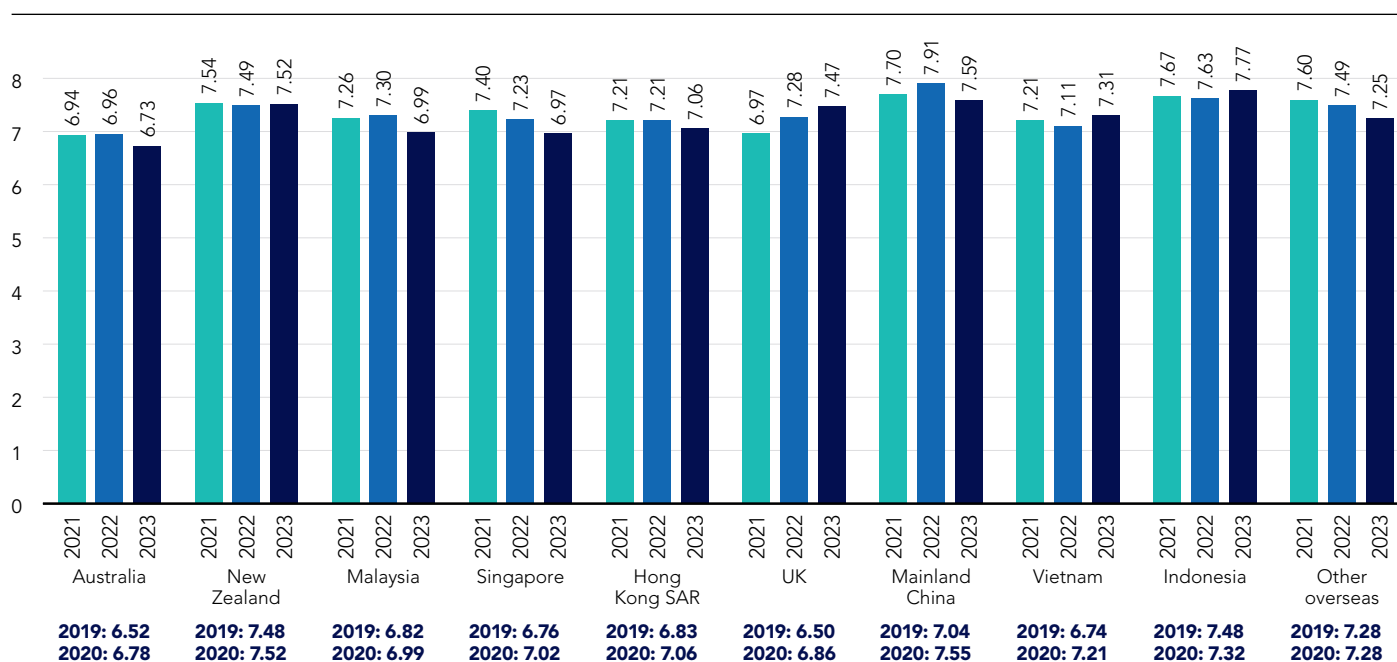
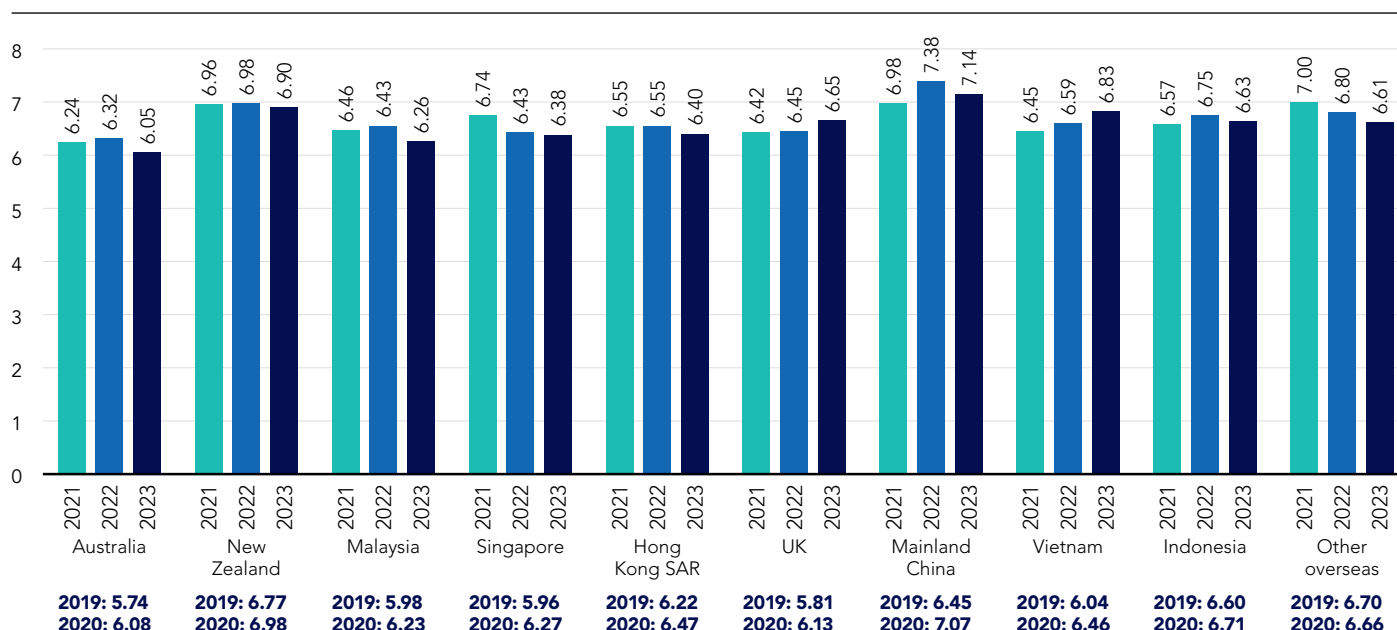


FIGURE 7: VALUE BY COUNTRY/REGION



**Laura Tattle CPA,
Manager Finance Business Partnering,
CPA Australia**

"In my role I provide valuable financial insights and strategic recommendations that inform decision making. This enables CPA Australia to deliver enhanced member services and drive business growth.

I enjoy the opportunity to collaborate with cross functional teams and contribute to informed decision making. It's fulfilling to see the positive impact my team have on the company's overall performance."



01

Build members' interdisciplinary and contemporary skills to accelerate their career

CAPITALS IMPACTED

- Financial capital
- Human capital
- Intellectual capital
- Manufactured capital
- Social and relationship capital

PERFORMANCE

Members ▲ 173,431

Member satisfaction ▼ 6.87/10

Member retention ▼ 97.6%

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



Peter Coulogeorgiou

FCPA

Executive Director, Finance
and Performance, Audit Office
of New South Wales

"We are in a period of digital disruption that is only going to amplify and change the way we work. Accountants need to embrace this disruption with an open mind and play a pivotal role in supporting their organisation through this change. Critical thinking will be equally important, because while AI and other technologies will mine data and generate insights, the human element will still be needed to critically evaluate the data to support decision making. And let's not forget that accountants deal with more than just numbers, they need to have strong leadership skills to successfully lead their teams."

MMF program

Relevant material issues



MMF PROGRAM

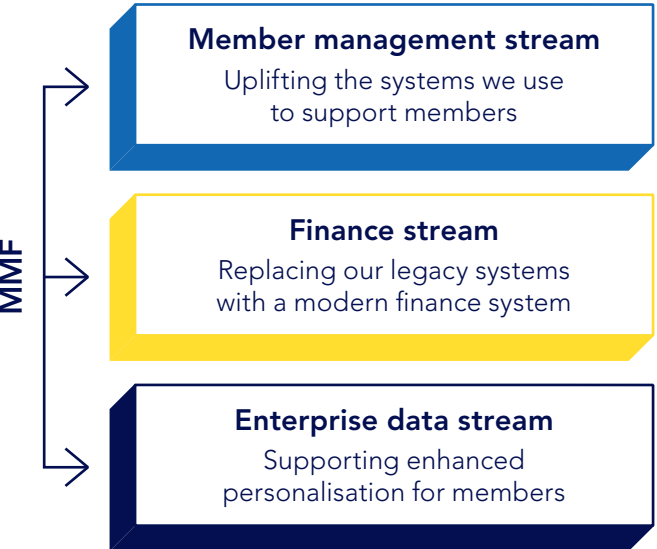
In 2018, we released our previous strategy. Developed in consultation with our members, it was evident improved digital capabilities were required to deliver increased value and services to members.

However, our systems at that time were outdated and nearing end of life. They were not capable of supporting member and employee needs or future aspirations for the organisation and left data and information open to cyber threats.

The vision for the MMF program was to create digital and organisational capabilities that would enable CPA Australia to personalise members’ experiences across all touchpoints, contribute to growing and protecting the designation, and elevate our employees’ experience.

We have now delivered the foundation capabilities to enable us to continue to make enhancements to deliver a modern digital organisation to benefit members.

FIGURE 9: MMF STREAMS OF WORK



The MMF program had three main streams of work.

The member management stream was all about uplifting the systems we use to support members. This delivered a customer relationship management system (CRM) that lets us access, input and store information including contact details, membership information, and a member’s journey with CPA Australia through the CPA Program. Members will also have a more seamless experience, with easier navigation, smarter application processes, and seamless email communications.

The member management stream:

- implemented a cloud-based CRM and membership management system
- enhanced protection of member information through greater cyber security controls
- introduced an enhanced membership renewals and profile management system
- introduced new self-serve functionality for invoices and other key documents
- streamlined communication preference options
- introduced a new automated marketing system with better customisation, personalisation and reporting.

Getting our financial systems right was also critical to how we support our members. The finance stream focused on replacing our legacy systems with a modern finance system, (Microsoft Dynamics Finance and Operations). This:

- provides an end-to-end financial management solution
- replaces our existing payment gateway with a new one, and offers a seamless payment experience and increased options for members
- automates more manual processes
- enables us to better track and understand our financials.

We also implemented an enterprise data platform (EDP) to support enhanced member personalisation through:

- increased member insights and understanding of member preferences
- foundational AI capability to build on in the future to further enhance the member experience.

The program is now complete, closing with a cost overrun of \$322,807 or less than 0.01 per cent.

FIGURE 8: MMF BENEFITS REALISATION



Member value

Relevant material issues

- M3
- M4
- M7
- M14

Member satisfaction ▼ 6.87/10

(2022: 7.08/10, 2021: 7.07/10, 2020: 6.89/10, 2019: 6.63/10)

Member retention ▼ 97.6%

(2022: 98.0%, 2021: 98.3%, 2020: 98.3%, 2019: 98.1%)

MEMBER VALUE

CPA Australia’s vision is to lead the future of the global accounting profession and develop business professionals with tomorrow’s capabilities. 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 MMF program and changes to the operating model saw disruption to normal business activities impacting some of the services delivered to members, this included a halt to communications, impacting on member engagement with CPA Australia.

Results for the 2023 Member Engagement survey reflected this with many scores declining from 2022. Overall satisfaction (6.87) and value (6.21) softened year on year, however declines were not statistically significant (0.21 and 0.22 respectively).

To set a level for member expectations, as part of the Member Engagement survey, we also asked members how they would rate CPA Australia if their expectations were just met. Using this level, the majority of factors in the survey, including overall satisfaction, remained above member expectations.

Another reflection of the value found in membership is our member retention and member growth rates. Membership continues to grow year on year, with a net increase of more than 1000. Member retention rates remain high, despite a small decline in fully qualified member retention to 97.6 per cent.

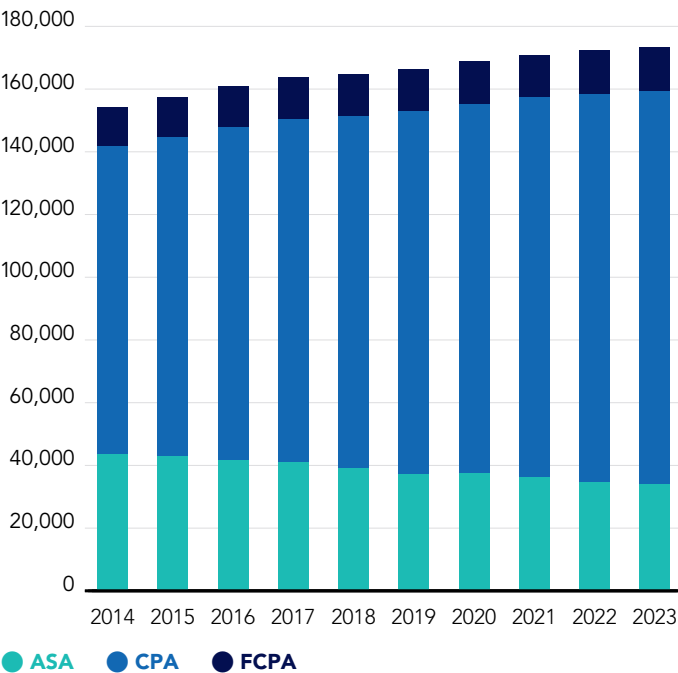
As part of the release of MMF we have started to roll-out initiatives in the member engagement and experience framework to enhance the experience of existing and prospective members when they interact with CPA Australia, including working with divisions, committees and discussion groups to promote two-way member engagement and support the execution of the strategy.

FUTURE MEMBERS

As more students study finance and commerce over accounting, there is a declining pool of accounting graduates around the world, which is reflected in a declining number of Associate members. The profession needs innovative and multidisciplinary offerings to continue to attract students to the accounting profession. CPA Australia is addressing this challenge through our strategy by:

- refining membership pathways
- the transformation of the CPA Program and Foundation pathway to create a best-in-class, digital first offering
- the Member Ambassador pilot
- working alongside other Professional accounting bodies to increase the attractiveness of the profession.

FIGURE 10: 10 YEAR MEMBERSHIP GROWTH



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 the member support team directly via phone, email or live webchat. In total, CPA Australia's member support team handled more than 89,000 phone enquiries, more than 147,500 emails and more than 31,400 webchats during 2023.

This was an increase across all channels from 2022 as a result of needing to shut down some online self-service options for members to allow for the successful implementation of the MMF program. Whilst this caused some inconvenience for members, our member support team worked hard to ensure members received the information and service required.

IMPROVING THE WEBSITE EXPERIENCE

Satisfaction with website experience

▼ 7.07/10

(2022: 7.28/10, 2021: 7.16/10, 2020: 7.09/10, 2019: 6.89/10)

We continue to work on improving the website experience for members, potential members and other stakeholders, in 2023 this has included:

- a new Associate section of the website, 'Your CPA Program' which makes it easier to find the important information needed to progress through the CPA Program and provides a more personalised experience
- uplifting the career development section on the website to provide easier and more engaging experiences in relation to all career development content, products and services
- renewal form enhancement to enable the provision of a more tailored, personalised experience.

This year, there were more than 3.137 million unique visitors to the CPA Australia website, which was an increase of 22 per cent over the previous year. Additionally, there were more than 570,000 unique visitors to the INTHEBLACK website, an increase of 10.5 per cent over the previous year.

IMPROVING MEMBER RECOGNITION

Until recently, certificates for members progressing to CPA status were presented during the annual member recognition ceremony. If a member advanced to CPA status a few weeks after their area's annual ceremony, they would wait almost a year to receive their hard-earned certificate.

Based on feedback from members through our Voice of the Customer program we have now made changes to this process with certificates now sent out to members within six-weeks of their advancement. They then have the opportunity to attend a Member Recognition Ceremony in their closest location.

We also improved our website content to make it easier to understand next steps in the advancement process with ceremony dates and locations published at least six months ahead.

DIVISIONAL ACTIVITY

Elections for Divisional Council ran in nine of CPA Australia's 13 Divisions: Australian Capital Territory, Europe, New South Wales, New Zealand, Queensland, South Australia, Tasmania, Victoria and Western Australia. Ballots were not held in the remaining Divisions as the number of nominations did not exceed the number of vacancies.

In 2023, a total of 90 members nominated for 62 vacancies. A total of 99,609 members were eligible to vote across the nine divisions that conducted a poll. Elected councillors commenced their terms on 1 January 2024, with each Divisional Council electing a President and one or two Deputy Presidents.

We officially opened our new Hanoi office on 19 October. The day was capped off with a celebration of our 15th Anniversary and 2023 Member Recognition Ceremony, attended by over 120 guests, including representatives from the Australian Embassy in Vietnam, the Vietnam Ministry of Finance, our members, local professional bodies, employer and university partners. Celebrations of our 15th anniversary and membership recognition events were also held in our Ho Chi Minh office. We also celebrated the 70th anniversary of our first official representatives in London.

CPA Australia also established a formal presence in Sri Lanka in 2023 and a member reception was held on 2 August to celebrate. The event was officiated by the State Minister of Finance of Sri Lanka, the Honourable Shehan Semasinghe, and the Australian High Commissioner to Sri Lanka, Mr Paul Stephens.

Member value

MEMBER ENGAGEMENT EVENTS

We seek to provide members with personalised and engaging experiences through 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 round-tables and recognition ceremonies and participate in discussion groups and Divisional Council networking events. Some of the highlight events held in 2023 included:

- CPA Virtual Congress
- CPA Week Perth
- in Victoria, hosting a Diwali dinner for members and non-members
- Singapore Governance and Transparency Forum – partnering with the Centre for Governance and Sustainability from the National University of Singapore Business School, and the Singapore Institute of Directors in a forum which announced the most well-governed and transparent publically-listed companies in Singapore
- the Resources and Energy forum in Western Australia
- collaborating with the Australian Consul General of Hong Kong and Macau to host a member reception at The Australian Residence in Hong Kong.

VALUE IMPACT

Increasing manufactured capital through:

- upgrading member facing systems.

Social and relationship capital was impacted in both positive and negative ways. Positive impact came through:

- local support for members through our divisional offices
- better understanding of important moments for members through the Voice of the Customer program.

Some negative impacts on social and relationship capital occurred during the initial roll out of MMF where some services were not available to members.

MOVING FORWARD

- Celebrating 70 years of presence in Singapore in 2024
- Continuing to rollout improvements to the advancement to CPA experience including a more consistent global approach
- Promoting greater personalisation by designing and delivering relevant products, services and experiences tailored to the individual career goals and professional development needs of existing and prospective members



Tushar Gupta

CPA

Director TKG Corporate Advisors, India/UK

An aspiring marathon runner, Tushar understands the value of solid preparation. He applies the same ethos to his professional career. Originally studying commerce and law, he switched to accounting to help transform his Delhi-based family owned finance and accounting firm TKG Corporate Advisors into a thriving business with a presence in London.

“Accounting is a must have qualification in consulting. It is no longer just about accounts and financial statements; the profession has evolved to include business development and strategy.”

He chose CPA Australia because of its worldwide presence and the ability to work internationally.

“The curriculum of the CPA Program is comprehensive and equips you with fundamental knowledge. It gives you the overall view of the way business and international economies work. It also gives you global recognition, which is very important for a young professional.”

Tushar completed the CPA Program in 2018 and is the Founding Convener of the Delhi discussion group. He sees tremendous scope for continued membership growth in India and the opportunities presented by new technology. “With new technology such as AI, data is instantly available. This changes our role and our thought process. As accountants, we need to adapt so that our decision making also becomes more instant.”

His parting advice for young accountants is, “study hard, attend events and discussion groups, travel, become familiar with different economies, new software and perspectives. CPA Australia is very welcoming. Be part of the network.”

High quality professional development and knowledge

Relevant material issues and UN SDGs



The value of the CPA designation stems from the technical expertise and understanding of business and strategy gained through completing the CPA Program and the ongoing learning that members undertake to ensure their knowledge remains relevant.

Member satisfaction with CPD that assists them to succeed in their careers
▼ 6.35/10

(2022: 6.43/10, 2021–19: N/A)¹

CPA VIRTUAL CONGRESS

Our flagship professional development event, CPA Virtual Congress, was held in October with the OnDemand component wrapping up on 1 December. This year's event featured 30 sessions from members, industry experts and internationally renowned leaders, and attracted more than 10,200 people from more than 40 countries.

Delegates provided an overall satisfaction rating of 4.4 out of 5 for CPA Virtual Congress 2023, which demonstrates that the presenters and content were engaging and support the professional needs of members and delegates. As a result of feedback received from members, CPA Congress 2024 will include an international in-person conference at the National Convention Centre in Canberra, in addition to the virtual experience, from 14–18 October.

WITH INTEREST

During 2023, we published 32 With Interest podcast episodes, and there was a total of more than 310,000 downloads and more than 7500 followers of the With Interest podcast channel across the two main podcast platforms (Apple and Spotify). The top three With Interest podcast episodes by downloads were:

- The Australian Tax Office (ATO) explains changes to working from home deductions
- What will happen in 2023? Expert forecast for business
- Your expert guide to the property market in 2023.

MICRO-CREDENTIALS

In 2023, we continued to increase our range of micro-credentials with a range of updates covering data and digital skills (see below) as well as the following new micro-credentials:

- Disruption and Audit Risk Management
- Effective Remote Auditing
- Emerging Technology in Auditing
- Budgeting and Forecasting for Success in Strategic Planning
- Pricing Strategies for Creating Customer Value
- Negotiation and Influence for Success.

As part of our Ethics Content and Learning strategy we also released a micro-credential in Professional Ethics, Ethical Dilemmas in Accounting: A Practical Perspective equating to five CPD hours in October 2023 that covers the following topics:

- Code of Ethics – Fundamental principles and conceptual framework
- Code of Ethics – Professional accountants in business and public practice
- Ethical decision-making models.

DATA AND DIGITAL

CPA Australia launched its suite of micro-credentials, Digital Finance, in 2020, with learners needing to complete 20 hours of learning before completing a 60-minute assessment to gain their digital badge.

The accounting profession is changing rapidly, as is how people want to learn new skills, with a focus on shorter pieces of content. To better understand what this meant to members we conducted research that showed that while micro-credentials were valued, the current workload was too long.

Our updated approach allows us to offer shorter courses while retaining the same rigorous course assessment.

