

2022

CPA AUSTRALIA
INTEGRATED REPORT



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 2022.

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 and preserves value. We believe that it represents an important opportunity for our members to play a pivotal role in helping integrated thinking on the capitals described in the Integrated Reporting Framework (financial, manufactured, intellectual, human, natural and social and relationship) feed into strategy, business management 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 will 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.

The Board acknowledges its responsibility for the integrity of the Annual Integrated Report, ending on page 80, 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 2023 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 24–25) received Reasonable Assurance.

We believe that environment, social and governance (ESG) reporting sits within the wider framework of Integrated Reporting and will continue to report on these issues through our Annual Integrated Report.

This structure also reflects our strategic goals and related activities for 2022, and our expectations for 2023 and beyond. The principal audience for this report is our members, although the information is also of value to other stakeholders (page 26).

We have changed the way we measure our time horizons for short, medium and long-term to better reflect our strategic planning and risk management processes. Previously short-term impact was judged as likely to occur in the next one to two years, medium-term within two to five years and long-term in five years or more. We now judge short-term impact as 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.

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-2022

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Who we are



172,333

Members
(2021: 170,826)



7.28/10

Satisfaction with website experience
(2021: 7.16/10)



FEMALE

MALE

51% 49%

Members
(2021: Female 50% Male 50%)



98%

Member retention
(2021: 98.3%)



7.08/10

Member satisfaction
(2021: 7.07/10)

CPA Australia is one of the world's largest accounting bodies with a history of more than 135 years. Founded in 1886, we now have 172,333 members around the globe. Further information on members can be found on pages 54 to 57. 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 operations cover offices and representative offices in all states and territories of Australia, Mainland China, Hong Kong SAR, Macau SAR and Taiwan, Fiji, Indonesia, Malaysia, New Zealand, Singapore, the UK, UAE and Vietnam.

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.

Who we are

Governance

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

The Board is responsible for a number of decisions including:

- setting and approving the organisation's strategy, direction and financial objectives
- appointing the President and Deputy Presidents
- approving financial statements
- evaluating the CEO's performance
- making and amending By-Laws.

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

Figure 1: Governance




The Board sets the strategy of the organisation which is then executed by management. More details on our governance activities can be found on pages 35–38. The executive team headed by CEO Andrew Hunter, and the percentage of full-time equivalent (FTE) roles that sits under each executive general manager (EGM) is shown in the figure below.

Figure 2: Organisational structure and FTE under each role


Andrew Hunter	CEO	3.1%
Marissa Alley	EGM People and Culture	4.4%
Frances Buccheri	EGM Marketing and Communications	8.3%
Rowena Buddee	EGM Member Experience	21.4%
Luke Gilholme CPA	Interim CFO	8.0%
Karen Hellwig	EGM Member Education	12.9%
Farid Jarrar	CIDO	13.5%
Rebecca Keppel-Jones FCPA	EGM Professional Standards and Business Support	9.4%
Deborah Leung FCPA	EGM International	16.6%
Gary Pflugrath FCPA	EGM Policy and Advocacy	2.4%

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


The CPA Australia Way



**Create
opportunity**



**Pursue
excellence**



**Achieve
together**

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

- Create opportunity
- Pursue excellence
- Achieve together.

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

President's report



CPA Australia's vision is to 'lead the future of the global accounting profession and develop business professionals with tomorrow's capabilities.' This vision is more than an aspiration, it crystallises the actions and initiatives we are undertaking to help members grow their skills and advance their careers. Whereas 2021 was a time for consolidating the organisation and supporting members through the impacts of COVID-19, in 2022, we focused on building a foundation to spur future growth and opportunities for members.

CPA Australia is one of the world's largest professional accounting bodies with 172,333 members working in more than 100 countries. This global reach highlights the value of the designation which is underpinned by the strength of local member networks developed through our Divisional Councils. In 2022, we celebrated significant anniversaries in three Australian divisions, including 110 years in Tasmania and 100 years in the Australian Capital Territory and Queensland. This strong history fuels our future and drives our commitment to provide increased opportunity for members in 2023 and beyond.

A global profession

One of the most rewarding professional experiences of 2022 was attending the 21st World Congress of Accountants (WCOA) in Mumbai, India in November.

CPA Australia was proud to be a Platinum sponsor of WCOA 2022 hosted by the Institute of Chartered Accountants of India (ICAI). It was attended by delegates from 123 countries, including more than 6000 people in person and 3000 online, making this the highest attended WCOA conference in the history of the event. The conference was an opportunity to join the world's leading accounting and finance experts to discuss the issues affecting the global profession and strengthen relationships with other professional accounting bodies from the region.

During WCOA, CPA Australia signed mutual agreements with a number of professional accounting organisations:

- Institute of Chartered Accountants of Bangladesh
- Institute of Certified Public Accountants of Kenya
- Institute of Cost and Management Accountants of Bangladesh
- South African Institute of Chartered Accountants.

I also had the honour of addressing the plenary session about the importance of trust in the accountancy profession. Together with CEO Andrew Hunter, members of our executive leadership team and policy experts, we also took part in key stakeholder events around the conference theme of 'Building Trust, Enabling Sustainability' – a topic that resonates with CPA Australia and aligns with many of the initiatives we undertook during the year.

ESG matters are a major focus for CPA Australia. In 2022, we launched a series of important policy initiatives including our ESG strategy and Net Zero Emissions Pathway. The ESG strategy provides information on actions we are taking to integrate ESG considerations into our operations.

The Net Zero Emissions Pathway sets out how we will progress towards Net Zero emissions by 2050, as well as how we will assist members, employees and other stakeholders to improve sustainability and reduce emissions. This is in accordance with the commitments we made to The Prince of Wales' Accounting for Sustainability Project (A4S).

We also released our second Modern Slavery Statement and a Human Rights Policy. The Modern Slavery Statement details how we are assessing and addressing any modern slavery risks in our operations and supply chain. CPA Australia's Human Rights Policy expresses our commitment to respect and protect the internationally recognised human rights of all members, employees and suppliers. The policy aligns with the United Nations (UN) Guiding Principles on Business and Human Rights and applies across all areas of our business, operations and activities.

With the successful completion of our inaugural Reflect Reconciliation Action Plan (RAP) in 2021, we launched our Innovate RAP in 2022. The Innovate RAP continues our reconciliation journey to engage employees and stakeholders in building relationships and creating opportunities for Aboriginal and Torres Strait Islander peoples. As part of this journey, we affirm our support for the Uluru Statement from the Heart.

We were proud that CPA Australia's 2021 Integrated Report was awarded Integrated Report of the Year in the Special Awards category at the Australasian Reporting Awards. This is the third consecutive year that CPA Australia has been a finalist and the second time we have won. It shows that we are a driving force in Integrated Reporting in Australia and New Zealand.

Engaging with members

With COVID-19 restrictions easing in Australia, it was a pleasure to be able to hold our Annual General Meeting (AGM) in Sydney in May. The AGM was a hybrid meeting with more than 320 members either attending in person or watching via the live webcast.

The Board welcomed the opportunity to answer questions from members about CPA Australia's reports and performance. Members also voted in favour of a special resolution to refresh CPA Australia's Constitution to create a simpler version with more contemporary language and which aligns with changes to the *Corporations Act*. I'd like to thank everyone who participated in the meeting.

We value the input of members and seek feedback via the annual member engagement survey as a way of measuring our performance. In 2022, more than 7600 members took part in the survey. The results reflect a stable trend across key performance areas such as overall member satisfaction (7.08/10) and consolidate steady gains recorded over the past few surveys.

Ongoing engagement with members is critical in maintaining and improving satisfaction with CPA Australia. The Board gains the various perspectives of members via the Council of Presidents as well as through our Board outreach program that sees Directors attending Divisional Council meetings throughout the year. Directors and senior executives also attend many of the industry and networking events that are held each year.

In 2022, CPA Australia held more than 1800 events, including 1190 virtual events, attracting more than 234,000 attendees. This includes more than 11,600 delegates that attended CPA Virtual Congress, which highlights the value members place on their professional development.

We also gain valuable insights via our Voice of the Customer program which involves tracking critical moments across the various stages of the membership journey. This enables us to provide the right type of support at the right time and promotes greater personalisation in the services we offer.

The benefits of this approach are evident in the development of CPA Australia's new organisational strategy that was released in October. This was one of our most significant achievements in 2022 and it was only possible with the involvement and input from members who participated in workshops, webinars and focus groups throughout the year. I would like to acknowledge the members who took part at each stage of the process as well as the contribution of the Council of Presidents and the respective Divisional Councils in developing the strategic goals and key initiatives contained in the strategy.

The CPA Australia strategy (2022-27) will equip current and prospective members to achieve career success and set the agenda to take the organisation forward over the next five years.

Future focus

The strategy spans five years and incorporates a number of important initiatives. Some of the immediate areas of focus for 2023 include:

- successfully delivering the Member Management and Finance (MMF) program to improve the way we deliver services to members
- implementing the ESG strategy and Net Zero Emissions Pathway
- progressing our Innovate RAP
- refining the Voice of the Customer program to identify opportunities to transform the member experience

- developing alternative membership pathways to attract new members from across accounting and adjacent disciplines
- continuing to lead the profession in thought leadership and advocacy.

I'm excited by the prospects for CPA Australia in 2023 and beyond. I thank my colleagues on the Board for their counsel and ongoing commitment to support members. I feel very privileged to have been re-elected as President and Chair of CPA Australia and to represent more than 172,000 members across the globe.

We have a strong and enthusiastic Board working on behalf of members and I welcome Anthony Wright and Bryan Chung FCPA who joined the Board in October. I also acknowledge the contribution of Michaela Browning who departed the Board in 2022.

On behalf of the Board, I thank the dedicated members who donate their time and expertise by serving on Committees, Centres of Excellence (CoEs) and Divisional Councils. I also commend the members who generously share their knowledge and experience through the mentoring programs, discussion groups, expert panels, podcasts and webinars. Your professionalism and willing participation enriches the collective membership.



Merran Kelsall AO FCPA
President and Chair of
the Board

CEO's report



The ever-changing global economic environment and ongoing evolution of the accounting profession created a dynamic backdrop for accountants in 2022. As the response to the COVID-19 pandemic shifted from managing health and wellbeing to driving the economic recovery, CPA Australia focused on implementing the right supports to help members plan in the present and prepare for the future.

One of our main priorities in 2022 was to develop a new strategy to take the organisation forward. The strategy was developed over a period of more than six months with members providing valuable input at each stage. More than 1140 members, our people and other stakeholders contributed to the strategy through a series of co-design focus groups and interactive workshops. There was also extensive consultation with the Council of Presidents and Divisional Councils.

Released in October 2022, the strategy contains four strategic goals that reflect our response to the major issues facing the accounting profession and includes initiatives designed to assist current and prospective members advance their careers (page 14).

Investing for future success

Developing robust interactive systems is critical in helping members build contemporary skills and adapt to the evolving profession. We are investing in our core systems and technology with the MMF program. This is a major infrastructure project that stems from a need to upgrade our technology to meet the demands of the digital age. It will help us deliver a more personalised and consistent experience for members and provide additional safeguards for member data. This project is scheduled to go live in mid-2023.

As a consequence of the substantial investment in the MMF program, CPA Australia incurred a deficit of \$31.3m in 2022 with the majority of the MMF cost expensed during the financial year. The organisation is targeting a breakeven result in 2023, but with further investment required to complete the project, a deficit of \$3m–\$5m may be incurred.

Alongside MMF, we continue to enhance our website. We have added greater personalisation and successfully migrated INTHEBLACK website to the same platform, creating a more streamlined online experience for members. The value of our investment in technology is illustrated by the rating in the member engagement survey for 'member satisfaction with website experience' which has risen steadily from 6.65 in 2018 to 7.28 in 2022. This shows that the ongoing enhancements are resonating with members.

We have maintained the trend of steady improvement in key performance measures since 2017, including member retention at 98 per cent, thought leadership (7.13/10) and member satisfaction (7.08/10). These results indicate that members value the services we are delivering, however, we need to keep investing and innovating in order to set the pace for the profession.

Keeping members connected and providing access to new ideas and emerging trends is a critical aspect of CPA Australia's operations.

The transition of INTHEBLACK to a digital magazine continues to be well-received by readers, as do the publication of special editions. The October 2022 Future Focus special edition set new readership records.

CPA Virtual Congress was held as a global three-day event in October with more than 11,600 delegates attending. The program theme was 'Potential Unlimited' and featured an impressive line-up of over 65 presenters, including Serena Williams, Sir Richard Branson, former Australian Minister for Foreign Affairs The Hon. Julie Bishop, and former Burberry CEO Angela Ahrendts. We acknowledge that the live stream issues experienced by our platform partner impacted on members' experience of the event and apologise for this.

Another example is CPA Member Connect, our online forum where members can share knowledge and ideas with their peers. Launched in 2020 it reached a major milestone in 2022 with more than 26,000 members registered as users.

Investing in knowledge

CPA Australia places a strong emphasis on our education offering and creating opportunities for members to advance their careers, by attaining CPA status and through participation in continuing professional development (CPD).

In 2022, we delivered more than 42,000 exams across two semesters for candidates studying the CPA Program. Candidates in most locations were able to choose between attending a test centre or sitting an online proctored exam. I'm delighted that more than 5800 Associates progressed to CPA status in 2022.

We also implemented a number of initiatives to showcase the value of the designation to prospective members. These initiatives included:

- relaunching the online student network
- expanding our Experience-Based Pathway offering, which recognises work experience as an alternative pathway to admission as a CPA.

Promoting lifelong learning is a key aspect of our strategy. There has been steady growth over the past few years of eligible members participating in CPD offered by CPA Australia. This is a positive indication that we are providing relevant and meaningful CPD options that members value. Our Career Suite, a series of online courses designed to accelerate career development and improve employability skills, had more than 17,000 enrolments across 10 complimentary courses.

Our mentoring programs grew strongly in 2022 with 726 pairs of mentors and mentees taking part in our three programs: Australia and New Zealand, public practice and international. The mentoring program gives early and mid-career accountants a chance to develop new skills and build professional connections.

Acting in the public interest

Providing thought leadership and advocacy are central to CPA Australia's purpose of being partners for progress, strengthening trusted relationships with members and communities.

We do so by engaging regularly with governments, regulators, standard-setters and other stakeholders to represent the views of members and the public interest.

We made 134 submissions in 2022, and we increasingly look for relevant opportunities to make joint submissions and advocate collectively with other industry bodies to provide a unified voice for the profession. We believe this type of collaboration is in the best interests of the profession and the public.

We also engage with members and stakeholders to inform our research. Some of our key research publications in 2022 included the 13th annual Asia-Pacific Small Business Survey, the Business Technology Report and a series of special publications developed in conjunction with the ICAI.

In Australia we received widespread media coverage for our "Yeah, nah: Six things you can't claim this tax time" media release, including on Channel 7's Weekend Sunrise program. This was part of a comprehensive Tax Time campaign that also featured our Tax Tips 2022 Guide, Tax Time webinars and feature articles in INTHEBLACK and CPA Tax News.

In addition, our coverage of Australia's October Federal Budget was ranked as the top Google search result for the term 'Federal Budget', after the official Government page. Our budget summary was downloaded more than 6000 times and we reached over 300,000 users on social media channels. We participated in numerous roundtables for the Australian Government's Skills and Jobs Summit in September and achieved mainstream media coverage about the shortage of accounting and finance professionals.

Another key initiative in 2022 was the 'With Interest' weekly podcast series that offers expert commentary on key policy issues and complements our Excel Tips and INTHEBLACK podcasts.

Members working in public practice play a critical role in our community, supporting clients and businesses.

To support public practitioners, CPA Australia delivered multiple initiatives, dedicated education resources and events, including:

- Better Business series of complimentary workshops to support members in small-to-medium enterprises (SMEs)
- Public Practice Virtual Conference that attracted more than 750 attendees
- the dedicated public practice mentoring program
- CPA Australia's Best Practice program.

There are many challenges ahead for the accounting profession, but I'm confident our new strategy positions CPA Australia to transform them into opportunities for members. I would like to thank the Board for their guidance and counsel and for creating a supportive environment that values our people, promotes innovation and prioritises the needs of members.

On behalf of the organisation I would like to offer my congratulations to our President and Chair, Merran Kelsall AO. Merran has been appointed an Officer of the Order of Australia for her distinguished service to the financial accounting sector, to professional organisations, and to the community. CPA Australia is fortunate to be counted among the organisations Merran has supported over many years, and continues to work with.

I also thank the executive leadership team and CPA Australia's employees around the world for your dedication in delivering high-quality and personalised service to members.

Finally, I thank CPA Australia's members – your knowledge and professionalism continue to keep our organisation strong.



Andrew Hunter
CEO

Strategy 2018–22

In 2022, the organisation focused on a selection of key initiatives that would materially deliver improved services to members, were specifically aligned to our strategic commitment and could be done within capacity without significant impact on key services to members. These projects included:

- development of the 2022–27 strategy (page 14)
- ESG strategy and Net Zero Emissions Pathway (page 30)
- Cyber Security Information Hub (page 48)
- MMF program (page 58)
- career development support (page 66)
- Experience-Based Pathways (page 70).

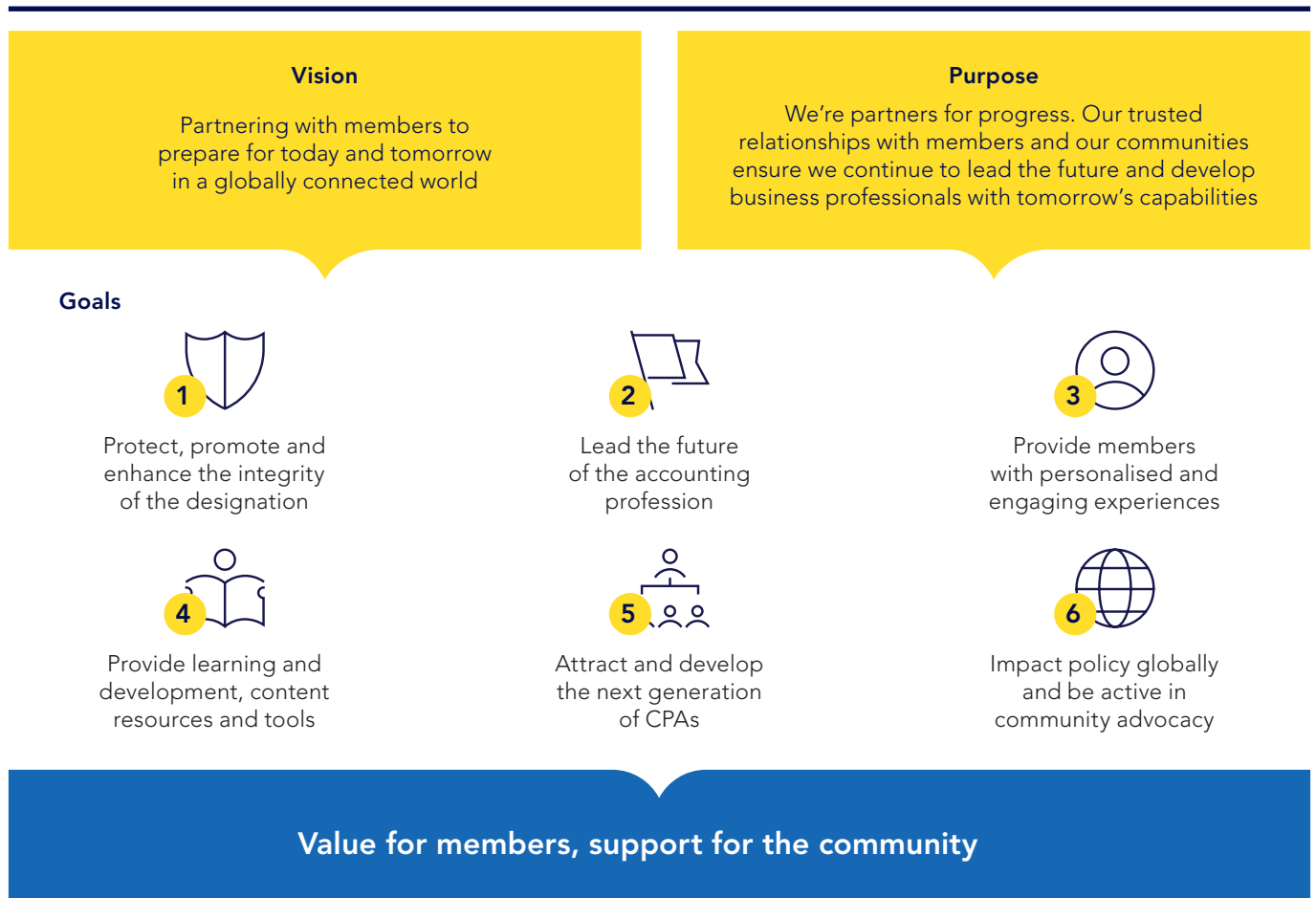
The most significant developments under the strategy are communicated to members via an update from the President after Board meetings and by the CEO in his communications to members.

CPA Australia’s new strategy is on page 14 and covers short to medium-term objectives. Long-term strategy is set and discussed by the Board and management at regular meetings¹.

The impact of our strategic initiatives across the short, medium and long-term is shown on pages 22–23 and includes both initiatives under the strategy to 2022 and the new strategy to 2027.

CPA Australia has developed a set of external targets (page 11) to measure performance against each of the strategic goals, as well as a group target that measures financial performance. Additionally, there are further internal metrics that are used to measure performance that feed into how our people are remunerated (page 61). Some of these internal metrics are used throughout this report to further illustrate performance against strategy.

Figure 3: CPA Australia Strategy 2018–22



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.

Performance against strategy 2018–22

Many of our key performance indicators (KPIs) come from our annual member engagement survey. This is a 20-minute online survey conducted by Forethought to track performance and determine current drivers of satisfaction, value and trust in CPA Australia. With an 8.7 per cent response rate (of those members who have opted in to receive research), 7694 members responded to the survey. In 2021, we had a response rate of 9.1 per cent (9580). Scores shown for member engagement research are out of a maximum of 10.

After a number of years of substantial improvements in member research metrics, incremental increases have started to plateau. In 2022, our member research targets were set at ambitious levels. Whilst we have not achieved some of the member survey targets, we have managed to sustain the gains of previous years with all metrics statistically in line with 2021.

Fully qualified member retention fell just short at 98 per cent, equating to approximately 350 members short of the targeted retention.

In our 2021 report, our financial target was a deficit of (\$15.4m) +/- \$3m. This included an assumption that the Sydney office would be sold at a profit of about \$11m. Rising interest rates caused disruption in the property market in 2022, this meant that the sale was deferred to ensure the full value of the property could be realised in more favourable market conditions. Accordingly, the financial target was revised downwards to (\$26.2m) +/- \$3m and approved by the Board. Targets for 2023 are not shown below due to the new KPIs coming into place with the new strategy. KPIs and targets for 2023 are shown on page 15.

Table 1: Key performance indicators

Goal	Measures	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Target	2022 Actual	Related material issues ¹
Protect, promote and enhance the integrity of the designation	Member retention – fully qualified	97.5%	98.1%	98.3%	98.3%	98.3%	98.0%	M2 M3 M4 M5 M6 M7 M11 M12
	Member satisfaction ²	6.23	6.63	6.89	7.07	7.16–7.24	7.08	M2 M3 M4 M5 M6 M7 M8 M10 M11 M13
Lead the future of the accounting profession	Thought leadership ²	6.29	6.69	7.00	7.15	7.21–7.29	7.13	M2 M3 M5 M6 M7 M9 M13
Provide members with personalised and engaging experiences	Member satisfaction with contact ²	6.28	6.59	6.77	6.91	6.98–7.06	6.88	M1 M6
Provide relevant learning and development content, resources and tools	Value for money CPD ²	N/A	N/A	N/A	6.65	6.81–6.89	6.66	M6 M7 M11
Attract and develop the next generation of CPAs	Number of Associates advancing to CPA status annually	5901	5653	4588	5395	4600	5801	M1 M3 M9 M13
Impact policy globally and be active in community advocacy	Policy and advocacy member rating ²	6.03	6.46	6.80	6.93	6.99–7.07	6.94	M2 M3 M5 M6 M9 M13
Group: financial performance	Sustainable annual financial performance (budget before tax, FX, mark-to-market)	\$5.5m	\$4.4m	\$5.1m	(\$12.4)	(\$26.2m) +/- \$3m ³	(\$31.3m)	M1 M6 M8 M10 M11 M12

¹ Key for material issues shown is in Table 4 on page 24.

² Indicates metrics that are drawn from our annual member engagement survey.

³ Revised 2022 target as approved by the Board.

Financial performance 2022

Table 2: Financial performance

\$'000s	2022 total revenue	2022 total expenses	2022 surplus/deficit before tax	2021 surplus/deficit before tax
Australia	114,119	135,281	(21,162)	(8,581)
New Zealand	3,243	4,299	(1,056)	(200)
Europe	852	1,561	(709)	(90)
ASEAN Group ¹	18,343	22,803	(4,460)	(1,513)
Greater China (including Hong Kong SAR)	27,480	31,701	(4,221)	(1,581)
UAE	88	751	(663)	-
Other overseas	5,760	4,826	934	(416)
All locations	169,885	201,222	(31,337)	(12,381)

¹ ASEAN Group comprises of Singapore, Malaysia, Vietnam and Indonesia. Head office revenue and expenses have been proportionally applied based on the number of members in each location.

Financial results

As foreshadowed in the 2021 Integrated Report, the Group delivered an operating deficit before tax in 2022 of \$31.3m (2021 deficit: \$12.4m) and an overall comprehensive loss of \$33.8m (after tax, defined benefit, FX and unrealised gain on investments) (2021 overall comprehensive loss: \$7.9m).

During 2022, the organisation continued to invest in key initiatives to support the strategy put in place in 2018.

This included the MMF program, progressing members through the CPA Program and tools to enhance career outcomes. In addition, we continued to support our members with access to free and discounted CPD, hardship membership discounts and the continued opportunity to undertake CPA Program exams online. This investment, and the continued impact of COVID-19 are the key drivers for the deficit in 2022.