The five 'Data and Digital' micro-credential courses now on offer run between four to six hours each and are designed to provide the knowledge to interpret, analyse and manipulate data to inform business decisions.

The courses available are:

- Data Visualisation and Storytelling
- Data Interpretation
- Statistical Analysis for Decision-Making
- Data-Informed Decision-Making
- Creating a Data-Driven Culture.

¹ This was a new metric in 2022.

High quality professional development and knowledge

INTHEBLACK

In 2023, the INTHEBLACK design was refreshed and made more digital-friendly, increasing levels of engagement. We published more than 120 original feature stories across nine regular issues and a special edition, as well as 70 digital-first articles. A focus on member demand for technical skills content resulted in the “Python for Accountants” article becoming the most read article of 2023.

VALUE IMPACT

Increasing intellectual capital through:

- connecting policy and standard-setting with our knowledge offering for members
- delivering contemporary CPD with insights tailored for accountants and creating CPD and publications that build knowledge and enhance careers.

MOVING FORWARD

- Produce and promote high quality and contemporary content, tools and resources to support our members’ career success
- Improve the learner experience for online courses by upgrading the Learning Management System
- Deliver CPA Congress in a way that further meets the needs of members

Lindsay Ellis

CPA

Co-founder Sunday

It’s been quite a journey for Lindsay. Starting in financial assurance in Western Australia, his career has taken him to Norway and France, where he completed a dual masters focussing on sustainability and natural resource economics.



Through a series of experiences, he then landed in Tasmania where he co-founded Sunday, a non-financial accounting platform that empowers traditional accountants to become carbon accountants. “We see a world where accounting systems have turned the global economy into a force for good. We only see that happening if the accountants are involved and we upskill them in carbon accounting and support them to deliver this work.”

Lindsay and his co-founder Jessica started their own accounting firm after working together in mining. They had a lightbulb moment after being engaged by clients to prepare carbon accounting assessments which they worked through in unruly spreadsheets to begin with. “We realised that companies were struggling to account for their emissions and most were basing the majority of their footprint on industry averages. It was clear that accountants were missing from the picture.”

He sees accountants playing a fundamental role in the net zero transition. “Until it is as normal for a business to go to their accountant and get their carbon accounting sorted as it is to do a tax return, the quality of scope 3 data will remain extremely low.”

“Being a member of CPA Australia brings a level of rigour and credibility to what we do. CPA Australia also has an important advocacy role in this space, it will be important to continue making strides in education and awareness that accountants can and should be front and centre of the transition.”

Lead the future of the accounting profession

Relevant material issues and UN SDGs



Thought leadership ▼ 6.92/10

(2022: 7.13/10, 2021: 7.15/10, 2020: 7.00/10, 2019: 6.69/10)

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.

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, supporting the development of the profession in under-represented areas and partnering with other professional accounting bodies to advance the future of the profession.

Digital and technology is an ongoing focus where expectations are continuing to evolve and there are opportunities to innovate business models enabled through digital capabilities. Digital will need to remain at the forefront of strategies and investment plans for organisations to enable them to keep pace.

CPA Australia is investing in digital and technology for the future to provide a platform to better serve members (pages 44–45).

PARTNERING WITH THE PROFESSION

Accountants increasingly need to be able to work across jurisdictions and as such, it is important that CPA Australia continues to build partnerships with accounting bodies, educational institutions and other bodies representing the interests of the business community.

In 2023, we announced a number of collaborations, recognition and pathway agreements with the following professional organisations:

- a Memorandum of Understanding (MOU) with the Vietnam Club of Chief Accountants
- a new MOU with Curtin University Malaysia
- a new MOU with the University of Economics Ho Chi Minh City
- a new Membership Recognition Agreement (MRA) with the Institute of Singapore Chartered Accountants
- extension of the Membership Pathway Agreement (MPA) with the Institute of Indonesia Chartered Accountants
- renewal of the MPA with the Chartered Institute of Management Accountants
- renewal of the MPA with the Malaysian Institute of Accountants
- renewal of the MPA with Philippines Institute of Certified Public Accountants
- renewal of the MPA with The Institute of Chartered Accountants of Nepal
- renewal of the MRA with the American Institute of CPA/NASBA.

Lead the future of the accounting profession

SUPPORTING MEMBERS AS THE PROFESSION CHANGES

In 2023, to support members we hosted a series of workshops, webinars and podcasts featuring experts from different areas of the accounting, tax and finance fields to provide analysis on issues impacting the profession.

Topics covered in our policy webinars included ESG, the launch of a guide to climate risk and its impacts in the audit of financial statements, an IFRS update, Tax Time 2023, Asia Pacific Small Business Survey results and the Australian Federal Budget. Overall, in 2023 more than 19,000 people registered to attend policy and advocacy webinars.

VALUE IMPACT

Increasing intellectual and social and relationship capital through:

- agreements with other accounting bodies that benefit members through the sharing of common and strong interests in advancing the profession
- supporting members by providing analysis on issues impacting the profession.

MOVING FORWARD

- Developing industry and sector frameworks
- Continuing to develop policy and advocacy that supports the changing profession

Bernard Lakey

FCPA

Semi-retired Financial Analyst

Bernard Lakey grew up on a farm in Victoria and worked as a wool classer for eight years. He has seen first-hand the impact of climate change in rural communities. "When you grow up on a farm you have direct knowledge of how seasons run."



He began studying accounting at night school in 1988 and completed both the degree and attained his CPA designation in 2000. "The CPA badge carries a lot of recognition in the community. Having your CPA says a lot when applying for roles."

The impact of climate change was obvious to Bernard in 2000 with 10 years of below average rain fall and many devastating fires tragically cumulating in the Whittlesea fire storm of 2009. "Many lives were lost and 450,000 hectares burnt."

Bernard recognised the important role accountants can play in educating the profession and the wider community in the climate debate. "It is about measuring costs and risk. As an accountant you have the businesses numbers to do the analysis."

He saw CPA Australia as a leading voice and started the Sustainability – Accounting for Climate Change Discussion Group in Queensland. "The development of the IFRS S1 and S2 reporting standards show that we are on the right path. The problem with sustainability and ESG reporting in the past has been the variation in methodologies used by different companies, so comparisons across industries have been very difficult. The new accounting standards are bringing it together in a structured and standardised way."

"Accountants have an obligation to their clients but we also have an obligation to the wider community. Understanding climate related risks is about protecting our clients and the community."

**George Kapitelli FCPA,
CFO,
CPA Australia**

"Investment in CPA Australia's finance systems has given us increased capability and information to make business decisions that deliver value for members.

This has enhanced the discussions I have with team members such as Laura Tattle CPA, Senior Manager Business Partnering (pictured), as we are able to leverage that information for better outcomes."



02

Lead, support and advocate for members as the profession grows

CAPITALS IMPACTED

- Human capital
- Intellectual capital
- Natural capital
- Social and relationship capital

PERFORMANCE

Represents members' interests
in the public debate ▼ 6.74/10

Regretted turnover of leaders ▲ 8%

GHG emissions 11,884 tCO₂e¹

Roles filled internally ▲ 39.4%

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

¹ No movement is shown for GHG emissions due to a change in measurement of emissions from our supply chain (page 62).





Kegan Kashian

FCPA

Founder and CEO,
TCB Consulting

"CPA's can play a crucial role in the establishment of ideas, standards or policies that consider the effects their organisations have on the environment and on society. This can be done with transparency and accountability. One example could be when choosing investments or when reporting on the activities of the business, ask what companies should do about investors who won't accept lower returns in the pursuit of ESG goals. CPA's need to formulate a practical, tangible plan with measurable solutions and results. ESG needs to be embedded into an organisation's strategy in a way that generates value for all stakeholders including employees, customers, suppliers, and backers."

Advocacy and thought leadership

Relevant material issues and UN SDGs



CPA Australia is strongly committed to ongoing advocacy on behalf of members, the accounting profession and in the public interest. We regularly engage with governments, industry regulators and standard setters to represent the views of members and influence policy decisions with a view to generating sustainable economic growth and positive business and social outcomes.

We represent the profession through discussions and consultations with policy makers in all regions where CPA Australia members live and work. This includes ministers and senior executives in government departments, as well as accounting, auditing, taxation and ethics standard setting boards in Australia and internationally.

SUPPORTING ETHICS AND INTEGRITY

Upholding the ethics of our profession is fundamental to the CPA designation.

CPA Australia has provided detailed responses to, and continues to be actively engaged with the PJC Inquiry into Ethics and Professional Accountability and other related developments. Our submission to the PJC Inquiry highlighted the professional standards and statutory requirements to which accountants must adhere, and the role of professional accounting organisations such as CPA Australia in upholding these standards.

We are also engaging with the profession through the Australian Public Policy Committee and have established a Regulatory Review Working Group. We are maintaining direct contact with members through member committees and forums and are working with relevant stakeholders to respond to any recommendations arising from the PJC Inquiry.

REPRESENTING THE PROFESSION

CPA Australia members work across all sectors of the accounting and finance profession. We continuously engage with members to seek their contributions on submissions we are preparing for governments, standard setters and regulators on proposed legislation, standards and other regulations that will affect members' areas of professional interest.

In 2023, we prepared 104 public submissions across a range of policy areas, including audit and assurance, business, digital transformation, economics, ESG, ethics and professional standards, financial planning, financial reporting, insolvency, not-for-profit, superannuation and taxation.

SUBMISSIONS SHOWCASE

Pre-budget submissions in Australia and Hong Kong.

Legislation for the Objective of Superannuation, and the Better Targeted Superannuation Concessions.

Treasury Laws Amendment (Making Multinationals Pay Their Fair Share-Integrity and Transparency) Bill 2023.

Parliamentary inquiries into the regulation of accounting, auditing and consulting.

ISSA 5000 General Requirements for Sustainability Assurance Engagements.

New Zealand's Taxation Principles Reporting Bill 2023.

CPA Australia also prepares joint submissions with other professional accounting and industry bodies to provide a unified voice for the profession and advocate collectively in the public interest.

In 2023, we joined with other leading professional accounting and finance industry associations to advocate on a number of topics including mandated climate-related financial disclosures, Australia's permanent migration program and the proposed expansion of Australia's anti-money laundering regime to accountants. Our collaborative efforts with other professional bodies ensures a strong, collective voice that has a better chance at achieving outcomes that benefit members and the profession.

MEMBERS SUPPORTING ADVOCACY

Represents members' interests in the public debate ▼ 6.74

(2022: 6.94, 2021: 6.93/10, 2020: 6.80/10, 2019: 6.46/10)

We draw on the knowledge and expertise of our global membership base to provide perspective and inform our policy positions across the diverse range of accounting, finance and business disciplines.

We consult with CPA Australia's Divisional Councils, Committees and discussion groups, conduct surveys and polls with members on specific policy areas and convene six CoEs comprising highly experienced members that advise on key policy areas.

Two major research publications in 2023 were the 14th annual Asia-Pacific Small Business and the Business Technology Report. These publications are based on the results of surveys undertaken with accounting professionals across key markets in the Asia-Pacific region.

WORKING WITH THE MEDIA

CPA Australia is a trusted voice in accounting and finance, and we engage with the media to advocate for policy priorities. In 2023, we received widespread coverage in Australian national, metro and regional media. This includes specialist finance industry publications as well as top tier or mainstream media. Overall, we issued 38 media releases in Australia and internationally on a diverse range of topics, including media releases 'encouraging more young people to become business owners' and 'more support for digital innovation'.

We engage independent media monitoring organisation Stroom to measure our media coverage. According to Stroom, CPA Australia was regularly positioned in the media as an expert on key developments affecting the profession. In 2023, we generated more than 2000 distinct media items including syndications. The topics that attracted most of our mainstream media coverage in Australia included commentary and detailed analysis of the 2023–24 Australian Federal Budget as well as our 2023 Tax Time coverage, both of which form key aspects of CPA Australia's policy and advocacy activity.

Our analysis of the Australian Federal Budget generated strong engagement across our channels, with more than 10,000 unique visitors to a budget snapshot on INTHEBLACK, a breakdown of budget measures in the 'With Interest' podcast reaching

an audience of more than 1500 people in its first month, and a special budget webinar that attracted 2000 members. Overall, more than 8000 people visited our dedicated budget webpage.

Our international media team continues to engage with local media, earning mainstream print and online coverage. This has helped amplify CPA Australia's research and policy positions in our developing markets as we have contributed positively to policy debates around key political activities, including budget submissions.

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IFAC is the global organisation for the accountancy profession (comprising 180 members and associates in more than 135 countries and jurisdictions). It serves the public interest by helping to ensure a skilled, knowledgeable, and ethical workforce of professional accountants around the world; by contributing to the development of sustainable private and public sector organisations; and by supporting strong international financial markets and economies.

CPA Australia is a founding member of IFAC, which was established in 1977. As a member, CPA Australia:

- demonstrates its commitment to the global accountancy profession and reinforces its role as a pre-eminent PAO in Australia and across the region
- is recognised by other global PAOs and international organisations and stakeholders as an important participant in the global accountancy profession. This recognition is fundamental to the establishment of CPA Australia's numerous MOUs and MRAs with other PAOs
- contributes to the development and implementation of high-quality global standards; supporting IFAC to provide financial, operational, and administrative support to independent standard-setting boards (SSBs). The standards developed by these SSBs are adopted and implemented in many jurisdictions in which members are located and form the foundation of the CPA Program and professional development offerings
- has enhanced opportunities for the voice of our members, and the local professions within which our members are located, to be heard, as representatives on a range of international advisory groups, committees, and standard setters
- enjoys the advantage of forging and developing strong relationships with others in the global profession; as well as access to key international and regional organisations and stakeholders to support members across the globe.

Advocacy and thought leadership

VALUE IMPACT

Increasing intellectual and social and relationship capital through:

- advocating for the profession to government and policymakers
- leveraging members' experience to impact decisions and improve policy outcomes
- supporting members to adapt to change
- protecting the public interest.

MOVING FORWARD

- Continuing advocacy focus on ESG including climate-related financial disclosures
- Representing the profession in consultations and parliamentary inquiries relating to ethics, governance and accountability
- With members, engaging with regulators and standard-setters across the globe
- Drive thought leadership activities that foster evidence-based advocacy



Cliff Ip

FCPA

Managing Director, CEO and Co-founder of Wings Securities Limited

Cliff Ip has over 20 years' experience in investment banking and auditing. Based in Hong Kong, he is President of CPA Australia's Greater China Division for 2024. Cliff has been a CPA for nearly 25 years and sees the advantages it provides for him and the next generation of accountants.

"The CPA designation has given me a very solid grounding in the profession and a strong foundation for my career. It is an excellent qualification for young professionals and can be applied in many different careers. It is widely recognised, and employers know that CPAs possess both the technical skills and the soft skills required in business today."

Cliff sees 'international connectivity' as a key benefit of the CPA designation. "CPA Australia has a strong international presence. Economically, Hong Kong connects Greater China to markets all around the world. On a personal level, the CPA designation allows members to work across Asia, the Middle East, Europe and Australia."

This international connectivity is increasingly important as the profession evolves. "As accountants, we need to continuously update our knowledge to keep pace with new trends such as ESG and AI. Clients are growing more interested in these areas, and as accounting experts, we have to offer expertise and leadership."

Cliff also sees the opportunities an AI driven future offers. "We can use AI to automate straight-forward tasks and make auditing faster and easier, allowing accountants to focus on interpreting the numbers and providing advisory services."



**Gavan Ord ASA,
Business Investment and
Policy Manager,
CPA Australia**

"Our policy and advocacy activities are initiated to inform and influence decision-makers in the interests of members and the broader community.

Our mission is to enhance the reputation of CPA Australia, our members and the profession by advancing and promoting our policy positions and thought leadership activities. We do this through submissions and engagement with government and standard setters, publishing research and through media."

Our approach to ESG disclosures

IFRS S1 AND IFRS S2

Governance

The diagram below shows our governance approach to ESG matters. ESG responsibilities are contained in the Charters of the Board, Board Committees and the ESG Steering Committee.

All working groups under the ESG Steering Committee have a Terms of Reference that covers the scope of their responsibilities. The working groups report their action items to the Steering Committee which then prioritises items for further discussion with the Board, Board Committees and the ELT.

Regular progress reporting (including metrics and targets) is prepared by the Steering Committee and submitted to the ARCC for discussion and approval.

Relevant individuals in the organisation have ESG related goals in their Personal Development Plans, the achievement of which is reflected in their remuneration review and any incentive payment. ESG factors are not considered independently as part of Board remuneration at this point in time.

Strategy

CPA Australia has in place an ESG strategy that uses a spheres of influence approach to managing ESG related risks and opportunities. In developing our 2022–27 organisational strategy, our ESG strategy was a key input. Successful delivery of our ESG strategy is a key activity under Goal 2: Lead, support and advocate for members as the profession evolves.

Our ESG vision supports our overall vision and is: 'To incorporate ESG considerations into all our activities in order to meet the present and future needs of members, employees and other stakeholders to support long-term environmental, social, and governance performance'.

FIGURE 11: ESG GOVERNANCE



We do this by:

- providing education, guidance and resources that help members future-proof their skills and integrate and implement ESG initiatives
- working with partners and suppliers who share our core values and objectives
- becoming an organisation that is resilient to climate change, in-line with our commitment to Net Zero
- educating our employees to improve ESG outcomes in their work and life
- implementing regular ESG monitoring, reporting and assurance to enable continual improvement.

Risk and opportunities

CPA Australia's Risk Management Framework (page 28) is used to assess ESG related risks and these are fed into functional risk registers for management by that function.

Our climate-related risks are on pages 63–64. Other sustainability related risks can be found in our discussion of organisational risks and opportunities (pages 28–31). More detailed discussion of Modern Slavery Risks can be found in the Modern Slavery Statement available on our website.

Targets and metrics

Climate-related targets and metrics are disclosed in our Net Zero Emissions Pathway which is discussed on page 62.



**Luke Gilholme CPA,
Head of Reporting and
Commercial Finance,
CPA Australia**

"There is growing regulatory interest in the ISSB Standards, and businesses need to prepare for imminent implementation. Accountants with their strong knowledge of the IFRS Standards are well placed to help organisations implement these new sustainability standards."

Environment and climate action

Relevant material issues and UN SDGs



The accountancy profession can play a significant 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.

NET ZERO EMISSIONS PATHWAY

We first published our Net Zero Emissions Pathway in October 2022. As part of a continuous improvement approach we will republish our pathway in 2024, with new information gathered as part of our work to quantify emissions from our supply chain. As part of our approach to Net Zero, we are focusing on reducing actual emissions with limited use of carbon offsets. In 2023, we continued to offset our flights through purchasing carbon credits, as well as offsetting other travel (car-hire and accommodation).

SUPPORTING MEMBERS, ADVOCACY AND INFLUENCE

To support members we published factsheets and guides including:

- guidance on sustainability reporting – IFRS S1 and S2 for members, providing an overview of ESG elements and key issues and implications
- a factsheet outlining key considerations that members would need to consider in either embarking or deepening their respective ESG-related journeys
- a guide on climate risks and its impacts on the audit of financial statements that provides auditors with practical guidance when auditing financial statements with a focus on climate-related risks and impacts.

We also launched an additional course for public practitioners as part of the MY FIRM. MY FUTURE. e-learning suite that addresses carbon accounting for farming clients.

OUR OPERATIONS

In our operations we focused on our Scope 3 emissions and responsible consumption and reduction of waste by:

- using food waste trackers in our main commercial kitchen to measure and reduce our food waste and introducing catering ordering guidelines to minimise food waste
- reducing our reliance on printed materials by increasing use of digital channels
- developing a sustainable merchandise framework
- increasing the robustness of our Scope 3 emissions by using emissions intensity factors published by our suppliers.

CLIMATE RELATED RISKS AND OPPORTUNITIES

In 2022, we ran a risks and opportunities workshop that included scenario analysis. The implications of the scenarios were then explored in relation to CPA Australia's long-term strategy and day-to-day operations.

Risks and opportunities were identified in the following critical functions: member education, member experience, policy and advocacy, our operations and our investment portfolio.

In 2023, the first four categories of risk were further analysed using our risk management framework and the highest rated risks are shown in Table 10. We also further prioritised these risks and opportunities, assigned owners and started embedding them in organisational risk registers.

In 2024, we will work with our Investment Managers on the level of risk in our investment portfolio, noting that the majority of our investment is in funds that have an ESG strategy and/or are signatories to the UN Principles for Responsible Investment.

GHG EMISSIONS

In 2021, we began the work to set the boundaries for future emission reduction targets. We have continued that work in 2022 and 2023 and our GHG emissions are shown in Table 11 on page 64.

CPA Australia has no Scope 1 emissions. Gaps in our Scope 3 data include emissions from purchased goods and services (actual), waste and water from some offices, ground transport and employee commuting. It continues to be difficult to source complete data from some of our leased properties, particularly in international markets. Only emissions from purchased goods and services will have a significant material impact on our emissions.

The major source of our emissions continues to be in our supply chain. In 2023, we continued the analysis of our supply chain by:

- undertaking an emissions intensity review with 95 per cent of our supply chain by spend to better calculate actual emissions from our supply chain
- piloting carbon-related questions in our supplier assessment questionnaires
- starting the development of category strategies for sustainable procurement.

The emissions intensity work has seen total emissions drop from 14,958 tCO₂e in 2022 to 11,884 tCO₂e. Whilst some of this reduction is real (drop in electricity usage) most is due to a more accurate calculation of our supply chain rather than a significant real drop in emissions.

TASKFORCE FOR NATURE-RELATED FINANCIAL DISCLOSURES (TNFD)

In September 2023, the TNFD recommendations were released with broad applicability with ISSB IFRS S1 and S2. We expect the TNFD disclosures to have little impact on our day-to-day operations, but will continue to develop tools and resources for members who are impacted.

TABLE 10: CLIMATE-RELATED RISKS

Risk	Inherent risk ¹	Controls	Residual risk ¹
Member experience			
Insufficient climate action and/or leadership that supports changing policy in this area erodes the value, benefits (both tangible and intangible), and integrity of membership.	Medium (L4, C2)	• Dedicated ESG employees • Membership of A4S, the GRI and the IFRS Foundation business network • Submissions to governments, regulators and standard-setters	Low (L3, C2)
Failure to engage members on climate change and the low-carbon economy transition leads to a loss of market traction and reputational damage, especially longer-term as the effects of climate change become more acute and competitors' first mover advantages mature.	Medium (L4, C3)	• Dedicated ESG employees • ESG Steering Committee to oversee communication plans	Medium (L3, C2)
Failure to equip CPA Australia's Directors and the leadership team with the knowledge and tools to make the best possible decisions on climate change and the low-carbon economy transition, undermines long-term resilience and erodes member trust in the organisation.	Medium (L4, C2)	• ESG (including climate-related) responsibilities included in Board and Board Committee charters • ESG Steering Committee • Board and leadership upskilling and training	Low (L2, C2)
Failure to adequately explain and/or communicate the importance of climate change and the low-carbon economy transition leads to a loss of members and/or members feeling left behind.	Low (L2, C2)	• Climate-related developments communicated through an ESG page on our website, articles in INTHEBLACK etc.	Low (L2, C2)
Member education			
Failure to adequately support current and future members with the knowledge and skills required to meet emerging market and client needs.	Medium (L3, C3)	• Climate-related CPD offer • CPA Australia thought leadership on climate-related issues	Medium (L2, C3)
Training and education materials for members fail to stay up-to-date with the rapid pace of climate-related policy and regulation developments and are not delivered in a timely manner.	Medium (L3, C3)	• Climate-related CPD offer • CPA Australia thought leadership on climate-related issues	Medium (L2, C3)
Policy and Advocacy			
Failure to provide insights on the future of the profession and/or act as a key source on information for members and the broader accounting profession.	Medium (L4, C2)	• CPA Australia thought leadership on climate-related issues • Policy and advocacy work • Submissions to governments, regulators and standard-setters on climate related legislation and standards	Low (L2, C2)
Failure to recognise and advocate for new and emerging climate-related membership requirements leads members to increasingly believe that CPA Australia is not demonstrating the necessary leadership with respect to climate-related policy change.	Low (L3, C2)	• CPA Australia thought leadership on climate related issues • Policy and advocacy work • Climate-related CPD offer	Low (L3, C2)

Environment and climate action

Risk	Inherent risk ¹	Controls	Residual risk ¹
Day-to-day operations			
Internal policies and procedures are not updated and fail to respond to climate change leading to increased operational costs.	Medium (L4, C2)	Review of policies by ESG Steering Committee and relevant functions	Low (L3, C2)
Net-zero, IFRS S2 and other climate-related actions encounter implementation challenges and barriers across CPA Australia's different markets.	High (L5, C3)	ESG strategy and Net Zero Emissions Pathway overseen by the Board	Medium (L4, C3)
Climate change results in higher operating costs that can't be passed on to members, reducing or negatively impacting services for members.	Medium (L4, C2)	Regular reporting on climate-related matters to the Board and its Committees	Low (L3, C2)
Failure to take responsible action as an organisation on climate change damages Director's reputation and CPA Australia more broadly.	Low (L3, C2)	- CPA Australia thought leadership on climate-related issues - Policy and advocacy work - Regular reporting on climate-related matters to the Board and its Committees - ESG strategy and Net Zero Emissions Pathway overseen by the Board	Low (L2, C2)

¹ For a key to inherent and residual risk please refer to Figure 3: Risk Matrix on page 31.

TABLE 11: GHG EMISSIONS¹

Scope	Source	Amount	Unit	CPA Australia emissions tCO ₂ e
S2 and S3	Purchased electricity	988,214	kWh	820
S3	Purchased goods and services (actual)			918
S3	Purchased goods and services (I-O) ²	39,492,316	\$ AUD	9013
S3	Office consumables and waste			25
S3	Paper	2,110	kg	6
S3	Waste sent to landfill	12,953	kg	17
S3	Water consumption	4,406	kL	2
S3	Business travel			640
S3	Business travel – flights	2,186,229	km	569
S3	Business travel – rental cars, taxi/ride-sharing	n/a – different units	\$ AUD	18
S3	Business travel – accommodation	1,173	nights	53
S3	Employee commuting	3,506,580	km	468
			Total – quantified	2871
			Total – including (I-O)	11,884

¹ CPA Australia has no Scope 1 emissions.

² (I-O) refers to input-output which uses spend to calculate emissions where actual data is not available from suppliers. These figures were updated in 2023, but are not updated yearly. They will be re-benchmarked in 2025–26.

VALUE IMPACT

- Increase in intellectual capital through our policy and advocacy work around climate change
- Enhancement in natural capital through thought leadership, policy and advocacy work
- Reducing our impact on natural capital through digital publications
- Reducing our impact on natural capital by offsetting travel and reducing our use of single-use plastics

MOVING FORWARD

As part of our scenario analysis we have also looked at opportunities that will be the focus of future action:

- future proofing members and future members by equipping them with the relevant knowledge and skills through new ESG micro-credentials
- action and leadership on climate change and the low-carbon economy transition to improve the value of the designation
- tracking and anticipating climate-related policies to increase visibility and credibility as well as keep members ahead of mandated climate-related requirements
- integration of the actual and potential impacts of climate-related risks and opportunities to enhance business, strategy and financial planning
- selection of responsible suppliers and adoption of new technologies to reduce climate change impact.



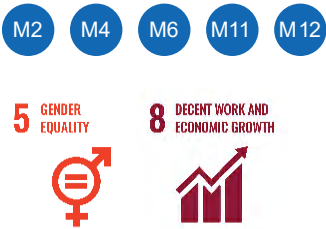
Tiffany Tan CPA,
External Reporting and Assurance Lead,
CPA Australia

David Shepherd CPA,
Head of Analytics and Business Reporting,
CPA Australia

"In today's world, the importance of having a diverse, multi-disciplinary skill set cannot be overstated. Accountants including auditors must be equipped with the right mix of skills to empower the profession in their critical role as the enablers to a greener global economy and in championing responsible practices in the public interest."

People and community

Relevant material issues and UN SDGs



MEMBERS SUPPORTING THE COMMUNITY

KING’S BIRTHDAY HONOURS LIST

Many CPA Australia members volunteer their time and skills to benefit the communities they live and work in. This is reflected by members being recognised in the King’s Birthday Honours List, many for their work supporting the profession and community. We congratulate the following members who received awards in 2023:

- Mr John Allpass FCPA
Member of the Order of Australia (AM)
- Ms Kathleen Grigg FCPA AM
- Mr Richard Kirby FCPA
Medal of the Order of Australia (OAM)
- Mr Ian Langdon FCPA OAM
- Mr Bruce Morley FCPA OAM
- Mr Lynton Nicholas FCPA OAM
- Ms Kris Peach FCPA AM
- Ms Ruth Picker FCPA AM
- Mr Reginald Richardson FCPA
Officer of the Order of Australia (AO)
- Mr Clifford Sheridan CPA OAM
- Mr Michael Zervos CPA OAM

SUPPORT OF INDIGENOUS PEOPLE

Our Innovate RAP is part of our commitment to our ESG strategy and supports our internal Wellbeing, Inclusion and Diversity framework. It helps to signify and actively represent a genuine commitment to equality and inclusion for employees and members, as well as making a positive difference across the profession and broader community.

An Innovate RAP provides organisations with an opportunity to begin to understand where its sphere of influence and best opportunities are to promote positive change. Through this process we have identified how CPA Australia can best promote reconciliation and that is through our sphere of influence in the finance and accounting profession.

Key actions in 2023 included:

- continued engagement with Indigenous Advisory Group made up of First Nations members, ensuring the voice of Indigenous members is central to our reconciliation journey
- partnering with Charles Darwin University for an accounting and finance pre-enablement program designed to attract Aboriginal or Torres Strait Islander students towards studying and entering the profession
- embedding the Indigenous Scholarship Program into our broader Scholarships Program that is managed by the Australian Scholarship Foundation (ASF) to ensure we are able to fill the five annual CPA Program places through utilising the ASF’s broader reach
- a collaboration with the University of Tasmania to develop a mentoring program aimed at providing First Nations students with support to transition from study into the accounting profession
- tailored cultural awareness and sensitivity education for our ELT and all People Leaders
- delivery of a joint employee and member awareness event celebrating Reconciliation Week.

MODERN SLAVERY AND HUMAN RIGHTS

In 2023, we released our third Modern Slavery Statement and continued to deliver on our modern slavery roadmap, including:

- moving the responsibility for the Modern Slavery Statement to the Social Working Group under the ESG Steering Committee
- updating our Master Services Agreement to be in-line with the Australian government’s template modern slavery clauses
- podcasts and articles in INTHEBLACK on modern slavery
- confirming that our key catering supplier is audited every one to two years for modern slavery issues.

SUPPORTING COMMUNITY

We encourage our people to give back to their communities and all employees have access to two days paid volunteering leave. In 2023 employees undertook a range of activities including:

- supporting Big Group Hug, a children’s charity that is focused on supporting the most vulnerable in the community
- hosting the CPA Australia Charity Run in Hong Kong. More than 400 runners participated in the run and HKD 80,000 was donated to the Hong Kong Cancer Fund
- more than 140 CPA Australia employees participating in September and raising more than \$14,000 for the Cerebral Palsy Alliance.

CULTURE AND ENGAGEMENT

In September 2023 we released an employee engagement pulse survey. Leveraging a new methodology, the survey enabled us to better understand and respond to employee sentiment as we updated our operating model.

More than 80 per cent of our people participated in the survey, due to the new methodology not all metrics have meaningful comparisons from previous years. Comments from employees in the survey indicate that changes to the operating model had an impact on employee connection with CPA Australia.

Key findings that we are aiming to improve include:

- 28 per cent of people are strong advocates for working at CPA Australia
- 22 per cent of people want their leaders to be better role models of our values
- 61 per cent of people feel psychologically safe at work (an eight per cent decrease from the previous year)
- 75 per cent of people feel confident that they know what they need to do to be successful in their role

Based on feedback from our people we are implementing a series of initiatives across the organisation including:

- investment in people leader capability development
- rebuilding trust with senior management
- fostering employee wellbeing
- implementing a new platform to capture feedback, so we can hear from our people more often.

OUR PEOPLE

As at 31 December, CPA Australia employed 516 people (full time – 89 per cent, part time – eight per cent, parental leave – three per cent and no casuals). This is a reduction of 121, as we gain efficiencies from MMF, implement our new operating model and reduce the use of casuals. The new operating model involved some difficult decisions as we introduced new ways of working, these changes meant that some people who have made a significant contribution to CPA Australia left the organisation and this caused some disruption for our current employees as roles changed. We believe the new structure promotes collaboration and will help us to better engage with members.

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 57 per cent female/43 per cent male gender balance. The gender balance across our locations is shown in Table 12.

WELLBEING, INCLUSION AND DIVERSITY FRAMEWORK

We have in place a framework that aims 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.

To support this, in 2023 we announced a new Employee Assistance Program (EAP) provider, TELUS Health. Our EAP offers free, confidential counselling and support services for all employees and their immediate family as well as a unique platform that works as a wellbeing coach.

TABLE 12: CPA AUSTRALIA EMPLOYEES BY REGION¹

	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Australia	63%	37%	79%	65%	35%	80%	64%	36%	77%
Greater China	88%	12%	9%	90%	10%	8%	91%	9%	8%
Malaysia	91%	9%	4%	86%	14%	3%	83%	17%	6%
Singapore	64%	36%	4%	59%	41%	3%	53%	47%	4%
Other	77%	23%	5%	77%	23%	5%	75%	25%	5%
Total	67%	33%	100%	68%	32%	100%	67%	33%	100%

¹ Figures are rounded and may not equal 100 per cent.

REMUNERATION OF OUR PEOPLE

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 35) 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.

People and community

Further information on remuneration of the Board and other key management personnel can be found in Note 19.c to the financial statements on pages 138–139.

The current pay equity position is 0.92 to 1.09 (Table 13). 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 function, does impact this ratio. This falls just outside our target of between 0.92 to 1.02 across all remuneration grade levels. This remains as our target for 2024. Further information on our gender balance can be found in the Workplace Gender Equality Agency report which is available on our website.

VOLUNTEERING TO FINE-TUNE CYBER SECURITY

In July, our Podcast Producer, Garreth Hanley, put his volunteer leave to rather uncommon use. Garreth joined music lovers at the Splendour in the Grass festival in Byron Bay. Volunteering in the ‘Science Tent’, Garreth provided cyber security training and awareness to festival goers. As part of the Australian Information Security Association (AISA) volunteer ‘tune-up team’, Garreth helped people of all ages tune-up their mobile devices and social media accounts and answered questions about cyber security. AISA is a registered charity, and is a trained cyber security advisor.

TABLE 13: RATIO OF FEMALE TO MALE REMUNERATION (AUSTRALIA ONLY)

	2019	2020	2021	2022	2023
Administration and support	1.04	1.02	1.03	0.97	0.99
Supervisor/technical	0.94	0.88	0.88	0.90	0.95
Professional specialist	0.96	0.95	0.95	0.96	0.92
Senior management (L6)	0.98	-	-	1.02	1.09
Senior management (L7)	0.97	0.99	0.91	1.01	0.95

VALUE IMPACT

Social and relationship capital has seen both negative and positive impacts throughout 2023. Positive impacts include:

- support for our people through our Wellbeing, Inclusion and Diversity framework
- support for the broader community through volunteering and community based initiatives.

Changes to our operating model have been necessary and delivered tangible benefits, the scale of the change and the time taken to implement it have had some negative impact on our people and social and relationship capital.

Increase in intellectual and social and relationship capital through assessing modern slavery risk and taking actions to address those risks.

MOVING FORWARD

- Continuing to investigate and develop programs that support and promote reconciliation
- Completion of our Innovate RAP by February 2024
- Publishing our next Modern Slavery Statement and continuing to produce content relating to modern slavery
- Reviewing and implementing a new Remuneration and Incentive Strategic Framework
- Implementing actions based on feedback from our culture survey

**Simba Mutatapasi CPA,
Financial Accountant,
CPA Australia**

"Contributing to a global network of professionals while gaining access to invaluable resources, professional development, and a supportive community committed to improving accounting globally are all possible while working at CPA Australia."

Additionally, being part of CPA Australia provides the chance to engage in meaningful initiatives that promote ethical practices, innovation, and excellence in accounting."

03

Connect with
our ecosystem of
members and strategic
partners to promote
the designation

CAPITALS IMPACTED

- Intellectual capital
- Social and relationship capital

PERFORMANCE

A trustworthy brand ▼ 7.28/10

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





Fiona Cushing

FCPA

Chief Financial Officer,
Energy Corporation of NSW

"What attracted me to my current role as CFO of Energy Corporation of NSW was the ability to play an active part in the NSW Government's transition to renewable energy and a sustainable future. Finance and accounting professionals are generally not seen as being on the "front line" in addressing issues such as climate change. However, the introduction of climate-related financial disclosures will provide us with the ability to shine a light on performance against key measures, enable comparisons to be made and progress to be tracked."

Reputation of the brand and designation

Relevant material issues and UN SDGs



A trustworthy brand ▼ 7.28/10

(2022: 7.46/10, 2021: 7.46/10, 2020: 7.27/10, 2019: 6.88/10)

The value of the CPA Australia designation is generated by the strategic, advisory and 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
 - supporting the work of many international standard setting boards, including the IASB, the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA)
 - engaging with students and educational institutions
 - using various communication and social media channels to connect with our stakeholders.

PUBLIC INTEREST AND PROFESSIONAL STANDARDS

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 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 practise.

THE CPA AUSTRALIA BEST PRACTICE PROGRAM

The CPA Australia Best Practice Program replaces the previous Quality Review Program and aims to support members in public practice to achieve their objectives in practice, while ensuring the highest professional and ethical standards are maintained.

Assessments are designed to ensure members providing public accounting services in Australia and New Zealand:

- have implemented an adequate system of quality and risk management
- adhere to professional and ethical standards
- continue to meet the CPA Australia By-Law requirements relevant to them.

The online portal designed for the program was offline for part of the year due to the cutover to MMF, requiring the use of manual work-arounds. This has meant a reduced level of assessments in 2023, and rescheduling of some assessments to 2024.

TAX TIME

CPA Australia’s 2023 Tax Time coverage provides members in Australia with information and resources to help them support businesses and their clients at the end of the financial year. The campaign included podcasts, webinars and feature articles in INTHEBLACK, CPA Tax News and INPRACTICE.

We received widespread media coverage across mainstream Australian television, radio, print and online outlets, including Channel 7 Sunrise and Kochie’s Business Builders programs. According to independent media monitoring company Stroom, our tax time media campaign reached a potential audience in excess of seven million (an audience of four million reached in 2022).

MY FIRM. MY FUTURE.

All public practice certificate holders in Australia and New Zealand providing audit and assurance services must have a system of quality management to be compliant with the relevant quality management standard. In 2023, we developed an Excel tool to help develop a system of quality management for practices, tailored to individual circumstances.

The tool provides the quality objectives included in the standard for each of the key areas of quality management; governance and leadership, relevant ethical requirements, acceptance and continuance, engagement performance, resources and information and communication.

It will help members in practice by:

- guiding the development and maintenance of policy and procedures, improving efficiency and service
- providing a guided process for simplicity
- making compliance easier and faster.

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 summarised in the tables below.

TABLE 14: COMPLAINTS AGAINST MEMBERS

Number of complaints received and resolved	2020	2021	2022	2023
Total complaints received ¹	348	264	300	294
Relevant complaints received ²	197	122	183	215
Complaints resolved in the year received ³	261	206	215	218
Total complaints resolved (including complaints open from previous years)	352	329	297	291

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

2 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.

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

External Complaints are lodged by members of the public using the CPA Australia online complaint form available on the Member Conduct and Discipline web page. Complaints initiated internally by the General Manager Professional Conduct are based on publicly available information, a member's self-disclosure, or raised by other CPA Australia functions.

TABLE 15: SOURCE OF RELEVANT COMPLAINTS

Source of Relevant Complaints investigated	2020	2021	2022	2023
External Complaint Forms lodged by members of the public	81	58	66	81
Internally initiated Complaints, including those referred from other CPA Australia functions	72	24	76	99
Complaints initiated due to adverse outcomes by statutory/regulatory authorities or professional bodies	23	24	35	32
Complaints initiated based on criminal or civil court proceedings	7	2	6	3
TOTAL	197	122	183	215

The table below indicates the outcome of all Relevant Complaints investigated and resolved in the year indicated. The closed Complaints include those initiated in the current year and those unresolved from previous years.

TABLE 16: RESOLUTION OF RELEVANT COMPLAINTS

Resolution of Complaint investigations	2020	2021	2022	2023
Complaints formally investigated and closed with no case to answer	142	78	88	115
Complaints determined by Disciplinary Tribunal	54	53	46	45
Internal reprimands/cautions issued to members	30	33	41	55
TOTAL closed	207	164	175	215

Reputation of the brand and designation

TABLE 17: NUMBER OF MEMBERS THAT HAVE APPEARED BEFORE A DISCIPLINARY TRIBUNAL IN THE RELEVANT YEARS

Number of members that appeared before a Disciplinary Tribunal	2020	2021	2022	2023
Number of members	47	48	32	42

Forty-two members had a Complaint heard against them at a Disciplinary Tribunal. Three of those members had two separate Complaints heard against them, leading to a total of 45 matters (some with multiple charges/allegations), to come before a Disciplinary Tribunal in 2023. The reasons for the referrals are listed below, however the charge combinations are not shown.

TABLE 18: COMPLAINTS HEARD AT DISCIPLINARY TRIBUNALS

Complaints heard at Disciplinary Tribunals	2020	2021	2022	2023
Member obtained admission by improper means, making a false declaration	0	1	1	0
Breach of Constitution, By-Laws, Code of Conduct or Applicable Regulations	14	16	14	9
Breach of APES 110	10	14	7	11
Conduct dishonourable/derogatory to or not in the best interests of CPA Australia or its members	18	17	4	19
Become insolvent/ bankrupt	3	2	2	3
Adverse finding Professional/Statutory Body or Court	25	26	20	15
Failure to comply with request from, or determination by, CPA Australia	23	17	6	10
TOTAL	93	92	54	67

The penalties imposed at the Disciplinary Tribunals are listed below, however the combinations are not shown.

TABLE 19: DISCIPLINARY TRIBUNAL PENALTY OUTCOMES¹

Sanctions ordered by Disciplinary/Appeals Tribunals	2020	2021	2022	2023
Forfeiture of membership	39	34	27	29
Suspension of membership	3	3	1	5
A severe reprimand	35	39	19	32
Admonishment	7	6	6	1
Complete a Quality Review	3	5	7	7
Training and development	15	13	15	6
Fine	35	22	11	29
Other Penalty	10	13	8	3

¹ 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.

VALUE IMPACT

Increasing social and relationship capital through:

- maintaining standards across the profession
- supporting members with tools and resources
- effective advocacy in the interests of members and the public.

MOVING FORWARD

- Supporting our public practitioners through an integrated tax campaign and MY FIRM. MY FUTURE.
- Re-establishing our brand presence with a distinctive brand campaign that will position members as professionals of choice and directly support our growth strategy

Tracy Thelander

CPA

Finance and Operations Senior Manager, PwC Indigenous Consulting

Tracy Thelander is a proud Noonuccal woman, a descendent of one of the three clans that make up the Quandamooka Peoples from Minjerribah (North Stradbroke Island).

In a community of around 2000 people, she is one of few to pursue a career in finance and has been a CPA Australia member for 11 years.



"The CPA Program complements what you study with what you can do in the outside world. It's not limited to just the tax or audit sectors of a company but gives you an understanding of different facets of an organisation. Much of what I've learned from my professional development has helped me personally."