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

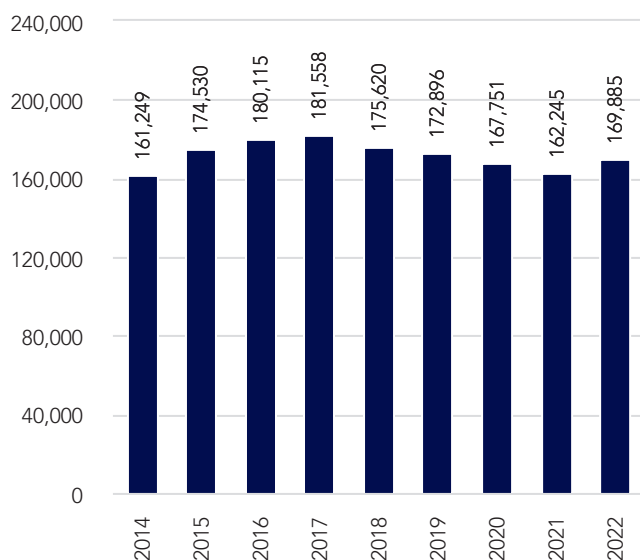
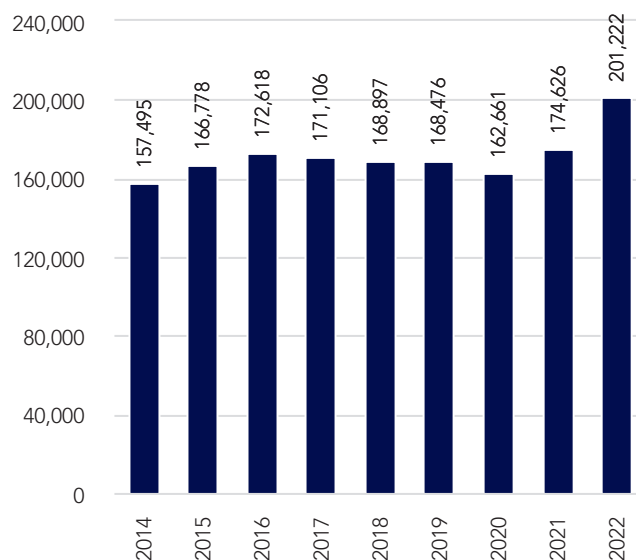


Figure 5: Total expenditure excluding tax (\$'000s)



CPA Australia is a global organisation which is an important part of the overall value proposition for members, with more than 30 per cent of members currently located outside Australia. The organisation provides significant support to members in all regions, particularly where there are large numbers of members residing. Consistent with the description above, CPA Australia made further investment aligned to strategy during 2022, which resulted in higher costs that have been proportionally allocated to each region resulting in deficits across most regions.

Revenue

Overall revenue was higher in 2022 at \$169.9m (2021: \$162.2m). 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 free professional development, online exams and delivery of the MMF program. Public practice revenue increased with growth in public practice members between 2021 and 2022. CPA Virtual Congress produced strong engagement with more than 11,600 attendances.

The Group ended the year with 172,333 members (2021: 170,826) which was driven by membership retention rates consistent with that achieved in 2021 and solid new member numbers. Offsetting some of the revenue was a significant number of hardship discounts provided to members during 2022.

Expenditure

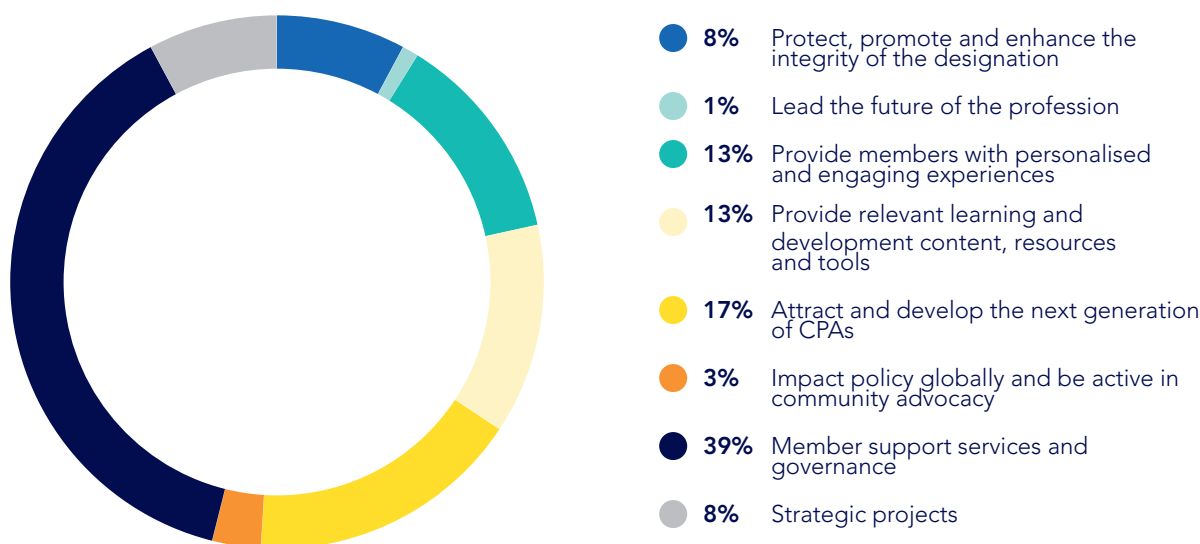
Expenditure before tax was \$201.2m or 15.2 per cent higher than 2021 at \$174.6m. As the organisation began recovering from the impacts of the pandemic, activities started to resume as usual, including engagement events, travel and certificate ceremonies for members.

Employee costs were higher in 2022 at \$88.8m (2021: \$82.0m). This was mainly attributable to an increasingly competitive employee market driving salaries of new recruits up and increasing the need for specialised recruiters.

The investment in the MMF program and website strategic initiatives also resulted in higher professional services and software license expenses compared to 2021.

The increases in costs outlined above were partially offset by lower advertising and promotion expenses.

Figure 6: Expenditure by strategic goals¹



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

2022–27 strategy

As with the previous strategy, the new strategy has been co-designed in close collaboration with members, with their needs as the guiding principle.

Members provided input through all stages of the process, including participating in a series of co-design focus groups and interactive workshops. There was extensive consultation with the Council of Presidents, Divisional Councils, and employees over more than six months as we developed the strategy.

We heard from more than 700 members and more than 400 employees during the 51 co-design sessions held in March and April 2022. We are grateful to the many members and employees who took part and shared their insights.

The strategy incorporates this valuable input and reflects the evolving professional environment in which we operate. 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.

The new strategy builds on the progress we have 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. A more detailed view of how the external environment impacts strategy and value creation is on page 16.

Our strategy is evolving in response to global trends:

- more students are studying finance over accounting
- technology automation of accounting tasks is driving more strategic accounting
- a changing skills economy and lifelong learning needs
- member organisations looking to diversify and grow.

To achieve our strategy we will:

- optimise speed, capacity and cost: using an ecosystem of strategic partners to develop, deliver and manage tailored, leading-edge, interdisciplinary professional development offerings
- continue to develop core accounting content and, where appropriate, recognise skills with CPA Australia micro-credentials
- increase our focus on offerings for major organisations including employers
- focus on policy, advocacy and thought leadership to promote the profession with content aligned to emerging trends
- pursue growth opportunities in a way that promotes the CPA designation and the profession
- sustain a highly engaged and values-led organisational culture whose people have the passion, skills and support to deliver exceptional service and value to members and strategic partners.

Figure 7: 2022–27 strategic goals



2023 KPIs

Following the development of our new strategy, new external KPIs were put in place (Table 3). 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.

Table 3: 2023 KPIs









Strategic goal	Measure	2021 actual	2022 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%	M6 M7 M9 M11 M13
Lead, support and advocate, and support members as the profession evolves	Policy, advocacy and thought leadership member rating	New measure	6.92	6.94–7.00	M2 M3 M5 M6 M9 M13
Connect with our ecosystem of members and strategic partners to promote the designation	Effectiveness in promoting the designation to employers	New measure	7.25	7.27–7.38	M1 M2 M3 M7
Attract new members through unrivalled offerings	ASAs advancing to CPA status annually	5395	5801	4,800–5,000	M1 M3 M9 M13
Group: overarching	All member satisfaction	7.07	7.08	7.10–7.18	M2 M3 M4 M5 M6 M7 M11 M12
	Member retention – fully qualified	98.3%	98.0%	98.3%	M2 M3 M4 M5 M6 M7 M8 M10 M11 M13
Group: financial performance and risk management	Sustainable annual financial performance (budget before tax, FX, Mark to Market)	(\$12.4m)	(\$31.3m)	Break-even +/- \$3m	M1 M6 M8 M10 M11 M12






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 4: 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
<p>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.</p>	Technology	<p>Changes in regulation and compliance requirements globally, and in different jurisdictions, also impact technology requirements for members (intellectual capital, social and relationship capital).</p> <p>Increasing need for continuous investment in systems to meet changing expectations and to counter cyber security risks (manufactured capital).</p>	<p>Significant investment in the MMF program.</p> <p>CPA Australia’s digital finance suite of products provides members with an understanding of the impact of new technologies and how to harness the capability of these mechanisms.</p> <p>CPA Member Connect which enables members to build local and global networks in a closed, private and secure environment.</p>	    
<p>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.</p> <p>Economic uncertainty due to the ongoing effects of the COVID-19 pandemic, a slower pace of growth, rising interest rates and inflation are impacting all markets and segments.</p>	<p>Global</p> <p>Financial</p> <p>Member experience</p> <p>ESG</p>	<p>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).</p> <p>Changes in currency valuations can increase or decrease the cost to operate in overseas markets (financial capital).</p> <p>Negative member experience – inability to adequately deliver quality services that support them in the environment they are operating in (social and relationship capital).</p> <p>Increased competition in key markets (financial capital, social and relationship capital).</p>	<p>CPA Australia must maximise value for current members (in addition to the attraction of new members) to drive sustainability.</p> <p>2022–27 strategy developed in collaboration with members.</p> <p>Board/executive management monitoring of financial performance and trends</p>	  

Risks and opportunities from our external environment	Related enterprise risk ¹	Impact on value creation and capitals	Key responses	Strategic goals impacted ²
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).	CPA Australia must provide innovative and multidisciplinary education offerings to attract students to the accounting profession.	
	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 appropriate education and advocacy.	
Role of the accounting professional. The role of the accounting professional has shifted from compliance focused to a strategist performing various diverse roles.	Education	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 professional 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.	
	Profession			
	Member experience			
	ESG			
Diversification and growth of member organisations. Member organisations are increasingly looking to diversify and grow.	Global	Opportunity to attract professionals from other disciplines without compromising the quality of the designation (social and relationship capital).	Introduction of Experience-Based Pathways. Refresh of the CPA Program.	
	Education			
	ESG			

1 Our external risks relate to our enterprise risks and likelihood and impact are related to those enterprise risk (page 39).

2 For key to 2022 strategic goal icons refer to page 10.

Our business model and UN SDGs

Our business model is on page 20 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.

Our business model is set to deliver value to our 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.

CPA Australia's competitive advantage comes from the integrity and quality of our members, the strength of our 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 172,333 members operate in more than 100 countries and regions 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 and continue to engender trust and deliver a sense of pride as the industry undergoes significant change.

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

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

For details of our longer-term strategic planning process and our 2022–27 strategy please see page 14.

External environment

Increased global conflict is threatening global economic growth. Globalised living, including the speed of travel, enable pandemics that occur today to spread more rapidly than in the past and this continues to impact on businesses and communities. Extreme weather events continue to have an increasing impact across the globe as evidenced by flood events, heatwaves and droughts. Accountants play an important role in helping their communities, clients and organisations deal with the impacts and recovery efforts associated with these events.

Digital and technology

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 (page 58).

United Nations Sustainable Development Goals

In 2015, all 193 Member States of the UN agreed the 2030 Agenda for Sustainable Development, which resulted in 17 SDGs that reflect global sustainable development priorities. CPA Australia considers the SDGs in its business model and our reporting, the goals where we have an impact are shown on page 19.

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 our 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 2022, we released our second Modern Slavery Statement and a Board approved Human Rights Policy as well as guidance around modern slavery for our 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 onsite bottling of water in reusable glass bottles
- installing food waste trackers in our main commercial kitchen to measure and reduce our food waste
- 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 our members:

- provide our 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 Net Zero Emissions Pathway (page 30) and will continue to track and report our emissions over time.

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 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 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

Strategic goals



Protect, promote and enhance the integrity of the designation



Lead the future of the accounting profession



Provide members with personalised and engaging experiences



Provide learning and development, content resources and tools



Attract and develop the next generation of CPAs



Impact policy globally and be active in community advocacy

Supporting platform for achieving the strategic goals



Sustainable annual financial performance

Inputs

Financial capital

- Membership fees = \$68.5m
- CPA Program fees = \$18.6m
- Financial reserves \$69.8m

Human capital

- 172,333 members
- 593 employees (average FTE)

Intellectual capital

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

Manufactured capital

- 20 offices
- IT and digital systems

Natural capital

- Paper for publications
- Carbon through airline and other travel

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 members needs and goals throughout each stage of their journey
- Investing in and developing technology and systems to support members

Outputs

- GHG emissions through our use of electricity, flights and other travel (page 32)
- Waste from our offices and through overprints of program materials and other publications (page 32)
- Recognised brand in the accounting profession and the broader community (page 43)
- Professional standards program (page 44)
- CPA Australia Best Practice Program (page 44)
- Public Practice Program (page 44)
- Personalised and engaging member experience (page 58)
- High-calibre accounting professionals (page 66)
- CPD and publications that deliver valued knowledge (page 66)
- Quality CPA Program (page 72)
- Policy and advocacy work (page 76)
- Strong financial reserves (page 105)

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

Outcomes



Financial capital

Productive financial systems supported by the work of those who hold the CPA designation (external impact over the long-term)

Sustainable organisation (internal impact over the long-term)



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)



Intellectual capital

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



Human capital

Engaged and motivated workforce (internal impact from short to medium-term)



Natural capital

Reduction in natural capital through our publications and emissions (external impact in the short-term)

Enhancement in natural capital through thought leadership, policy and advocacy work (external impact from short to long-term)



Social and relationship capital

Demand and opportunities for those who hold the CPA designation (external impact in the long-term)

Trust in the business community (external impact across the long-term)

Protection of the public interest (external impact from short to long-term)

Societal impact



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS

Strategic initiatives over time¹



Strategic initiatives and their impact on value creation

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

Short-term¹

- 2022–27 strategy (page 14)
- ESG strategy (page 30)
- CPA Australia Best Practice Program (page 44)
- MY FIRM. MY FUTURE. (page 45)
- Updating and enhancing our core systems to enhance member experience (page 58)
- Service transformation (page 59)
- Enhanced website (page 59)
- My Capability Plan (page 66)
- Mentoring program (page 73)

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.



Medium-term¹

- 2022–27 strategy (page 14)
- Net Zero Emissions Pathway (page 30)
- ESG strategy (page 30)
- MY FIRM. MY FUTURE. (page 45)
- SME strategy (page 49)
- Continued investment in digital and technology to support members (page 58)
- Tailored products to support member career outcomes (page 66)
- My Capability Plan (page 66)
- New membership pathways (page 70)
- Evolving the CPA Program (page 72)
- Policy and advocacy for advancing broader corporate reporting (page 78)



Long-term¹

- Net Zero Emissions Pathway (page 30)
- ESG strategy (page 30)
- Continued investment in digital and technology to support members (page 58)
- Tailored products to support member career outcomes (page 66)
- New membership pathways (page 70)
- Evolving the CPA Program (page 72)
- Policy and advocacy for advancing broader corporate reporting (page 78)

Materiality and stakeholders

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

Material issues

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

To inform this report and our operations we 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 a selection of members from across geographies and industries, Board members, our CEO and executive team. Members interviewed were approached due to their knowledge of, and interest in, external reporting. We continue to review these issues each year to ensure they reflect our value creation story and strategy. In 2022, this included consideration of a longer list of potential material issues based on changes in the external environment and matters raised during consultation on our new strategy.

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

- attract the next generation of CPAs has been expanded to include the changing higher education marketplace
- reputation of the designation has been expanded to include member trust and acting in the best interests of the public and members
- attract, retain and develop talent has been expanded to include employee wellbeing.

Three new issues have been added in 2022 as follows: attract, develop and retain talent; financial sustainability and climate action. Issues that were assessed as having lower materiality in 2022 and thus are not included in the report as distinct issues are as follows; geopolitical environment and advocating for the public interest.

In looking at our material issues, consideration is given to the order of priority of the issue, its definition, the horizon over which it will impact value creation, and the level of control CPA Australia has over the issue. This is detailed in the table below in order of priority. Our stakeholders are shown in Figure 8 with the key issues raised by stakeholders shown in Table 6 on pages 26–27.

Table 5: Material issues

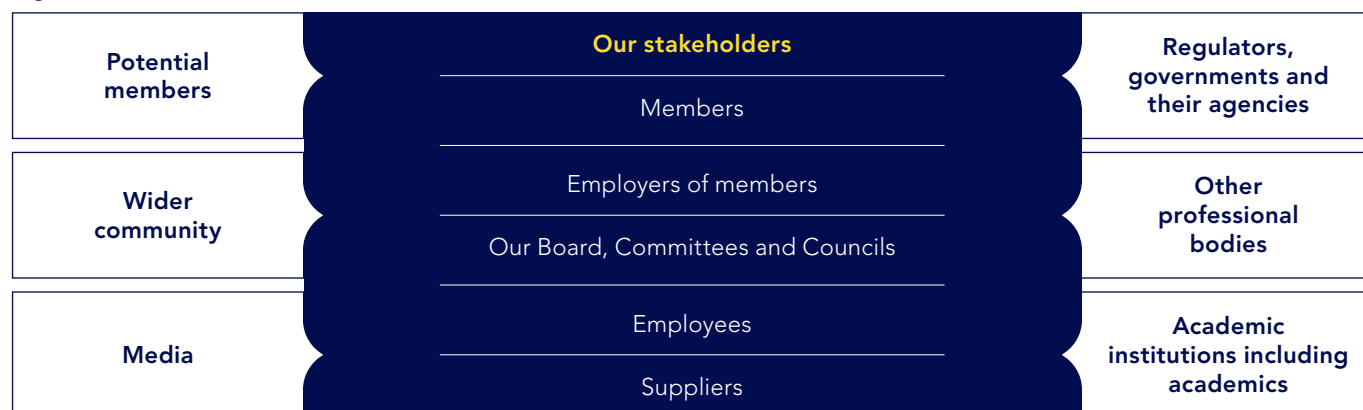
Material issue	Definition	Impact on value creation ¹	Extent of control
M1 Attract and develop the next generation of CPAs	Attracting high-calibre Associates globally through a compelling content offer and experience through a high-quality and relevant CPA Program, ensuring the designation meets the changing 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 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. Ensuring that protection of the public interest is at the heart of what the organisation and members do as part of being trusted professionals.	Medium to long-term	Moderate
M3 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.	Medium to long-term	Moderate
M4 Attract, retain and develop talent	Attracting, retaining and developing talent, investing in employee engagement and leadership, aligned to the values, culture and capability needed to deliver member value, in an external environment of labour and skills shortages. Reflecting the diverse membership in the workforce, supporting them with an inclusive working environment focused on their health and wellbeing.	Short to medium-term	High
M5 Advocacy and thought leadership	Advocating for members and providing thought leadership into the future of the profession.	Short to long-term	Moderate

Material issue	Definition	Impact on value creation ¹	Extent of control
M6 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
M7 Supporting members' careers	Supporting the diverse range of members' careers by catering for the changing roles in accounting, supporting those dealing with the specific challenges of being in public practice, providing necessary 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 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
M9 Digitisation of the profession	The rapid development of new technologies, such as artificial intelligence and automation provides opportunities for the future of the profession. Accountants will be freed up to take on more strategic roles, with these new developments also presenting opportunities to attract the next generation into the profession. There are risks, however, such as the loss of more traditional accounting roles and challenges relating to ethics, data security and privacy.	Short to long-term	Low
M10 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
M11 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
M12 Quality of governance processes	Good governance is at the heart of any sustainable organisation, members expect that CPA Australia's governance processes are sound and represent leading practice.	Medium to long-term	High
M13 Climate action	Acting responsibly to reduce CPA Australia's contribution to climate change through: <ul style="list-style-type: none"> • reducing emissions from energy use, buildings, waste generation, supply chain and travel • educating and encouraging employees to do the same in their day to day lives • influencing suppliers and the broader profession to take similar action if they are not already doing so. 	Medium to long-term	Moderate

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 8: Stakeholders



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

Table 6: Stakeholder concerns

Stakeholder group	Key issues raised	How we engage	Quality of our relationships and how we are responding
Members	<ul style="list-style-type: none"> Value of membership Future outlook for the profession The reputation of the CPA designation Quality of the CPA Program and our CPD offer Acting in members' best interests Protecting the public interest Social responsibility and sustainability 	<ul style="list-style-type: none"> 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 52).
Potential members	<ul style="list-style-type: none"> The reputation of the CPA designation Value of membership 	<ul style="list-style-type: none"> 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 2022.
Employees	<ul style="list-style-type: none"> Investment in capability development Greater empowerment Consistency of behaviours and values Greater collaboration and integration Social responsibility and sustainability 	<ul style="list-style-type: none"> 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 62).
Our Board, Councils and Committees	<ul style="list-style-type: none"> Acting in the best interests of the organisation Acting in members' best interests Protecting the public interest The reputation of the CPA Australia designation Social responsibility and sustainability 	<ul style="list-style-type: none"> Regular meetings that include planning and approval of agendas and feedback for papers Input into key activities of the bodies 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	<ul style="list-style-type: none"> Quality of the CPA Program and our CPD offer 	<ul style="list-style-type: none"> Content partnerships Social media, website, webinars Email, phone Networking and campus events 	We track the quality of our employer relationships through semi-regular brand perception surveys. This survey was not run in 2022.

Stakeholder group	Key issues raised	How we engage	Quality of our relationships and how we are responding
Regulators, governments and their agencies	<ul style="list-style-type: none"> Professional standards of members Protecting the public interest Advocating for and advancing effective solutions for regulatory issues Social responsibility and sustainability 	<ul style="list-style-type: none"> 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 including academics	<ul style="list-style-type: none"> Enrolment rates in accounting degrees Ongoing relevance of the content of accounting degrees to the profession Support from CPA Australia Changing higher education marketplace 	<ul style="list-style-type: none"> University advisory boards Annual meetings with Heads of School Sponsorship of Accounting and Finance Association of Australia and New Zealand (AFAANZ) and research grant funding 	The strength of our relationships with academic institutions is measured through open dialogue and exchange of information. We are often approached by academics with ideas about research, we regularly publish their commissioned research, and we get a number of applications from academics for appointment to our CoEs.
Suppliers	<ul style="list-style-type: none"> Operational issues Timelines for delivery Future products and processes to deliver member value Social responsibility and sustainability 	<ul style="list-style-type: none"> Procurement market engagement processes Operational supply delivery Strategic supplier meetings Trade events Conferences 	A good relationship with suppliers is a vital part of our organisation's success. When partnering with key suppliers, CPA Australia adopts a strategic approach as we are aware that this ensures many short and long-term benefits including the delivery of higher-quality member services and overall value for money.
Wider community	<ul style="list-style-type: none"> Protecting the public interest Professional standards of members Social responsibility and sustainability 	<ul style="list-style-type: none"> 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. Levels of complaints against members remain historically low.
Media	<ul style="list-style-type: none"> Communicating critical tax, financial and business information on COVID-19 economic measures Influencing policy decisions and outcomes by making our positions and views public Leading the future of the accounting profession 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Protecting the public interest Implementing government laws and regulations Professional standards Social responsibility and sustainability 	<ul style="list-style-type: none"> 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 mutually benefit members through recognition of skills and advocacy on matters of importance to the profession (page 77).

Anna Moody FCPA

"I love being able to help organisations make sense of their accounting processes, uncover the meaning behind data, and provide solutions to complex problems."

Anna Moody FCPA
Partner,
Deloitte



Protect, promote and enhance the integrity of the designation

Objectives

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

UN SDGs covered

- 5 Gender equality
- 8 Decent work and economic growth
- 12 Responsible production and consumption
- 13 Climate action
- 15 Life on land
- 16 Peace, justice and strong institutions

Performance

A trustworthy brand ▶ 7.46/10

Board communications ▼ 6.35/10

Public Practitioner satisfaction ▼ 6.96/10

Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

▶ New metric/no change

01

Note: For material issues covered under this goal from our 2018–22 strategy please refer to Figure 3 on page 10.

Environment



We believe there are two main reasons for accountants to be concerned about climate change and climate-related risk:

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

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

Net Zero Emissions Pathway

In October 2021, CPA Australia joined with 13 other professional accounting bodies from around the globe in signing a commitment to achieve net zero greenhouse gas (GHG) emissions within each of our organisations and to encourage and support members to do the same.

The commitment involves setting a roadmap for how we will achieve net zero and reporting against our roadmap. We also committed to supporting members with the tools, resources, policy and advocacy they need to play a role in tackling climate change in their own organisations.

In October 2022, we realised our commitment to A4S to publish our roadmap with the release to members and other stakeholders of our Net Zero Emissions Pathway.

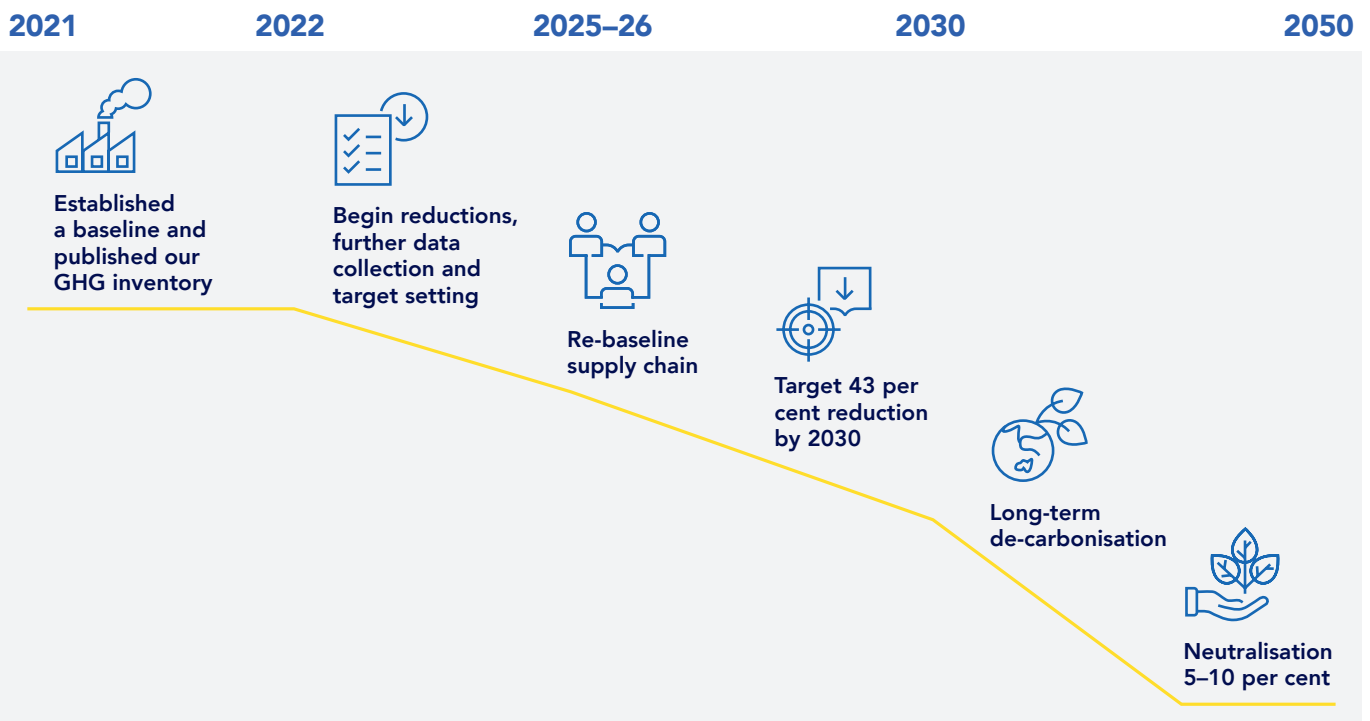
Our Net Zero Emissions Pathway follows the same approach as our ESG strategy and focuses on:

- our day to day activities
- current and future members
- our advocacy and influence.

As part of our approach to Net Zero, we are focusing on reducing actual emissions with limited use of carbon offsets. In 2022, we have offset our flights through purchasing carbon credits. In purchasing these credits we evaluated suppliers based on the strength of their audit trails and evidence from their projects, rather than on a pure cost basis.

Net Zero

Emissions Pathway



Supporting members, advocacy and influence

As part of our commitment to support members with tools and resources to play a role in tackling climate change, we continued to make submissions to governments related to climate change and released reports, factsheets, events and webinars including:

- an exploration of ESG awareness and implementation in India
- as part of WCOA, and in conjunction with ICAI we released an ESG Reporting White Paper–2022
- in Hong Kong SAR, Malaysia and Singapore, forming ESG member committees to address the UN SDGs
- New Zealand Integrated Reporting Awards
- publication of our ESG strategy and Net Zero Emissions Pathway.

Our operations

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

- installing food waste trackers in our main commercial kitchen to measure and reduce our food waste
- reducing our reliance on printed materials by increasing use of digital channels
- reduction of plastic use and transportation of disposable bottles through onsite bottling of water in reusable glass bottles
- offering an edible coffee cup option
- providing a higher number of plant forward food options.

Taskforce for Climate Related Financial Disclosures (TCFD)

In 2022, we ran a TCFD risks and opportunities workshop. During the workshop, participants identified climate-related strategic risks and opportunities to CPA Australia's key critical functions by first thinking about the impacts the proposed climate scenarios may have on the accounting profession and CPA Australia's members. 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
- day to day operations
- investment portfolio.

In 2023, we will further prioritise these risks and opportunities, assign owners and monitor and report on them through business-unit level risk registers.

GHG emissions

In 2021, we began the work to set the boundaries for future emission reduction targets via measuring emissions data based on 2020 activity. We have continued that work into 2022 and our GHG emissions are shown in Table 7.

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 2022, we deepened the analysis of our supply chain through a third party by undertaking:

- a sustainability procurement capability assessment
- a risk, opportunity and impact review
- developing a carbon risk framework.

In 2023, we will continue this work by validating work done in 2022 and setting up an action plan to address emissions in our supply chain.

Our expectations are that our emissions will fluctuate in the near-future which has been the case in 2022. Some emissions have increased with the lowering of COVID-19 restrictions (i.e. travel), and others have decreased where offices have remained in highly restricted environments.

Overall our emissions increased by a small amount to 14,958 in 2022 (2021: 14,933), this has been despite the opening of a new office in Abu Dhabi.

GRI



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

Environment

Table 7: GHG emissions¹

Scope	Source	Amount	Unit	CPA Australia emissions tCO ₂ -e
S2 and S3	Purchased electricity	1,089,880	kWh	871
S3	Purchased goods and services (actual)			263
S3	Purchased goods and services (I-O) ²	\$92,229,705	\$ AUD	12,907
S3	Office consumables and waste			27
S3	<i>Paper</i>	1998	kg	20
S3	<i>Waste sent to landfill</i>	15,144	kg	5
S3	<i>Water consumption</i>	4096	kL	2
S3	Business travel			348
S3	<i>Business travel – flights</i>	2,320,098	km	279
S3	<i>Business travel – rental cars, taxi/ride-sharing</i>	n/a – different units		4
S3	<i>Business travel – accommodation</i>	1517	nights	65
S3	Employee commuting	4,121,283	km	542
Total – quantified				2051
Total – including (I-O)				14,958

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. This is not updated yearly and will be re-benchmarked in 2025/26.

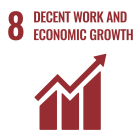
Value created

- 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 our flights and reducing our use of single-use plastics

Moving forward

- Continued education, policy and advocacy
- Further progressing our pathway to Net Zero emissions
- Further incorporation of TCFD recommendations
- Validation and action plan for our supply chain
- Increased and regular reporting on progress against our commitments to the ARCC

Social



Supporting members

The accounting and finance profession and the broader society are facing a series of global economic and geopolitical challenges, with pressure on energy supplies and labour shortages contributing to supply chain constraints, causing inflation and rising interest rates. In addition, severe flooding in New South Wales and Queensland and a surge in COVID-19 infections impacted communities and businesses alike.

Some jurisdictions saw an easing of controls, however many areas continued to see lockdowns and restrictions. We continued to offer practical tools and tips for members to deal with the various regulations and restrictions introduced by governments around the world.

Activities included:

- continuing to provide information and resources to help navigate the shifting business landscape, including Disaster Recovery tools and resources and the COVID-19 support hub
- teaming up with the Australian Government's Department of Agriculture, Fisheries and Forestry to set up a drought awareness program for rural communities
- through the Australian Scholarships Foundation we also offered five 100 per cent scholarships to the CPA Program. This scholarship enables managers and financial officers of registered charitable organisations to enhance their knowledge and skills to further contribute to the management and accountability of charitable not-for-profit (NFP) organisations.

Good Causes, Great Leaders

In April, we ran a virtual NFP conference designed to equip members with the knowledge and technical know-how to support their NFP mission, with more than 840 attendees including just over 700 members. Attendees could network with peers, view content and choose which sessions were most relevant for them.

Supporting community

We encourage our people to give back to their communities and all employees have access to two days paid volunteering leave. We supported Victorians facing food scarcity through the packing of just under 73,000 meals with Foodbank Victoria. Additional activities included participation in a food drive for the Asylum Seeker Resource Centre and participation in the RSPCA Australia corporate volunteering program.

In Hong Kong SAR, where there was a resurgence of the pandemic, vulnerable community members came under pressure from its impacts. In response to this, our Greater China Divisional Council, Past Presidents and Committee members in Hong Kong SAR came together to make a donation of more than half a million Hong Kong dollars (HKD) to the charity group Food Angel. This enabled the preparation of more than 42,000 packs of warm meals and more than 2000 packets of rapid antigen tests to elderly and low-income families.

The seventh CPA Australia Virtual Charity Run was held in Hong Kong SAR. A total of HKD100,000 raised from the run was donated to the Hong Kong Cancer Fund to help them improve their facilities and services to families in need. This year, the run attracted more than 350 members and accounting professionals to join.

Support of Indigenous people

With the successful completion of CPA Australia's Reflect RAP in 2021, we released our Reconciliation Australia endorsed Innovate RAP in February 2022, which outlines actions for achieving an organisation's vision for reconciliation. An Innovate RAP focuses on developing and strengthening relationships with Aboriginal and Torres Strait Islander peoples, engaging employees and stakeholders in reconciliation, and developing and piloting innovative strategies to empower Aboriginal and Torres Strait Islander peoples.

Key actions in 2022 included:

- creation of an Indigenous Advisory Group made up of First Nations members, ensuring the voice of our Indigenous members is front and centre, to support and guide us during this RAP
- 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
- 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 education for our Board, and over 70 members who are our Australian Divisional Council representatives
- delivery of a joint employee and member awareness event celebrating Reconciliation Week.

In 2022, we also awarded one Pacific scholarship and three Indigenous scholarships in the Oceania region.

Social

Wellbeing, inclusion and diversity

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 help us meet these goals the strategic framework incorporates four key focus areas.

- fostering wellbeing, through supporting our peoples' health and wellbeing, promoting greater engagement, inclusion, and the ability for our people to thrive
- leading with inclusion, through a culture where people feel safe, respected, included, and valued. A positive and productive workplace where people feel they belong and are supported to succeed in their work and life goals
- empowering a diverse workforce, by leveraging our vast range of identities, experiences, knowledge, and perspectives, to deliver innovative outcomes and quality experiences for our members, the profession, and our people
- community and advocacy, leading the profession in equity, and partnering with members to enhance the profession and our communities.

To support this, in 2022 we:

- commenced the transformation of our employee networks to be inclusive of our members and the community
- prioritised the wellbeing of our people through specific programs on mental health and adapting to flexible ways of working
- continued to celebrate and recognise days of significance with our people.

Modern slavery and human rights

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

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

In 2022, we released our second Modern Slavery Statement and continued to deliver on our modern slavery roadmap, including:

- development of the CPA Australia Supplier Code of Conduct
- engaging with the Australian Government's three-year review of the Act
- delivery of a member webinar to discuss dealing with modern slavery considerations in Australia and offshore as well as an employee webinar to recognise the International Day for the Abolition of Slavery.

We released a Board endorsed Human Rights Policy that sets out our commitment to respecting and protecting internationally recognised human rights of all members, employees and suppliers. The policy aligns with the UN Guiding Principles on Business and Human Rights and applies across all areas of our business, operations and activities.

Small business support

Information provided by us to the Payment Times Report Regulator, demonstrates our commitment to supporting small businesses. For the period 1 January–30 June 2022, 85 per cent of invoices by number received from small business suppliers were paid within 30 days. This represented 80 per cent of small business procurement by value for the period. Our next report is due in early 2023.

Value created

Increasing social and relationship capital through:

- support for members through tools and resources to help them and their communities
- support for our people through our wellbeing, inclusion and diversity framework
- support for the broader community through volunteering and community based initiatives.

Increase in intellectual capital through education of our members and employees on modern slavery issues.

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

Moving forward

- Continuing to engage with divisional members and their communities to investigate and develop programs that support and promote reconciliation
- Embedding and maturing our wellbeing, inclusion, and diversity initiatives
- Publishing our next Modern Slavery Statement

Governance

Board focus in 2022

The Board, together with its committees met regularly throughout 2022 and considered a wide range of issues across all areas of the business, including:

- long-term strategic planning including oversight and approval of the 2022–27 strategy
- approval of increased investment in the MMF program
- climate change risk and approval of the ESG strategy and Net Zero Emissions Pathway
- refresh of CPA Australia’s Constitution
- oversight of financial performance of the organisation to ensure long-term sustainability
- ensuring compliance with government, regulators and industry standard setters
- supporting WCOA
- review and sign-off of CPA Australia’s 2021 Integrated Report and financial statements
- approval of contracts with external partners and suppliers
- oversight of engagement with Divisional Councils, including Board outreach, development of member engagement plans and Council elections
- approval of appointments to IFAC, CoEs, Advisory and Compliance committees
- development and publication of CPA Australia’s second Modern Slavery Statement and Human Rights Policy
- ongoing member outreach.

Refreshed Constitution

One of the items of business at the 2022 AGM was a special resolution to refresh CPA Australia’s Constitution. The refresh created a simpler version of the Constitution with clear, contemporary language that is easier to understand and aligns with recent changes to the *Corporations Act*.

Members showed overwhelming support for the resolution with 80.2 per cent of voting members voting in favour of the resolution. For a special resolution to pass, 75 per cent of voting members must vote in favour.

Developing the next strategy

Throughout the year the Board was involved in developing, reviewing and approving the 2022–27 strategy for CPA Australia. This included encouraging members to be part of the process and to have their say in helping to shape the future direction of CPA Australia and the profession. The strategy was released to members on 6 October 2022.

Life memberships and recognising the contribution of Peter Wilson AM FCPA

The Board was pleased to award CPA Australia Life Membership to Peter Wilson AM FCPA for his significant contribution to the organisation. Peter has been a CPA Australia member since 1975 and an FCPA since 2012. He served as a Director from October 2017 until December 2021, including as President and Chairman for three years. Peter provided strong leadership at a critical time to strengthen governance, protect the reputation of the designation and transform the organisation into one that prioritises members.

On 19 May, John Gill FCPA received New Zealand’s first CPA Australia Life Membership. The award was given in recognition of John’s significant contribution to CPA Australia over a long period of time. John was awarded Life Membership in October 2021, but wasn’t formally presented with the recognition until 2022.

Director skills

The Appointments Council is responsible for appointing Directors to CPA Australia’s Board and is made up of one representative from each of the organisation’s 13 Divisional Councils. Divisional Councillors are elected by the members in each respective division. 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.

In 2022, the Appointments Council appointed two new Directors to the CPA Australia Board and reappointed two Directors. Louise Cox FCPA, Bernard Poon FCPA and Bryan Chung FCPA were each appointed for a three-year term from 1 October 2022. Anthony Wright has been appointed to fill a casual vacancy for a non-member Director for one year.

In September, the Board elected its office bearers effective from 1 October 2022, with Merran Kelsall AO FCPA re-elected as President and Chair and Professor Dale Pinto FCPA and Warren McRae FCPA elected as Deputy Presidents. Director Michaela Browning resigned from the Board on 30 April 2022. These appointments bring the number of Directors on the Board to 10, the maximum permitted by the CPA Australia Constitution.

The Board remains focused on positioning CPA Australia as a leading professional body that supports members in advancing their career goals.

Governance

Table 8: Summary of Board skills mix (number of Directors with skills and experience) as at 31 December 2022

Experience matrix	Full Board	Audit, Risk and Compliance	Education, Policy and Innovation	Member Engagement and Culture	Nomination¹
Location					
Metro Australia	7	3	3	3	2
Regional Australia	5	2	2	3	2
International	9	3	4	4	2
Sector					
Academia	5	1	3	3	2
Public practice	5	3	2	3	1
Government	6	2	3	4	2
Large firm	7	3	3	4	1
Large listed	5	2	3	3	0
Not-for-profit	9	4	4	5	2
Industry					
Financial services	6	1	4	3	1
Consumer	6	2	3	1	2
Industrial	3	1	1	1	1
Services	8	2	3	4	2
Telecommunications/technology	5	2	3	1	2
Executive/non-executive					
Current executive	9	3	4	4	2
Practising accountant	5	2	2	4	1
Non-executive Director	10	4	4	5	2
Board Chair	6	3	3	3	2
Committee Chair	9	4	4	5	2
General experience					
Financial/commercial acumen	10	4	4	5	2
Leadership	10	4	4	5	2
Public relations/media	4	1	2	1	2
Marketing/communications	4	1	2	1	2
Human resources	9	4	4	5	2
Legal/regulatory	9	3	4	4	2
Organisational management	9	4	4	5	2
Business development	10	4	4	5	2
Project management	9	4	4	5	2
Change management	8	3	4	4	2
Risk management	9	4	4	5	2
Stakeholder management	9	3	4	4	2
Policy development	6	2	4	3	2
Advocacy	7	2	3	4	2
Member-based organisation governance	9	4	4	5	2
Government relations	6	2	4	3	2
Corporate governance	10	4	4	5	2
Sustainability/Integrated Reporting	7	2	4	3	2
Climate related financial disclosures	3	1	3	1	1

¹ The Nomination Committee is comprised of two Board Directors, two members of the Appointments Council (appointed by the Appointments Council) and two independent non-members. This table reflects the profile of the Board Directors only.

Supporting Divisional Councils

CPA Australia's global network comprises 13 divisions, one in each Australian state and territory as well as Europe, Greater China, Malaysia, New Zealand and Singapore. Each division has a Divisional Council, elected 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.

Elections for Divisional Council ran in seven of CPA Australia's 13 Divisions: Australian Capital Territory, New South Wales, New Zealand, Queensland, South Australia, 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 2022, a total of 74 members nominated for 53 vacancies. A total of 97,607 members were eligible to vote across the seven divisions that conducted a poll. Elected councillors commenced their terms on 1 January. Each Divisional Council elects a President and one or two Deputy Presidents. The Presidents of the respective Divisional Councils come together to form the Council of Presidents, which is responsible for providing advice to the Board on strategic issues and opportunities with an emphasis on sharing the views and preferences of the members. The Council of Presidents also assists with communicating the views and decisions of the Board to members.

Climate governance

The Board also approved CPA Australia's ESG strategy and Net Zero Emissions Pathway. ESG is a major focus for CPA Australia and the strategy sets out the actions we are taking to incorporate ESG considerations into our operations. The Net Zero Emissions Pathway details the steps we will take to achieve Net Zero emissions by 2050, or sooner, and how we will assist members, employees and other stakeholders improve sustainability and reduce emissions (page 30).

The Board will continue to monitor our progress to Net Zero and recognises that climate and climate related risks will continue to impact how organisations operate.

Connecting with members and stakeholders

Board communications ▼ 6.35/10

(2021: 6.38/10, 2020: 6.49/10, 2019: 6.34/10, 2018: 5.92/10)

The Board continued its outreach program in 2022 with Directors taking the opportunity to attend Divisional Council meetings during the year. Directors also actively participated in a variety of webinars, conferences and divisional events throughout the year.

World Congress of Accountants

WCOA was a great opportunity to join the world's leading accounting and finance experts and strengthen relationships with global professional accounting bodies, with the Board Chair and our CEO attending.

Our Chair, Merran Kelsall AO FCPA, also had the honour of addressing the plenary session about the importance of trust in the accountancy profession.

Board remuneration

Remuneration to the Board in 2022 was within the pooled amount set out in the Constitution. Detailed disclosure of remuneration paid to all Directors and key management personnel in 2022 is reported on pages 128–132.

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.

Governance

Value created

Increasing human, intellectual and social and relationship capital through:

- maintaining a strong governance framework, demonstrating a commitment to meeting the organisation's obligations and best practice
- members voting for a refreshed constitution
- overseeing the strategic direction of the organisation over the short, medium and long-term including reviewing and approving the 2022–27 strategy
- 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 governance duties
- Oversight of the MMF program, a major investment in our core operating systems that will improve the way we deliver services to members and provide additional safeguards for protecting member data
- The Voice of the Customer program that will combine feedback and operational data at key moments in the membership lifecycle to identify opportunities to transform the member experience
- Developing alternative membership pathways to attract new members from across accounting and adjacent disciplines
- Update the current Public Practice strategy to align with the organisational strategy
- Oversight of the ESG strategy and Net Zero Emissions Pathway



Cyrus Cheung FCPA

Partner, ESG Services, PwC,
Mainland China and Hong Kong

Cyrus started his career at PwC starting in assurance, before shifting to ESG where he now spends the majority of his time. Cyrus states the importance of ESG issues, "as an individual it's important to help inform changes that make an impact".

Reflecting on CPA Australia's commitment to Net Zero, Cyrus notes that "we are focused on education and building knowledge, so members can bring this into their organisations and create more impact. We can empower members to drive this change".

Cyrus foresees that the key challenges when it comes to ESG targets is that technology is not necessarily ready to support operations and there is not enough resources to meet the market need to support companies. Another challenge Cyrus sees is the lack of a consistent approach to setting and meeting targets. "A lot of companies are still not fully aware of the importance of these goals because some industries are not specifically impacted. On the other hand, some countries are still yet to set climate goals."

Thinking about his professional future and the role CPA Australia will play in it, Cyrus anticipates that climate change and ESG will still be his primary focus. "I see this becoming a norm and I don't foresee us going backward in this space. I will look to CPA Australia for technical knowledge and support because Net Zero, ESG regulations and requirements are always changing. CPA Australia can share the international perspective."

Risks 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 2022, CPA Australia has continued to further enhance and consolidate its risk management framework and practices including:

- re-alignment of enterprise risks to the 2022–27 strategy
- update of the Risk Management Framework ensuring increased alignment to operations and practices
- governance risk and compliance system go live and development of risk taxonomy library
- introduction of risk champions to promote risk management and accountability at a business unit level.

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

- management and internal controls
- risk management and compliance monitoring and reporting
- internal audit.

CPA Australia's internal auditors are RSM Australia. A three-year internal audit plan is reviewed annually and is approved by the Audit, Risk and Compliance Committee (ARCC). The internal auditor reports to the committee at each of its meetings. Internal audit has access to the ARCC at any time. Key focus areas for internal audit in 2022 were framed around a new strategy. This allowed an increased focus on integrity and compliance reviews for the year, to free up capacity in the forward agenda to focus on strategic priorities, aligned to the new strategy. This included:

- reviewing the implementation of a new compliance and regulatory management system across CPA Australia
- reviewing foundational integrity and compliance obligations in relation to Fraud and Corruption Controls, Privacy Compliance and the Tax Compliance Framework
- review of the MMF program and a website project mid-implementation review
- IT operational audits, including managing third party risks and IT strategy and project management controls.

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





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

Risks shown on the following page represent the key specific responses to each individual risk. 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 16–17.


Risks and risk management

Table 9: Risks and opportunities

Risks and opportunities	Timeframe ¹	Key responses	Likelihood	Impact	Material issues ²
<p>Technology</p> <p>Includes the following risk (opportunity) event(s) that may impact the achievement of technology resilience:</p> <ul style="list-style-type: none"> cyber incident(s)/data integrity intrusion emerging technologies (e.g. Blockchain, artificial intelligence) successful delivery and execution of digital and technology strategy. 	Short to long-term	<p>Physical access and security controls operating at all office locations.</p> <p>Daily monitoring of external cyber attacks and network penetration attempts.</p> <p>Network penetration testing.</p> <p>Annually tested disaster recovery procedure.</p> <p>User access controls.</p> <p>IT system back ups.</p> <p>Regular employee training and testing.</p> <p>IT change management process and related controls.</p> <p>Dedicated IT security team.</p>	Likely	Major	
<p>Global</p> <p>Includes the following risk (opportunity) event(s) that may impact the achievement of customer/member resilience and brand/value/reputational resilience:</p> <ul style="list-style-type: none"> changes in global dynamics, uncertainty, and potential barriers to entry in international markets. <p>Direct and indirect competition in key markets in which CPA Australia operates.</p>	Short to long-term	<p>Cyclical strategic planning including monitoring the competitive landscape.</p> <p>Annual business planning.</p> <p>Board/executive management monitoring of financial performance and trends.</p> <p>Engagement of external advisors as required.</p> <p>Business continuity management policy and plan.</p>	Possible	Major	
<p>People</p> <p>Includes the following risk (opportunity) event(s) that may impact the achievement of workforce and culture resilience:</p> <ul style="list-style-type: none"> 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	<p>Board-approved remuneration policy.</p> <p>Recruitment policy and procedures.</p> <p>Formal employee performance monitoring, development and training.</p> <p>Annual employee culture survey.</p> <p>Workplace, health and safety policy and inspections.</p> <p>Wellbeing, inclusion and diversity framework.</p>	Possible	Major	

Risks and opportunities	Timeframe ¹	Key responses	Likelihood	Impact	Material issues ²
<p>Education</p> <p>Includes the following risk (opportunity) event(s) that may impact the achievement of customer/market resilience and brand/value/reputational resilience:</p> <ul style="list-style-type: none"> design and delivery of contemporary education and professional development products and services that attract new members from related fields and empower members to adapt to new technologies and to develop interdisciplinary skills. 	Short to long-term	<p>Benchmarking of the competitive landscape and our offer.</p> <p>Review of CPA Program content by specialist advisory panels.</p> <p>Maintenance of CPA Program integrity.</p> <p>Education governance framework.</p> <p>Consultation and engagement with stakeholders to understand the market and member needs.</p>	Possible	Major	
<p>Profession</p> <p>Includes the following risk (opportunity) event(s) that may impact the achievement of profession resilience:</p> <ul style="list-style-type: none"> changes in the accounting profession. 	Short to long-term	<p>Cyclical strategic planning and annual business planning.</p> <p>Board/executive monitoring of performance and trends.</p> <p>Consultation and engagement with key stakeholders to understand the market and member needs.</p>	Unlikely	Severe	
<p>Financial</p> <p>Includes the following risk (opportunity) event(s) that may impact the achievement of financial resilience:</p> <ul style="list-style-type: none"> changes in macro-economic environment net profit/capital insufficient to ensure operating efficiency and ongoing financial sustainability sufficient investment in infrastructure and resources (e.g. people and IT) successful delivery and execution of CPA Australia's strategic projects optimisation of returns on investment. 	Short to medium-term	<p>Board/executive monitoring of performance and trends.</p> <p>Engagement of external advisors as required.</p> <p>Business continuity management policy and plan.</p> <p>Policies and procedures (i.e. Code of Conduct, Whistleblower Policy, Fraud and Corruption Policy, Financial Delegations Policy).</p> <p>Outsourced internal audit program.</p> <p>Investment policy.</p>	Possible	Moderate	
<p>Member experience</p> <p>Includes the following risk (opportunity) event(s) that may impact the achievement of brand/value/reputational resilience:</p> <ul style="list-style-type: none"> attraction, retention, and development of members providing and/or enhancing value and experience of our members building awareness, integrity, transparency, and trust. 	Short to medium-term	<p>Annual member engagement survey.</p> <p>Voice of the customer program.</p> <p>Investment in technology to provide member services.</p> <p>Performance monitoring.</p> <p>Complaints handling policy.</p> <p>Board/executive monitoring of complaints and trends.</p> <p>Board outreach program.</p>	Possible	Moderate	

Risks and risk management

Risks and opportunities	Timeframe ¹	Key responses	Likelihood	Impact	Material issues ²
ESG Includes the following risk (opportunity) event(s) that may impact the achievement of brand/value/reputational resilience: <ul style="list-style-type: none"> successful delivery and execution of CPA Australia's ESG strategy. 	Short to medium-term	Environmental sustainability policy and practices. ESG strategy. Phased adoption of TCFD recommendations. Net Zero Emissions Pathway. Supplier due diligence. Education of members around broader sustainability and reporting topics. Modern Slavery Statement and Human Rights Policy.	Unlikely	Moderate	

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 material issues is in Table 5 on page 24.

Risk impact

Risk impact is rated as follows in order of increasing severity:

- insignificant (negligible/lowest impact)
- minor
- moderate
- major
- 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.

Moving forward

- Develop a business-unit level risk register
- Business continuity planning review and update
- Operationalise the Incident Management and Response Planning Framework
- Develop a Fraud Control Plan and complete organisation wide Fraud Risk Assessment
- Implement organisation wide Conflict of Interest Policy and Conflict of Interest procedures

Value created

Protecting financial and social and relationship capital through:

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

Reputation and promotion of the brand

A trustworthy brand ▶ 7.46/10

(2021: 7.46/10, 2020: 7.27/10, 2019: 6.88/10, 2018: 6.34/10)

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
- engaging with students and educational institution
- using various communication and social media channels to connect with our stakeholders.

We continue to evolve our brand strategy to position the designation for the benefit of members and the public interest.