Now based in Meeanjin (Brisbane), Tracy works as a Finance and Operations Senior Manager at PwC Indigenous Consulting, is Chair of CPA Australia's Queensland's Indigenous Advancement Committee and also sits on CPA Australia's Indigenous Advisory Group. "My focus is on building relationships and increasing the number of people in the industry who feel culturally safe to identify as Indigenous. I want to create opportunities to increase the participation of Aboriginal and Torres Strait Islander people and in CPA Australia and the accounting profession."

A key factor motivating Tracy is bringing her knowledge back to her community. "I do volunteer bookkeeping for organisations on the island, I help people set up small businesses and I'm looking for ways to hold workshops to increase financial literacy in my community."

04

Attract new members through unrivalled offerings

CAPITALS IMPACTED

- Financial capital
- Intellectual capital
- Social and relationship capital

PERFORMANCE

Associate satisfaction ▼ 7.12/10

Score of employers who would recommend CPA Australia as a designation ▼ 7.46/10

New members ▼ 9332

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



Nandini Krishna Kumar

FCPA

Director of Education,
Accounting and
Corporate Governance,
Macquarie Business School

"CPA Australia's global reach, flexible membership pathways, and professional networks have tremendous value. However, it is the ubiquitous mentoring and development opportunities, advocacy leadership, and the clear emphasis on ethics and integrity that set CPA Australia apart as a leading professional body in the accounting and finance industry."

Attract and develop the next generation of CPAs

Relevant material issues



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 ▼ 9332

(2022: 9812, 2021: 9918, 2020: 10,052, 2019: 9891)

Employers who would recommend CPA Australia as a designation: ▼ 7.46/10

(2022: 7.69/10, 2021–19: N/A)¹

DEVELOPING THE PROFESSION IN OCEANIA

The Fiji National Provident Fund (FNPF) is Fiji's largest financial institution, and runs Fiji's compulsory superannuation scheme. The FNPF scheme allows Fiji nationals studying at certain accredited educational institutions the ability to withdraw funds from the scheme to help pay for their tuition fees.

On 11 July, the FNPF approved CPA Australia to be one of their accredited institutions, meaning candidates enrolled in the CPA Program can access funds from the FNPF to pay for their program fees. This accreditation will increase accessibility to the CPA Program and applies to Fiji nationals based overseas.

WORKING WITH EMPLOYERS

Employers of members are a key stakeholder group for CPA Australia and we have developed a dedicated section on the CPA Australia website to support them. This includes content, products and services which meet employer needs across small and large businesses.

We also support employers through the CPA Australia Recognised Employer Program designed to help employers to attract, develop and retain the best accountancy skilled professionals through:

- providing employers with the opportunity to self-assess their learning and development capabilities against international best practice standards
- recognising the level of learning and development support provided by the employer to staff
- providing employees with market differentiation in the recruitment of staff
- streamlining engagement with CPA Australia for employers and their staff.

RESPONSIVE MEMBERSHIP PATHWAYS

Demand for people with accounting based skills continues to grow, however there is a global trend of a decline in students studying accounting with more students studying adjacent disciplines. To address this trend the Board has approved a Responsive Membership Pathways Program that will create dynamic membership pathways that align with evolving global trends and empower business professionals to achieve their professional goals.

The Program is taking a phased approach to ensure changes to membership pathways can be implemented in a measured and robust way.

The first phase was delivered in November 2023 and made changes to the admissions criteria to bring the competencies associated with the Foundation exams of Fundamentals of Business Law and Economics and Markets into the CPA Program, through delivery as supplementary learning resources.

The second phase will look at bringing the entry point forward for all applicants to enable them to start the CPA Program with proper support to ensure their progression through the program.

¹ This was a new metric in 2022.

MEMBER AMBASSADOR PILOT

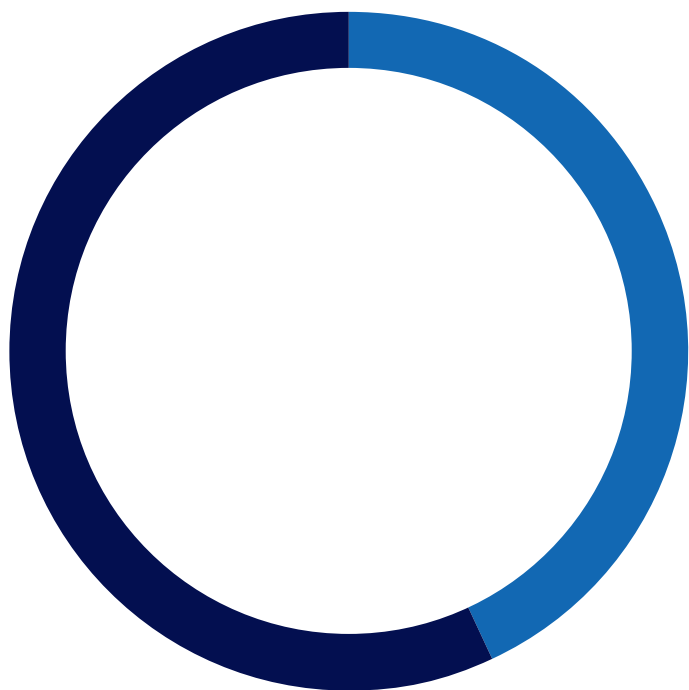
In 2023, we launched a Member Ambassador pilot program that sees volunteer CPA Australia members visiting high schools, TAFEs and universities to share their stories and speak to students about the diverse opportunities that a career in accounting can provide. The aim is to demonstrate to students that studying accounting can lead to opportunities in a broad range of industries, including sport, the arts and start-ups to music and helping to measure climate risks.

The Member Ambassador pilot was developed in conjunction with CPA Australia's Council of Presidents and Divisional Councils.

OUR ASSOCIATE MEMBERS

Associate members come from both Australia (57 per cent) and international regions (43 per cent). Members joining do so because of the quality of the CPA Program and the career advantage they achieve through attaining the CPA designation.

FIGURE 12: ASSOCIATE MEMBERS



● 57% Australia
● 43% International

VALUE IMPACT

Increasing intellectual and social and relationship capital through:

- engaging with students through the Member Ambassador Pilot
- promotion of the profession to employers, tertiary and high-school students
- more flexible pathways for professionals to become a CPA
- being a recognised brand in the accounting profession
- attracting high-calibre Associates through a compelling content offer and experience for prospective members.

MOVING FORWARD

- Engaging with prospective members through multiple channels, supported by our brand strategy
- Continuing to develop the Member Ambassador pilot, including the addition of an Indigenous stream as part of our Innovate RAP
- Continuing to develop emerging markets and the Responsive Membership Pathways program

CPA Program and certification

Relevant material issues and UN SDGs



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 skills, it focuses on strategy, leadership, ethics and governance. It aims to develop agile and future focused accounting professionals who are ready to meet the challenges of a changing business world.

Exams delivered > 39,700 ▼

(2022: >40,900, 2021: 43,500, 2020: >42,000, 2019: >44,000)

5015 Associates progressed to CPA status ▼

(2022: 5801, 2021: 5395, 2020: 4588, 2019: 5653)

DEVELOPING THE NEXT GENERATION OF ACCOUNTING PROFESSIONALS

In 2023, we enrolled more than 49,700 candidates across 11 subjects with the highest enrolments in Ethics and Governance and Financial Reporting.

We are growing the pipeline of accountants across the globe with more than 5000 CPAs receiving their certification in 2023. As we do every year, we celebrated our new graduates with 30 Graduation Ceremonies across our network.

DELIVERING HIGH QUALITY EDUCATION WITH OUR PARTNERS

Our CPA Program and Foundation subjects are developed in conjunction with subject matter experts and are reviewed on a frequent basis to ensure our students receive up-to-date and relevant knowledge. Our students are also supported in their learning journey with materials and guidance.

In addition to direct enrolments in our CPA Program, we work with tertiary institutions to embed Foundation and CPA Program subjects in university accounting courses. This approach enables us to support the growth of the accounting profession by allowing students to become members of CPA Australia and complete the CPA Program alongside their postgraduate degree.

These embedded programs provide an opportunity for our members to receive additional support through tuition with our partnering universities and allows them to advance their careers through streamlining the completion of a degree and the CPA Program exams.

This year, we delivered more than 39,700 exams across the world through test centres and online. We have shifted away from online exams back towards test-centre exams. The technology and environment provide exam conditions that create an equitable and high-integrity experience. A smaller number of online exams were delivered over a shorter window towards the end of the exam period.

SUPPORT THROUGH THE CPA PROGRAM

In 2023, we launched a pilot designed to assist Associate members who had encountered obstacles during their CPA Program studies. The goal of this new Advancement Support Program was to support these members in attaining the CPA designation by re-engaging them with the CPA Program.

Each member received a personalised Advancement Support Plan tailored to the individual's needs, motivations and study experiences. The pilot was trialled with a group of more than 1500 Associate members between June and August 2023. As a result of this initiative, more than 1000 members within this pilot group enrolled in Semester 2 2023.

We also continued our mentoring programs to provide participants with the opportunity to develop new skills and build professional connections within the accounting profession. Across the programs we had 604 pairs complete the full 2023 program.

VALUE IMPACT

Increasing intellectual, social and relationship and financial capital through:

- delivering a high-quality CPA Program that is contemporary and accessible
- providing CPA Program candidates with knowledge tailored to the needs of business
- leveraging our relationships with partners to create a world-class CPA Program
- delivering the Mentoring Program.

MOVING FORWARD

- Begin the review and redesign of the CPA Program and Foundation pathway to create a best-in-class digital-first offering
- Review the education ecosystem consisting of the CPA Program, CPD offerings and micro-credentials to ensure they remain fit for purpose and serve the needs of members in a dynamic business environment
- Review of the learning experience to support CPA Program and CPD portfolio
- Through the Voice of the Customer program, work with Associates to increase their satisfaction through their journey to become fully qualified
- Simplifying our mentoring programs to provide increased networking opportunities and more efficient delivery



Khadija Akter (Sinthya)

ASA

Financial Accountant, BOC South Pacific, Linde

When Sinthya is not working, she's studying the final two subjects of the CPA Program, volunteering as an adjudicator for the Australasian Reporting Awards, or participating in one of the many professional discussion groups she regularly attends. "My life is full on, and I'm always looking forward to the next new challenge."

Sinthya was drawn to accounting as a profession, because it gives wider business exposures. "We are protecting and serving the public interest by ensuring that investors and other stakeholders have materially accurate financial statements and other reliable information on which to base decisions."

Always looking to learn more, Sinthya also participates in CPA Australia's mentoring program. "As a Financial Accountant at Linde BOC South Pacific, I lead and manage the end-to-end financial complexities for the South Pacific islands. The CPA Program has certainly enhanced my business acumen and skill sets in a contemporary business environment. The numbers don't rule, they can inform, but it's all about us as accountants inside companies having the deep understanding and skills to look at the past and present to help predict and shape the future."

There's no sign of her slowing down either. "I'm quite ambitious and not afraid of taking the next step. The sky is the only limit. In the future, I would like to pursue an MBA, and a research degree to further enhance my skills. I want to see myself as a senior executive leading the whole finance department in the near future."

Acronyms

AASB Australian Accounting Standards Board	GHG Greenhouse gas
A4S Accounting for Sustainability	GRI Global Reporting Initiative
AGM Annual general meeting	GST Goods and services tax
AI Artificial Intelligence	HKICPA Hong Kong Institute of Certified Public Accountants
AICD Australian Institute of Company Directors	IAASB International Accounting Standards Board
A-IFRS Australian Equivalents to International Financial Reporting Standards	IESBA International Ethics Standards Board for Accountants
AM Member of the Order of Australia	IFAC International Federation of Accountants
AO Officer of the Order of Australia	IFRS International Financial Reporting Standards
APESB Accounting Professional and Ethical Standards Board	IFRS S1 IFRS S1 General sustainability-related disclosures
ARCC Audit, Risk and Compliance Committee	IFRS S2 IFRS S2 Climate-related
ASA Associate	I-O Input-Output
ASAE Australian Standard on Assurance Engagements	INSEAD Institut Européen d'Administration des Affaires
ASF Australian Scholarships Foundation	ISSB International Sustainability Standards Board
ASIC Australian Securities and Investments Commission	IT Information technology
ATO Australian Taxation Office	KMP Key management personnel
AUASB Australian Auditing and Assurance Standards Board	KPI Key performance indicator
CA Chartered Accountant	MMF Member Management and Finance
CA ANZ Chartered Accountants Australia and New Zealand	MOU Memorandum of Understanding
CEO Chief Executive Officer	MPA Membership Pathway Agreement
CFO Chief Financial Officer	MRA Membership Recognition Agreement
CoE Centre of Excellence	OAM Medal of the Order of Australia
COO Chief Operating Officer	PJC Parliamentary Joint Committee
CPA Certified Practising Accountant	RAP Reconciliation Action Plan
CPD Continuing professional development	SaaS Software-as-a-Service
CRM Customer relationship management system	SAR Special Administrative Region
DTA Deferred tax assets	SDGs Sustainable Development Goals
EAP Employee Assistance Program	SSB Standard Setting Boards
ELT Executive leadership team	TNFD Taskforce for Nature Related Financial Disclosures
EGM Executive General Manager	TSC Total salary cost
ESG Environmental, social and governance	UAE United Arab Emirates
FCPA Fellow of CPA Australia	UN United Nations
FNFP Fiji National Provident Fund	UK United Kingdom
FTE Full-time equivalent	



Independent Assurance Report to the Directors of CPA Australia Limited

Conclusion

Limited assurance over the CPA Australia Integrated Report 2023

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 Pages 1 to 82 of the CPA Australia Integrated Report 2023 for the year ended 31 December 2023 are not prepared by CPA Australia Limited, in all material respects, in accordance with the IFRS Foundation's Integrated Reporting Framework.

Reasonable assurance over the "Materiality and stakeholders" section of the CPA Australia Integrated Report 2023

In our opinion, in all material respects, the "Materiality and stakeholders" section of the CPA Australia Integrated Report 2023 for the year ended 31 December 2023, has been prepared by CPA Australia Limited in accordance with the IFRS Foundation's Integrated Reporting Framework and management's own basis of preparation described in the "Materiality and stakeholders" section.

Information Subject to Assurance

Information Subject to Assurance comprises the following:

Limited assurance matters: Pages 1 to 82 of the CPA Australia Integrated Report 2023 for the year ended 31 December 2023 (the 2023 Report); and

Reasonable assurance matters: The description of the material issues and materiality determination process of CPA Australia Limited (CPA Australia) in the "Materiality and stakeholders" section of the 2023 Report for the year ended 31 December 2023.

Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the IFRS Foundation's Integrated Reporting Framework (IR Framework) as disclosed in the 2023 Report and management's own basis of preparation described in the "Materiality and stakeholders" section of the 2023 Report.

The nature of non-financial information, the absence of a significant body of established practice on which to draw, and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

Basis for our Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

In accordance with the ASAE 3000 we have:

- used our professional judgement to assess the risk of material misstatement and plan and perform the engagement to obtain limited and reasonable assurance that the Information Subject to Assurance is free from material misstatement, 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 possesses the appropriate knowledge, skills and professional competencies.

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We have not been engaged to provide an assurance conclusion on the fitness for purpose or the operating effectiveness of CPA Australia's 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 CPA Australia's strategy and how CPA Australia creates value are outlined below.

Summary of Procedures Performed

Our assurance conclusions are based on the evidence obtained from performing the following procedures:

Limited assurance matters

- Interviews with executives, senior management and relevant staff to understand the internal controls, governance structure and reporting process relevant to the 2023 Report.
- Examination of the relevant internal policies and procedures developed by CPA Australia, including those relevant to determining what matters most to CPA Australia stakeholders, how CPA Australia creates value, CPA Australia's external environment, strategy, approaches to putting members first, governance and reporting.
- Reviewing the description of CPA Australia's strategy and how CPA Australia creates value in the 2023 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 the 2023 Report.
- Assessment of the alignment between CPA Australia's strategy and the disclosures on how CPA Australia creates value and what matters most to CPA Australia stakeholders. Reviewing Board minutes to ensure consistency with the 2023 Report.
- Agreeing the content of the 2023 Report to the relevant underlying documentation on a sample basis.
- Analytical procedures over the content of the 2023 Report. Review of the 2023 Report in its entirety to ensure it is consistent with our overall knowledge obtained during the assurance engagement, and that it reflects the purpose of the reporting criteria used.

Reasonable assurance matters

- Interviews with relevant staff and external service provider to understand the internal controls, governance structure and reporting process relevant to the material issues and the materiality determination process of CPA Australia.
- Identifying and evaluating the risks of material misstatement of CPA Australia's material issues and the materiality determination process whether due to fraud or error. Designing assurance procedures to address those risks and obtain sufficient, appropriate evidence to provide a basis for our assurance conclusion.
- Observation of stakeholder interviews relevant to the determination of the material issues and the materiality determination process on a sample basis, and assessment of the alignment of interview content with the criteria used as the basis of reporting.
- Observing and reviewing the materiality workshop held with executive management to understand the material issue identification and prioritisation process and results, and alignment with the requirements of the IR Framework Materiality Determination Process.
- Analysis of the Company's material issues compared to industry peers and global trends to ensure relevance and completeness.
- Agreeing the content of the "Materiality and stakeholders" section of the 2023 Report to the relevant underlying documentation on a sample basis.
- Review of the "Materiality and stakeholders" section of the 2023 Report to ensure it is consistent with our overall knowledge obtained during the assurance engagement, and that it reflects the purpose of the reporting criteria used.



How We Define Limited Assurance, Reasonable 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists.

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 2023 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 2023 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 2023 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 criteria used as the basis of reporting is appropriate to meet their needs and the needs of other intended users;
- preparing and presenting the 2023 Report in accordance with the criteria used as the basis of reporting; and
- ensuring CPA Australia's strategy is clearly presented in the 2023 Report and reflects how CPA Australia creates value as they operate in practice
- identifying stakeholders and stakeholder requirements;
- determining material issues and reflecting those in the 2023 Report; and
- establishing internal controls that enable the preparation and presentation of the 2023 Report that is free from material misstatement, whether due to fraud or error.

Our Responsibility

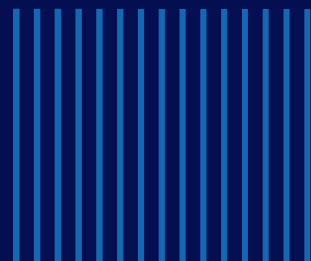
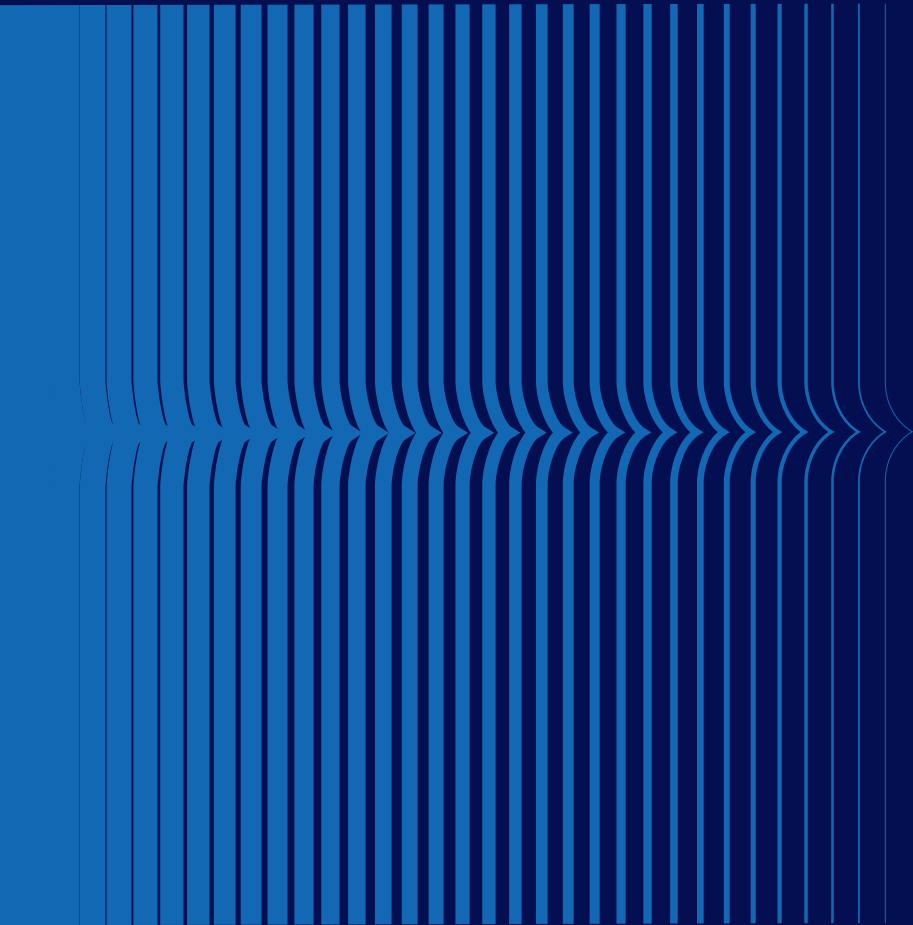
Our responsibility is to perform a limited and reasonable assurance engagement in relation to the CPA Australia Integrated Report 2023 for the year ended 31 December 2023, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG
18 March 2024

Julia Bilyanska
Partner
Melbourne



**GOVERNANCE AND
FINANCIAL REPORT**

Board of Directors

As at 31 December 2023

The Board of Directors is the overarching 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 24–27 of this report.

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.

We have a policy of a 40:40:20 (female/male/open) gender balance for the Board. The Appointments Council considers all matters relating to diversity on the Board to ensure the appointment of candidates with the right skills and diversity mix.