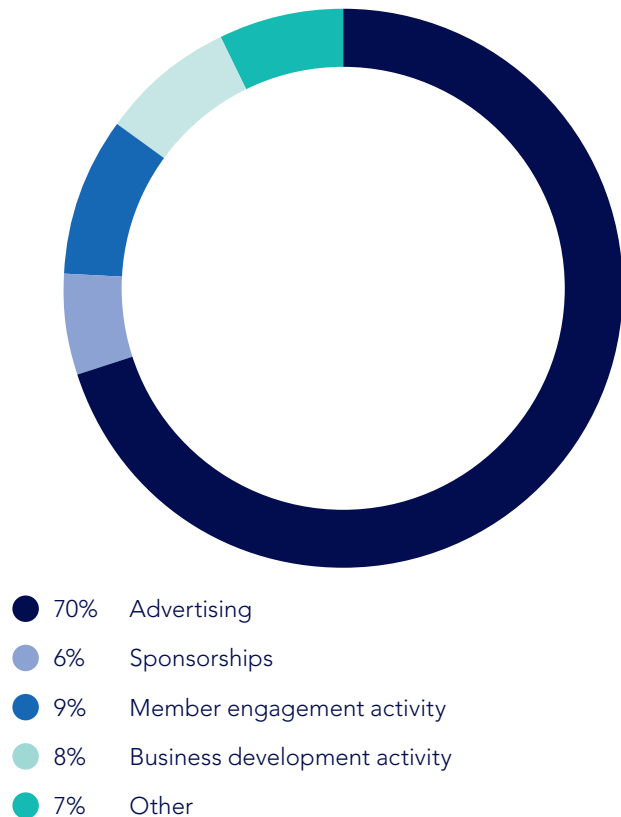
Employer brand award

CPA Australia won the gold award for Best Employer Brand at the 2022 Transform Awards ANZ. These awards honour best practice in corporate, product and global brand strategy and design. The award recognised the way CPA Australia and Principals, CPA Australia's brand agency, developed and embedded organisational values through a collaborative process which involved 40 per cent of CPA Australia employees actively participating in workshops, focus groups and generating ideas.

Marketing investment

CPA Australia's marketing investment for 2022 was \$4.7m (refer Note 5C on page 113). Our investment in marketing (Figure 9) includes activities to create awareness of our members, as well as the organisation and its services with both existing members and new audiences.

Figure 9: Advertising and promotion expense



Value created

Increasing intellectual and social and relationship capital through:

- launching on Instagram and Tik Tok as well as increasing our podcasting channels
- launching our new brand look
- demand and opportunities for those who hold the CPA designation.

Moving forward

- Aligning our marketing and communication strategy to our organisational strategy
- Develop a pilot member ambassador program utilising the skills of our divisional councillors and volunteer members

Public interest and professional standards



Public practitioner satisfaction ▼ 6.96/10
(2021: 6.98/10, 2020: 6.73/10, 2019: 6.31/10, 2018: 5.85/10)

Unique members accessing public practitioner tools and resources ▲ 33%
(2021: 26%, 2020: 17%, 2019: N/A, 2018: N/A)

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

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

Public Practice Virtual Conference

This one-day event was designed to help public practitioners take on the future with confidence. Supported by our research and member consultations, the program offered thought-provoking and practical outcomes which align to members' needs. There was a combination of live and pre-recorded keynotes and panels, with all sessions available to view on demand.

The conference complements existing face-to-face events across Australia and opened up accessibility for practitioners in Australia, New Zealand and international markets.

The CPA Australia Best Practice Program

A full review of the existing Quality Review program commenced in 2019, which highlighted potential areas for improvement, and the need to reshape the program entirely for it to have a significant impact for members. This included changing the name from a Quality Review program, to the CPA Australia Best Practice Program, which was launched in January 2022 with 256 Public Practice Certificate holders from 188 firms across Australia and New Zealand assessed in the first year.

The three main areas of focus in developing the program have been:

- **fit for purpose**, move away from mere compliance and towards education and support to address problems before they occur
- **risk-based approach**, use an evidence based approach through data obtained from member profiles, research, complaints and insurance data
- **member focused**, supporting members in building sustainable practices, while increasing professional standards and consumer protection.

We have developed a customised online portal for members and assessors, a new self-assessment tool to help our members understand their business strengths and weaknesses, and an updated methodology focused on educating our members on their professional and ethical standards.

Public Practice forums and conferences

To support practitioner members we ran tailored forums and conferences in South Australia, Western Australia and Victoria.

These conferences and forums are designed to deliver a cross-section of content to benefit members including a comprehensive tax update, practice technology tools, conversations around debt collection and insolvency trends, performance and productivity, and key public practice updates.

Professional conduct

Membership of CPA Australia means committing to the obligations spelt out in CPA Australia's Constitution and By-Laws, APES 110 Code of Ethics for Professional Accountants and applicable regulations. To ensure all members uphold these standards, CPA Australia has a formal process that enables complaints about its members to be heard, evaluated and, where appropriate, disciplinary action taken. Investigations and disciplinary processes are guided by the principles of procedural fairness, confidentiality, independence and the right to appeal.

CPA Australia has undertaken to act in the public interest and has an obligation to ensure that complaints about members are investigated thoroughly in an impartial, timely manner; striving to preserve the rights of members while acknowledging the public interest concern of complainants. Details of complaints received and the outcomes of those complaints are detailed on our website.

Tax Time campaign

CPA Australia provided comprehensive tax time coverage in Australia to coincide with the end of the financial year. The Tax Time campaign provides members with the information and resources they need to support businesses and clients, while educating the public about tax considerations and the value of seeing a registered tax agent. The campaign featured our Tax Tips 2022 Guide, Tax Time webinars and feature articles in INTHEBLACK and CPA Tax News.

We also received widespread media coverage in Australia for our "Yeah, nah: Six things you can't claim this tax time" in a range of print, television and radio outlets, including on Channel 7's Weekend Sunrise program.

MY FIRM. MY FUTURE.

CPA Australia continues to invest in the development of resources for members under the MY FIRM. MY FUTURE. framework. There are now more than 70 complimentary eLearning modules available for members focused on supporting them in their role as business owner and/or business adviser to their small business clients, with further modules being developed for release in 2023.

In 2022, complimentary MY FIRM. MY FUTURE. virtual workshops were held to support members in preparing for the future and building a sustainable practice. A new complimentary virtual masterclass workshop series was also launched, focused on helping members develop strategies to grow their business.

Value created

Increasing social and relationship capital through:

- supporting members providing taxation services through an integrated Tax Time campaign
- providing opportunities for members to connect and develop their professional skills through the Public Practice Virtual Conference and in-person events
- protection of the public interest.

Moving forward

- Further opportunities for members to connect and develop professional skills through Public Practice events
- Continued support for members providing taxation services through an integrated tax campaign
- Using insights from CPA Australia Best Practice Program assessments and peer consultations to inform the provision of tools and resources to support our members in public practice
- Continued investment in the MY FIRM. MY FUTURE. resources, with new eLearning to be released and a new virtual masterclass workshop series focused on people and culture, to support members attract, engage and retain their employees

Luka Pilipovic CPA

“My advice to school leavers is a career in accounting will be exciting and challenging. Our work can have an immensely positive impact on business performance and people’s lives.”

Luka Pilipovic CPA
Senior Manager,
Shaw Gidley Insolvency Reconstruction



Lead the future of the accounting profession

Objectives

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

UN SDGs covered

- 17 Partnerships for the goals

Performance

Thought leadership ▼ 7.13/10

Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

▶ New metric/no change

02

Note: For material issues covered under this goal from our 2018–2022 strategy please refer to Figure 3 on page 10.

Lead the future of the accounting profession

Thought leadership ▼ 7.13/10

(2021: 7.15/10, 2020: 7.00/10, 2019: 6.69/10, 2018: 6.29/10)

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

World Congress of Accountants

CPA Australia was proud to be the sole professional accounting organisation platinum sponsor of the 21st WCOA held in November in Mumbai, India. This year's WCOA was hosted by the ICAI in conjunction with the IFAC. More than 6000 delegates attended in person and 3000 tuned in online. With attendees from 123 countries, 2022 was the highest attended WCOA conference in the history of the event.

'Building Trust, Enabling Sustainability' was the conference theme and the topics revolved around the role of accountants in driving sustainable economies for the future.

Our Chair, Merran Kelsall, addressed the plenary session about the importance of trust in the accountancy profession, while CEO Andrew Hunter spoke at a concurrent session on Professional and Investment Opportunities in Australasia and ASEAN.

Cyber security information hub

A growing reliance on technology means that cyber security is becoming increasingly important. In recognition of this, we launched a new cyber security information hub on the website. The hub houses a range of resources and support to assist accounting and finance professionals take advantage of digital innovation and create a cybersafe environment for their business.

17 PARTNERSHIPS FOR THE GOALS



Partnering with the profession

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

In 2022, we announced a number of collaborations, recognition and pathway agreements with the following professional organisations:

- extending the mutual recognition agreement with the Chartered Institute of Public Finance and Accountancy
- a new five-year Member Pathway Agreement (MPA) with the South African Institute of Chartered Accountants
- extension of the MPA with the Institute of Chartered Accountants of Bangladesh
- renewing the MPA with the Institute of Cost and Management Accountants Pakistan
- renewing the Memorandum of Understanding (MoU) and MPA with the National Federation of Certified Public Accountant Associations of the Republic of China, which offers a pathway for accounting professionals in Taiwan to take up the CPA Program
- a partnership with the City University of Hong Kong for recognition of selected subjects in their Information Systems Masters
- extension of the MPA with the Institute of Certified Public Accountants of Kenya
- signing a MoU with Christ University, the first university in India where six foundation exams and two CPA Program subjects are integrated into an undergraduate degree
- signing a MoU with Industrial University of Ho Chi Minh City to collaborate and offer career guidance activities, soft skills training, and connecting job opportunities for students.

2021 Integrated Report

CPA Australia's 2021 Integrated Report was awarded Integrated Report of the Year in the Special Awards category at the 2022 Australasian Reporting Awards. This is the third consecutive year CPA Australia has been a finalist in this award, having also won it in 2020 for our 2019 Integrated Report. This pattern of excellence is recognition that CPA Australia is leading the way in Integrated Reporting in Australia and New Zealand and shows the value we are delivering to members over time.

Research into the future of the profession

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

The research themes for 2022 were:

- the accounting profession and the impacts of climate change and long-term sustainability
- tax reform and retirement savings
- the future of accounting education.

Value created

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
- a recognised brand in the accounting profession
- increasing the knowledge and skills of members.

Moving forward

- Developing a Tertiary and High School framework
- Developing our SME strategy



Tarun Sharma CPA

Owner, Sharma Consulting Group

Accounting appealed to Tarun from the beginning of his career "I've always enjoyed numbers, it's something that just made sense and now it's the people side of things that appeals to me".

Tarun runs a practice providing accounting and business services to organisations that aim to make a difference in their communities.

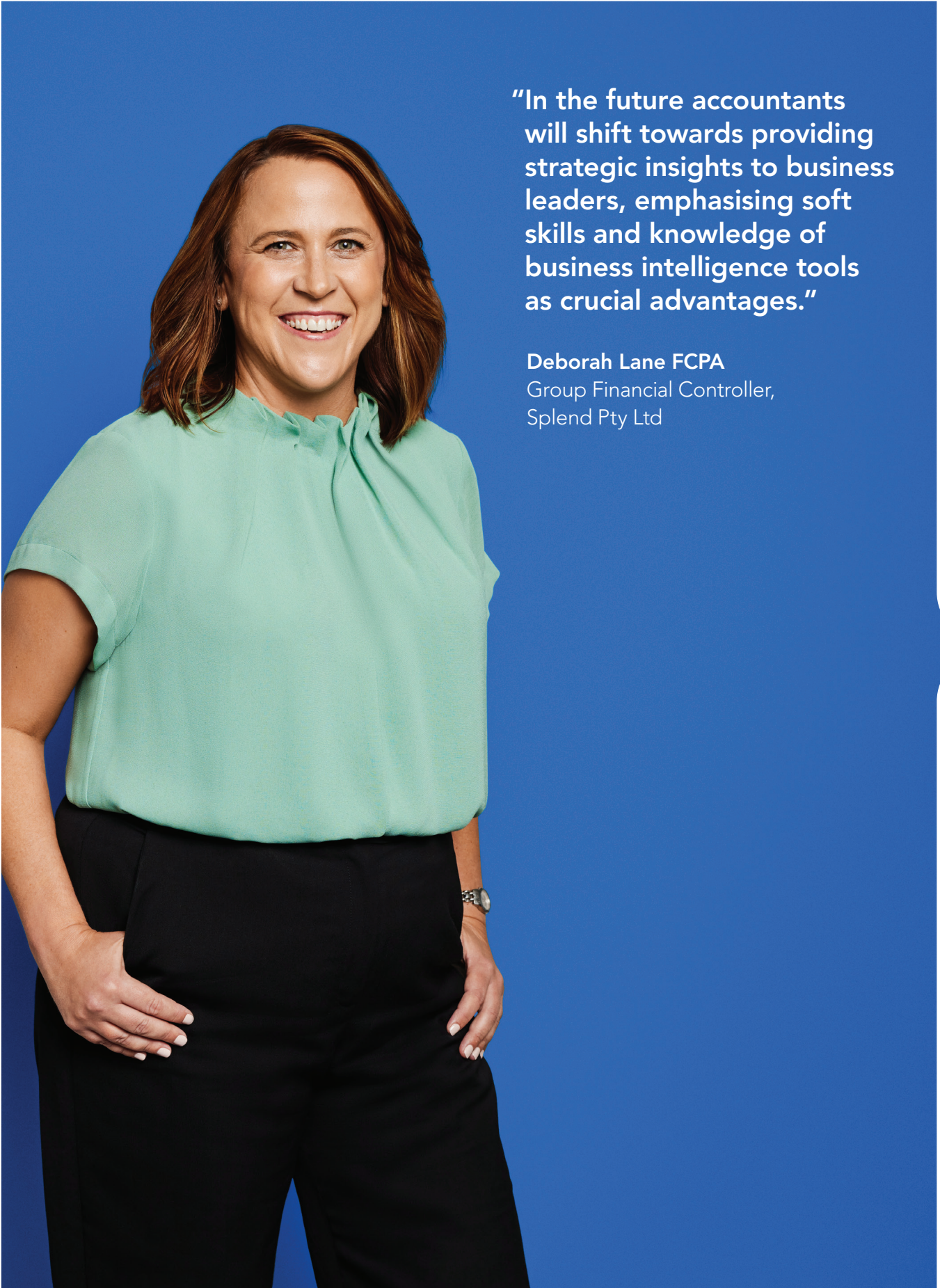
"Work in the NFP area has required a need to adapt to the needs of the community, so we provide a lot of graphical content. We need to be clear and concise."

Another common challenge for the NFP sector Tarun has experienced is high employee rotation and funding issues "a lot of the time we are the longest serving employee and retain the knowledge which is technical in nature. Funding is always a challenge in the NFP sector because funding is tied with specific KPIs".

Tarun's primary motivation for his work is the tangible impact it has "seeing the benefit to the organisations we partner with and seeing the benefit flow down to the people and community".

Tarun sees himself continuing to work in the NFP sector in some capacity in the future and would like to expand on his training opportunities with CPA Australia. "I do attend the CPA Australia NFP conference. It's given me a lot of networking opportunities."

Deborah Lane FCPA



“In the future accountants will shift towards providing strategic insights to business leaders, emphasising soft skills and knowledge of business intelligence tools as crucial advantages.”

Deborah Lane FCPA
Group Financial Controller,
Splend Pty Ltd

Provide members with personalised and engaging experiences

Objectives

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

UN SDGs covered

- 5 Gender equality
- 8 Decent work and economic growth

Performance

Members ▲ 172,333

Member satisfaction ▲ 7.08/10

Member retention ▼ 98.0%

Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

▶ New metric/no change

03

Note: For material issues covered under this goal from our 2018–2022 strategy please refer to Figure 3 on page 10.

Member engagement and satisfaction

Member engagement research is a key way in which we track the quality of the relationships we have with members. The current study has been undertaken in all years since 2017 through a third-party provider (Forethought). In 2022, this consisted of a 20-minute online survey which received

a response rate of 8.7 per cent (of those members who have opted in to receive research), with 7694 members responding to the survey. Performance on value and satisfaction by country, age and designation are shown below. Scores below are out of a maximum of 10.

● 2020 ● 2021 ● 2022

Figure 10: Satisfaction by designation

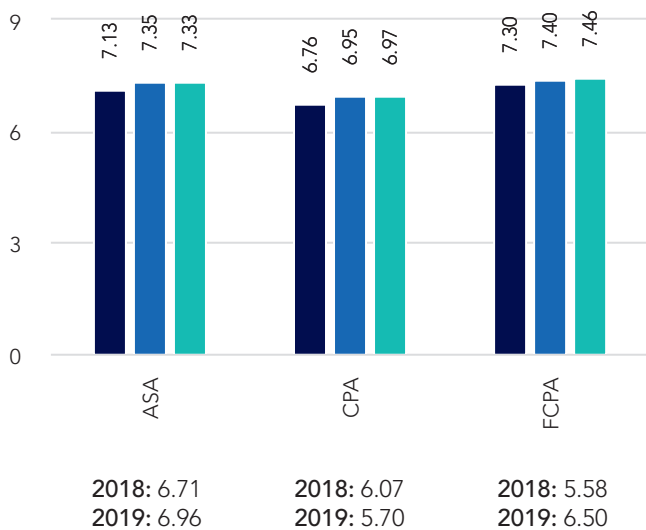


Figure 11: Value by designation

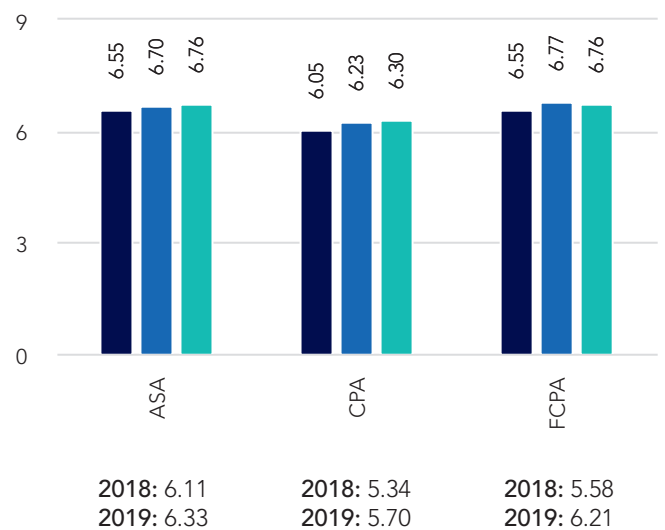


Figure 12: Satisfaction by age

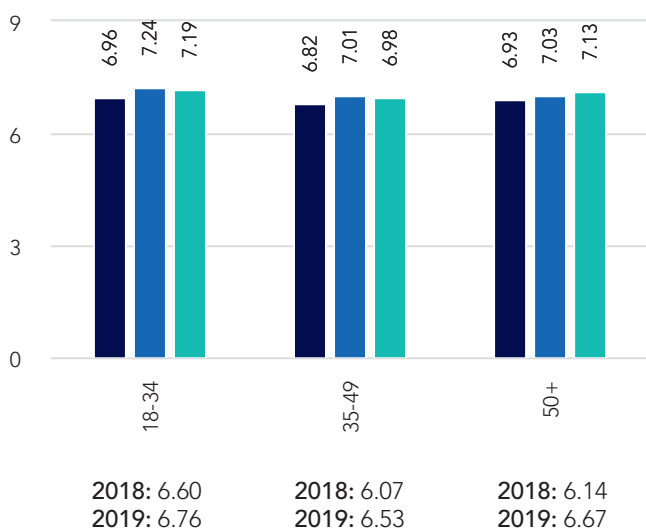
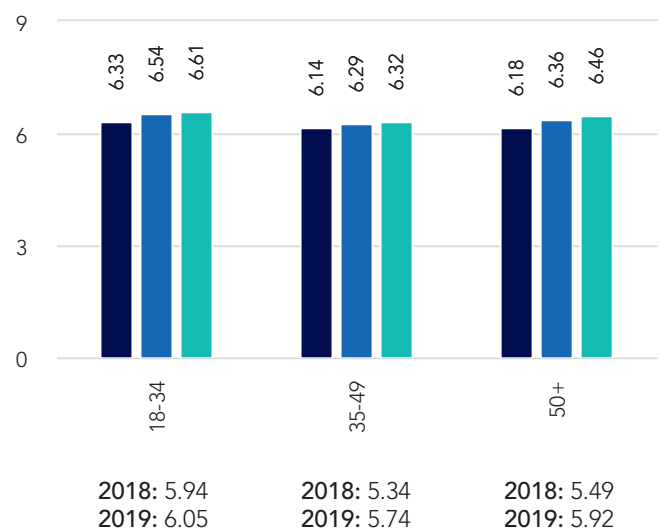


Figure 13: Value by age



Key themes from the research included:

- key metrics remained relatively stable from 2021
- members would like more tailored and personalised communications
- reputation and future career development were still the most important drivers for member satisfaction.

● 2020 ● 2021 ● 2022

Figure 14: Satisfaction by country/region

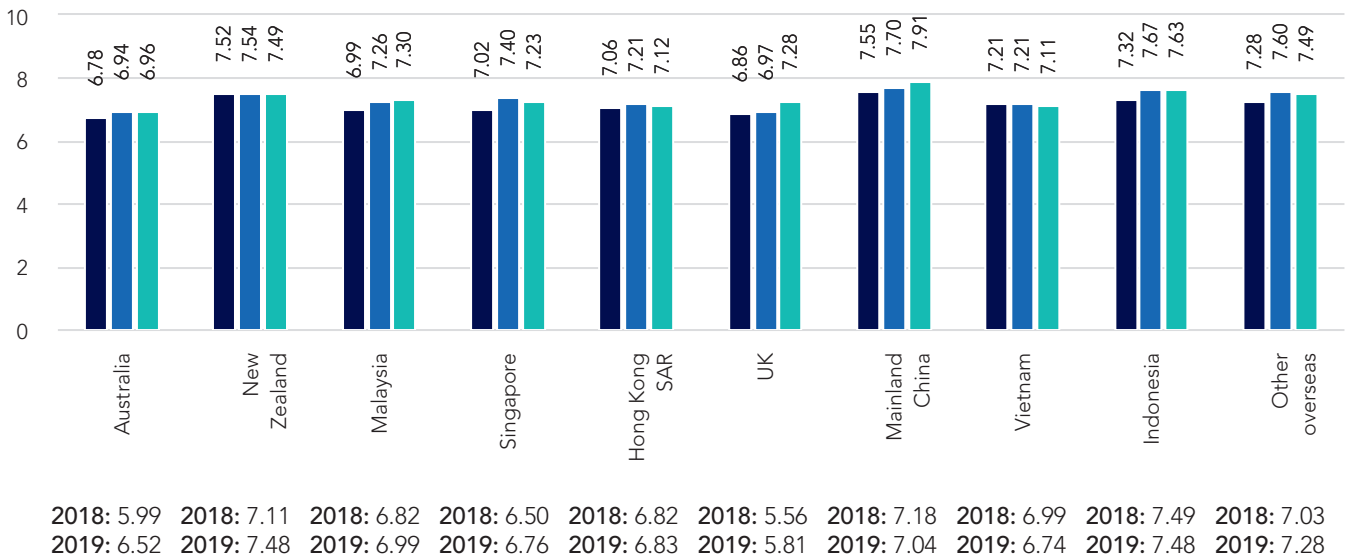
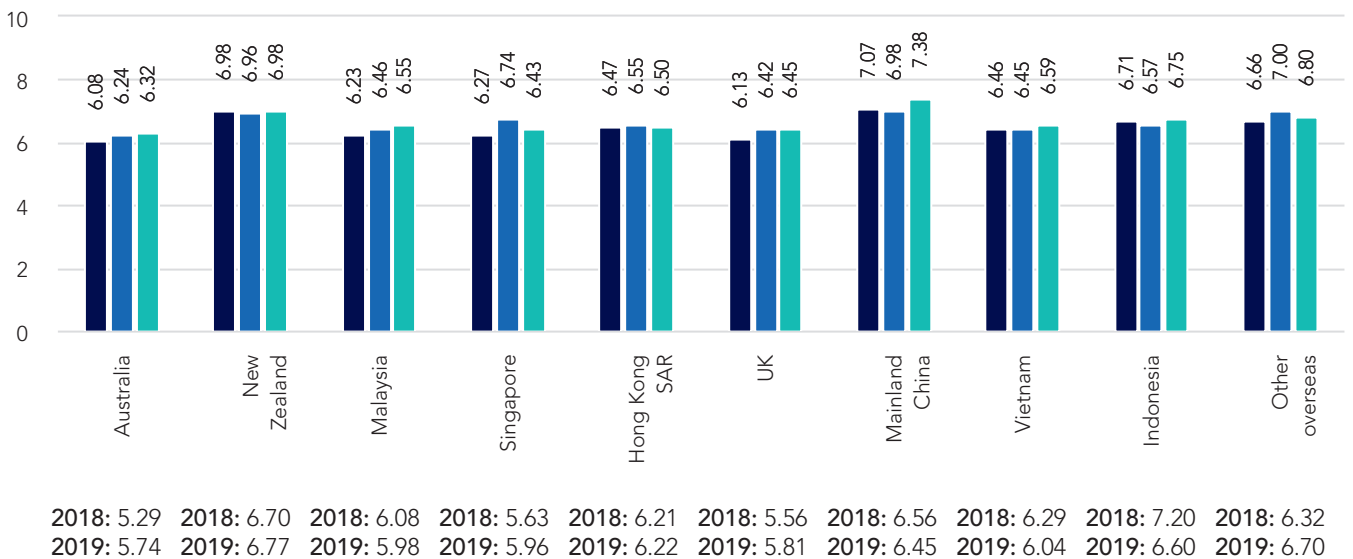