TABLE 20: BOARD DIVERSITY AS AT 31 DECEMBER

2023

Age groups	Total		Female		Male	
	Directors	%	Directors	%	Directors	%
Under 30	0	0%	0	0%	0	0%
30–50	2	20%	0	0%	2	20%
Over 50	8	80%	4	40%	4	40%
Total	10	100%	4	40%	6	60%

2022

Age groups	Total		Female		Male	
	Directors	%	Directors	%	Directors	%
Under 30	0	0%	0	0%	0	0%
30–50	2	20%	0	0%	2	20%
Over 50	8	80%	4	40%	4	40%
Total	10	100%	4	40%	6	60%

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%
Total	10	100%	5	50%	5	50%



Dale Pinto FCPA, John Curtin Distinguished Professor

President and Chair of the Board

PhD (Law) MTax (Hons) PGradDipBus (Dist) BBus (Dist) FTMA FAAL CA CTA-Life AFAIM MAICD

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

He is a Fellow of CPA Australia and was on the WA Divisional Council, including serving as President of the Division in 2018 until his appointment to the Board.

Dale is a Fellow of the Australian Academy of Law, a Chartered Accountant, Chartered Tax Adviser and Honorary Life Member of the Tax Institute. He is a Life Member of the Australasian Tax Teachers Association and the Australasian Law Academics Association.

Dale has been a registered tax practitioner for more than 30 years and was one of the inaugural members of the National Tax Practitioners Board. He is a current member of the Audit Committee of the AASB/AUASB, 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 Western Australia.

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



Warren McRae FCPA

Deputy President

BBus (Accy/Banking and Finance)
FGIA MAICD

Warren is an experienced Senior Executive and Board member with more than 30 years of financial services experience. Working across different countries and cultures, most recently as Global Chief Operating Officer (COO) for a large multinational organisation, Warren has a demonstrated depth of experience across change delivery, digital and technology innovation, strategy, commercial management, and delivery of organisational transformation. Additionally, he has been responsible for risk, control and governance across multiple entities.

Warren has held governance and Board positions in Europe, Asia and Australia, 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 active in supporting his community and volunteering his skills through Board positions on the Sunshine Coast Health Foundation Board ("Wishlist") and the Montessori International College. He also volunteers as Auditor for St. Paul's Church, Armidale.

Warren is a Fellow of CPA Australia and was a member of the Europe Divisional Council for four years, including serving as President and Chair in 2019-20. He is a Fellow of the Governance Institute of Australia and a Member of the AICD. Warren has a Bachelor of Business and is currently completing a Graduate Certificate in Cyber Security.

Board of Directors



Louise Cox FCPA

Deputy President

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 a Director on the Royal Australasian College of Physicians, RSPCA Qld, Chair of Griffith University Accounting Finance and Economics Department's Advisory Board, member QUT School of Accounting Advisory Board, member Caxton Legal Centre Centre Management Committee.

Having previously served as a Director of Open Minds, Multicap, 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.



Sarah Adam-Gedge

Director

BBus (Accounting) CA GAICD

Sarah has extensive experience in senior leadership positions in Australia and internationally as CEO, Managing Director and Non-Executive Director across a range of sectors, including technology, retail, financial services, manufacturing, natural resources and transport, as well as the Public Sector.

Sarah has a focus on driving transformational change and business growth through digital and technology capabilities. Most recently, she was Managing Director with global IT company Wipro Ltd and Publicis Sapient Australia. A chartered accountant, Sarah also has experience as Managing Partner at PwC Consulting, and Partner at Arthur Andersen.

Sarah is a non-executive director across listed, private and not-for-profit sectors including as Deputy Chair of ship building company Austal Ltd, as well as Codan Ltd, Bravura Solutions Ltd, Kinetic IT Pty Ltd, and Cricket Australia. She has served in a variety of roles, including as Chair and member of Audit and Risk committees as well as Remuneration and Nomination committees. She is also an independent member of the Audit and Risk committee for the Australian Sports Foundation.

Sarah holds a Bachelor of Business-Accounting from the Queensland University of Technology and is a Graduate of the AICD. She is also a member of Chartered Accountants Australia and New Zealand (CA ANZ).



Chung Yew Pong (Bryan) FCPA

Director

BCom (Accounting) BBus (Banking and Finance) (Hons) FCMA CGMA

Bryan is currently an executive director of True Vine Capital Partners, a venture capital fund manager in Singapore.

Bryan has more than 25 years' experience as a senior executive in investment banking and venture capital firms, specialising in digital finance and advising fintech start-ups. He is the Vice President of Dicree, a licensed operator of a tokenisation platform. Previously, Bryan was COO of Crowdplus.asia, an equity crowdfunding platform and executive director of digital wallet service provider, Mcash. He was also a Partner in Netrove Partners, a Hong Kong headquartered venture capital firm.

Bryan is an independent director at Sim Leisure Group Limited, where he is Chair of the Audit Committee and a member of the Remuneration and Nomination Committee. He is also an Accredited Director under the auspices of Singapore Institute of Directors.

A graduate of Monash University in Melbourne, Bryan is a Fellow of CPA Australia and has served on CPA Australia's Malaysia Divisional Council for five years. A Chartered Accountant of the Malaysian Institute of Accountants (MIA), he is part of MIA's Digital Technology Implementation Committee. He is also a Fellow of Chartered Institute of Management Accountants (CIMA), and a member of ASEAN CPA.



Professor Yew Kee Ho FCPA

Director

BEcon (Hons) MEcon MSIA PhD FCA CFA FSID

Professor Yew Kee Ho is Professor of Accounting in the Business, Communication and Design Cluster at the Singapore Institute of Technology.

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 Regulatory 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 and Dover Park Hospice. A Fellow of CPA Australia, he is also a Fellow of Chartered Accountants Singapore and the Singapore Institute of Directors. In addition, he holds the Chartered Financial Analyst qualification and is a Senior Accredited Director in Singapore.

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, USA.

Board of Directors



Kaushika Jayalath CPA

Director

BCom (Acc and Fin) BEc DipBus AAICD

Kaushika is an experienced Solutions Consultant at Oracle Corporation specialising in higher education, implementing cloud technology solutions to drive enterprise transformations, business process improvement and sustainable change management.

Passionate about bridging the digital skills gap across Australia and New Zealand, Kaushika is an industry mentor and guest speaker at Monash University, University of Queensland and Swinburne University. Kaushika has previously held a series of senior finance, accounting, business analysis and project management roles at Monash University in Melbourne.

A member of CPA Australia, Kaushika was awarded the CPA Certificate of Excellence, has been a guest presenter at CPA Australia events and volunteers as part of the CPA Australia Member Ambassador program to promote the CPA designation in secondary and tertiary institutions in Australia. He was a finalist for the 'Not-For-Profit Accountant of the Year' at the Australian Accounting Awards 2020, and 'Specialist Consultant Award' for the Accountants Daily '30 Under 30' Awards in 2020 and 2021.

Kaushika has a Bachelor of Commerce and Bachelor of Economics (Double Degree) majoring in Accounting, Finance and Economics at Monash University, Melbourne. Kaushika also holds a Diploma of Business (and is a World Prize & Melbourne Prize Winner). Kaushika is certified in ITIL®4 (IT Service Management) and was a member of the CPA Innovation and Technology Committee.



Bernard Che-Wai Poon FCPA

Director

BCom BSc FCPA (HK) FRICS

Bernard is a Partner at EY 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 financial due diligence and merger and acquisition transactions.

A Fellow of CPA Australia, Bernard is an Honorary Adviser to the Greater China Divisional Council, in which he was a member from 2010–18, serving as Deputy President in 2011 and President in 2012. He previously served on the Hong Kong Executive Committee, including as Chairman in 2012 and was a member of the Appointments Council in 2017–18. Bernard's long association with CPA Australia saw him awarded with the Board 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 (2013–19) and was appointed by the Ministry of Finance in China as a consultant in accounting in Hong Kong (2016–18). Bernard has been a member of the Council of Hong Kong Productivity Council since 2022.

Bernard is a Fellow of the Hong Kong Institute of Certified Public Accountants (HKICPA), a member of the HKICPA Financial Reporting Valuation Panel, 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.



Anna Quinn FCPA

Director
BBus GAICD

Anna is a highly accomplished senior executive and company director with extensive management experience across a broad range of industries, including marketing, media, digital, ecommerce, retail and consumer business.

Possessing a strong commercial and strategic background, Anna has a proven track record in digital transformation and profitable growth. Her most recent role was Executive General Manager at retail group, Mosaic Brands Ltd. Prior to that, she held a series of senior executive roles at Nine Entertainment, Australia's largest media group, as well as leadership roles at WPP Australia, MAXMEDIALAB and Max Connectors, Napoleon Perdis Cosmetics, ACP/Bauer magazines and LendLease.

A graduate of the Australian Institute of Company Directors course, Anna has board level experience as a non-executive director for non-profit organisations, digital media and consumer online subscription businesses, including Look Good Feel Better, Pedestrian TV and Bellabox.

Anna is an FCPA and has a Bachelor of Business (Commerce and Marketing) from the University of Technology Sydney, a graduate of the Yale School of Management, post-graduate Lean Six Sigma in improving business productivity from the University of Sydney and is currently completing a graduate certificate in Psychology of Business and Management at Curtin University.



Anthony Wright

Director
BBus (Accy) MBA LLB LLM GAICD

Anthony is a CEO, entrepreneur and company Director with extensive experience across a broad range of specialised fields including legal, governance, risk and compliance, finance, ESG and marketing.

Previously, Anthony was founder and CEO of award-winning Asia Pacific legal services and tech business, Lexvoco, which he exited to Bowmark Capital. He has also held senior leadership roles with LOD/Bowmark Capital, the PGA Tour, and was the Group General Counsel and General Manager, Strategy and Systems at Transpacific Industries Group Ltd.

An advocate for innovation, Anthony's board level experience covers a range of public companies and start-ups, and he is an early-stage investor in leading edge businesses across the mining, apparel, HR, finance, legal, health and wellness industries. His current appointments include Aruma Capital as a founding General Partner, Metron Global (measurement technology), JustFund (fintech and legaltech), and Thongs Australia (retail, local manufacturing). Anthony is also a non-executive Director at Rugby Victoria Ltd. Previously, Anthony was an independent, non-executive Director at Wellfully Ltd.

Anthony has an MBA, Master of Laws, Bachelor of Laws, Bachelor of Business (Accountancy) and has completed the AICD course and venture capital programs at INSEAD and the Wade Institute at The University of Melbourne.

Board of Directors



Merran Kelsall AO FCPA

**Past President and Chair of the Board
(until 30 September 2023)**
BCom (Hons) FCA MBA FAICD F Fin

Merran Kelsall served as President and Chair for three years and 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.

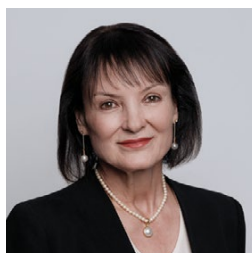
Merran is committed to serving organisations with a commitment to outcomes for members, stakeholders and the public interest. She is particularly focused on aligning performance management with strategy, and in Integrated Reporting on financial and non-financial matters, including strategy, risk management 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.

Merran retired from the Board on 30 September 2023.



Helen Lorigan FCPA (Hon.)

**Past Director
(until 30 September 2023)**
BCom GAICD SF Fin

Helen Lorigan was appointed as CEO at Laboratories Credit Union on 9 May 2022. Helen was previously a Managing Partner of Sapien Ventures, a venture capital company with partners based in Sydney, Silicon Valley, Melbourne and Shanghai. Helen originally commenced as an Executive-in-Residence at Sapien Ventures in February 2016 and was responsible for leading a number of key initiatives across digital and technology platforms, self-directed advice and software applications. This involved the identification, sourcing and curating of high quality fintech and online marketplace start-ups across banking and the broader financial services industry 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 Licenses.

Helen retired from the Board on 30 September 2023.



Rosemary Sinclair AM FCPA

**Past Director
(until 30 September 2023)**
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, Australia's Domain Name System Administrator.

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 30 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 2013–18 and was a Director of the Board and Chair of the Risk and Audit Committee of the Wests Tigers Rugby League Football Club from 2014–17.

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. Rosemary was awarded membership of Chief Executive Women in 2022.

Rosemary retired from the Board on 30 September 2023.

Councils and Committees

DIVISIONAL COUNCILS

Australian Capital Territory

Matthew Geysen FCPA, President
Erin Adams FCPA, Deputy President
Yasmin Burraston CPA,
Deputy President
Mark Brown FCPA
Vibo (Vibodha) Chandrasekara CPA
(casual vacancy)
Peter Dunlop FCPA
Rob Hanlon FCPA
Cha Jordanoski FCPA
Phillipa Leggo CPA
Tony Marks FCPA
Annie Ryan FCPA
Karen Williams FCPA

New South Wales

Richard Morton FCPA, President
Maggie Lo CPA, Deputy President
Wayne Stokes FCPA, Deputy President
Andrew Crawford FCPA
Michelle Cull FCPA
Helen Dong FCPA
Kerryn Goddard FCPA
John Fallon FCPA
Krista Fletcher FCPA
Paul Harris FCPA
Peter Jiang FCPA
Stephan Kasanczuk FCPA
Simon Kaleski FCPA
Alexander Konstandinidis FCPA
Deborah Lane FCPA
Benjamin McEvoy CPA
Anna Moody FCPA
Thomas O'Keeffe FCPA

Northern Territory

Ross Springolo FCPA, President
Donna Moore CPA, Deputy President
Andy Dahal CPA
Shawgat Kutubi CPA
Steven Lawrence FCPA
Kerry Legge CPA (casual vacancy)
Benjamin Mooney CPA (casual vacancy)
Iain MacPherson CPA
Ellie Norris CPA (resigned June)
Avtar Sing CPA (casual vacancy)
Chris Tee CPA

Queensland

Shanna Hunter FCPA, President
Cissy Ma FCPA, Deputy President
Robert McDowall FCPA,
Deputy President
Kylie Baxter FCPA
Tony Brett CPA
Tanya Feelings FCPA
Leanne Ferguson CPA
David Hardidge FCPA
Gerard Illott FCPA
Theresa O'Connor FCPA
Shane Sullivan FCPA (casual vacancy)

South Australia

Scott Williams FCPA, President
John Zerella FCPA, Deputy President
Shakhlo (Shakhlokhn) Rasulova CPA,
Deputy President
Karen Conlon FCPA
Jason Huang FCPA
Fiona Kwan CPA
Janice Loftus FCPA
Robert Maloney FCPA
Braden Naylor FCPA
Rikky Wang CPA
Kent Wilson CPA
Jodi Lee-Ann Wright CPA

Tasmania

Carolyn Harris FCPA, President
Ric De Santi FCPA, Deputy President
Roger (Haixiang) Lu CPA,
Deputy President
Steve Allen FCPA
Melissa Butt CPA
Angela (Qiaofeng) Ellis CPA
Karen Frost FCPA
Donna Powell CPA
Claire Smith CPA
Amie Scruton CPA
Belinda Williams FCPA
Mark Wild CPA

Victoria

Ted Turner CPA, President
Michelle Tyquin-Frey CPA,
Deputy President
Wen (Emma) Feng CPA
Georgina Fordham CPA
Judy Gao CPA
Marcell Judkins FCPA
(casual vacancy)
Ralph Kober FCPA
Maria Koleda FCPA
Enrique Ortiz CPA
Jyotee Patel FCPA
Brent Szalay FCPA
Melville Yates FCPA
William Young FCPA
(casual vacancy)

Western Australia

Erica Haddon FCPA, President
Byron Savage FCPA,
Deputy President
Bernadette Smith FCPA,
Deputy President
Thomas Griebel FCPA
Connagh Hopkins CPA
Helen Lo Presti CPA
Simon Mayo FCPA
Mark Narustrang FCPA
Anastasiia Ploshkina CPA
Tim Roach FCPA
Peter Robinson FCPA
Kylie Thompson FCPA

Greater China

Robert Lui FCPA, President
Cyrus Cheung FCPA,
Deputy President
Cliff (Wang Hoi) Ip FCPA,
Deputy President
Janssen Chan FCPA,
Anthony Lau FCPA
Irene (Oi Yin) Lee CPA
Kelvin Leung FCPA (casual vacancy)
Samuel (Wai Lap) Lung FCPA
(resigned May)
John (Shek Hon) Lo FCPA
Roy (Wa Kei) Lo FCPA
(resigned May)
Grace (Wai Ting) Ng CPA
(resigned May)
Wilson Pang FCPA
Paul (Kwan Hang) Sin FCPA
(casual vacancy)
Eden Wong FCPA
Karina Wong FCPA (casual vacancy)

Councils and Committees

Europe

Catherine Maree Riney
FCPA, President
Mark Hucklesby FCPA,
Deputy President
Garth Britton CPA
Christopher Crellin FCPA
Kerry Huggler CPA (resigned April)
Yu Ling Loh CPA (casual vacancy)
Andrea Mestrov CPA
Russell Payne CPA
Evelyn Ng FCPA
Matthew Tilling CPA

Malaysia

Surin Segar FCPA, President
Dato' Mohammad Azlan Abdullah
FCPA, Deputy President
Kit Weng Yip FCPA, Deputy President
Bryan (YewPong) Chung FCPA
(resigned March)
Ree Nie Koh FCPA
Chuang Li Khoo FCPA
Wai Kit Mak CPA
Fatimah Mis FCPA
Zulkifflee Mohamed FCPA
Terence Tan FCPA
Sau Shiung Yap FCPA
Chan Wan Yin CPA (casual vacancy)

New Zealand

Angus Ogilvie FCPA, President
Liz Plowman CPA, Deputy President
Mark Saunders CPA, Deputy President
Gina Brighthouse CPA
Gillian Craig FCPA
Justin (Jianing) Duan CPA
(casual vacancy)
Darby Healey CPA
Brent Kennerley FCPA
Edmund Mah FCPA
Craig Roberts CPA
Paul Shallard CPA
Julia Wu CPA

Singapore

Pui Yuen Cheung FCPA, President
Greg Unsworth FCPA,
Deputy President
Lay Chew Chng FCPA
Yew Kee Ho FCPA (resigned April)
Arthur Lang FCPA
Su Min Ling CPA
Max Loh FCPA
Haryane Mustajab FCPA
Joshua Ong FCPA
Li Anne Ooi CPA
Shiuh Ying Tang CPA
Don Yeo FCPA

BOARD COMMITTEES

During 2023

Audit, Risk and Compliance Committee

Warren McRae FCPA, Chair
Yew Kee Ho FCPA
Bernard Poon FCPA
Rosemary Sinclair AM FCPA (until
30 September 2023)
Anthony Wright

Education, Policy and Innovation Committee

Dale Pinto FCPA, Chair
Bryan Chung FCPA
Yew Kee Ho FCPA
Helen Lorigan (until
30 September 2023)
Rosemary Sinclair AM FCPA (until
30 September 2023)

Member Engagement and Culture Committee

Louise Cox FCPA, Chair
Bryan Chung FCPA
Bernard Poon FCPA
Anthony Wright
Helen Lorigan (until
30 September 2023)

Nomination Committee

Warren McRae FCPA, Chair
Louise Cox FCPA
Karen Williams FCPA
Jodi Wright FCPA
Michaela Healey AM
Trent Bartlett

ADVISORY COMMITTEES

As at 31 December 2023

Appointments Council

Dale Pinto FCPA, Chair
Karen Williams FCPA, Deputy Chair
Jodi Wright FCPA, Appointor
Lay Chew Chng FCPA
Mark Hucklesby FCPA
Simon Kaleski FCPA
Shawgat Kutubi CPA
Anthony Lau FCPA
Jyotee Patel FCPA
Donna Powell FCPA
Tim Roach FCPA
Mark Saunders FCPA
Tim Timchur FCPA
Kit Weng Yip FCPA

Council of Presidents

Richard Morton FCPA, Chair
Erica Haddon FCPA, Deputy Chair
Pui Yuen Cheung FCPA
Matthew Geysen FCPA
Surin Gnanasegaram FCPA
Carolyn Harris FCPA
Shanna Hunter FCPA
Robert Lui FCPA
Angus Ogilvie FCPA
Catherine Riney FCPA
Ross Springolo FCPA
Ted Turner CPA
Scott Williams FCPA

Professional Education Advisory Committee

Mary Dunkley FCPA, Chair
Ka Fai (Jeffrey) Chan FCPA
Mandy Cheng FCPA
Teresa Chong FCPA
Anthony Hayes FCPA
Maria Koleda FCPA
Meredith Tharapos CPA
Jim Tognolini
Denis Vinen FCPA
Jon Yorke

Public Practice Advisory Committee

Shanna Hunter FCPA, Chair
Shabnam Amirbeaggi FCPA
Sharman Arumugam FCPA
Prue McStay CPA
Peter Mogg FCPA
Julian O'Rorke CPA
Andrew Pearce FCPA
Damian Pearce CPA
John Zerella FCPA
Hugh Zimmerman CPA

CPA Australia Best Practice Advisory Committee

Craig Slater, Chair
Dona Alahakoone CPA
Shabnam Amirbeaggi FCPA
Karen Conlon FCPA
Terrence Cheong FCPA
Simon Flowers FCPA

COMPLIANCE PANELS

Disciplinary Panel

Rebecca Hemperger FCPA, Chair
Kim Langfield-Smith, Deputy Chair
Paul Simionato, Deputy Chair
Brendan Swift, Deputy Chair

Professional Conduct Oversight Panel

Mark Brown FCPA
Greg Lewis
Gregory Sharpley

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
Kenneth Eastwood AM FCPA
John Gill FCPA
Scott Henderson AM FCPA
Bryan Howieson FCPA
Robert Jeffery FCPA
Low Weng Keong FCPA
Jim Kropp FCPA
Robert Shiu-Hung Lee 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
Peter Wilson AM FCPA
Bernard Wright AM FCPA

OTHER BOARDS AND COMMITTEES¹

A4S Advisory Council

Merran Kelsall AO FCPA

Confederation of Asian and Pacific Accountants

Priya Terumalay FCPA

IFAC Board

Merran Kelsall AO FCPA (observer representing CPA Australia)

IFAC Nominating Committee

Merran Kelsall AO FCPA

IFAC Small and Medium Practices Committee

Baubre Murray FCPA

IFAC Professional Accountants in Business

Sharon Ditchburn FCPA

IFAC Public Policy and Regulation Advisory Group

Dr Gary Pflugrath FCPA

Integrated Reporting and Connectivity Council

Patrick Viljoen CPA

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

Councils and Committees

CENTRES OF EXCELLENCE

DIGITAL TRANSFORMATION

Stephannie Jonovska FCPA, Chair
Perry Abbott FCPA
Kyelie Baxter CPA
Michael Davern FCPA
David Hardidge FCPA
Guy Ioppolo FCPA
Tony Krizan FCPA
Jannat Maqbool CPA
Joni Pirovich
Dimitrios Salampasis

ESG

Tim Timchur FCPA, Chair
Sharon Ditchburn FCPA
Robyn Erskine FCPA
Lucy Hamnett CPA
Felix Lam CPA
Cissy Ma FCPA
Paul Mather FCPA

Ethics and Professional Standards

Anju De Alwis FCPA, Chair
Mahesh Balakrishnan CPA
John Halliday FCPA
Dr Gerard Ilott FCPA
Alex Ooi Thiam Poh FCPA
Brendan O'Connell FCPA
Peter Pontikis FCPA
Kimberly Singh FCPA
Wayne Stokes FCPA

External Reporting

Michelle Harrison FCPA, Chair
Enrico De Santi FCPA
Elizabeth Giust FCPA
Nikole Gyles FCPA
Len Jui FCPA
Ian Mackintosh FCPA
Robyn Moroney CPA
Christina Ng CPA
Siva Sivanantham FCPA
Shaun Steenkamp CPA
Gabriel Teo FCPA
Nick Walker CPA

Retirement Savings

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

Taxation

Alexis Kokkinos FCPA, Chair
Stuart Drake CPA
Ken Fehily FCPA
David Hall FCPA
Sunita Jogarajan
Aaron Ng CPA
Michael Parker ASA
Kunal Patel CPA
Ian Rospin 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 2023. In order to comply with the *Corporations Act 2001* and Australian Accounting Standards, the Directors present this report. The Directors in office at the end of the financial year are set out on pages 89 to 94 of this report, together with their qualifications, experience and special responsibilities. Details of meeting attendance are set out on pages 100 to 101 and their remuneration is included in Note 19.c on page 138.