Figure 15: Value by country/region

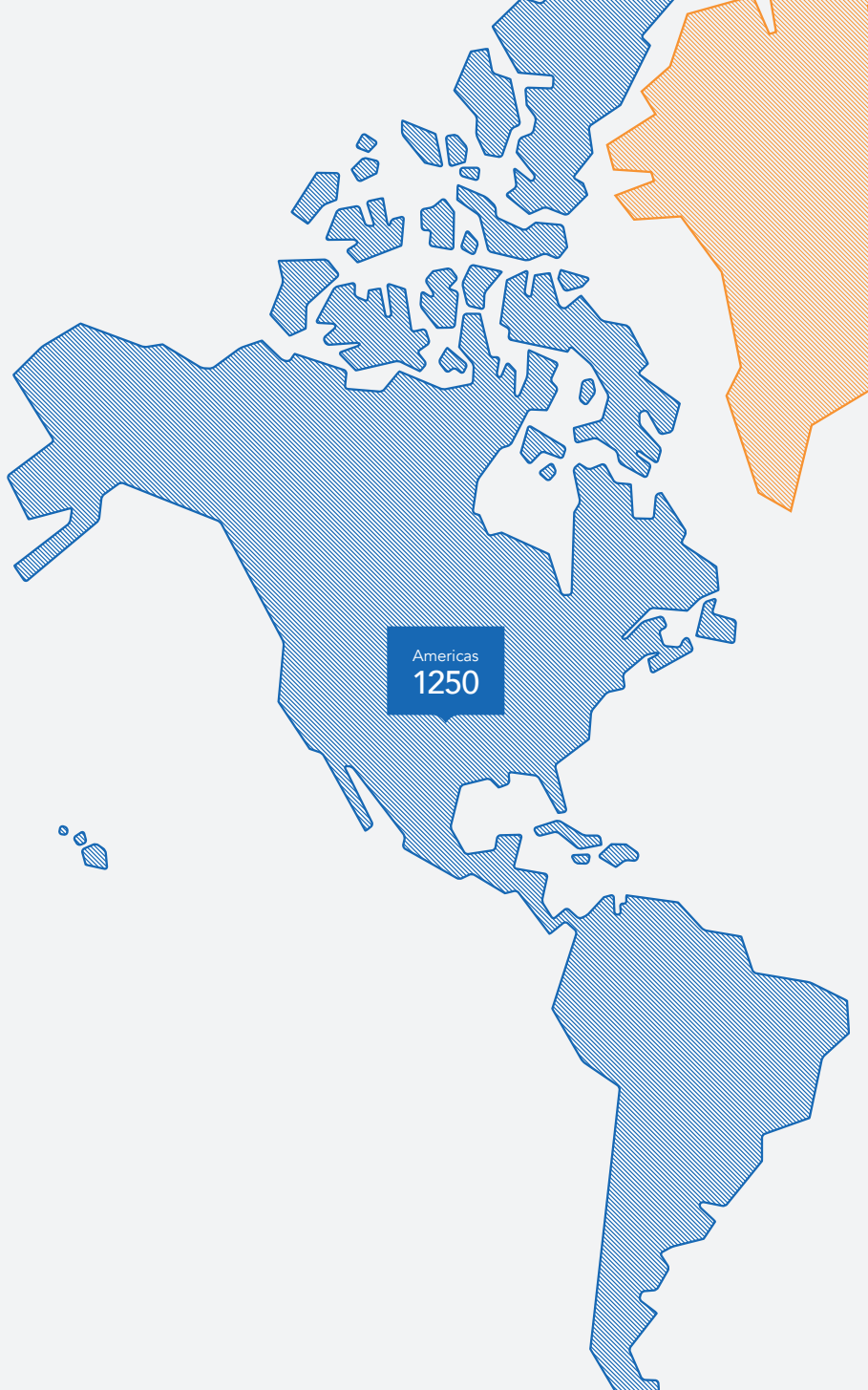


Member demographics

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

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

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



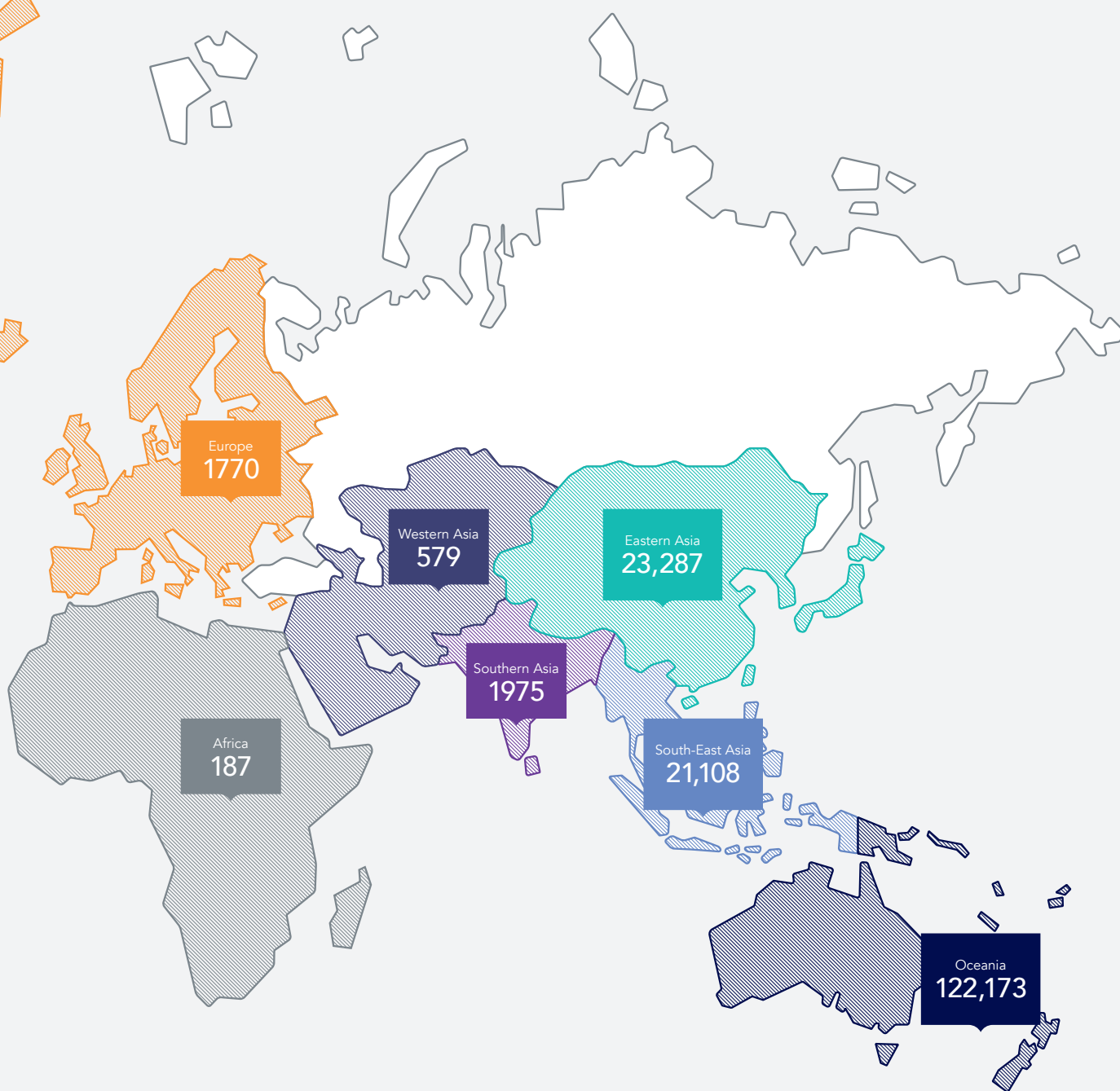
172,333
members

>100
countries and regions

Oceania	122,173
Australia	118,511
New Zealand	2871
Other	791
+246	▲

Australia¹	118,511
New South Wales	42,391
Victoria	37,523
Queensland	16,863
Western Australia	10,388
South Australia	5531
Australian Capital Territory	3392
Tasmania	1727
Northern Territory	679
+129	▲

¹ Our Australian membership has 17 records with an incorrect division that are not included in individual division totals. These are included in the total for Australia.



Europe		1770
UK		1339
Other		431
+93		▲

Southern Asia		1975
India		1303
Other		672
+211		▲

Western Asia		579
UAE		358
Other		221
-26		▼

South-East Asia		21,108
Malaysia		10,442
Singapore		8653
Vietnam		1185
Indonesia		447
Other		381
-129		▼

Americas		1250
US		665
Canada		533
Other		52
+38		▲

Eastern Asia		23,287
Hong Kong SAR		15,489
Mainland China		6468
Other		1330
+1002		▲

Africa		187
+16		▲

Member demographics

Figure 16: Member designation¹

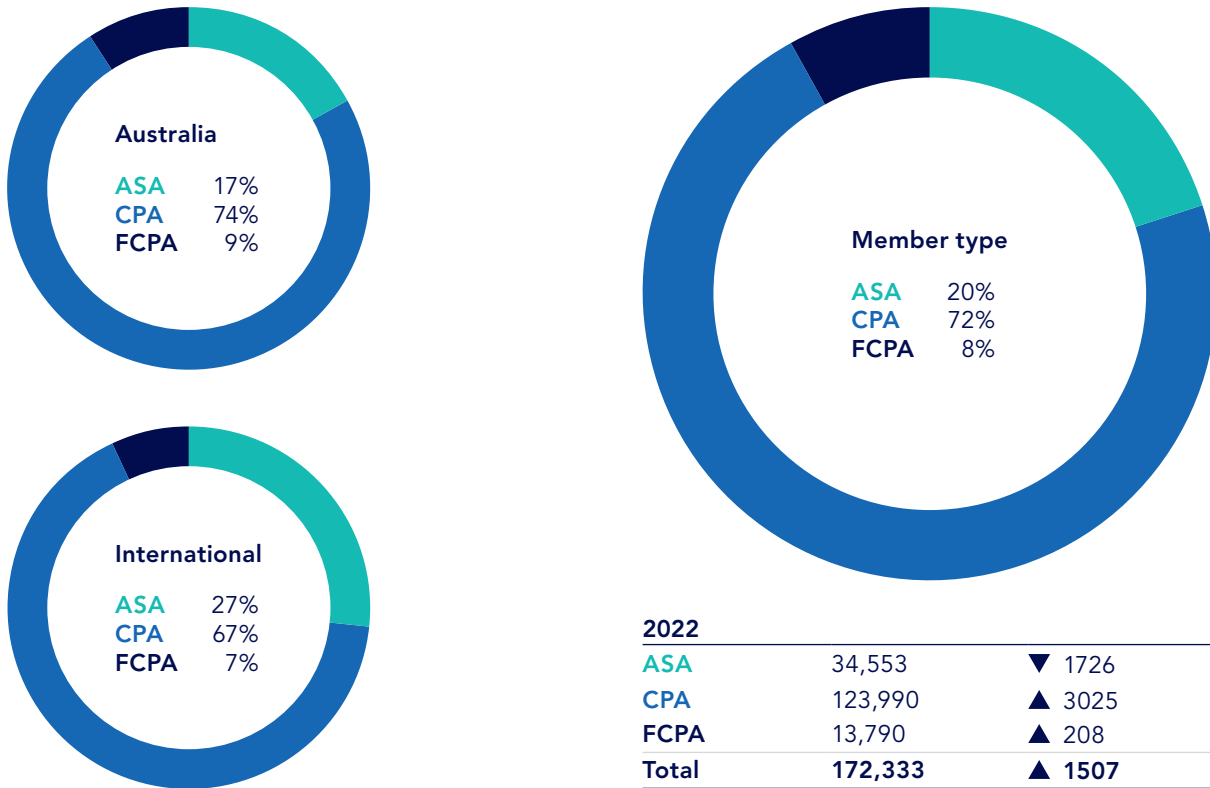
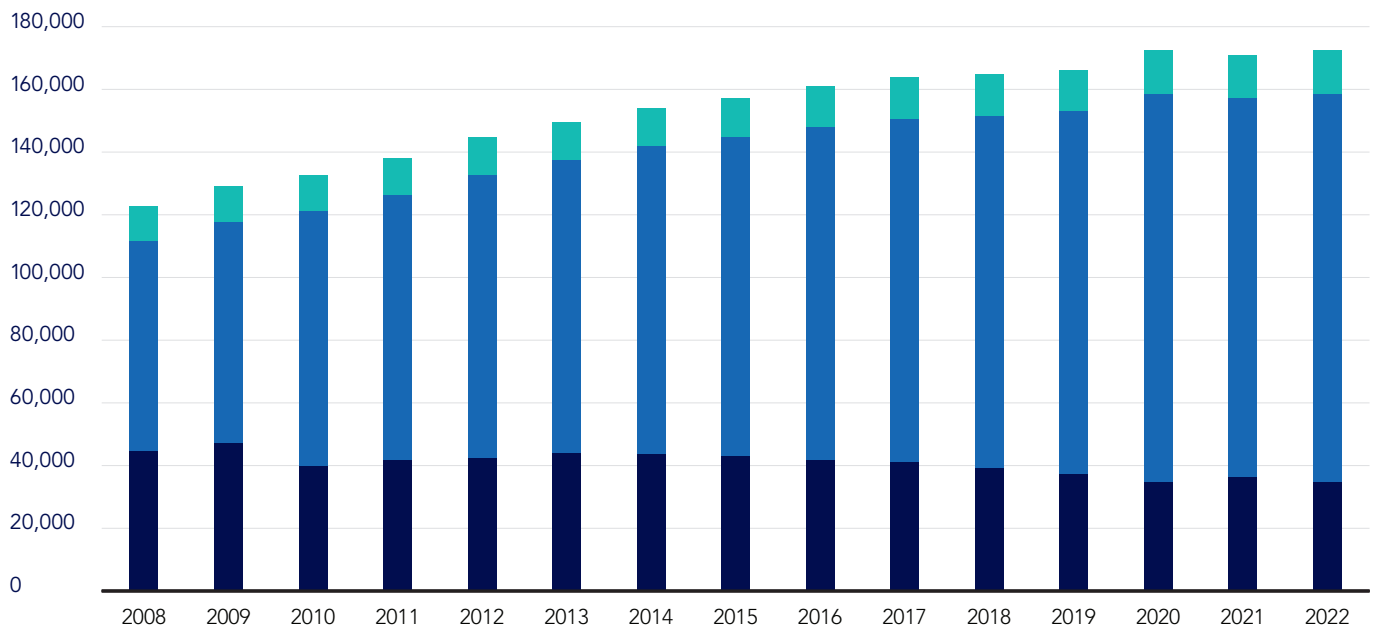


Figure 17: Membership growth



Note: Our total membership includes 59 records that do not have an accurate birth date and 18 records of gender other or unspecified.

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

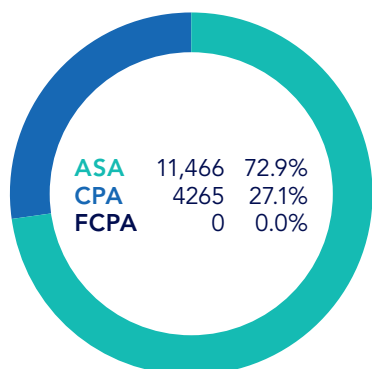
Figure 18: Membership by age group¹



● ASA ● CPA ● FCPA

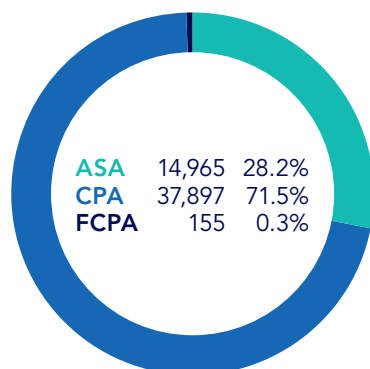
Age	
20–29	9%
30–39	31%
40–49	28%
50–59	18%
60–69	8%
+70	6%

Age 20–29



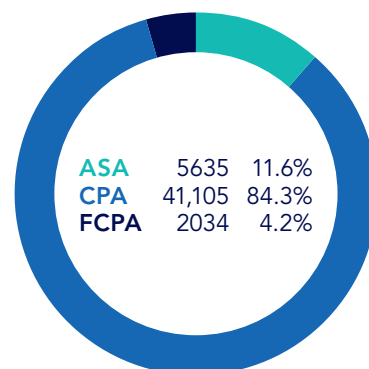
Female	9,491	60.4%
Male	6,234	39.6%
Undisclosed	6	
Total	15,731	

Age 30–39



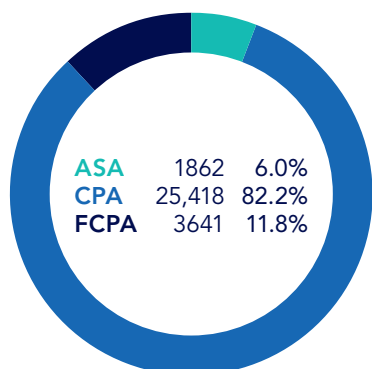
Female	31,277	59.0%
Male	21,733	41.0%
Undisclosed	7	
Total	53,017	

Age 40–49



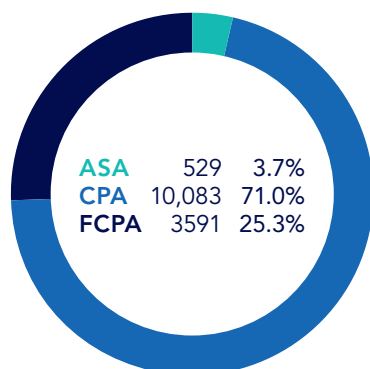
Female	27,444	56.3%
Male	21,328	43.7%
Undisclosed	2	
Total	48,774	

Age 50–59



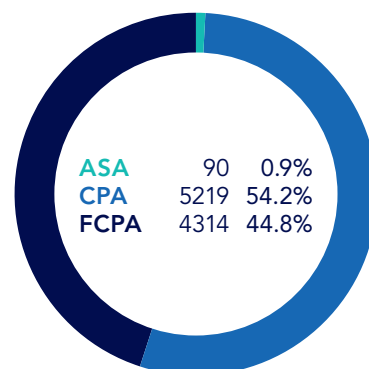
Female	14,063	45.5%
Male	16,857	54.5%
Undisclosed	1	
Total	30,921	

Age 60–69



Female	3,874	27.3%
Male	10,329	72.7%
Undisclosed	-	
Total	14,203	

Age 70+



Female	893	9.3%
Male	8,730	90.7%
Undisclosed	-	
Total	9,623	

Note: Our total membership includes 59 records that do not have an accurate birth date and 18 records of gender other or unspecified.

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

Member value

Member satisfaction ▲ 7.08/10

(2021: 7.07, 2020: 6.89/10, 2019: 6.63/10, 2018: 6.23/10)

Member retention ▼ 98.0%

(2021: 98.3%, 2020: 98.3%, 2019: 98.1%, 2018: 97.5%)

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.

Member value

Through both our previous and new strategy we aim to provide 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.

This focus has seen members’ ratings of overall value rise from 4.83/10 in 2017 to 6.43/10 in 2022. We continue to invest in technology, services and content to deliver greater value to our members. We will continue to implement our Voice of the Customer program to understand and transform the member experience at key moments in the membership lifecycle by acting on insights from the program.

Future proofing through investing in technology

Digital and technology is an ongoing focus where expectations are continuing to evolve and there are opportunities to create innovative business models enabled through digital capabilities. CPA Australia is investing in digital and technology for the future to provide a platform to better serve members, the ongoing digitisation of the profession has highlighted the need for us to make significant investments in technology following years of under-investment. From 2019 onwards, we have communicated this to members through the Integrated Report.

The MMF program will deliver a modern, integrated finance, marketing and customer relationship management system that meets the demands of the digital age and provides a more personalised, efficient, and consistent experience for members.

This project forms part of our digital and technology strategy and stems from a need to invest in technology that enables us to better meet the demands of the digital age and protect data from cyber security risks. The organisation is targeting a breakeven result in 2023, but with further investment required to complete the project, a deficit of \$3m–\$5m may be incurred.



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, enrol in the CPA Program or a professional development course. Members have the ability to contact member support team directly via phone, email or live webchat. In total, CPA Australia's member support team handled more than 83,600 phone enquiries, more than 92,600 emails and more than 26,700 webchats during 2022.

As members' preferences for contact channels continues to change with a move away from phone to email and webchat we implemented the next stage of the member services transformation which commenced in 2019. This new technology means there are more opportunities for our people to service members in a flexible and responsive manner.

CPA Australia website

Satisfaction with website experience

▲ 7.28/10

(2021: 7.16/10, 2020: 7.09/10, 2019: 6.89/10, 2018: 6.65/10)

In 2021, we released our new website that offers a more personalised online experience with advanced functionality including easier navigation, an improved search function and a new content management system with increased website security and performance benefits. During 2022, we ran 12 optimisation experiments and personalisation experiences on the website.

One experiment focused on personalising the corporate website homepage, so that members and prospective members are provided with more relevant content and links. This led to improved click-through rates on the homepage of between 38 per cent and 460 per cent, depending on the type of member/user.

CPA Member Connect

CPA Member Connect complements our other social media channels and gives members an opportunity to connect with peers, share knowledge and resources, and engage in meaningful discussions about the profession.

CPA Member Connect reached a major milestone early in 2022 when the total number of members on the platform surpassed 20,000 for the first time, surpassing our growth KPI ahead of our September 2022 target. By the end of 2022, more than 26,000 members had joined CPA Member Connect. Taxation has continued to be the most common topic of conversation and, to date, more than 2400 members have opted-in to join the tax community, where they can engage in relevant tax-related discussions.

Divisional activity

Divisional Councils draw on their professional and member networks to ensure that the events are relevant to local members. By putting in place committees and discussion groups and encouraging members to participate in divisional activities, Divisional Councils play a key role in facilitating opportunities for members to share their expertise for the benefit of their communities and the accounting profession.

As part of our long history of supporting the profession in our region, in 2022, we celebrated 20 years of presence in Mainland China and the 10-year anniversary of our South China office.

In 2022, we also celebrated significant anniversaries in three Australian divisions, including 110 years in Tasmania and 100 years in the Australian Capital Territory and Queensland.

In October, we welcomed members to the opening event of our brand-new office in Brisbane. Located within easy reach of many amenities, the building is more easily accessible to members. The design elements used in the new Brisbane office are consistent with other refurbishment and has been designed to provide a future-ready workplace that will enhance both the member and employee experience.

Member engagement events

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

In 2022, CPA Australia held more than 1800 events around the world in a mix of virtual, in-person and hybrid formats that attracted a total attendance of more than 56,900 attendees. The majority of these events were held as online virtual events that received more than 220,800 registrations with more than 49,800 unique attendees.

Some of the most popular events held in 2022 included:

- CPA Virtual Congress
- Virtual Public Practice Conference
- the 10th annual CFO Connect Symposium to enable CFOs to network and gain insights with more than 200 CFOs, accounting and finance managers and business professionals joining the event
- in celebration of International Women's Day, a panel of female speakers from Hong Kong SAR, Malaysia and Singapore shared their career stories
- a "Turbo-charge your career" series for members who have just advanced to CPA status in Hong Kong SAR.

Member value

Value created

Increasing human, intellectual and social and relationship capital through:

- increasing the ways in which members can contact us
- growing member connections through CPA Member Connect
- providing efficient member service through upgrading our systems
- providing a personalised and engaging member experience
- local support for members through our divisional offices
- better understanding important moments for members through the Voice of the Customer program.

Moving forward

- Complete work on the MMF program to provide a more personalised, efficient, and consistent experience for members through a modern, integrated finance, marketing and customer relationship management system
- Roll out initiatives in the member engagement and experience framework to enhance the experience of existing and prospective members in every interaction with the organisation
- Understand and transform the member experience at key moments in the membership lifecycle by acting on insights derived from our Voice of the Customer Program
- Promote 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, based on industry sector, career stage and geographic location



Candice Zhang CPA

Manager, Digital and Technology,
Synergy Group

Candice commenced her accounting career in China, before moving to Australia and transitioning to a role in finance transformation. "I first decided to pursue a role in accounting because it was viewed as stable, and now I realise you can help anyone and make a difference, and this is my main motivation."

Candice is involved with the community organisation Canberra Women in Business where she is the Treasurer "we provide networking opportunities for women in Canberra and advocate for women to raise their voice. We have a good working relationship with government which is helpful for this NFP organisation. It is an excellent opportunity for me to learn from other successful women".

Reflecting on the trends and future of digital and what companies should focus on, Candice predicts that "we have heard that automation will eventually replace labour. I think machines will help us with the basics, but in the future, I think it will be a combination. Automation is remarkable, but we should consider our fundamental needs. Goals should be established at the beginning so we do not automate for the sake of automating".

In her professional future Candice is aiming to be a partner. "I am hoping to become a partner. I'm developing my soft skills to build more confidence in leading teams and giving back to the community."

Our people

8 DECENT WORK AND ECONOMIC GROWTH



Regretted turnover of leaders ► 5%

(2021: 5%, 2020: 0%, 2019: 11%, 2018: 14%)

Employees outside Australia and New Zealand ▼ 18%

(2021: 19%, 2020: 21%, 2019: 20%, 2018: 21%)

Roles filled internally ▲ 31%

(2021: 30%, 2020: 24%, 2019: 30%, 2018: 28%)

CPA Australia aims to foster an engaged and motivated workforce that is empowered to deliver on our strategy and organisational objectives. To achieve this, we have policies and workplace practices that are centred around attracting, developing and retaining talent. Our people have continued to be a focus in 2022 as many continued to work from home depending on restrictions in their location.

New ways of working

The continuation of the pandemic in 2022 presented an ongoing challenge and opportunity to think differently about how we work. We introduced a new Flexible Work Policy to reflect the ways our people want to work and empower them to choose an approach that best suits their life and encourage them to keep thinking differently about the way we work.

The Flexible Work Policy includes:

- hybrid ways of working
- flexible hours
- location flexibility
- flexible working holidays.

Remuneration

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

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

Further information on remuneration of the Board and other key management personnel can be found in Note 19 to the financial statements on pages 128–132 of this report and in the schedule of Directors' remuneration on pages 146 to 150. Table 12 shows the remuneration for the 20 highest-paid individuals in the organisation.

The current pay equity position is 0.90 to 1.02 Refer Table 10). The competition for talent for key strategic projects and a gender unbalanced candidate pool in a number of technical specialist roles, primarily in our technology and digital solutions business unit, does impact this ratio. This falls just below our 2022 target of between 0.92 to 1.02 across all remuneration grade levels. This remains as our target for 2022. Further information on our gender balance can be found in the Workplace Gender Equality Agency report which is available on our website.

Table 10: Ratio of female to male remuneration (Australia only)

	2018	2019	2020	2021	2022
Administration and support	0.98	1.04	1.02	1.03	0.97
Supervisor/technical	0.96	0.94	0.88	0.88	0.90
Professional specialist	0.94	0.96	0.95	0.95	0.96
Senior management (L6)	0.90	0.98	-	-	1.02
Senior management (L7)	0.91	0.97	0.99	0.91	1.01

Our people



Inclusion and diversity

Gender composition of workforce 68% Female/32% Male

(2021: 63% Female/37% Male, 2020: 67% Female/33% Male, 2019: 67% Female/33% Male, 2018: 68% Female/32% Male)

CPA Australia values and promotes an inclusive and diverse culture supported by a wellbeing, inclusion and diversity framework (page 33).

In 2022, we continued to celebrate diversity and a culture of inclusion through continued support of our LGBTQ+ employee network, PRISM, and the Families @ CPA Australia network. These networks provide our people with ways to engage and nurture inclusive communities where all people feel that they belong. In 2022, our networks expanded their reach to include collaboration with our members and other leading organisations and networks.

We continued to gather data and report on our gender composition and made changes to our Inclusion and Diversity Policy including 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.

As at 31 December, CPA Australia employed 637 people (full time – 88 per cent, part time – nine per cent, parental leave – two per cent and one per cent casuals). We are committed to attracting and retaining employees whose composition reflects a diversity of backgrounds, knowledge, experience and abilities. The executive management team currently has a 60 female/40 male gender balance. The gender balance across our locations is shown in Table 11.

Culture and engagement

In 2022, we again undertook an employee culture survey which had a 90 per cent participation rate (2021: 92 per cent). Our culture survey uses the Denison Culture Framework which is based on a model of organisational performance and is benchmarked against global organisations.

The results continue to be strong, demonstrating the strength in our culture and our sustained engagement levels when compared to last year. Our ability to maintain such positive performance culture data reflects well on effort across all levels of our organisation.

Some of our most notable results included:

- there was strong understanding of our strategic goals scoring at the 94th percentile, up 11 points
- our values, the CPA Australia Way, are well understood, up nine percentile points to be at the 85th percentile. This is a strong foundation to underpin efforts to drive accountability to our values
- empowerment scores continue to be strong, up six percentile points to the 80th percentile, with improvements in business planning and information sharing
- there remained a gap in cross-functional collaboration and we are focused on improving this to deliver enhanced and efficient services to members.

Table 11: CPA Australia employees by region

	2020			2021			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Australia	64%	36%	79%	63%	37%	79%	65%	35%	80%
Greater China	86%	14%	9%	88%	12%	9%	90%	10%	8%
Malaysia	91%	9%	4%	91%	9%	4%	86%	14%	3%
Singapore	57%	43%	4%	64%	36%	4%	59%	41%	3%
Other	80%	20%	4%	77%	23%	5%	77%	23%	5%
Total	67%	33%	100%	67%	33%	100%	68%	32%	100%

Table 12: Remuneration of 20 highest-paid employees 2022¹

Salary and fees band	2021	2022
\$200,000–\$300,000	9	5
\$300,001–\$400,000	6	10
\$400,001–\$500,000	4	4
\$500,001–\$600,000	-	-
\$600,001–\$700,000	-	-
\$700,001–\$800,000	-	-
\$800,001–\$900,000	-	-
\$900,001–\$1,000,000	-	-
\$1,000,001–\$1,100,000	1	1
Total number of employees	20	20

¹ This table does not include termination payments or accrued leave so will vary from the key management personnel on page 128.

Value created

Increasing social and relationship capital through:

- clearly defined values that allow us to embed consistent behaviours across the organisation
- a workplace where wellbeing, inclusion and diversity are valued
- an engaged and motivated workforce
- increasing the knowledge and skills of our employees.

Moving forward

- Building our EVP and employer brand
- Continuing to evolve and embrace new ways of working
- Maintaining a focus on wellbeing
- Improving the quality of data and reporting on the diversity of our workforce

Employee Value Proposition (EVP)



In 2022, we commenced a review of our current EVP with the intention to build on and strengthen our attraction to future employees and retain existing talent.

The review commenced with gathering input from employees as to their perceptions of our current EVP and holding workshops to elicit thoughts and ideas for future EVP offerings.

Michael Tilley FCPA

“When I stepped into the not-for-profit sector to give back, I knew CPA Australia offered a diverse network, and all of the training and resources that I needed to grow with my profession.”

Michael Tilley FCPA

Zone Community and Economic
Development Officer,
NSW Aboriginal Land Council



Provide relevant learning and development content, resources and tools

Objectives

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

UN SDGs covered

- 4 Quality education

Performance

Member satisfaction with CPD that assists them to succeed in their careers ► 6.86/10

Participation of eligible members in CPD ▲ 33.6%

Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

► New metric/no change

04

Note: For material issues covered under this goal from our 2018–2022 strategy please refer to Figure 3 on page 10.

Professional development and knowledge



Participation of eligible members in CPA Australia CPD ▲ 33.6%
(2021: 31.3%, 2020: 31.6%, 2019: 27.3%, 2018: 21.8%)

The value of the CPA designation stems from the technical expertise and understanding of business strategy gained through completing the CPA Program and the ongoing learning that members undertake to ensure their knowledge remains relevant. Throughout 2022, we focused on maintaining our core professional development offering as well as developing new products for members.

CPA Virtual Congress

CPA Virtual Congress 2022 took place from Wednesday 19 October until Friday 21 October.

Key sessions included:

- Angela Ahrendts, Former CEO Burberry, Former Senior Vice President, Retail, Apple Inc.
- Achievement, career transition and empowerment – a conversation with Serena Williams
- Courage, Innovation and intrapreneurship – a conversation with Sir Richard Branson.

In total, CPA Virtual Congress showcased 52 sessions and had more than 177,300 views across all sessions peaking at more than 6300 views for a single session.

Things don't always go to plan and we had issues with the live stream capability of our platform partner. We made the decision to record all the previously planned live sessions and play/release them two hours later than originally scheduled.

The decision was made to give certainty to delegates so they could plan their schedules accordingly, and to ensure uninterrupted viewing of the content.

Understandably, the overall satisfaction score was impacted and attained 3.8/5. Nonetheless, the average engagement in the content rose from 14 to 18 sessions viewed per attendee.

Member satisfaction with CPD that assists them to succeed in their careers ► 6.86/10
(2021–2018: N/A)¹

My Capability Plan and Capability Framework

My Capability Plan is a self-assessment tool provided exclusively to members that assesses capabilities against CPA Australia's Accounting and Finance Capability Framework. By undertaking this assessment, members will identify capability strengths and areas for development to help guide future learning activities and career development.

The profession is changing with an increasing focus on interdisciplinary skills; the knowledge and skills that can be transferred or applied to varied disciplines and professions in addition to accounting and finance. CPA Australia's Capability Framework will surface the interdisciplinary skills where CPA Australia will support its members to build capability to accelerate their career success.

Examples of interdisciplinary skills include risk management, strategic thinking, data and digital, sustainability, collaboration and stakeholder engagement, leading innovation and change. The importance of human centred skills will also continue to increase as accounting and finance professionals broaden their career experiences and pathways.

Career development support

CPA Australia has expanded its range of career development support resources with new online offerings complimentary for members:

- a practical guide to securing your first leadership position
- a practical guide to succeeding as a mentor
- a practical guide to preparing for an executive interview
- interview for success: job application simulation
- managing your LinkedIn profile.

¹ This a new metric in 2022.

INTHEBLACK

We relaunched the companion website for INTHEBLACK with a new look and feel, as well as improved navigation and personalisation capabilities, to allow visitors to find what they're looking for quickly and easily.

These changes are part of CPA Australia's website upgrade project, to ensure our technology is managed securely and continues to evolve to meet the demands of members.

As part of the design process, members were asked for their feedback on ease of use and layout features. This research helped ensure we delivered a product that members have asked for.

We went live with the new website on 21 February, and average time on the site more than doubled from the previous version to an average of 5.31 minutes.

Value created

Increasing intellectual capital through:

- the development of new career support tools
- supporting members' career development through My Capability Plan
- increasing the knowledge and skills of members
- CPD and publications that deliver valued knowledge.

Moving forward

- Design a framework for developing, delivering and managing content across the organisation that removes duplication, improves agility and introduces high quality interdisciplinary offerings to support the career success of members
- Continue to develop tools to provide members with the support and guidance they require to be successful over the course of their careers
- Improving learner experience for online courses by upgrading the Learning Management System
- Continuing to deliver CPA Congress in a way that meets the needs of members



Haryane Mustajab FCPA

COO and Head of Finance
Bird & Bird ATMD

After spending a decade in the Big 4 refining her skills in finance and accounting, Haryane moved to international law firm Bird & Bird ATMD where she currently holds a role as Head of Finance and COO.

As a passionate individual in her field, Haryane attributes her accomplished career to her inquisitive spirit. "I am extremely curious, it keeps me moving and evolving. I have always had a compelling desire to initiate change."

In order to foster an environment where people can perform at their highest level, Haryane emphasises the value of learning and development "this is why I am always curious about what inspires my team, to identify individual talents and invest in the future to upskill and keep up with change. This can be a challenge for working mothers in particular and something that has been a focus for me to support within the team".

Haryane reflects that the "prestige and value" of CPA Australia as a professional body gives her honour to be a part of, praising the versatility of its resources as a learning medium – "I find that INTHEBLACK is an excellent publication where members can keep themselves updated on current trends and events".

Thinking about her professional future, Haryane anticipates that she will be "keeping busy building networks across the company, community and industries. I see CPA Australia playing a part in my journey as it is a brand with purpose and authenticity".

Nirvan Dave CPA

"CPA Australia provides diverse CPD opportunities and events that keep me at the forefront of my profession."

Nirvan Dave CPA
Senior Analyst,
Olvera Advisors



Attract and develop the next generation of CPAs

Objectives

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

UN SDGs covered

- 4 Quality education

Performance

Associate satisfaction ▼ 7.33/10

Exams delivered ▼ > 40, 900

New members ▼ 9812

Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

▶ New metric/no change

05

Note: For material issues covered under this goal from our 2018–2022 strategy please refer to Figure 3 on page 10.

Attract and develop the next generation of CPAs

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

Attracting new members

New members ▼ 9812

(2021: 9918, 2020: 10,052, 2019: 9891, 2018: 10,350)

Employers who would recommend CPA Australia as a designation: 7.69/10

(2021-2018: N/A)¹

In broadening our reach to potential members, CPA Australia partners across the profession to engage with high-quality candidates including, holding a Become a CPA session in the Philippines, our first since the pandemic and partnering with Deloitte Malaysia for the Audit Business Challenge. This is an annual competition designed to test the accounting and auditing knowledge of tertiary students, with more than 880 students registering.

Experience-Based Pathways

Entry requirements to become a CPA have traditionally been focused on the education, knowledge and skills necessary to practice as an accountant and/or finance professional. Previously, the assessment of these competencies was measured solely on an individual's educational background, using formal accounting qualifications, and not necessarily on the recognition of skills attained in the workplace.

In 2021, we developed a capability assessment methodology to consider the assessment of work experience as an alternative pathway to admission. This provided a mechanism to consider skills and experience of an individual to admit them, at whatever stage, to the CPA journey. Applicants are assessed based on their competency against the entrance requirements to ensure that members are setup for success when it comes to completing the CPA Program.

Applicants must have five or more years' experience and be currently employed in a relevant role to be considered. Applicants must hold a degree level qualification recognised by CPA Australia. Applicants to date have included CFOs, senior finance executives and managers who, have demonstrated that they meet some or all of the requirements for admission through non-traditional means. After a successful pilot we are now broadening access to this pathway for our managed employer accounts.

Dual pathways initiative with EY

In May, alongside EY we formally launched the new 'Dual Pathway' initiative, which means EY will provide equal recognition and support for the CPA Program, thus giving their people true choice and flexibility to build their own career journeys.

At the launch event, Merran Kelsall spoke on behalf of CPA Australia about the significance of working with EY.

Skills assessment programs

Labour supply and skills shortages are affecting the accounting profession in Australia as we look to recover from the impact of COVID-19. In 2022, we partnered with the Australian Government on initiatives to deliver faster skills assessments for the government's Skills Assessment Pilot program. The program looks to boost workforce participation in key industry sectors with government incentives to deliver faster skills assessments for eligible people who are in Australia and are ready to work.

To support skilled migration and skill shortage issues affecting the accounting profession we have provided submissions to the Australian Government on the Migration System Review, Skills Priority List and on the Australian and New Zealand Standard Classification of Occupations Review.

Value created

Increasing intellectual and social and relationship capital through:

- promotion of the profession to employers and tertiary students
- being a recognised brand in the accounting profession
- attracting high-calibre Associates through a compelling content offer and experience for prospective members.

Moving forward

- Developing and delivering a high school and tertiary framework to increase our presence and influence at secondary schools and tertiary institutions
- Developing emerging markets and alternate degree pathways

¹ This is a new metric in 2022.



Christopher Crellin FCPA

SVP & CFO, Sony Music Entertainment
UK & Ireland

Christopher began his accounting career in a Melbourne public practice, on a high school apprenticeship at EY in the Tax division, before moving to PwC after graduating from university. After his move to the UK, Chris transitioned to working in the media sector, starting in TV Production at the BBC and Fremantle Media, followed by a role in recorded music at Sony Music, 12 years ago.

Chris observes that what has helped his career progression to date is "a combination of my own drive in wanting to continually grow and to make sure I was developing, and then the support of the great leaders I got to work with and also my peers, especially through the CPA Program".

For Chris, CPA Australia has supported him in that "it is such a recognised brand globally and so having qualified it certainly got my foot in the door. It is also a great tool and resource for when I have needed guidance and advice. It has also been great to give back in my role on the European Divisional Council and through the mentoring program".

Reflecting on the extensive evolution to the music industry Chris notes that "it's still a growing business which challenges me professionally. As a member of CPA Australia and an FCPA, the skills learnt through the CPA Program, the continuing learning and development and having the support and sounding board of my fellow members in the UK has been pivotal to dealing with those challenges".



For anyone aspiring to work in the music industry, Chris shares that "I think it is universal: hard work and perseverance and also trying to improve and grow".

CPA Program and certification



▼ > 40,900 exams delivered

(2021: 43,500, 2020: >42,000, 2019: >44,000, 2018: >46,000)

▲ 5801 Associates progressed to CPA status

(2021: 5395, 2020: 4588, 2019: 5653, 2018: 5901)

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.

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

Flexible exam options

We continued to offer flexible exam options to our candidates throughout 2022. This included a choice between taking an online proctored exam or taking an exam at a test centre.

COVID-19 continued to present challenges to exam delivery and contingency plans were put in place for candidates who were impacted by lockdowns in Hong Kong, Shanghai and other at risk regions in Mainland China. We also supported any candidates in coastal areas of Queensland and New South Wales who were impacted by the floods.

In Semester 1 2022, more than 7400 exams were delivered as an online proctored exam and more than 12,400 in test centres. In Semester 2, more than 6500 exams were delivered as an online proctored exam, and more than 14,400 exams in test centres.

Overall, approximately 70 per cent of candidates sat a test centre exam, while 30 per cent sat an online proctored exam. Test centre exams were delivered in 193 venues in more than 40 countries.

Future-proofing the CPA Program

In 2022, we ran a major research project to review the content, structure and delivery modality of the CPA Program and pathways to ensure they continue to meet the needs of the profession and provide members with access to:

- the highest quality CPA Program, whose flexibility of delivery meets the changing needs of candidates and employers
- the professional recognition that comes from carrying the CPA certification
- knowledge and resources that enhance existing, and develop new skills.

During the research we spoke to fully qualified members, Associate members, foundation exam students, employers and academics to gain their insights into the CPA Program. These insights will be used to further enhance and future-proof the CPA Program so it continues to meet the needs of our members in a dynamic and rapidly changing business and professional environment.

Support through the CPA Program

Our current policies and processes haven't always adequately supported our Associate members' progress towards achieving CPA status. While the majority of our Associates progress through the journey and attain CPA status, some encounter challenges keeping them from certification.

Over the next few months, we'll continue to work closely with each Associate we've identified as being at serious risk of not completing the CPA Program. Through coaching conversations and an agreed plan, the goal will be to help these members stay on track and achieve their goal of becoming a CPA.

As well as providing improved support to current Associates at serious risk, we're also making important changes in how we support all current and future Associates. By enhancing our monitoring and setting really clear expectations, we are working to ensure our members have the right experience.

AFAANZ

CPA Australia engages collaboratively with research academics via sponsorship and participation in the annual conference of the AFAANZ and engages with academic leaders through the Chairs of Accounting and Finance Forum. At this year's conference CPA Australia presented a panel session on 'Designing an effective ESG response: Strategies and lessons learnt from CPA Australia's ESG journey so far'.

Mentoring early and mid-career accountants

Our mentoring programs provide participants with the opportunity to develop new skills and build professional connections within the accounting profession. A mentoring relationship is a powerful development experience that delivers benefits for both the mentor and the mentee.

After a successful pilot in 2021, a six-month International Mentoring Program started on 1 June with 154 mentoring pairs. Feedback following the completion of the program was positive, with 95 per cent of mentors who responded to a survey expressing that they would recommend this program to other members and 92 per cent of mentees who responded indicating that they would stay in touch with their mentors.

In Australia and New Zealand there were 526 pairs initially matched, as well as 40 Public Practice pairs. The unique Public Practice mentor program allows public practitioners to be matched with other public practitioners to provide an opportunity to share career knowledge and experience unique to these members.

In 2022, we also introduced a mentee goal setting webinar to assist mentees who are not clear on how to set their professional goals.

Value created

Increasing intellectual, social and relationship and financial capital through:

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

Moving forward

- Review and redesign the CPA Program and Foundation pathway to create a best-in-class digital-first offering
- CPA Australia will continue to work with our partners to provide a safe and flexible exam experience to respond to ongoing global challenges



Ella Boyd ASA

Corporate Finance Analyst,
Koau Capital, Christchurch

Ella started her professional career three years ago at PwC in management consulting before moving to a role in Iwi investment, supporting the
“Our firm takes more of a partnership approach, providing investment management support and helping to build skills within the commercial sector.”

The switch from PwC to a small firm has been a key moment in Ella’s career to date, “it’s easy to get lost in a big firm however I’m now able to take the knowledge and skills I’ve gathered and apply them in a role where I can make a tangible difference in the community”.

“I love the work I do – we’re able to support our clients and their respective communities to make strong investment decisions which allow them to be more independent. It’s important to give back to the community and empower people to make sound decisions.”

The flexibility and global reach of the CPA Program are two of the key reasons Ella joined CPA Australia. “In the next five years I see myself working overseas and the program gives me the confidence and credibility to work in a bigger environment, and then come back and apply that experience in New Zealand.”

Ruyi Jin FCPA

“The emergence of artificial intelligence and the rapid advancement of technology is the most exciting aspect of the accounting industry’s future. This has the potential to revolutionise the way we work by making accounting processes faster, more accurate, and more cost-effective.”

Ruyi Jin FCPA
Senior Manager, PwC



Impact policy globally and be active in community advocacy

Objectives

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

UN SDGs covered

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

Performance

Policy and advocacy rating ▲ 6.94/10

Legend:

▲ Increased score from previous year

▼ Decreased score from previous year

▶ New metric/no change

06

Note: For material issues covered under this goal from our 2018–2022 strategy please refer to Figure 3 on page 10.

Policy and advocacy



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

We actively engage with governments, regulators, government agencies and standard setters to promote public policies that stimulate sustainable economic growth and have positive business and social outcomes.

Our broad membership base allows us to seek a variety of views and provide an array of industry perspectives. We represent the views of members across the spectrum of accounting, finance and business disciplines. This is reflected in our involvement in a diverse range of policy areas.

Representing the profession

We engaged with key policy makers in Australia and internationally in a variety of ways including submissions, direct engagement and published research.

Polymakers we spoke to included Ministers and senior executives within government agencies and standard setters such as the Australian Treasury, international accounting, auditing and ethics standard setting boards and Australian accounting, auditing and ethics standard setting boards.

We also spoke to other national (e.g. in New Zealand, Hong Kong SAR and Malaysia) standard setting boards and oversight authorities, the Australian Securities and Investments Commission, the Australian Financial Reporting Council, the Australian Charities and Not-for-profits Commission, and the Australian Taxation Office.

Examples of the impact our representation had in 2022 includes:

- increased financial reporting thresholds for Australian registered charities, thereby reducing the reporting burden for many smaller charities
- the introduction of the Technology Investment Boost to encourage greater digital adoption by Australian SMEs
- the Australian Government increased its Permanent Migration ceiling for 2022-23 from 160,000 to 195,000, with preference given to skilled migration
- published drought preparedness resources for business jointly with the Australian Department of Agriculture, Fisheries and Forestry
- improvements to and clarification of complex taxation issues including section 100A of the *Income Tax Assessment Act 1936* providing greater certainty for practitioners and their clients
- an extension of the transitional compliance approach for non-arm's-length income and expenses incurred by superannuation funds.

Major submissions in 2022 included:

- Australian Data Strategy – The Australian Government's whole-of-economy vision for data
- Employment White Paper Consultation
- Hong Kong SAR's FRC Consultation Paper on further reform of the accounting profession
- Quality of Advice Review – Proposals for Reform
- review of the Future of the Migration System
- a series of submissions on the Modernising Business Registers Program and the Director Identification Number
- review of the Taxpayer Charter
- ATO Lodgement Program Review – Pressure points for tax agents
- Small Business Natural Disaster Preparedness and Resilience inquiry
- pre-budget submissions to the Australian, Malaysian and Hong Kong SAR governments
- a series of submissions to the New Zealand External Reporting Board on the drafting of Aotearoa New Zealand's Climate Standard (NZ CS1)
- submission to the Clean Energy Regulator in terms of the proposed changes to the Safeguard Mechanism.

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

- Board of Taxation: Review of the Tax Treatment of Digital Assets and Transactions
- Tax Practitioners Board (TPB) Implementation of TPB Review recommendations
- New Zealand Charities Amendment Bill
- Consumer Data Rights – Operational Enhancements
- review of *Australia Modern Slavery Act 2018*
- Superannuation Auditor Registration Imposition Regulations 2022
- Your Future Your Super Review
- Treasury consultation on empowering the AASB to set sustainability-related considerations
- International Sustainability Standards Board consultation on its draft sustainability standards IFRS S1 and IFRS S2
- International Public Sector Accounting Standards Board consultation on accounting for natural resources in the public sector
- faith-based superannuation products.

CPA Australia is a respected participant in government consultation and participates in parliamentary inquiries, consultation groups and working parties, government forums and roundtables on issues affecting the profession and the broader business community. These include:

- roundtables in the lead up to the Australian Government’s Jobs and Skills Summit, including the small business jobs and skills forum
- information sharing sessions with Malaysia’s Employees Provident Fund
- discussions with New Zealand Inland Revenue on incoming reforms and new policy proposals
- consultations with the Quality of Advice Review independent reviewer and Treasury Secretariat
- regular engagement with key regulators and oversight bodies, such as ASIC and AFSA, on insolvency
- being the external co-chair of the ATO Private Groups Stewardship Group and TPB Tax Practitioners Governance and Standards Forum
- participation in and representation on the:
 - AASB NFP financial reporting framework development project advisory group
 - AASB/Australian Auditing and Assurance Standards Board Sustainability Advisory committee
 - ASX Corporate Governance Council.

Engaging with members

CPA Australia places great importance on ensuring the views of members are represented in the development of our policy positions. We engage members in many ways. We convene six CoEs comprising members and selected experts experienced in:

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

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

We regularly seek member feedback and experiences on policy, law and administrative matters through engagement with divisional committees, discussion groups, at member events and directly with experienced expert members. In 2022, we hosted a series of policy-focused events featuring experts from different areas of the accounting and finance profession engaging with members. In total, we hosted 36 events, including webinars, which received more than 12,200 registrations.

The most popular policy webinars were:

- the Australian Federal Budgets
- tax time updates and other tax and trust related topics
- barriers to implementation of technology in businesses and how to overcome them
- AASB dialogue series webinars co-hosted with CA ANZ
- identifying and assessing the risks of material misstatement in audits
- sustainability reporting, addressing international and Australian member concerns.

Our members are highly engaged with our annual Australian Budget coverage. With two budgets delivered in 2022, we achieved over 26,000 views of our budget webpage, over 16,000 clicks of our budget summary articles and over 2300 webinar registrants across the two budgets. For the October Federal Budget, CPA Australia was the top Google result for “federal budget” after the official government webpage.

Policy and advocacy

Support for members

Policy and advocacy member rating ▲ 6.94
(2021: 6.93/10, 2020: 6.80/10, 2019: 6.46/10, 2018: 6.03/10)

CPA Australia produces a range of policy analysis, guidance and commentary for members. This is made available via our website, podcasts, webinars and publications, including Tax News, CPA Update, InPractice and INTHEBLACK.

Major publications on policy matters released in 2022 included:

- ESG Reporting White Paper (second edition)
- annual reports of Australian NFP organisations
- three decision tree financial distress resources for members and their clients
- Business and Economic Sentiment Survey 2022 – Hong Kong and Mainland China
- Business Technology Report 2022
- Decentralised Finance – A Policy Perspective
- Digital Corporate Reporting: Global Experiences from the G20 and Implications for Policy Formulation
- Asia-Pacific Small Business Survey 2021–2022
- The Horizons of Financial Reporting – Part 1 (Preparer Perspectives)
- resources on ATO guidance for trust reimbursement agreements (section 100A) and Modernising Business Registers.

Engaging with the media

We engage with the media to influence outcomes on legislative and regulatory issues that impact members and the profession, and which are in the public interest. Our media presence covers Australia and other key markets across the Asia-Pacific. We also provide expert commentary on topical issues on a regular basis.

In 2022, we maintained a strong focus on calling for governments to improve their business support and increase skilled migration. We issued more than 40 media releases on a diverse range of topics including our skills shortage priorities, moving Australia and New Zealand to monthly inflation reporting and our reactions to the budgets of various governments.

With Interest

In 2022, we released a new weekly podcast series, 'With Interest'. Created with CPA Australia members in mind, episodes featured our policy experts tackling a broad range of topics that are interesting and newsworthy, from business and finance and current events to accounting standards, technology and beyond.

Popular policy episodes were:

- Tax Time 2022 – Do's and don'ts of work-related expenses
- What's the way forward for digital financial reporting?
- Key takeaways from the Federal Budget 2022–23
- Why does Australia need tax reform?
- Staying on top of your records for Tax Time 2022
- Key findings in CPA Australia's 2021–22 Asia-Pacific Small Business Survey
- Commentary on COP 27
- Trends and predictions for ESG.

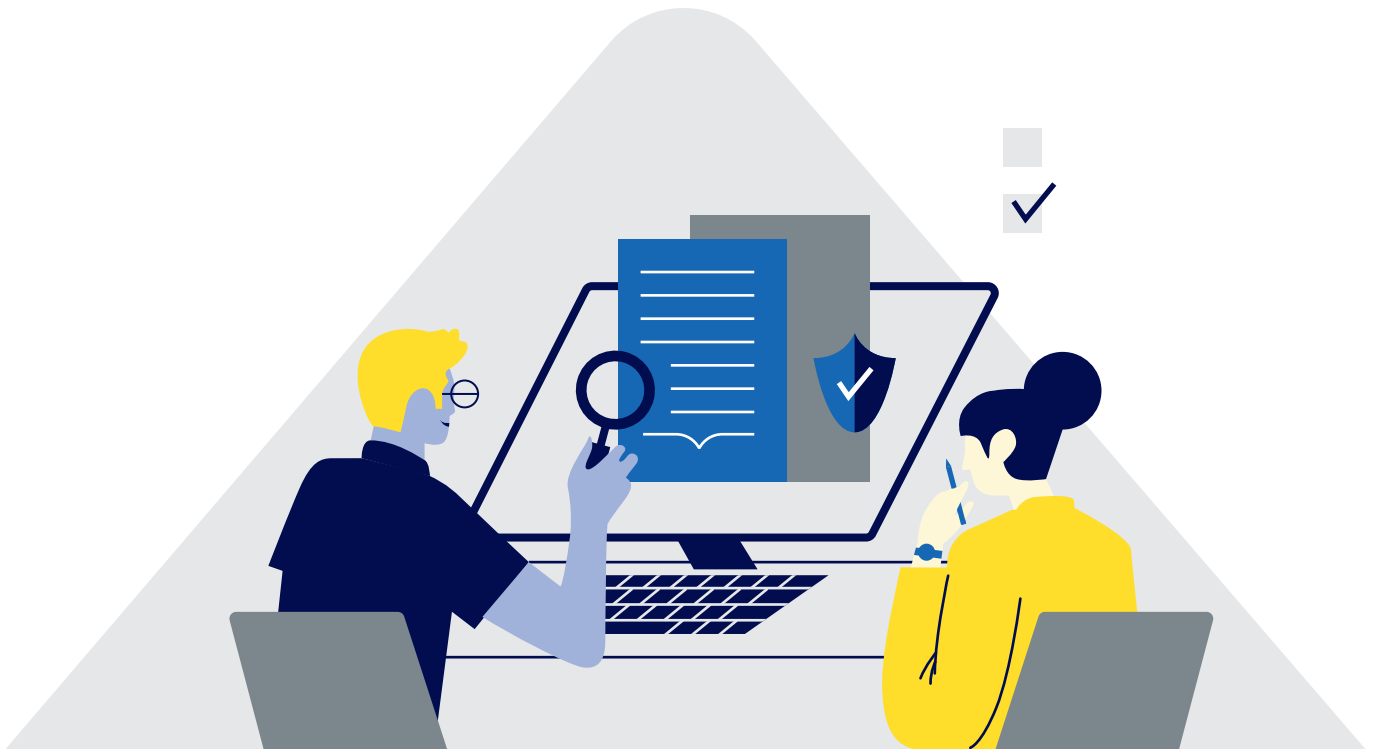
Value created

Increasing intellectual and social and relationship capital through:

- advocating for the profession to government and policymakers
- improving policy outcomes
- building trust in the business community
- leveraging our members' experience to impact decisions
- supporting our members adapt to change
- co-designing the future of the profession
- protecting the public interest.