COMPANY SECRETARY

Warren Slade BA, LLB (Hons), legal practitioner, was appointed as Company Secretary on 1 January 2023.

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 \$1,907,000 (2022 consolidated loss: \$31,337,000). The consolidated loss after tax for the year was \$1,437,000 (2022 consolidated loss after tax: \$32,519,000).

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 104 to 107.

CORPORATE GOVERNANCE

The Board met on 10 occasions in 2023 with four Directors elected in September commencing a three-year term on 1 October 2023. During 2023, the Board continued to focus on providing services and resources to support members and the profession in responding to macro global trends, and invested in technology to support the strategic initiatives.

In 2023, four Board Committees of Directors operated: Audit, Risk and Compliance; Education, Policy and Innovation; Nomination, and Member Engagement and Culture.

In July 2023, CEO Andrew Hunter tendered his resignation, effective April 2024. New CEO Chris Freeland AM, will join CPA Australia on March 18 2024.

Further information on the governance of the Company is included in the corporate governance statement on our website and on pages 24 to 27 of this report.

DIRECTORS' MEETINGS

The tables on pages 100 to 101 set out the number of Board and Board Committee meetings held and the number of meetings attended by each Director during 2023.

CHANGES IN STATE OF AFFAIRS

There were no 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 102 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 2023

Directors	Scheduled meetings		Ad hoc meetings		Total 2023 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Merran Kelsall AO, Chair ^{1,3}	5	5	3	3	8	8
Dale Pinto, Chair ⁴	6	6	4	4	10	10
Warren McRae	6	6	4	4	10	10
Sarah Adam-Gedge ²	1	1	1	1	2	2
Bryan Chung	6	6	4	4	10	10
Louise Cox	6	6	4	4	10	10
Yew Kee Ho	6	6	4	4	10	10
Kaushika Jayalath ²	1	1	1	0	2	1
Helen Lorigan ¹	5	5	3	3	8	8
Bernard Poon	6	6	4	4	10	10
Anna Quinn ²	1	1	1	1	2	2
Rosemary Sinclair AM ¹	5	4	3	3	8	7
Anthony Wright	6	6	4	4	10	10

AUDIT, RISK AND COMPLIANCE COMMITTEE MEETINGS 2023

Directors	Scheduled meetings		Ad hoc meetings		Total 2023 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Warren McRae, Chair	6	6	0	0	6	6
Yew Kee Ho	6	5	0	0	6	5
Bernard Poon	6	6	0	0	6	6
Rosemary Sinclair AM ¹	5	5	0	0	5	5
Anthony Wright	6	6	0	0	6	6

EDUCATION, POLICY AND INNOVATION COMMITTEE MEETINGS 2023

Directors	Scheduled meetings		Ad hoc meetings		Total 2023 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Dale Pinto, Chair	4	4	0	0	4	4
Bryan Chung	4	4	0	0	4	4
Yew Kee Ho	4	4	0	0	4	4
Helen Lorigan ¹	3	3	0	0	3	3
Rosemary Sinclair AM ¹	3	2	0	0	3	2

NOMINATION COMMITTEE MEETINGS 2023

Directors	Scheduled meetings		Ad hoc meetings		Total 2023 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Warren McRae, Chair	6	5	1	1	7	6
Louise Cox	6	6	1	1	7	7
Trent Bartlett ⁵	6	6	1	1	7	7
Michaela Healey ⁵	6	6	1	0	7	6
Karen Williams ⁶	6	6	1	1	7	7
Jodi Wright ⁶	6	6	1	1	7	7

MEMBER ENGAGEMENT AND CULTURE COMMITTEE MEETINGS 2023

Directors	Scheduled meetings		Ad hoc meetings		Total 2023 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Louise Cox, Chair	4	4	0	0	4	4
Bryan Chung	4	4	0	0	4	4
Helen Lorigan ¹	3	3	0	0	3	3
Bernard Poon	4	4	0	0	4	4
Anthony Wright	4	4	0	0	4	4

¹ Term as a Director, and Board or Committee member ceased on 30 September 2023

² Term as a Director and Board member commenced on 1 October 2023

³ Term as Chair ceased on 30 September 2023

⁴ Term as Chair commenced on 1 October 2023

⁵ Independent Non-Director Committee Members

⁶ 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.



Dale Pinto FCPA
John Curtin
Distinguished Professor,
Director



Warren McRae
FCPA
Director

18 March 2024



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 2023 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

18 March 2024

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Overview of financial results

for the year ended 31 December 2023

	2023 \$'000s	2022 \$'000s
Revenue		
Member fees and subscription	100,429	93,539
Education and CPA Program	59,429	58,715
Professional development	7,301	8,215
Other services	5,836	3,564
Marketing, promotion and publications	1,187	1,825
Finance income	4,053	4,027
Total revenue	178,235	169,885
Operating expenses		
Employee benefits	(86,375)	(87,480)
Education and CPA Program	(17,003)	(18,644)
Computer hardware and software licences	(11,849)	(10,500)
Professional services	(9,376)	(14,605)
Printing and communication	(4,875)	(5,745)
Advertising and promotion	(3,958)	(4,553)
Rent and outgoings	(5,647)	(5,418)
Catering and entertainment	(3,172)	(4,210)
Travel and accommodation	(2,427)	(2,230)
Other costs	(6,005)	(6,667)
Total operating expenses	(150,687)	(160,052)
Operating surplus before depreciation and finance costs	27,548	9,833
Depreciation	(16,500)	(15,536)
Finance costs	(1,604)	(1,599)
Net operating surplus/(deficit) after depreciation and finance costs	9,444	(7,302)
Strategic project expenditure	(14,898)	(15,799)
Net deficit after strategic project expenditure	(5,454)	(23,101)
Changes in the fair value of financial assets	5,324	(11,036)
Gain on sale of financial assets	218	1,514
Net foreign exchange gain	266	5
Net surplus/(deficit) after FX and revaluation of investments	354	(32,618)
Tax benefit/(expense)	470	(1,182)
Total comprehensive income/(loss) for the year	824	(33,800)

Discussion and analysis of the financial results 2023

In 2023, CPA Australia continued to invest in key initiatives that support the organisational strategy. The organisation continued to invest in the MMF program, the progression policy, and investment in a new operating model that will set the organisation up for long term financial sustainability. In addition to this, we continued to support members with access to complimentary professional development, hardship membership discounts and continued opportunity to complete CPA Program exams online. CPA Australia also continued to enhance our thought leadership and advocacy for members and the public interest.

The continued ability to invest in strategic initiatives that enhance member experiences and build organisational capability is underpinned by a sustainable operating model that delivers operating surpluses. The overview of financial results highlights the effectiveness of the base operating model with total revenue of \$178.2m and total operating expenses of \$150.7m allowing for an operating surplus of \$27.5m.

After depreciation and finance costs are included, \$16.5m and \$1.6m respectively, a net surplus prior to strategic projects of \$9.4m provides opportunity to fund further investment in services for members. During 2023, notable investment was made to finalise the MMF program and implement a new operating model to better align the organisation's structure to support the long term strategic objectives defined within the CPA Australia strategy 2022–27.

After investment of \$14.9m in strategic initiatives the organisation presented a net deficit of \$5.5m before income tax, FX and investment mark to market.

This deficit converted to a net surplus of \$0.4m before income tax, driven largely by increases in fair value of financial assets held during the year.

After tax adjustments the organisation presented a positive comprehensive income result of \$0.8m which represents a \$34.6m improvement against 2022.

FINANCIAL RESULTS

As foreshadowed in the 2022 Integrated Report, the Group delivered an operating deficit before tax in 2023 of \$1.9m (2022 deficit: \$31.3m) and overall comprehensive income of \$0.8m (after tax, defined benefit, FX and unrealised gain on investments) (2022 overall comprehensive loss: \$33.8m). The significant, \$34.6m financial turnaround compared to 2022 was a result of a new operating model, a focus on reducing discretionary spend, lower MMF program investment and a moderate price increase.

REVENUE

Overall revenue was higher in 2023 at \$178.2m (2022: \$169.9m). Contributing to the overall increase was membership and education revenue. Slight increases in membership and program fees provided the organisation an opportunity to further support members with complimentary professional development, online exams and delivery of the MMF program. Migration assessment revenue finished strong as the Australian Federal Government issued an unplanned visa round for skilled accounting occupations in December 2022. CPA Virtual Congress produced strong engagement with 10,218 participants.

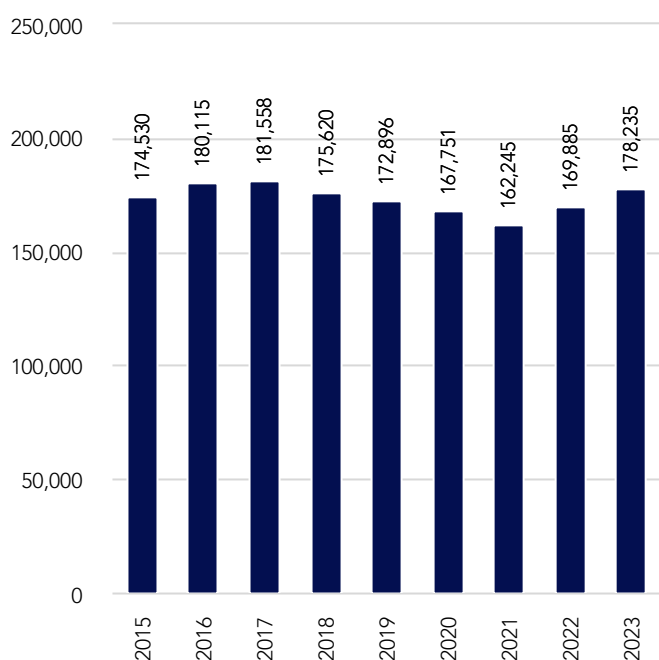
The Group ended the year with 173,431 members (2022: 172,333) which was driven by steady membership retention rates and growth of new members joining.

EXPENDITURE

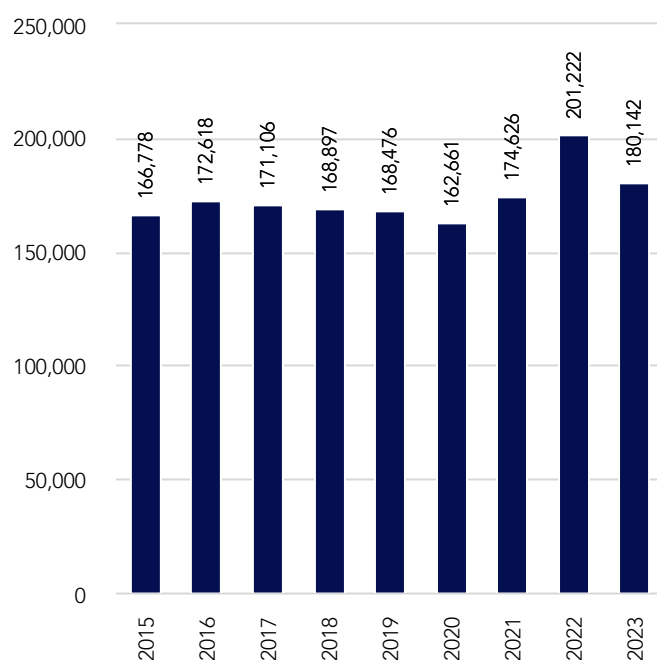
Expenditure before tax was \$21m lower than 2022 at \$180.1m (2022: \$201.2m). As the organisation starts realising the benefits of the new operating model in the second half of the year, activities members found less valuable ceased, which had a positive impact on overall operating spend.

Employee costs were higher in 2023 at \$89.8m (2022: \$88.8m). This was mainly driven by an overall wage index increase, superannuation increase and redundancy costs as a result of the new operating model. Computer license and hardware increased due to the MMF program. Significant savings were produced in CPA Program, advertising, professional services, printing and communication, travel and other staff costs as a result of the new operating model and a focus on reducing discretionary spend.

Total revenue (\$'000's)



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



Discussion and analysis of the financial results 2023

TAXATION

The income tax benefit recognised in profit or loss for 2023 is \$0.5m (2022: income tax expense \$1.2m). The total income tax expense recognised in other comprehensive income for the year is \$0.5m (2022: income tax benefit of \$1.1m). This is primarily attributable to the deferred tax recognised on temporary differences at balance date. Further details are contained in Note 6 on pages 120 to 123.

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 the Group's exposure to fluctuations in exchange rates. Exchange rate fluctuations contributed to a foreign exchange loss on translation of cash of \$0.07m for the full year (2022: \$0.05m gain). A foreign exchange gain of \$0.3m (2022: \$0.05m loss) on translation of foreign operations for the year ended 31 December 2023 is recognised in other comprehensive income.

CASH FLOW

The net cash inflows from operating activities increased by \$1.6m during 2023 to positive \$1.6m (2022: decreased \$6.7m) attributable to higher receipts from operations and partially offset by an increase in payments to suppliers and employees during the year.

INVESTMENTS

The Group's total investment portfolio return inclusive of returns on working capital accounts was \$4.1m (2022: \$4.0m). The investment portfolio returned an unrealised gain of \$5.3m in 2023 (2022: \$11m loss).

BALANCE SHEET

The Group's balance sheet reflects net assets increasing by \$0.8m or 1.2 per cent compared to 2022, which is largely attributable to the 2023 surplus driven by a focus on reducing discretionary spend, lower MMF program investment and a moderate price increase.

Cash and cash equivalents increased by \$6.5m compared to 2022 which is primarily due to the surplus discussed above, drawdown in other financial assets and higher revenue received in advance at year end.

Trade and other receivables has increased to \$3.3m in 2023 (2022: \$1.9m).

Other current assets are \$0.5m lower than the prior year due to a decrease in prepaid expenses.

Current and non-current other financial assets are lower than 2022 by \$6.9m which is attributable to a reduction of non-current other financial assets to fund investment in strategic projects offset by an increase of \$5.3m in the market value of non-current other financial assets.

Property, plant and equipment has decreased by \$5.1m to \$23.7m (2022: \$28.8m) which relates to additions, disposal of assets and the depreciation charged during the year. Further detail of this movement is outlined in note 11.

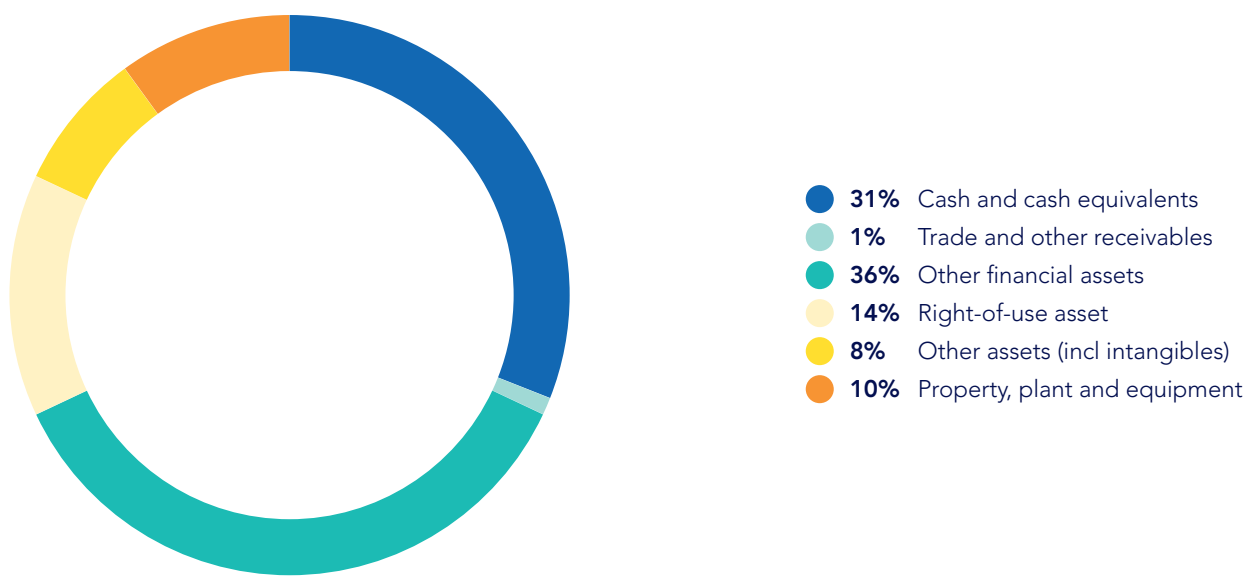
Intangible assets are lower than 2022 by \$0.4m, which is directly attributable to the addition of SaaS arrangements offset by the amortisation charged during the year.

Current and non-current provisions ended the year \$0.6m lower than 2022. This is primarily due to a decrease in provisions related to employee benefits.

Trade and other payables were lower by \$7.1m compared to the previous year; this is due to a timing difference in payments to trade creditors.

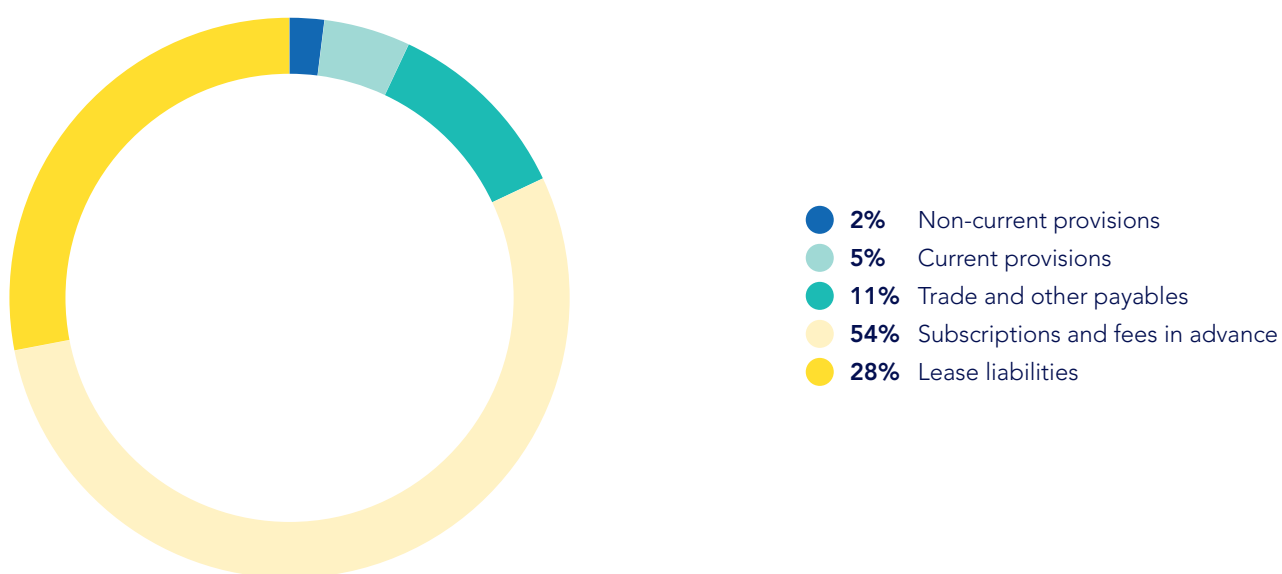
Other contract liabilities were \$3.6m higher than 2022 which is due to higher subscriptions and fees received in advance.

Assets¹



¹ Figures are rounded and may not equal 100 per cent.

Liabilities¹



¹ Figures are rounded and may not equal 100 per cent.