Moving forward

- Continue to invest in policy and advocacy activities that are most important to members, the accounting profession and the public interest
- Promote the important role of the profession in public policy discussions
- Communicate our policy and advocacy work to our members
- Drive thought leadership and gather evidence to inform our policy positions
- Maintain a focus on key areas such as reporting, auditing, taxation, superannuation and financial advice
- Continue to be active in emerging areas of sustainability and digital transformation



Acronyms

AASB Australian Accounting Standards Board

AFAANZ Accounting and Finance Association of Australia and New Zealand

A4S Accounting for Sustainability

AGM Annual general meeting

AICD Australian Institute of Company Directors

A-IFRS Australian Equivalents to International Financial Reporting Standards

AM Member of the Order of Australia

AO Officer of the Order of Australia

APESB Accounting Professional and Ethical Standards Board

ARCC Audit, Risk and Compliance Committee

ASA Associate

ASAE Australian Standard on Assurance Engagements

ASIC Australian Securities and Investments Commission

AUASB Australian Auditing and Assurance Standards Board

CA ANZ Chartered Accountants Australia and New Zealand

CEO Chief Executive Officer

CFA Chartered Financial Analyst

CFO Chief Financial Officer

CIDO Chief Information and Digital Officer

CoE Centre of Excellence

CPA Certified Practising Accountant

CPD Continuing professional development

DTA Deferred tax assets

EGM Executive General Manager

ESG Environmental, social and governance

EVP Employee Value Proposition

FCCA Fellow of CPA Australia

FTE Full-time equivalent

GHG Greenhouse gas

GHG Greenhouse gas

GRI Global Reporting Initiative

GST Goods and services tax

HKICPA Hong Kong Institute of Certified Public Accountants

IESBA International Ethics Standards Board for Accountants

ICAI Institute of Chartered Accountants of India

IFAC International Federation of Accountants

IFRIC International Financial Reporting Interpretations Committee

IFRS International Financial Reporting Standards

INSEAD Institut Européen d'Administration des Affaires

I-O Input-Output

IPSASB International Public-Sector Accounting Standards Board

KMP Key management personnel

KPI Key performance indicator

LGBTQ+ Lesbian, gay, bisexual, transgender, queer +

MMF Member Management and Finance

MoU Memorandum of Understanding

MPA Membership Pathway Agreement

OAM Medal of the Order of Australia

RAP Reconciliation Action Plan

SaaS Software-as-a-Service

SAR Special Administrative Region

SDGs Sustainable Development Goals

SMEs Small-to-medium enterprise

TCFD Taskforce for Climate Related Financial Disclosures

TPB Tax Practitioners Board

UAE United Arab Emirates

UN United Nations

UK United Kingdom

WA Western Australia



Independent Assurance Report to the Directors of CPA Australia Limited

Conclusion

Limited assurance over the CPA Australia Integrated Report 2022

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 80 of the CPA Australia Integrated Report 2022 for the year ended 31 December 2022 is not prepared, in all material respects, in accordance with the International Integrated Reporting <IR> Framework.

Reasonable assurance over the “Materiality and stakeholders” section of the CPA Australia Integrated Report 2022

In our opinion, in all material respects, the “Materiality and stakeholders” section of the CPA Australia Integrated Report 2022 for the year ended 31 December 2022, has been prepared in accordance with the International Integrated Reporting <IR> 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:** Pages 1 to 80 of the CPA Australia Integrated Report 2022 for the year ended 31 December 2022 (the 2022 Report); and
- **Reasonable assurance:** the description of the material issues and materiality determination process of CPA Australia Limited (CPAA) in the “Materiality and stakeholders” section of the 2022 Report for the year ended 31 December 2022.

Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the International Integrated Reporting <IR> Framework (<IR> Framework) as disclosed in the 2022 Report and management’s own basis of preparation described in the “Materiality and stakeholders” section of the 2022 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 Conclusion

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

- used our professional judgement to assess the risk of material misstatement and plan and perform the engagement to obtain reasonable and limited 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 CPAA's strategy or how CPAA creates value, including the governance, strategic management and other key business processes. The procedures we have performed in relation to CPAA's strategy and how CPAA 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:

- Interviews with executives, senior management and relevant staff to understand the internal controls, governance structure and reporting process relevant to the 2022 Report.
- Examination of the relevant internal policies and procedures developed by CPAA, including those relevant to determining what matters most to CPAA stakeholders, how CPAA creates value, CPAA's external environment, strategy, approaches to putting members first, governance and reporting.
- Reviewing the description of CPAA's strategy and how CPAA creates value in the 2022 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 2022 Report.
- Assessment of the alignment between CPAA's strategy and the disclosures on how CPAA creates value and what matters most to CPAA stakeholders. Reviewing Board minutes to ensure consistency with the 2022 Report.
- Agreeing the content of the 2022 Report to the relevant underlying documentation on a sample basis.
- Analytical procedures over the content of the 2022 Report. Review of the 2022 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:

- Interviews with executives, senior management and relevant staff to understand the internal controls, governance structure and reporting process relevant to the material issues and the materiality determination process of CPAA.
- Identifying and evaluating the risks of material misstatement of CPAA'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 2022 Report to the relevant underlying documentation on a sample basis.
- Review of the "Materiality and stakeholders" section of the 2022 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 the Standard Defines 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 CPAA.

The Limitations of our Review

The 2022 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 2022 Report.

Use of this Assurance Report

This report has been prepared for the Directors of CPAA for the purpose of providing an assurance conclusion on the 2022 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 CPAA, 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 2022 Report in accordance with the criteria used as the basis of reporting; and
- ensuring CPAA's strategy is well-presented in the 2022 Report and reflects how CPAA creates value as they operate in practice
- identifying stakeholders and stakeholder requirements;
- determining material issues and reflecting those in the 2022 Report; and
- establishing internal controls that enable the preparation and presentation of the 2022 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 2022 for the year ended 31 December 2022, 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

KPMG

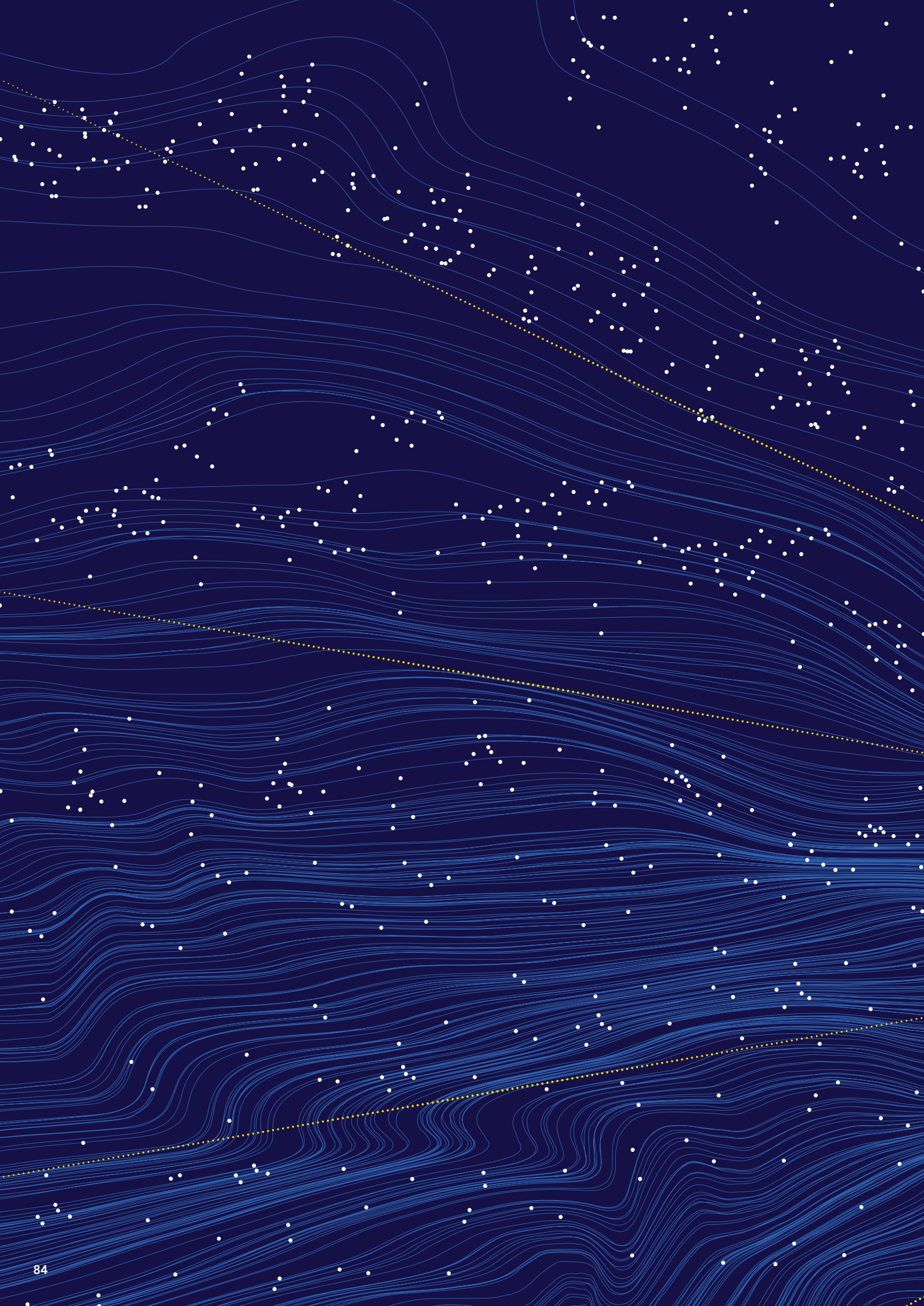
14 March 2023

Julia Bilyanska

Julia Bilyanska

Partner

Melbourne





**GOVERNANCE AND
FINANCIAL REPORT**

Board of Directors

As at 31 December 2022

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

Information on our approach to this area including our governance framework and structures can be found in the Corporate Governance Statement on our website and in the governance section on pages 35–38 of this report.

Board diversity

The Nomination Committee recommends to the Board the skills and competencies required on the Board and assesses the extent to which those skills are represented on the Board. The Nomination Committee regularly considers diversity issues and advises on the diversity of the Board and its Committees. 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.

The diversity of the current Board is shown in Table 13 below with the skills represented on the Board and its Committees in Table 8, on page 36.

Table 13: Board diversity as at 31 December 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%

2020

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



Merran Kelsall AO FCPA

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

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

Merran is committed to serving organisations with a commitment to outcomes for members, stakeholders and the public interest. She is particularly focused on aligning performance management with strategy, and in 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.



John Curtin Distinguished Professor Dale Pinto FCPA

Deputy President
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 agent 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 Board of Taxation's Special Advisory Panel, the ATO's Public Advice Guidance Panel and the Strategic Advisory Council of the Australian Council of Professions, as well as having served on the Chamber of Commerce and Industry's Economic Development Forum in WA.

Dale is a member of the Tertiary Education and Quality Standards Agency Register of Experts and 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 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



Chung Yew Pong (Bryan) FCPA

Director

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

Bryan is currently CFO of eatcosys, a retail finance and business technology solutions and services provider operating in Southeast Asia region.

Bryan has over 25 years' experience as a Senior Executive in investment banking and venture capital firms, specialising in digital finance and advising fintech start-ups. 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 and Vice President of Hadrons Capital.

A graduate of Monash University in Melbourne, Bryan is a Fellow of CPA Australia, serves on CPA Australia's Malaysia Divisional Council, and is Chairman of the Digital Transformation Committee. He is a Fellow of Chartered Institute of Management Accountants (CIMA), and a member of ASEAN CPA.

Bryan is also a board member of True Vine Capital Partners, a venture capital fund manager in Singapore and an independent Director at Sim Leisure Group Limited, where he is Chair of the Remuneration Committee and a member of the Audit and Nomination Committee.



Louise Cox FCPA

Director

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

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

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

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

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



Professor Yew Kee Ho FCPA

Director

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

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

Yew Kee has served on the Boards of publicly listed companies and held appointments as Professor and Head, Department of Accounting; Vice Dean (Finance and Administration); and Chairman, Executive Education at the National University of Singapore Business School. He had previously served as a Board member of the Accounting and Corporate 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, Dover Park Hospice, Prison Fellowship Singapore, and CBMC (Singapore) Ltd. A Fellow of CPA Australia, he sits on CPA Australia's Singapore Divisional Council. He is also a Fellow of Chartered Accountants Singapore and the Singapore Institute of Directors, and holds the Chartered Financial Analyst (CFA) qualification.

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



Helen Lorigan

Director

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.



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 is currently Chairman of the CPD Committee. 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 was appointed to be a member of the Council of Hong Kong Productivity Council in 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.



Rosemary Sinclair AM FCPA

Director

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.

Board of Directors



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. He has also held senior leadership roles with LOD/Bowmark Capital (after acquiring Lexvoco) and 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 Ohrg (leadership and team engagement platform), Notud (notetaking and drawing app), ABT (measurement technology), JustFund (fintech and legaltech), Better Events VR (event management and AR/VR), and Thongs Australia (retail, local manufacturing). Previously, Anthony was an independent, non-executive Director at Wellfully Ltd, a biotech and beautytech company.

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



Michaela Browning

Director (until 30 April 2022)

BEc (Hons), Masters FADT, GAICD

Michaela Browning is Vice President for Government and Public Policy for Asia Pacific for Google. Michaela has been a senior career diplomat. Michaela possesses a deep understanding of international and economic policy and has a proven track record of leadership in economic development, risk management and governance. Most recently she served as the inaugural CEO and established the National Foundations for Australia-China Relations. She has served as the Australian Consul General for Hong Kong and Macau (2017–20). She has held a range of senior positions in the Australian Commonwealth Government leading the design and implementation of economic and security policy and business engagement.

She was Head of Investment Promotion for Australia with the Australian Trade and Investment Commission and Head of all Established Markets (North America, Europe, Japan, Korea, Turkey, Israel, NZ and the Pacific) and Special Adviser to the CEO on strategy and China. She ran the official development program for Afghanistan and Pakistan and has been Senior Adviser to Defence and Foreign Ministers.

Ms Browning was also Director of Agriculture Negotiations for the Doha Development Round, and a negotiator on the free trade agreements Australia negotiated with the USA and Singapore. She has previously served on diplomatic missions overseas in Thailand and Singapore. Michaela is a Graduate of the AICD, holds a Masters in Foreign Affairs and Trade and a Bachelor of Economics with Honours, both from Monash University.

Councils and Committees

Divisional Councils

Australian Capital Territory

Phillipa Leggo CPA,
President
Erin Adams CPA, Deputy President
Matthew Geysen CPA,
Deputy President
Mark Brown FCPA
Yasmin Burraston CPA
Peter Dunlop FCPA
Rob Hanlon FCPA
Emily Jasprizza FCPA
Cha Jordanoski FCPA
Tony Marks FCPA
Annie Ryan FCPA
Karen Williams FCPA

New South Wales

Richard Morton FCPA, President
Michelle Cull FCPA, Deputy President
Kerryn Goddard FCPA,
Deputy President
Andrew Crawford FCPA
Helen Dong FCPA
John Fallon FCPA
Krista Fletcher FCPA
Peter Jiang FCPA
Stephan Kasanczuk FCPA
Simon Kaleski FCPA
Alexander Konstandinidis FCPA
Sarah Lawrance FCPA
Maggie Lo CPA
Benjamin McEvoy CPA
Thomas O'Keeffe FCPA
Bernadette Smyth CPA
Wayne Stokes FCPA
Christine Winwick CPA
(resigned April)

Northern Territory

Lisa Blakeley FCPA,
President
Ashley Challis CPA, Deputy President
Donna Moore CPA, Deputy President
Shawgat Kutubi CPA
Steven Lawrence FCPA
Iain MacPherson CPA
Tricia Richardson CPA
Ross Springolo FCPA
Chris Tee CPA

Queensland

Tanya Feekings FCPA, President
Shanna Hunter FCPA,
Deputy President
Cissy Ma FCPA, Deputy President
Steven Austen FCPA
Tony Brett CPA
David Hardidge FCPA
Sofia Keryk CPA
Deborah Nisbet FCPA
Theresa O'Connor FCPA
Kerry Phillips FCPA
Tim Timchur FCPA
Doug Tyler CPA

South Australia

Karen Conlon FCPA, President
Scott Williams FCPA,
Deputy President
John Zerella FCPA, Deputy President
Chau Chiem FCPA
Hanne Damgaard CPA
Jason Huang FCPA
Fiona Kwan CPA
Janice Loftus FCPA
Robert Maloney FCPA
Braden Naylor FCPA
Rikky Wang CPA
Jodi Lee-Ann Wright CPA

Tasmania

Gary O'Donovan FCPA, President
Paul Gimpl FCPA, Deputy President
Carolyn Harris FCPA,
Deputy President
Steve Allen FCPA
Melissa Butt CPA
Ric De Santi FCPA
Haixiang (Roger) Lu CPA
Donna Powell CPA
Claire Smith CPA
Belinda Williams FCPA
Qiaofeng (Angela) Ellis CPA
(casual vacancy)
Mark Wild CPA (casual vacancy)

Victoria

Brent Szalay FCPA, President
Melville Roy Yates FCPA,
Deputy President
Michelle Tyquin-Frey CPA,
Deputy President
Jon Aloni FCPA
(resigned December)
Georgina Fordham CPA
Judy Gao CPA
Justin Gordon FCPA
Kerry Teresa Harris FCPA
Ralph Kober FCPA
Maria Koleda FCPA
Enrique Ortiz CPA
(casual vacancy)
Jyotee Patel FCPA
Edward Turner CPA

Western Australia

Thomas Griebel FCPA, President
Erica Haddon FCPA,
Deputy President
Byron Savage CPA,
Deputy President
John Dawson FCPA
Tracy Jones CPA
Helen Lo Presti CPA
Simon Mayo FCPA
Mark Narustrang FCPA
Tim Roach FCPA
Peter Robinson FCPA
Andrew Seinor FCPA
Bernadette Smith FCPA

Greater China

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

Councils and Committees

Europe

Warwick Syphers FCPA, President
Catherine Riney FCPA,
Deputy President
Garth Britton CPA
Christopher Crellin FCPA
Mark Hucklesby FCPA (casual vacancy)
Kerry Huggler CPA
Andrea Mestrov CPA
Russell Payne CPA (casual vacancy)
Matthew Tilling CPA

Malaysia

(Jimmy) Can Yiew Lai FCPA, President
Dato' Mohammad (Azlan) Abdullah
FCPA, Deputy President
Surin Gnanasegaram (Segar) FCPA,
Deputy President
Alan Chung FCPA
(Bryan) Yew Pong Chung FCPA
Ree Nie Koh FCPA
Khoo Chuang Li FCPA
(casual vacancy)
Fatimah Mis CPA
Zulkiflee Mohamed FCPA
Terence Tan FCPA
Sau Shiung Yap FCPA
Kit Weng Yip FCPA

New Zealand

Angus Ogilvie FCPA, President
Liz Plowman CPA, Deputy President
Mark Saunders CPA, Deputy President
Gina Brighthouse CPA
Gillian Craig CPA
Behrad Golchin FCPA
Darby Healey CPA
Brent Kennerley FCPA
Matthew Needham FCPA
Paul Shallard CPA
Ray Smith CPA (resigned December)
Julia Wu CPA

Singapore

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

Board Committees

During 2022

Audit, Risk and Compliance Committee

Rosemary Sinclair AM FCPA, Chair
Michaela Browning (until
30 April 2022)
Louise Cox FCPA
Warren McRae FCPA
Bernard Che-Wai Poon FCPA

Education, Policy and Innovation Committee

Dale Pinto FCPA, Chair
Yew Kee Ho FCPA
Helen Lorigan
Warren McRae FCPA

Member Engagement and Culture Committee

Merran Kelsall AO FCPA, Chair
Michaela Browning (until
30 April 2022)
Louise Cox FCPA
Yew Kee Ho FCPA
Helen Lorigan
Bernard Che-Wai Poon FCPA

Nomination Committee

Dale Pinto FCPA, Chair
Trent Bartlett
Kerry Harris FCPA
Michaela Healey
Mark Narustrang FCPA
Rosemary Sinclair AM FCPA

Advisory Committees

As at 31 December 2022

Appointments Council

Merran Kelsall AO FCPA, Chair
Mark Narustrang FCPA,
Deputy Chair
Kerry Harris FCPA (Appointor)
Chng Lay Chew FCPA
Gillian Craig FCPA
Paul Gimpl FCPA
Anthony Lau FCPA
Sarah Lawrance FCPA
Cissy Ma FCPA
Catherine Riney FCPA
Surin Segar FCPA
Ross Springolo FCPA
Karen Williams FCPA
Jodi Wright CPA

Council of Presidents

Richard Morton FCPA, Chair
Brent Szalay FCPA, Deputy Chair
Lisa Blakeley FCPA
Karen Conlon FCPA
Tanya Feekings FCPA
Thomas Griebel FCPA
Jimmy Lai FCPA
Phillipa Leggo CPA
Max Loh FCPA
Gary O'Donovan FCPA
Angus Ogilvie FCPA
Warwick Syphers FCPA
Eden Wong FCPA

Professional Education Advisory Committee

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

Public Practice Advisory Committee

Andrew Pearce FCPA, Chair
Shabnam Amirbeaggi FCPA
Sharman Arumugam FCPA
Terrence Cheong FCPA
Shanna Hunter FCPA
Prue McStay CPA
Peter Mogg 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
John Havas FCPA
Robert McDowall FCPA
Leanne Oliver CPA

Compliance Panels

Disciplinary Panel

Daen Soukseun FCPA, Chair
Rebecca Hemperger FCPA,
Deputy Chair
Brendan Swift, Deputy Chair

Professional Conduct Oversight Panel

Leslie Young
Mark Brown FCPA
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
Clyde Dickens AM FCPA
Kenneth Eastwood AM FCPA
John Gill FCPA
Scott Henderson AM FCPA
Robert Jeffery FCPA
Low Weng Keong FCPA
Jim Kropp FCPA
Robert Shiu-Hung Lee FCPA
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 Committees

A4S Advisory Council

Merran Kelsall AO FCPA

ASEAN Federation of Accountants

Priya Terumalay FCPA

Confederation of Asian and Pacific Accountants

Priya Terumalay FCPA

IFAC Board¹

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 Council

Patrick Viljoen CPA

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

Councils and Committees

Centres of Excellence

Digital Transformation

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

ESG

Tim Timchur FCPA, Chair
Sharon Ditchburn FCPA
Robyn Erskine FCPA
Jin Ghee Ong CPA
Lucy Hamnett CPA
Felix Lam CPA
Cissy Ma FCPA
Paul Mather FCPA
Juergen Seufert CPA
Terence Tan FCPA

Ethics and Professional Standards

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

External Reporting

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

Retirement Savings

Nicole Osborne 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 CPA, Chair
Stuart Drake CPA
Ken Fehily FCPA
David Hall FCPA
Sunita Jogarajan
Aaron Ng CPA
Michael Parker ASA
Kunal Patel CPA
Ian Raspin FCPA
Sue Williamson FCPA

Report of the Board of Directors

Directors

The Directors submit the annual financial report of CPA Australia Ltd ("CPA Australia") and its controlled entities ("the Group") for the financial year ended 31 December 2022. 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 87 to 90 of this report, together with their qualifications, experience and special responsibilities. Details of meeting attendance are set out on pages 96 to 97 and their remuneration is included in Note 19.c on page 130.

Company Secretary

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

Principal activities

The principal activities of the Group during the financial year remain unchanged and were as an association representing financial, accounting and business advisory professionals: providing high standards of professional entry and continuing education, stimulating informed debate on issues within the areas of professional competence, setting and maintaining the highest professional and technical standards and promoting the role of its members for the benefit of the community.

Consolidated results

The consolidated loss before income tax for the year was \$31,337,000 (2021 consolidated loss: \$12,381,000). The consolidated loss after tax for the year was \$32,519,000 (2021 consolidated loss after tax: \$11,784,000).

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 101 to 103.

Corporate governance

The Board met on 12 occasions in 2022 with four Directors elected in September; three Directors commencing their three-year term on 1 October 2022 and one Director commencing a one-year term on 1 October 2022. During 2022, the Board continued to focus on providing services and resources to support members and the profession in responding to macro global trends; invest in technology to support the strategic initiatives and ensure the organisation is positioned to implement its ESG vision.

In 2022, four Board Committees of Directors operated: Audit, Risk and Compliance; Education, Policy and Innovation; Nomination, and Member Engagement and Culture.

Further information on the governance of the Company is included in the Corporate Governance Statement on our website and on pages 35 to 38 of this report.

Directors' meetings

The tables on pages 96 to 97 set out the number of Board and Board Committee meetings held and the number of meetings attended by each Director during 2022.