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

	Note	Consolidated	
		2023 \$'000s	2022 ¹ \$'000s
Revenue	3	174,182	165,858
Finance income	4	4,053	4,027
Employee benefits expense	5.a	(89,758)	(88,824)
Education and CPA Program expense	5.b	(14,306)	(15,357)
Advertising and promotion expense	5.c	(3,958)	(4,591)
Rent and outgoings expense		(5,647)	(5,418)
Computer hardware and software licences expense		(11,861)	(10,706)
Event delivery expense	5.d	(2,697)	(3,296)
Professional services expense	5.e	(17,653)	(24,622)
Printing and communication expense	5.f	(4,875)	(5,750)
Travel and catering expense	5.g	(5,631)	(6,467)
Other staff costs	5.h	(3,194)	(4,153)
Depreciation and amortisation expense	11, 12, 13	(16,500)	(15,536)
Finance costs		(1,604)	(1,599)
Net foreign exchange gain/(loss)		(72)	53
Gain/(loss) on sale of financial assets at FVTPL		(219)	206
Changes in the fair value of financial assets at FVTPL		3,838	(8,495)
Loss allowance for trade receivables		(190)	(209)
Loss on sale of property, plant and equipment		(2)	(2)
Other expenses	5.i	(5,813)	(6,456)
Deficit before income tax		(1,907)	(31,337)
Tax benefit/(expense)	6	470	(1,182)
Deficit for the year		(1,437)	(32,519)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in the fair value of equity investments at FVOCI		1,337	(2,184)
Gain/(loss) on sale of financial assets at FVOCI		437	1,308
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		338	(48)
Changes in the fair value of debt instruments at FVOCI		149	(357)
Other comprehensive income/(loss) for the year, net of tax		2,261	(1,281)
Total comprehensive income/(loss) for the year		824	(33,800)

1 Comparative information related to expenses has been re-presented due to a change in classification. See Note 5 (j) for additional detail.

CPA Australia 2023 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 112 to 146.

Statement of financial position

as at 31 December 2023

	Note	Consolidated	
		2023 \$'000s	2022 \$'000s
Current assets			
Cash and cash equivalents	7	74,563	68,077
Trade and other receivables	8	3,293	1,919
Other financial assets	10	-	272
Other assets	9	5,423	5,936
Total current assets		83,279	76,204
Non-current assets			
Other financial assets	10	85,667	92,332
Deferred tax assets	6.d	346	79
Property, plant and equipment	11	23,665	28,811
Intangible assets	12	11,701	12,149
Right-of-use asset	13.a	33,665	35,910
Other assets	9	663	578
Total non-current assets		155,707	169,859
Total assets		238,986	246,063
Current liabilities			
Trade and other payables		18,824	25,967
Provisions	14	8,349	8,708
Lease liabilities	13.b	7,468	7,536
Contract liabilities	15	91,156	87,592
Total current liabilities		125,797	129,803
Non-current liabilities			
Provisions	14	3,123	3,335
Lease liabilities	13.b	39,439	43,122
Total non-current liabilities		42,562	46,457
Total liabilities		168,359	176,260
Net assets		70,627	69,803
Members' funds			
Reserves		7,980	6,156
Retained surplus		62,647	63,647
Total members' funds		70,627	69,803

CPA Australia 2023 financial statements

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 112 to 146.

Statement of changes in members' funds

for the year ended 31 December 2023

	Investment revaluation reserve	Consolidated		Total
		Foreign currency translation reserve	Retained surplus	
	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 January 2022	7,108	1,637	94,858	103,603
Other comprehensive income	(2,541)	(48)	1,308	(1,281)
Deficit for the year	-	-	(32,519)	(32,519)
Balance at 1 January 2023	4,567	1,589	63,647	69,803
Other comprehensive income	1,486	338	437	2,261
Deficit for the year	-	-	(1,437)	(1,437)
Balance at 31 December 2023	6,053	1,927	62,647	70,627

CPA Australia 2023 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 112 to 146.

Statement of cash flows

for the year ended 31 December 2023

	Note	Consolidated	
		2023 \$'000s	2022 \$'000s
Cash flows from operating activities			
Receipts from operations		188,415	181,260
Payments to suppliers and employees		(185,316)	(179,766)
Interest on leases	13.b	(1,539)	(1,570)
Net cash (outflows)/inflows from operating activities	7	1,560	(76)
Cash flows from investing activities			
Payment for property, plant and equipment and intangible assets	11, 12	(4,143)	(13,668)
Net receipts/(payments) for deposits less than 1 year but greater than 90 days		272	19,001
Net receipts/(payments) for deposits greater than 1 year		(274)	-
Proceeds from sale of investments		17,004	24,008
Purchase of investments		(3,999)	(22,442)
Investment interest and dividends received		3,789	3,842
Net cash (outflows)/inflows from investing activities		12,649	10,741
Cash flows from financing activities			
Payment of lease liabilities	13.b	(8,262)	(7,668)
Net cash outflows from financing activities		(8,262)	(7,668)
Net increase/(decrease) in cash and cash equivalents held		5,947	2,997
Cash and cash equivalents at the beginning of the financial year		68,077	66,927
Effects of exchange rate changes in the balance of cash held in foreign currencies		539	(1,847)
Cash and cash equivalents at the end of the financial year	7	74,563	68,077

CPA Australia 2023 financial statements

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 112 to 146.

Notes to the financial statements

01 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

1 (a) Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the ‘integrally linked’ approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of AASB 112. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see Note 6 (d)).

1 (b) Global minimum top-up tax

The Group has assessed International Tax Reform – Pillar Two Model Rules (Amendments to AASB 112) upon their release in July 2023. The revenue of the consolidated group does not breach the required threshold to be captured within the scope of the Pillar Two Model Rules (amendments to AASB 112), as such the Group has no exposure as a result of these amendments.

1 (c) Material accounting policy information

The Group also adopted Disclosure of Accounting Policies (Amendments to AASB 101) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Summary of material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

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.

02 SUMMARY OF MATERIAL 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 2023, current liabilities are \$42.5m greater than current assets. This is mainly due to draw down of other financial assets to fund strategic projects.

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 2023 were authorised by the Board of Directors on 18 March 2024.

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) 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.

2 (g) 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 12 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 cloudbased 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.

03 REVENUE

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Revenue from contracts with customers		
Member fees and subscriptions	100,429	93,539
Education and CPA Program	59,429	58,715
Professional development	7,301	8,215
Other services	5,836	3,564
Marketing, promotion and publications	1,187	1,825
	174,182	165,858

3 (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	
2023	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue from contracts with customers	100,429	59,429	7,301	5,836	1,187	174,182
Timing of revenue recognition						
At a point in time	1,851	2,567	7,301	5,836	1,187	18,742
Over time	98,578	56,862	-	-	-	155,440
	100,429	59,429	7,301	5,836	1,187	174,182
2022						
Revenue from contracts with customers	93,539	58,715	8,215	3,564	1,825	165,858
Timing of revenue recognition						
At a point in time	2,176	3,221	8,215	3,564	1,825	19,001
Over time	91,363	55,494	-	-	-	146,857
	93,539	58,715	8,215	3,564	1,825	165,858

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 – contract 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 – contract 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 – contract 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.

3 (b) Contract balances

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

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Receivables (included in trade and other receivables)	3,098	1,637
Loss allowance	(194)	(128)
Total receivables	2,904	1,509
Subscriptions and fees received in advance	91,156	87,592

Subscriptions and fees in advance are shown in the statement of financial position under the heading of current liabilities – contract 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	
	2023	2022
	\$'000s	\$'000s
Revenue recognised that was included in the subscriptions and fees received in advance balance at the beginning of the period	87,592	84,258
Increases due to cash received, excluding amounts recognised as revenue during the period	(91,156)	(87,592)

3 (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 2023.

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Member fees and subscriptions	72,207	68,529
Education and CPA Program	18,892	18,559
Professional development	57	(111)
Other services	-	615
	91,156	87,592

04 FINANCE INCOME

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Dividends and distributions	2,793	3,439
Interest income on:		
Financial assets held as investments	798	484
Bank deposits	462	104
	4,053	4,027

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.

05 EXPENDITURE

5 (a) Employee benefits

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Salaries and other benefits	82,224	81,672
Defined contribution	7,241	6,984
Fringe benefits tax	293	168
	89,758	88,824

5 (b) Education and CPA Program expense

Exam delivery	8,447	8,533
Exam and content development	5,859	6,824
	14,306	15,357

5 (c) Advertising and promotion expense

Acquisition advertising	2,591	3,035
Member engagement activity	571	545
Sponsorships	297	423
Business development activity	218	212
Research prizes and grants	165	10
Other	92	344
Media monitoring	24	22
	3,958	4,591

5 (d) Event delivery expense

Professional development events	2,556	3,034
Member engagement events	126	217
Recruitment events	11	12
Education events	4	33
	2,697	3,296

5 (e) Professional services expense

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Strategic investment	8,228	9,742
Corporate support	2,568	2,802
Technology projects	1,926	4,363
Business development activity	1,078	1,510
Publications	730	1,196
Professional conduct activity	714	606
Governance	654	747
Product development and delivery	655	2,159
Legal	560	796
AGM	390	236
Strategic review	150	466
	17,653	24,622

5 (f) Printing and communication expense

Telephone, internet and WAN costs	1,018	1,342
Printing and stationery	1,297	2,096
Postage	1,970	1,659
Publications	438	456
Other	152	197
	4,875	5,750

5 (g) Travel and catering expense

Member engagement activity	2,282	3,238
Business development activity	1,194	892
Corporate support	955	1,014
Board and internal audit	634	680
Education and professional development activity	368	374
Public practice activity	21	49
Advocacy	118	177
Professional conduct activity	20	22
Strategic projects	39	21
	5,631	6,467

5 (h) Other staff costs

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Agencies employment expense	1,591	1,465
Staff recruitment	802	1,339
Staff training and development	476	1,060
Other staff costs	325	288
	3,194	4,153

5 (i) Other expenses

Memberships and contributions	2,902	2,805
Merchant fees and bank fees	1,888	2,814
CPA Australia Best Practice Program	312	488
Other	711	349
	5,813	6,456

5 (j) Change in classification

During 2023 the Group modified the classification of certain expenses in order to offer a better representation of the nature of the expense that has been incurred.

Comparative amounts in the Statement of profit or loss and other comprehensive income were reclassified for consistency. These included:

- a reclassification of printing and communication expenses from "Education and CPA Program expense" to "Printing and communication expense" totalling \$2.3m
- a reclassification of event related travel and catering expenses from "Event delivery expense" to "Travel and catering expense" totalling \$3.3m
- a reclassification of event related software service expense from "Event delivery expense" to "Computer hardware and software licences expense" totalling \$0.6m
- a reclassification of CPA Program related software service expense from "Education and CPA Program expense" to "Computer hardware and software licences expense" totalling \$0.5m.

06 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 these 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.

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.

CPA Australia's 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.

6 (a) Income tax recognised in profit or loss

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Tax expense overseas entities	25	93
Deferred tax (benefit)/expense (refer 6(d))	(495)	1,089
Total income tax (benefit)/expense	(470)	1,182

6 (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	
	2023 \$'000s	2022 \$'000s
Surplus/(deficit) before income tax	(1,907)	(31,337)
Income tax (benefit)/expense calculated at 25%	(477)	(9,401)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Mutual revenue	(41,886)	(45,407)
Mutual expenses	36,490	47,300
Foreign operations revenue	(5,010)	(5,571)
Foreign operations expenditure	6,592	7,494
Other tax adjustments	3,331	3,740
	(959)	(1,845)
Tax effect of:		
Temporary differences	573	(3,037)
(Recognition)/derecognition of prior year tax losses as deferred assets	(110)	5,971
Impact of tax in foreign jurisdiction	25	93
	489	3,027
Total income tax (benefit)/expense	(470)	1,182

Non-mutual operating and investment revenue totalled \$22.6m in 2023 (2022: \$23.2m). Non-mutual operating expenditure totalled \$19.8m in 2023 (2022: \$26.1m). This gives rise to a non-mutual taxable profit of \$2.7m (2022: loss \$2.9m) prior to any tax adjustments.

The tax rate used in the above 2023 reconciliation is the base rate entity corporate tax rate of 25 per cent payable by Australian corporate entities that are eligible for reduced corporate tax on taxable profits under Australian tax law. The tax rate used in the above 2022 comparative reconciliation is the corporate tax rate of 30 per cent payable by Australian corporate entities on taxable profits under Australian tax law.

Based on aggregate turnover CPA Australia Ltd. has been deemed eligible for a reduced corporate tax rate as a qualifying base rate entity and as such has applied the lower rate of 25 per cent in 2023 as opposed to 30 per cent in 2022.

6 (c) Income tax recognised in other comprehensive income

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Deferred tax expense/(benefit) arising on the fair value remeasurement of equity investments at FVOCI (refer 6 (d))	445	(936)
Deferred tax expense/(benefit) arising on the fair value remeasurement of debt instruments at FVOCI (refer 6 (d))	50	(153)
Total income tax recognised in other comprehensive income	495	(1,089)

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.

6 (d) Deferred tax assets (DTAs)/(liabilities) arise from the following

	Opening balance 2022	Recognised in profit or loss	Recognised in other comprehensive income	Foreign Operations	Consolidated		Recognised in profit or loss	Recognised in other comprehensive income	Foreign Operations	Closing balance 2023
	\$'000s	\$'000s	\$'000s	\$'000s	Closing balance 2022	Restated closing balance (@25% tax rate)	\$'000s	\$'000s	\$'000s	\$'000s
Investments	(4,836)	2,548	1,089	-	(1,199)	(998)	(959)	(495)	-	(2,452)
Property, plant and equipment	(44)	364	-	-	320	266	499	-	-	765
Employee benefits	284	97	-	-	381	317	(109)	-	-	208
Provisions	16	3	-	-	19	16	(8)	-	-	8
Lease liabilities	894	69	-	-	963	803	1	-	-	804
Right of use asset	(1,058)	(44)	-	-	(1,102)	(918)	3	-	-	(915)
Tax losses	4,743	(4,126)	-	-	617	514	1,068	-	-	1,582
Foreign subsidiaries	69	-	-	10	79	66	-	-	280	346
	69	(1,089)	1,089	10	79	66	495	(495)	280	346

CPA Australia Ltd is part of a tax consolidated group and remains part of the tax sharing and funding agreement. In 2021, CPA Australia's subsidiary CPA Advice Pty Ltd was deregistered and exited its tax sharing and funding agreement with the consolidated group.

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.

6 (e) Deferred tax assets (DTAs) not brought to account

Deferred tax assets not brought to account are as follows:

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Tax losses not recognised as DTAs	7,232	8,595

07 CASH AND CASH EQUIVALENTS

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Current		
Cash at bank and in hand	59,563	55,077
Deposits at call	15,000	13,000
	74,563	68,077

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 increased due to a drawdown in other financial assets and higher revenue received in advance at year end.

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Inflow from operating activities		
Deficit for the year	(1,437)	(32,519)
Plus/(minus) non-operating items:		
Interest and dividend income received	(4,053)	(4,027)
Net loss on sale of property, plant and equipment	2	2
Net (gain)/loss on sale of financial assets at FVTPL	219	(206)
Plus/(minus) non-cash items:		
Depreciation and amortisation	16,500	15,536
Foreign exchange translation	72	(53)
Addback loss allowance on trade receivables	190	209
Deferred tax adjustment	(719)	1,089
Make-good gain	(14)	(40)
(Gain)/loss on revaluation of financial assets at FVTPL	(3,838)	8,495
Finance costs	64	26
Change in assets and liabilities:		
(Increase)/decrease in receivables	(1,398)	68
(Increase)/decrease in other assets	160	125
Increase/(decrease) in payables	(7,181)	5,973
Increase/(decrease) in subscriptions and fees in advance	3,564	3,334
Increase/(decrease) in provisions	(571)	1,912
Net cash inflow/(outflows) from operating activities	1,560	(76)

08 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Current assets		
Trade and other receivables	3,114	1,650
Loss allowance	(194)	(128)
	2,920	1,522
Other receivables:		
Accrued interest on bank deposits	42	35
Accrued interest on financial assets at amortised cost	46	32
Accrued dividends on financial assets	284	330
	373	397
	3,293	1,919

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	
	2023	2022
	\$'000s	\$'000s
Movement in loss allowance		
Balance at 1 January	128	95
Remeasurement of loss allowance	66	33
Balance at the end of the year	194	128

Details on the calculation of the loss allowance are provided in Note 22.

09 OTHER ASSETS

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Current		
Prepayments	5,247	5,902
Security deposit and other	176	34
	5,423	5,936
Non-current		
Security deposit and other	663	578
	663	578

10 OTHER FINANCIAL ASSETS

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Current		
Deposits greater than 90 days, less than one year	-	272
	-	272
Non-current		
Deposits greater than one year	274	-
Financial assets at fair value through profit or loss (FVTPL)	60,377	61,719
Financial assets at fair value through other comprehensive income (FVOCI)	25,016	30,613
	85,667	92,332

Details on accounting policies for financial assets are outlined in Note 22.

11 PROPERTY, PLANT AND EQUIPMENT

	Building at cost	Plant and equipment and leasehold improvements at cost	Consolidated Library books at cost	Capital work in progress	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Gross carrying amount					
Balance at 1 January 2022	3,800	56,244	52	1,600	61,696
Additions	-	74	11	7,853	7,938
Derecognition of assets	-	(7,375)	(17)	-	(7,392)
Transfers to/from asset class	-	7,869	-	(7,869)	-
Balance at 1 January 2023	3,800	56,812	46	1,584	62,242
Additions	-	18	-	2,255	2,273
Derecognition of assets	-	(1,245)	-	-	(1,245)
Transfers to/from asset class	-	298	-	(298)	-
Balance at 31 December 2023	3,800	55,883	46	3,541	63,270
Accumulated depreciation and impairment					
Balance at 1 January 2022	(1,824)	(31,910)	(25)	-	(33,759)
Derecognition of assets	-	7,250	17	-	7,267
Depreciation	(76)	(6,854)	(10)	-	(6,940)
Balance at 1 January 2023	(1,900)	(31,514)	(18)	-	(33,432)
Derecognition of assets	-	1,160	-	-	1,160
Depreciation	(76)	(7,247)	(10)	-	(7,333)
Balance at 31 December 2023	(1,976)	(37,601)	(28)	-	(39,605)
Net book value					
Property, plant and equipment as at 31 December 2022	1,900	25,298	28	1,584	28,811
Property, plant and equipment as at 31 December 2023	1,824	18,282	18	3,541	23,665

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 accumulated impairment losses.

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 biannually and were obtained in 2022. 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.

12 INTANGIBLE ASSETS

	Intangible assets at cost	Consolidated Capital work in progress - intangible assets	Total
	\$'000s	\$'000s	\$'000s
Gross carrying amount			
Balance at 1 January 2022	24,294	2,779	27,073
Additions		7,541	7,541
Derecognition of assets	(68)	-	(68)
Transfers to/from asset class	3,745	(3,745)	-
Balance at 1 January 2023	27,971	6,575	34,546
Additions	-	1,876	1,876
Derecognition of assets	-	-	-
Transfers to/from asset class	8,451	(8,451)	-
Balance at 31 December 2023	36,422	-	36,422
Accumulated amortisation and impairment			
Balance at 1 January 2022	(20,925)	-	(20,925)
Derecognition of assets	68	-	68
Amortisation and impairment	(1,540)	-	(1,540)
Balance at 1 January 2023	(22,397)	-	(22,397)
Derecognition of assets	-	-	-
Amortisation and impairment	(2,324)	-	(2,324)
Balance at 31 December 2023	(24,721)	-	(24,721)
Net book value			
Intangible assets as at 31 December 2022	5,574	6,575	12,149
Intangible assets as at 31 December 2023	11,701	-	11,701

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

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.

13 LEASES

13 (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 \$'000s
Gross carrying amount	
Balance at 1 January 2022	59,330
Additions/modification to right-of-use assets	4,706
Derecognition of right-of-use assets	(2,469)
Foreign exchange movements	887
Balance at 1 January 2023	62,454
Additions/modification to right-of-use assets	4,454
Derecognition of right-of-use assets	(726)
Foreign exchange movements	(122)
Balance at 31 December 2023	66,060
Accumulated depreciation	
Balance at 1 January 2022	(21,547)
Depreciation	(7,056)
Derecognition of right-of-use assets	2,469
Foreign exchange movements	(410)
Balance at 1 January 2023	(26,544)
Depreciation	(6,842)
Derecognition of right-of-use assets	726
Foreign exchange movements	265
Balance at 31 December 2023	(32,395)
Net book value	
Right-of-use asset as at 31 December 2022	35,910
Right-of-use asset as at 31 December 2023	33,665

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 12 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
- 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.

13 (b) Lease liabilities

	Leased properties \$'000s
Reconciliation of lease liability	
Balance at 1 January 2022	52,746
Additions/modification	4,707
Interest expense	1,570
Lease payments	(9,238)
Lease incentives received	380
Foreign exchange movements	493
Balance at 1 January 2023	50,658
Additions/modification	4,454
Interest expense	1,539
Lease payments	(9,801)
Foreign exchange movements	57
Balance at 31 December 2023	46,907

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.

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 stand-alone 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 \$16m.

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Lease commitments¹		
Less than one year	9,339	8,976
One to two years	8,290	8,300
Two to three years	8,221	7,259
Three to four years	7,573	7,260
Four to five years	7,535	7,003
More than five years	19,300	25,812
Total	60,258	64,610

1 Lease commitments reflect the contractual undiscounted cash flows.

14 PROVISIONS

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Current		
Employee benefits	7,840	8,482
Restoration of leased properties	508	226
	8,349	8,708
Non-current		
Employee benefits	1,689	1,582
Restoration of leased properties	1,434	1,753
	3,123	3,335
	11,472	12,043

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	
	2023	2022
Employee numbers		
Average number of full-time equivalent employees (FTEs) during the financial year	559	594

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 2023, the provision was re-measured based on changes in expected costs to restore applicable sites, lease terms, inflation and discount rates. This resulted in a decrease to the provision.

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Balance at 1 January	1,979	2,097
Provision credited to plant and equipment	(88)	(135)
Provision credited to profit or loss	(12)	(9)
Unwinding of discount and effect of changes in the discount rate	63	26
Balance as at 31 December	1,942	1,979

15 CONTRACT LIABILITIES

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Current		
Subscriptions and fees received in advance	91,156	87,592
	91,156	87,592

16 PARENT ENTITY DISCLOSURE

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Financial position		
Assets		
Current assets	76,954	70,211
Non-current assets	154,002	168,842
Total assets	230,956	239,053
Liabilities		
Current liabilities	124,822	128,892
Non-current liabilities	40,716	45,022
Total liabilities	165,538	173,914
Net Assets	65,418	65,139
Members' funds		
Retained surplus	57,996	59,458
Reserves		
Investment revaluation reserve	6,053	4,567
Foreign currency translation reserve	1,369	1,114
Total members' funds	65,418	65,139

As at 31 December 2023, current liabilities are \$47.9m greater than current assets. This is mainly due to draw down of other financial assets to fund strategic projects. 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.

17 COMMITMENTS

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Other non-cancellable contractual commitments		
Not later than one year	8,439	12,751
Later than one year but not later than five years	7,317	7,733
Later than five years	12,777	12,990
	28,533	33,474

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 2023, the Group continued to support the following organisations: APESB, IFAC and the IFRS Foundation. 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 2023 to IFAC in the pursuit of their objectives. The contribution for the 2023 year was \$1,525,379 (2022: \$1,576,835).

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 2023 year were \$550,000 (2022: \$485,000).

The Group has provided support in 2023 to the IFRS Foundation in the pursuit of their objectives. The contribution for the 2023 year was \$49,314 (2022: \$50,493).

These contributions are included in other expenses in the statement of profit or loss and other comprehensive income.

18 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.

19 RELATED PARTIES

19 (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
Dale Pinto	President and Chair	Appointed 1 October 2023	30 September 2024
	Former Deputy President	Re-appointed 1 October 2022	30 September 2023
	Director	Re-appointed 1 October 2021	30 September 2024
Warren McRae	Deputy President	Re-appointed 1 October 2023	30 September 2024
	Director	Appointed 1 October 2021	30 September 2024
Louise Cox	Deputy President	Appointed 1 October 2023	30 September 2024
	Director	Re-appointed 1 October 2022	30 September 2025
Yew Kee Ho	Director	Appointed 1 October 2021	30 September 2024
Bernard Che-Wai Poon	Director	Re-appointed 1 October 2022	30 September 2025
Bryan Chung	Director	Appointed 1 October 2022	30 September 2025
Anthony Wright	Director	Re-appointed 1 October 2023	30 September 2026
Kaushika Jayalath	Director	Appointed 1 October 2023	30 September 2026
Anna Quinn	Director	Appointed 1 October 2023	30 September 2026
Sarah Adam-Gedge	Director	Appointed 1 October 2023	30 September 2026
Merran Kelsall	Former President and Chair	Retired 30 September 2023	Not applicable
	Former Director	Retired 30 September 2023	Not applicable
Rosemary Sinclair	Former Director	Retired 30 September 2023	Not applicable
Helen Lorigan	Former Director	Retired 30 September 2023	Not applicable

EXECUTIVES

Name	Title	Appointed / Resigned / Ceased
Andrew Hunter ¹	CEO Director - CPA Australia (Shanghai) Co., Ltd	Ceased 31 December 2023
George Kapitelli	Chief Financial Officer	Appointed 14 February 2023
Luke Gilholme	Interim Chief Financial Officer	Ceased 31 March 2023
Farid Jarrar	Chief Information and Digital Officer	
	EGM Professional Standards and Business Support	Ceased 24 February 2023
Rebecca Keppel-Jones	Interim EGM Member Education	Appointed 25 February 2023 Ceased 20 August 2023
	Chief of Member Operations	Appointed 21 August 2023
Rowena Buddee ²	EGM Member Experience Chief Member Experience Officer	
Marissa Alley ²	EGM People and Culture Chief People Officer	
Claire Hopkins	Chief Learning and Innovation Officer	Appointed 21 August 2023 Resigned 22 December 2023
Elinor Kasapidis	Interim Chief Learning and Innovation Officer	Appointed 6 December 2023
Mitchell Ajduk	Interim EGM Professional Standards and Business Support	Appointed 25 February 2023 Ceased 4 June 2023
Karen Hellwig	EGM Member Education	Resigned 24 February 2023
Deborah Leung	EGM International Director - CPA Australia (Shanghai) Co., Ltd	Ceased 4 June 2023
Frances Buccheri	EGM Marketing and Communications	Ceased 5 June 2023
Gary Pflugrath	EGM Policy and Advocacy	Ceased 4 June 2023

¹ In July 2023, CEO Andrew Hunter tendered his resignation, effective April 2024. New CEO Chris Freeland AM, will join CPA Australia on March 18 2024.

² Title change effective 5 June 2023

19 (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 2023 was below the pooled amount for 10 Directors, calculated under the Constitution. From 1 October 2022 to 30 September 2023, the pooled amount for 10 Directors was \$1,124,352. From 1 October 2023 to 30 September 2024, the pooled amount was increased to \$1,185,067. The annual remuneration paid to the Directors in 2023 is set out in Note 19.c 2023 Compensation–key management personnel.

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 \$498 per hour, capped at a total of \$51,600 per annum.

The Board has determined that no Directors of CPA Australia are to sit on the Boards of any CPA Australia subsidiaries.

(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 function 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.

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 individual's experience and competence.

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19 (c) 2023 Compensation – key management personnel

Name	Company	Position
Non-executive Directors		
Dale Pinto ⁴	CPA Australia Limited	President and Chair
Warren McRae ⁵	CPA Australia Limited	Deputy President
Louise Cox ⁶	CPA Australia Limited	Deputy President
Yew Kee Ho	CPA Australia Limited	Director
Bernard Che-Wai Poon	CPA Australia Limited	Director
Bryan Chung	CPA Australia Limited	Director
Anthony Wright ⁷	CPA Australia Limited	Director
Kaushika Jayalath ⁸	CPA Australia Limited	Director
Anna Quinn ⁸	CPA Australia Limited	Director
Sarah Adam-Gedge ⁸	CPA Australia Limited	Director
Merran Kelsall ⁹	CPA Australia Limited	Former Director, President and Chair
Rosemary Sinclair ⁹	CPA Australia Limited	Former Director
Helen Lorigan ⁹	CPA Australia Limited	Former Director
Total non-executive Directors		
Executives		
Andrew Hunter	CPA Australia Limited CPA Australia (Shanghai) Co., Ltd	CEO Director ¹⁰
George Kapitelli ¹¹	CPA Australia Limited	Chief Financial Officer
Luke Gilholme ¹²	CPA Australia Limited	Former Interim CFO
Nicholas Diss ¹³	CPA Australia Limited CPA Australia (Shanghai) Co., Ltd	Former CFO Former Director
Farid Jarrar	CPA Australia Limited	Chief Information and Digital Officer
Marissa Alley ¹⁴	CPA Australia Limited	Chief People Officer
Claire Hopkins ¹⁵	CPA Australia Limited	Former Chief Learning and Innovation Officer
Rowena Buddee ¹⁴	CPA Australia Limited	Chief Member Experience Officer
Elinor Kasapidis ¹⁶	CPA Australia Limited	Interim Chief Learning and Innovation Officer
Gary Pflugrath ¹⁷	CPA Australia Limited	Former EGM Policy and Advocacy
Karen Hellwig ¹⁸	CPA Australia Limited	Former EGM Member Education
Frances Buccheri ¹⁹	CPA Australia Limited	Former EGM Marketing and Communications
Rebecca Keppel-Jones	CPA Australia Limited	Former EGM Professional Standards and Business Support Chief of Member Operations
Mitchell Ajduk ²⁰	CPA Australia Limited	Former Interim EGM Professional Standards and Business Support
Deborah Leung	CPA Australia Limited CPA Australia (Shanghai) Co., Ltd	Former EGM International ²¹ Director
Total executives		
Total non-executive Directors and executives		

Notes:

- (1) Other long-term benefits include long service leave entitlements accrued during the year.
- (2) Includes annual leave entitlements accrued during 2023.
- (3) Other short term benefits include car parking, fringe benefits, and allowances.
- (4) Re-appointed as Deputy President effective 1 October 2022.
Appointed as President and Chair effective 1 October 2023.

- (5) Re-appointed as Deputy President effective 1 October 2023.
- (6) Appointed as Deputy President effective on 1 October 2023.
- (7) Re-appointed as Director on 1 October 2023.
- (8) Term as Director commenced on 1 October 2023.
- (9) Retired as Director 30 September 2023.
- (10) Ceased as Director 31 December 2023.

Short-term employee benefits				Post-employment benefits	Other long-term benefits ¹	Total 2023 (excl. termination benefits)	Termination benefits	Total 2023 (incl. termination benefits)	Total 2022
Salary and fees ²	Incentive	Other ³	Superannuation						
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
139,061	-	-	15,029	-	154,090	-	154,090	111,473	
108,030	-	-	11,616	-	119,646	-	119,646	93,666	
89,520	-	-	9,641	-	99,161	-	99,161	86,840	
83,311	-	-	8,958	-	92,269	-	92,269	86,840	
83,311	-	-	8,958	-	92,269	-	92,269	86,840	
83,311	-	-	8,958	-	92,269	-	92,269	22,760	
84,437	-	-	9,082	-	93,519	-	93,519	22,760	
21,612	-	-	2,377	-	23,989	-	23,989	-	
21,612	-	-	2,377	-	23,989	-	23,989	-	
21,612	-	-	2,377	-	23,989	-	23,989	-	
169,673	-	-	18,098	-	187,771	-	187,771	232,000	
61,699	-	-	6,581	-	68,280	-	68,280	104,645	
68,280	-	-	-	-	68,280	-	68,280	86,840	
1,035,469	-	-	104,052	-	1,139,521	-	1,139,521	934,666	
776,588	189,315	3,217	27,500	13,231	1,009,851	-	1,009,851	1,081,468	
-	-	-	-	-	-	-	-	-	
349,697	56,800	3,001	25,208	6,022	440,728	-	440,728	-	
71,554	-	757	7,127	1,240	80,678	-	80,678	159,030	
-	-	-	-	-	-	-	-	224,733	
-	-	-	-	-	-	-	-	-	
373,313	75,840	2,271	27,500	8,251	487,175	-	487,175	489,258	
282,067	43,310	1,757	27,500	6,012	360,646	-	360,646	384,045	
139,359	-	406	10,063	-	149,828	-	149,828	-	
439,768	63,474	189,878	13,826	7,115	714,061	-	714,061	463,283	
25,276	15,188	-	2,601	2,605	45,670	-	45,670	-	
129,913	-	-	11,458	2,333	143,704	-	143,704	387,478	
51,093	-	324	6,875	1,025	59,317	197,708	257,025	468,381	
118,346	-	135	13,750	2,107	134,338	121,875	256,213	340,618	
299,339	49,700	1,919	27,500	5,624	384,082	-	384,082	356,933	
67,427	-	162	5,741	1,745	75,075	-	75,075	-	
183,413	-	-	8,475	2,846	194,734	-	194,734	520,517	
-	-	-	-	-	-	-	-	-	
3,307,153	493,627	203,827	215,124	60,156	4,279,887	319,583	4,599,470	4,875,744	
4,342,622	493,627	203,827	319,176	60,156	5,419,408	319,583	5,738,991	5,810,410	

(11) Appointed 14 February 2023.

(12) Appointed as Interim CFO effective 15 August 2022, ceased effective 31 March 2023.

(13) Resigned effective 12 August 2022.

(14) Title change effective 5 June 2023.

(15) Resigned effective 22 December 2023.

(16) Appointed effective 6 December 2023.

(17) Ceased effective 4 June 2023.

(18) Resigned effective 24 February 2023.

(19) Ceased effective 5 June 2023. Annual leave entitlements totalling \$12,209 were paid on cessation; these amounts are not included in total remuneration as they have been previously disclosed in the year of leave accrual.

(20) Appointed effective 25 February 2023, ceased effective 4 June 2023.

(21) Ceased effective 4 June 2023.

19 (d) Loans and amounts owing to key management personnel

There are no loans between key management personnel and the Group.

Director fees of \$1,651 (2022: \$1,638) have been accrued in respect of Andrew Heng, a Director of CPA Australia (M) Sdn. Bhd. and are payable in early 2024.

19 (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. Andrew Hunter is a Director of CPA Australia (Shanghai) Co. Ltd (appointed 13 August 2022 and ceased 31 December 2023) and Deborah Leung, Vice President International is a Director of CPA Australia (Shanghai) Co. Ltd.

There are no 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.

20 AUDITOR REMUNERATION

	Consolidated	
	2023	2022
	\$	\$
Auditor of parent entity, Australia subsidiaries and New Zealand branch		
Audit of financial report	372,830	255,140
Other assurance services	92,390	89,700
Affiliated firms		
Audit of financial reports for overseas subsidiaries and branches	153,689	146,996
	618,909	491,836

The 2023 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 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 ARCC for endorsement quarterly.

Offshore divisions can enter into sponsorships arrangement with their local KPMG office where Deloitte, PwC and EY will also be represented. Sponsorships can be raised for member awards where the member is the direct recipient of the cash benefit.

During 2023, the Hong Kong division received local sponsorship for a charity run from KPMG.

21 INVESTMENT IN CONTROLLED ENTITIES

	Class of share	Entity interest		Amount of investment	
		2023	2022	2023	2022
		%	%	\$	\$
Controlled entity					
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

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.

22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

22 (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.

22 (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 2022	\$'000s	\$'000s	\$'000s	\$'000s
Financial assets measured at fair value				
Equities	-	-	21,957	-
Equity funds	-	-	-	20,722
Property funds	-	-	-	5,780
Securities - bonds	-	8,656	-	-
Alternatives - infrastructure	-	-	-	3,079
Alternatives	-	-	-	4,780
Hybrids	-	-	-	27,358
Total financial assets measured at fair value	-	8,656	21,957	61,719
Financial assets not measured at fair value				
Cash and cash equivalents	68,077	-	-	-
Term deposits	272	-	-	-
Receivables	1,522	-	-	-
Total financial assets not measured at fair value	69,871	-	-	-
Financial liabilities not measured at fair value				
Trade payables	-	-	-	-
Total financial liabilities	-	-	-	-
as at 31 December 2023				
Financial assets measured at fair value				
Equities	-	-	20,958	-
Equity funds	-	-	-	23,333
Property funds	-	-	-	7,794
Securities - bonds	-	4,058	-	-
Alternatives - infrastructure	-	-	-	3,192
Alternatives	-	-	-	4,913
Hybrids	-	-	-	21,145
Total financial assets measured at fair value	-	4,058	20,958	60,377
Financial assets not measured at fair value				
Cash and cash equivalents	74,563	-	-	-
Term deposits	274	-	-	-
Receivables	2,920	-	-	-
Total financial assets not measured at fair value	77,757	-	-	-
Financial liabilities not measured at fair value				
Trade payables	-	-	-	-
Total financial liabilities	-	-	-	-

Other financial liabilities	Total	Level 1	Fair value		Total
			Level 2	Level 3	
\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
-	21,957	21,957	-	-	21,957
-	20,722	-	20,722	-	20,722
-	5,780	-	5,780	-	5,780
-	8,656	-	8,656	-	8,656
-	3,079	-	3,079	-	3,079
-	4,780	-	4,780	-	4,780
-	27,358	2,959	24,399	-	27,358
-	92,332	24,916	67,416	-	92,332
-	68,077	-	-	-	-
-	272	-	-	-	-
-	1,522	-	-	-	-
-	69,871	-	-	-	-
22,964	22,964	-	-	-	-
22,964	22,964	-	-	-	-
-	20,958	20,958	-	-	20,958
-	23,333	-	23,333	-	23,333
-	7,794	-	7,794	-	7,794
-	4,058	-	4,058	-	4,058
-	3,192	-	3,192	-	3,192
-	4,913	-	4,913	-	4,913
-	21,145	2,788	18,357	-	21,145
-	85,393	23,746	61,647	-	85,393
-	74,563	-	-	-	-
-	274	-	-	-	-
-	2,920	-	-	-	-
-	77,757	-	-	-	-
14,468	14,468	-	-	-	-
14,468	14,468	-	-	-	-

22 (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

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 2023, the appreciation of the Australian Dollar against the currencies where substantial cash is held resulted in a foreign exchange loss of \$0.07m (2022: gain \$0.05m) for the full year.

The following table illustrates the sensitivity of profit for 2023 and 2022, 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.

	Minimum		Average		Maximum	
	2023	2022	2023	2022	2023	2022
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Annual risk by risk type						
Foreign exchange	308	271	1,481	1,303	2,827	2,487

(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 five per cent higher/lower equity reserves would have increased/decreased by \$1.0m (2022: \$1.1m) 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).

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 6.91 per cent for all amounts, which is based on an average loss over the past five years. The loss allowance as at 31 December 2023 was determined as follows for trade receivables:

	Current	More than 30 days past due	Consolidated More than 60 days past due	More than 90 days past due	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
31 December 2022					
Expected loss rate	7.54%	7.54%	7.54%	7.54%	
Gross carrying amount – trade receivables	1,087	266	157	188	1,698
Loss allowance	82	20	12	14	128
31 December 2023					
Expected loss rate	6.91%	6.91%	6.91%	6.91%	
Gross carrying amount – trade receivables	794	809	921	283	2,807
Loss allowance	55	56	64	20	194

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 2023 and 31 December 2022.

(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 10.

(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 2021.

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.

23 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2023 and 31 December 2022.

24 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



Dale Pinto FCPA
John Curtin
Distinguished Professor,
Director



Warren McRae
FCPA
Director

18 March 2024



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 2023 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:

- Statement of financial position as at 31 December 2023
- Statement of profit or loss and other comprehensive income, Statement of changes in members' funds, and Statement of cash flows for the year then ended
- Notes, including material 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.

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Key Audit Matters

The **Key Audit Matters** we identified are:

- Recognition of revenue
- Implementation of Microsoft Dynamics 365 ("MMF")

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.

These matters were 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 these matters.

Recognition of revenue (\$174.18 million)

Refer to Note 3 to the Financial Report

The key audit matter	How the matter was addressed in our audit
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. 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: • fees from membership subscriptions; • fees from the provision of educational services and the CPA Program; and • fees from the provision of other professional development services. We focused on the Group's assessment of conditions driving revenue recognition and the judgement applied. This included consideration of the: • timing of when performance obligations are satisfied; • relative standalone selling and transaction prices for services; and • allocation of transaction prices to the	Our procedures included: • We evaluated the Group's accounting policy for the determination of performance obligations, transaction prices and the allocation of transaction prices to performance obligations against the requirements of the accounting standards. • We obtained an understanding of the Group's processes regarding accounting for member-based revenue. We tested key controls such as: - the Board's annual approval of member fee and subscription rates; - management's review and approval of member fee and subscription rates as entered into the Group's IT system; and - the automation of the interfaces between the Group's membership-based systems to the Group's financial reporting system, involving our IT specialists. • 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: - 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

satisfaction of performance obligations.	accounting standard. We did this to assess the Group's identification of performance obligations; - 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 - checked the timing of satisfaction of performance obligations to published CPA Program timetables and the scheduling of other professional development activities. • 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. • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
Implementation of Microsoft Dynamics 365 ("MMF")	
The key audit matter	How the matter was addressed in our audit
During the year, the Group implemented a new IT system for membership services and financial management (referred to as the Member Management and Finance (MMF) system). The implementation of the MMF resulted in significant changes to the Group's financial reporting environment, including changes to the core general ledger and processes and controls used for financial reporting. This is a key audit matter due to the increased audit effort arising from the: • Significant impact of changes in the financial reporting system, processes and controls on the Group's control environment during the year. This required us to understand the nature and extent of the changes, including the	Working with our IT Audit specialists, our procedures included: <i>During the MMF pre-implementation phase</i> • We obtained an understanding of the Group's project governance and data migration plan, specific to the implementation of the MMF, through reading underlying documentation such as business process mapping documents, internal audit reports and enquiries of key operational and IT management. • We obtained an understanding of the nature and extent of planned changes to the Group's processes and controls as they relate to financial reporting arising from the MMF implementation, including automated controls and system-based calculations, to further inform our audit approach.

nature of revised automated controls and system-based calculations, and associated impacts on the Group's financial reporting and our audit. • The completeness and accuracy of migration of historical and current year financial data from existing systems to the MMF, including the specific risks associated with the system cut-over period. • During the post implementation phase of the MMF, the Group established temporary processes, which included manual elements, to supplement the implementation of the MMF. These temporary supplemental processes were put in place to record certain transactions such as revenue recognition and the deferral of revenue. Manual processes are generally associated with a higher risk of error. We involved our IT Audit specialists to supplement our senior audit team members in assessing this key audit matter.	<i>During the MMF data migration phase and system cut-over period</i> • We tested key controls relating to the completeness and accuracy of migration of historical and current year financial data to the MMF. • We assessed the results of the Group's data conversion testing, data quality testing and reconciliations of financial data and assessed their impact on the completeness and accuracy of data migration to the MMF system. <i>During the MMF post-implementation phase</i> • We tested the general IT controls relevant to the MMF such as system access, segregation of duties and change management controls. • We obtained an understanding of the Group's temporary processes to supplement the implementation of the MMF. We tested key controls on manual elements of the supplemental processes to record transactions including revenue recognition and deferral of revenue. • On a sample basis, we assessed the transactions subject to temporary processes by (i) checking the integrity of manual calculations, including consideration of source documentation and (ii) comparing amounts from the Group's manual calculations to the amounts recorded in the Group's financial statements.
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Other Information

Other Information is financial and non-financial information in CPA Australia Ltd's annual report (2023 Integrated Report) 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 selected Integrated Reporting Information included within the 2023 Integrated Report and our related assurance opinion.

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. This description forms part of our Auditor's Report.



KPMG



Chris Sargent

Partner

Melbourne

18 March 2024

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