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 98 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 2022

Directors	Scheduled meetings		Ad hoc meetings		Total 2022 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Merran Kelsall, Chair	6	6	6	6	12	12
Dale Pinto	6	6	6	5	12	11
Warren McRae	6	6	6	6	12	12
Michaela Browning ¹	2	2	0	0	2	2
Louise Cox	6	6	6	5	12	11
Yew Kee Ho	6	6	6	5	12	11
Helen Lorigan	6	6	6	5	12	11
Bernard Che-Wai Poon	6	6	6	6	12	12
Rosemary Sinclair	6	6	6	6	12	12
Bryan Chung ²	1	1	1	0	2	1
Anthony Wright ²	1	1	1	1	2	2

Audit, Risk and Compliance Committee meetings 2022

Directors	Scheduled meetings		Ad hoc meetings		Total 2022 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Rosemary Sinclair, Chair	7	6	0	0	7	6
Michaela Browning ¹	2	0	0	0	2	0
Louise Cox	7	7	0	0	7	7
Warren McRae	7	7	0	0	7	7
Bernard Che-Wai Poon	7	7	0	0	7	7

Education, Policy and Innovation Committee meetings 2022

Directors	Scheduled meetings		Ad hoc meetings		Total 2022 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Dale Pinto, Chair	4	4	0	0	4	4
Yew Kee Ho	4	4	0	0	4	4
Helen Lorigan	4	3	0	0	4	3
Warren McRae	4	4	0	0	4	4

Nomination Committee meetings 2022

Directors	Scheduled meetings		Ad hoc meetings		Total 2022 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Dale Pinto, Chair	6	6	2	2	8	8
Rosemary Sinclair	6	5	2	1	8	6
Trent Bartlett ^{3,4}	6	6	1	1	7	7
Michaela Healey ⁴	6	6	1	1	7	7
Kerry Harris ^{3,5}	6	6	2	2	8	8
Mark Narustrang ⁵	6	6	2	2	8	8

Member Engagement and Culture Committee meetings 2022

Directors	Scheduled meetings		Ad hoc meetings		Total 2022 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Merran Kelsall, Chair	4	4	0	0	4	4
Michaela Browning ¹	1	0	0	0	1	0
Helen Lorigan	4	4	0	0	4	4
Bernard Che-Wai Poon	4	4	0	0	4	4
Louise Cox	4	4	0	0	4	4
Yew Kee Ho	4	4	0	0	4	4

1 Term as a Director and Committee Member concluded on 30 April 2022.

2 Term as a Director commenced on 1 October 2022.

3 Term on Committee commenced on 1 February 2022.

4 Independent Non-Director Committee members.

5 Appointments Council representatives on the Nomination Committee.

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



Merran Kelsall AO FCPA
Director



John Curtin
Distinguished Professor
Dale Pinto FCPA
Director

14 March 2023



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 2022 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
14 March 2023

Overview of financial results

for the year ended 31 December 2022

	2022	2021
	\$'000s	\$'000s
Revenue		
Member fees and subscriptions	93,539	88,163
Education and CPA Program	58,715	56,402
Professional development	8,215	7,430
Other services	3,564	3,586
Marketing, promotion and publications	1,825	2,038
Other Income	-	69
Finance Income	4,027	4,557
Total Revenue	169,885	162,245
Expenditure by strategic pillar		
Protect, promote and enhance the integrity of the profession	(15,414)	(14,099)
Lead the future of the accounting profession	(1,028)	(1,327)
Provide members with personalised and engaging experiences	(25,575)	(22,545)
Provide relevant learning and development content, resources and tools	(25,973)	(23,762)
Attract and develop the next generation of CPAs	(33,711)	(30,448)
Impact policy globally and be active in community advocacy	(5,164)	(5,052)
Member support services and governance	(78,558)	(62,387)
CPA Australia Advice	-	(14)
Total expenditure by strategic pillar	(185,423)	(159,634)
Total CPA Australia excluding strategic projects		
Revenue	169,885	162,245
Expenditure	(185,423)	(159,634)
Tax credit/(expense)	(1,182)	597
Surplus/(deficit)	(16,720)	3,208
Strategic projects		
Expenditure	(15,799)	(14,992)
Total CPA Australia including strategic projects		
Revenue	169,885	162,245
Expenditure	(201,222)	(174,626)
Tax credit/(expense)	(1,182)	597
Surplus/(deficit)	(32,519)	(11,784)
Other comprehensive income/(expense) for the year, net of tax	(1,281)	3,925
Total comprehensive income/(loss) for the year	(33,800)	(7,859)

Overview of financial results

In 2022, CPA Australia continued to invest in key initiatives that support the strategy put in place in 2018, and to support members through the recovery from COVID-19. This includes creating a progression policy to encourage and support new Associates to progress to fully qualified status, continue offering discounted and free professional development to support members and further investment in the MMF program which will go live in 2023. CPA Australia also continued to enhance our thought leadership and advocacy for our members and the public interest.

In addition to these strategic investments, the overview of financial results has been presented with expenditure aligned to the six pillars of the 2018–22 strategy along with investment for member support services and governance, and strategic projects.

Protect, promote and enhance the integrity of the profession's core activities includes managing and developing the brand, professional standards and quality assurance. The increase in expenditure is primarily driven by costs associated with Best Practice Program and digital marketing which are partially offset by decreased expenses relating to advertising and marketing.

Lead the future of the accounting profession includes the development of strategies, training and tools to support members through the future changes to the profession and the development of membership pathways for skilled business professionals from non-accounting backgrounds.

Provide members with personalised and engaging experiences is a core activity that includes the delivery of the membership offer, administration and assessment of members' admissions and advancements, member engagement including increased support at branch level, member communications, member benefits and membership retention. Expenditure has increased as activity supporting public practice and member engagement that was reduced in prior years due to COVID-19 returns to more normalised levels.

Provide relevant learning and development content, resources and tools including the development and delivery of CPD products such as training workshops and CPA Congress, a structured mentoring program, library services and publications including INTHEBLACK, CPA Update and Australian Accounting Review and micro-credentials. Expenditure has increased due to costs associated with servicing overseas members, learning curation and improving systems for our members.

Attract and develop the next generation of CPAs includes development and delivery of the CPA Program and Public Practice Program, development of meaningful and effective relationships with employers, academics and universities to support students and early career professionals and the development of career pathways for students studying outside their home country. The increased expenses relate to development and engagement activities in overseas locations.

Impact policy globally and be active in community advocacy includes policy and research, advocacy and government relations and support for the profession locally (APESB etc) and internationally (IFAC, Confederation of Asian and Pacific Accountants (CAPA) etc.). The increase in spend is attributable to an increase in membership fees paid to the bodies outlined above.

Member support services and governance includes internal support activities such as finance, legal, procurement, property management, technology, organisational development, human resources and planning. They also include activities associated with the Board, Board Committees and Board Secretariat. Increased expenditure is mainly attributable to technology costs, including expenses related to security and protection of both member and organisational data along with changes in fair value of financial assets treated through the profit and loss statement.

Strategic projects includes further investment in the MMF program, review of the progression policy, tools to enhance career outcomes and improving the learner experience.

Discussion and analysis of the financial results 2022

Financial results

As foreshadowed in the 2021 Integrated Report, the Group delivered an operating deficit before tax in 2022 of \$31.3m (2021 deficit: \$12.4m) and an overall comprehensive loss of \$33.8m (after tax, FX and unrealised gain on investments) (2021 overall comprehensive loss: \$7.9m). During 2022 the organisation continued to invest in the key initiatives to support the strategy put in place in 2018, including the MMF program, initiatives on progressing members through the CPA Program (progression policy), and tools to enhance career outcomes. In addition to this, we continued to support our members with access to free and discounted professional development, hardship, membership discounts and continued opportunity to undertake CPA Program exams online. This investment, and the continued impact of the COVID-19 pandemic are the key drivers for the deficit in 2022.

Revenue

Overall revenue was higher in 2022 at \$169.9m (2021: \$162.2m). 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 free professional development, online exams and delivery of the MMF program. Public practice revenue increased with growth in public practice members between 2021 and 2022. CPA Congress produced strong engagement with 11,751 attendees.

The Group ended the year with 172,333 members (2021:170,826) which was driven by membership retention rates consistent with that achieved in 2021 and solid new member numbers. Offsetting some of the revenue was a significant number of hardship discounts provided to members during 2022.

Expenditure

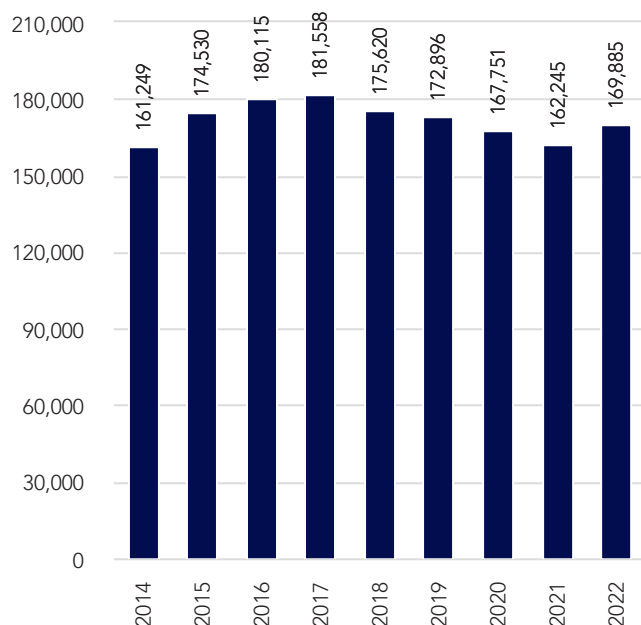
Expenditure before tax was \$201.2m or 15.2 per cent higher than 2021 at \$174.6m. As the organisation began recovering from the impacts of the pandemic, activities started to resume as usual, including engagement events, travel and certificate ceremonies for members.

Employee costs were higher in 2022 at \$88.8m (2021: \$82.0m). This was mainly attributable to an increasingly competitive employee market driving salaries of new recruits up and increasing the need for specialised recruiters.

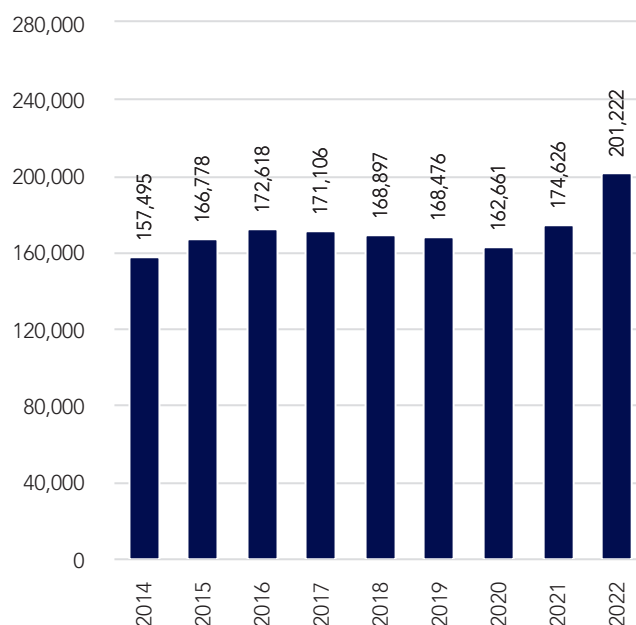
The investment in the MMF program and website strategic initiatives also resulted in higher professional services and software license expenses compared to 2021.

The increases in costs outlined above were partially offset by lower advertising and promotion expenses.

Total revenue (\$'000s)

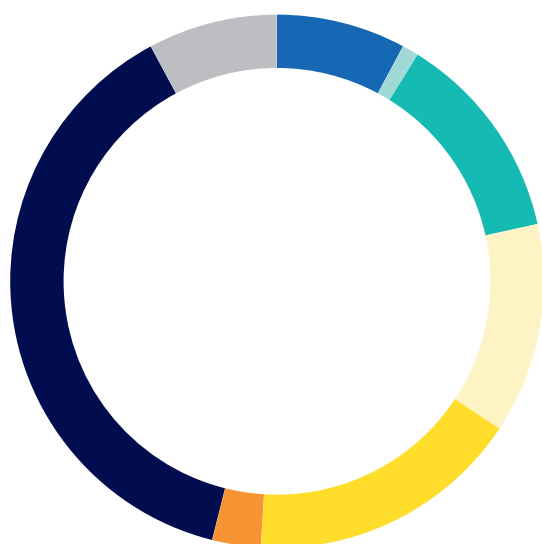


Total expenditure excluding tax (\$'000s)



Discussion and analysis of the financial results 2022

Expenditure by strategic goals¹



- 8% Protect, promote and enhance the integrity of the designation
- 1% Lead the future of the profession
- 13% Provide members with personalised and engaging experiences
- 13% Provide relevant learning and development content, resources and tools
- 17% Attract and develop the next generation of CPAs
- 3% Impact policy globally and be active in community advocacy
- 39% Member support services and governance
- 8% Strategic projects

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

Taxation

The income tax expense recognised in profit or loss for 2022 is \$1.2m (2021: income tax benefit \$0.6m). The total income tax benefit recognised in other comprehensive income for the year is \$1.1m (2021: income tax expense of \$0.7m). This is primarily attributable to the deferred tax recognised on temporary differences at balance date. Further details are contained in Note 6 on pages 115 to 118.

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 gain on translation of cash of \$0.05m for the full year (2021: \$1.3m loss). A foreign exchange loss of \$0.05m (2021: \$1.4m gain) on translation of foreign operations for the year ended 31 December 2022 is recognised in other comprehensive income.

Cash flow

The net cash inflows from operating activities decreased by \$6.7m during 2022 to negative \$0.08m (2021: decreased \$9.4m) attributable to higher payments to suppliers and employees and partially offset by an increase in receipts from operations during the year.

Investments

The Group's total investment portfolio return inclusive of returns on working capital accounts was \$4.0m (2021: \$4.6m). The investment portfolio returned an unrealised loss of \$11.0m in 2022 (2021: \$3.7m gain).

Balance sheet

The Group's balance sheet reflects net assets decreasing by \$33.8m or 32.6 per cent compared to 2021, which is largely attributable to the 2022 deficit being driven by investment in strategic projects.

Cash and cash equivalents increased by \$1.5m compared to 2021 which is primarily due to the deficit discussed above and partially offset by a drawdown in other financial assets and higher revenue received in advance at year end.

Trade and other receivables have remained consistent at \$1.6m in 2022 (2021: \$1.6m).

Other current assets are \$0.2m lower than the prior year due to a decrease in prepaid expenses.

Current and non-current other financial assets are lower than 2021 by \$31.0m which is attributable to a reduction of \$19.0m in current other financial assets to fund investment in strategic projects and a reduction of \$12.0m in the market value of non-current other financial assets.

Property, plant and equipment has increased by \$0.9m to \$28.8m (2021: \$27.9m) 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 higher than 2021 by \$6.0m, 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 \$1.9m higher than 2021. This is primarily due to an increase in provisions related to employee benefits.

Trade and other payables were higher by \$6.0m compared to the previous year; this is due to a timing difference in payments to trade creditors.

Other current liabilities were \$3.3m higher than 2021 which is due to higher subscriptions and fees received in advance.

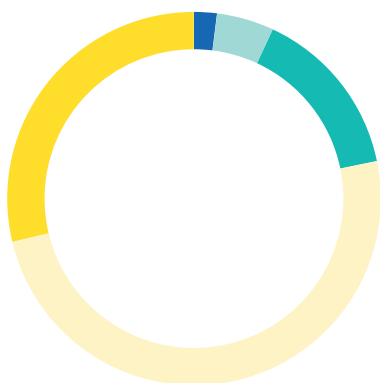
Assets¹



- 28% Cash and cash equivalents
- 1% Trade and other receivables
- 37% Other financial assets
- 15% Right-of-use asset
- 8% Other assets (incl intangibles)
- 12% Property, plant and equipment

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

Liabilities¹



- 2% Non-current provisions
- 5% Current provisions
- 15% Trade and other payables
- 50% Subscriptions and fees in advance
- 29% Lease liabilities

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 2022

	Note	Consolidated	
		2022 \$'000s	2021 \$'000s
Revenue	3	165,858	157,619
Other income	3.d	-	69
Finance income	4	4,027	4,557
Employee benefits expense	5.a	(88,824)	(81,976)
Education and CPA Program expense	5.b	(18,116)	(16,805)
Advertising and promotion expense	5.c	(4,694)	(5,064)
Rent and outgoings expense		(5,417)	(4,804)
Computer hardware and software licences expense		(9,573)	(8,065)
Event delivery expense	5.d	(7,809)	(6,928)
Professional services expense	5.e	(24,356)	(22,636)
Printing and communication expense	5.f	(3,126)	(2,872)
Travel and catering expense	5.g	(3,093)	(859)
Other staff costs	5.h	(4,162)	(3,867)
Depreciation and amortisation expense	11, 12, 13	(15,536)	(14,747)
Finance costs		(1,599)	(1,806)
Net foreign exchange gain/(loss)		53	(1,256)
Gain/(loss) on sale of financial assets at FVTPL		206	184
Changes in the fair value of financial assets at FVTPL		(8,495)	2,068
Impairment gain/(loss)		-	127
Loss allowance for trade receivables		(209)	(107)
Gain/(loss) on sale of property, plant and equipment		(2)	-
Other expenses	5.i	(6,470)	(5,213)
Surplus/(deficit) before income tax		(31,337)	(12,381)
Tax (expense)/income	6	(1,182)	597
Surplus/(deficit) for the year		(32,519)	(11,784)
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		(2,184)	1,754
Gain/(loss) on sale of financial assets at FVOCI		1,308	900
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(48)	1,364
Changes in the fair value of debt instruments at FVOCI		(357)	(93)
Other comprehensive income/(loss) for the year, net of tax		(1,281)	3,925
Total comprehensive income/(loss) for the year		(33,800)	(7,859)

CPA Australia 2022 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 108 to 140.

Statement of financial position

as at 31 December 2022

	Note	Consolidated	
		2022 \$'000s	2021 \$'000s
Current assets			
Cash and cash equivalents	7	68,434	66,927
Trade and other receivables	8	1,562	1,593
Other financial assets	10	272	19,273
Other assets	9	5,936	6,105
Total current assets		76,204	93,898
Non-current assets			
Other financial assets	10	92,332	104,353
Deferred tax assets	6.d	79	69
Property, plant and equipment	11	28,811	27,937
Intangible assets	12	12,149	6,148
Right-of-use asset	13.a	35,910	37,783
Other assets	9	578	544
Total non-current assets		169,859	176,834
Total assets		246,063	270,732
Current liabilities			
Trade and other payables		25,967	19,994
Provisions	14	8,708	6,750
Lease liabilities	13.b	7,536	7,546
Other liabilities	15	87,592	84,258
Total current liabilities		129,803	118,548
Non-current liabilities			
Provisions	14	3,335	3,381
Lease liabilities	13.b	43,122	45,200
Total non-current liabilities		46,457	48,581
Total liabilities		176,260	167,129
Net assets		69,803	103,603
Members' funds			
Reserves		6,156	8,745
Retained surplus		63,647	94,858
Total members' funds		69,803	103,603

CPA Australia 2022 financial statements

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 108 to 140.

Statement of changes in members' funds

for the year ended 31 December 2022

	Consolidated			
	Investment revaluation reserve	Foreign currency translation reserve	Retained surplus	Total
	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 January 2021	5,447	273	105,742	111,462
Other comprehensive income	1,661	1,364	900	3,925
Surplus/(deficit) for the year	-	-	(11,784)	(11,784)
Balance at 1 January 2022	7,108	1,637	94,858	103,603
Other comprehensive income	(2,541)	(48)	1,308	(1,281)
Surplus/(deficit) for the year	-	-	(32,519)	(32,519)
Balance at 31 December 2022	4,567	1,589	63,647	69,803

CPA Australia 2022 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 108 to 140.

Statement of cash flows

for the year ended 31 December 2022

	Note	Consolidated	
		2022 \$'000s	2021 \$'000s
Cash flows from operating activities			
Receipts from operations		181,260	178,405
Receipts from government assistance	3.d	-	69
Payments to suppliers and employees		(179,766)	(170,048)
Interest on leases	13.b	(1,570)	(1,791)
Net cash (outflows)/inflows from operating activities	7	(76)	6,635
Cash flows from investing activities			
Payment for property, plant and equipment and intangible assets	11, 12	(13,668)	(7,710)
Net receipts/(payments) for deposits less than 1 year but greater than 90 days		19,001	34,994
Proceeds from sale of investments		24,008	20,390
Purchase of investments		(22,442)	(25,451)
Investment interest and dividends received		4,199	4,645
Net cash (outflows)/inflows from investing activities		11,098	26,868
Cash flows from financing activities			
Payment of lease liabilities	13.b	(7,668)	(7,744)
Net cash outflows from financing activities		(7,668)	(7,744)
Net increase/(decrease) in cash and cash equivalents held		3,354	25,759
Cash and cash equivalents at the beginning of the financial year		66,927	42,559
Effects of exchange rate changes in the balance of cash held in foreign currencies		(1,847)	(1,391)
Cash and cash equivalents at the end of the financial year	7	68,434	66,927

CPA Australia 2022 financial statements

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 108 to 140.

Notes to the financial statements

1 Adoption of new and revised Accounting Standards

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

Change in accounting policy

There were no new or amended accounting standards that became effective in the current reporting period that had a material impact on the Group's financial reporting and or accounting policies.

Standards issued but not yet effective

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

2 Summary of significant accounting policies

2 (a) Basis of preparation

The general purpose consolidated financial statements have been prepared on an accruals basis and are based on historical costs. They do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

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

2 (b) Statement of compliance

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

As at 31 December 2022, current liabilities are \$53.6m 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 2022 were authorised by the Board of Directors on 14 March 2023.

2 (c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

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

2 (d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on purchases of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

2 (e) Foreign currency

All foreign currency transactions are shown in Australian dollars.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date the fair value was determined.

Exchange differences are recognised in profit or loss in the period they occur.

Foreign currency operations

The assets and liabilities of the Group's overseas operations are translated at the exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rate for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are charged/credited to other comprehensive income and recognised in the foreign currency translation reserve in equity.

2 (f) Government assistance

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

There was no government assistance received during 2022 as outlined in Note 3.d

2 (g) Comparative amounts

When a change in accounting policy is applied retrospectively in accordance with Australian Accounting Standards, we have adjusted the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.

2 (h) Critical judgements in applying the Group's accounting policies

The following are the critical judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries
- future on-cost rates
- experience of employee departures and period of service.

Intangible and other assets

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

SaaS arrangements

Note 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.

3 Revenue

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Revenue from contracts with customers		
Member fees and subscriptions	93,539	88,163
Education and CPA Program	58,715	56,402
Professional development	8,215	7,430
Other services	3,564	3,586
Marketing, promotion and publications	1,825	2,038
	165,858	157,619

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					
	Member fees and subscriptions	Education and CPA Program	Professional development	Other services	Marketing, promotion and publications	Total
2022	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
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
2021						
Revenue from contracts with customers	88,163	56,402	7,430	3,586	2,038	157,619
Timing of revenue recognition						
At a point in time	2,177	2,690	7,430	3,586	2,038	17,921
Over time	85,986	53,712	-	-	-	139,698
	88,163	56,402	7,430	3,586	2,038	157,619

Member fees and subscriptions

The membership subscription year runs 1 January to 31 December, with subscriptions payable annually in advance. Only those membership fees and subscriptions that are attributable to the current financial year are recognised as revenue over time. Fees and subscription payments that relate to future periods are shown in the statement of financial position as subscriptions and fees in advance under the heading of current liabilities – other liabilities.

Education and CPA Program

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

Professional development

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

Marketing, promotion and publications

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

Other revenue generating activities

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

3 (b) Contract balances

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

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Receivables (included in trade and other receivables)	1,637	1,680
Loss allowance	(128)	(95)
Total receivables	1,509	1,585
Subscriptions and fees received in advance	87,592	84,258

Subscriptions and fees received in advance are shown in the statement of financial position under the heading of current

liabilities – other liabilities; this represents advance consideration received from customers for which revenue is recognised in accordance with the satisfaction of performance obligations.

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

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Revenue recognised that was included in the subscriptions and fees received in advance balance at the beginning of the period	84,258	75,034
Increases due to cash received, excluding amounts recognised as revenue during the period	(87,592)	(84,258)

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 2022.

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Member fees and subscriptions	68,529	63,963
Education and CPA Program	18,559	19,941
Professional development	(111)	186
Other services	615	168
	87,592	84,258

3 (d) Other income

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Government assistance	-	69

Government assistance includes various subsidies issued by Governments globally in response to the COVID-19 pandemic.

Covid-19 pandemic subsidies

The Group did not receive Government pandemic subsidies during 2022. In 2021, final payments were received in relation to the Singapore Job Support Scheme totalling \$68,853.

4 Finance income

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Dividends and distributions	3,439	4,066
<i>Interest income on:</i>		
Financial assets held as investments	484	485
Bank deposits	104	6
	4,027	4,557

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.

5 Expenditure

5 (a) Employee benefits

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Salaries and other benefits	81,672	75,674
Defined contribution	6,984	6,274
Fringe benefits tax	168	28
	88,824	81,976

5 (b) Education and CPA Program expense

Exam delivery	11,292	10,681
Exam and content development	6,824	6,124
	18,116	16,805

5 (c) Advertising and promotion expense

Acquisition advertising	3,105	3,640
Member engagement activity	574	565
Other	345	217
Sponsorships	422	217
Research prizes and grants	11	243
Business development activity	200	148
Media monitoring	22	23
Public practice program campaign	15	11
	4,694	5,064

5 (d) Event delivery expense

Professional development events	5,229	4,945
Member engagement events	2,424	1,891
Recruitment events	75	45
Education events	81	47
	7,809	6,928

5 (e) Professional services expense

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Strategic investment	9,726	9,647
Corporate support	2,822	3,304
Technology projects	4,592	3,757
Publications	1,196	1,154
Governance	744	363
Product development and delivery	1,808	1,520
Business development activity	1,486	950
Legal	784	1,112
Professional conduct activity	606	703
AGM	126	126
Strategic Review	466	-
	24,356	22,636

5 (f) Printing and communication expense

Publications	73	402
Telephone, internet and WAN costs	1,344	1,136
Printing and stationery	948	361
Postage	441	499
Other	320	474
	3,126	2,872

5 (g) Travel and catering expense

Member engagement activity	299	222
Corporate support	663	328
Business development activity	682	102
Board and internal audit	843	131
Education and professional development activity	200	23
Public practice activity	95	11
Advocacy	233	15
Professional conduct activity	56	7
Strategic projects	22	20
	3,093	859

5 (h) Other staff costs

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Agencies employment expense	1,465	1,356
Staff training and development	1,060	945
Staff recruitment	1,339	1,235
Other staff costs	298	331
	4,162	3,867

5 (i) Other expenses

Memberships and contributions	2,807	2,567
Merchant fees and bank fees	2,781	2,444
CPA Australia Best Practice Program	394	118
Other	488	84
	6,470	5,213

6 Taxation

As an organisation that is carried on for the benefit of its members collectively, not individually, the Group applies the principle of mutuality which is a common law principle based on the premise that individuals (members in the case of CPA Australia) cannot derive taxable income from themselves.

In applying the principle of mutuality, revenue in the form of member receipts represents mutual income and is not subject to income tax. Expenses associated with such mutual income are likewise not tax deductible for income tax purposes. The principle of mutuality does not extend to all other receipts and payments of the Group and as such need to be classified for income tax purposes in accordance with Australian income tax legislation.

Expenditure of the Group has been apportioned between mutual and non-mutual income using an appropriate methodology which has been validated by external tax advisors.

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	
	2022	2021
	\$'000s	\$'000s
Tax expense overseas entities	93	115
Deferred tax expense/(benefit) (refer 6(d))	1,089	(712)
Total income tax expense/(income)	1,182	(597)

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	
	2022	2021
	\$'000s	\$'000s
Surplus/(deficit) before income tax	(31,337)	(12,381)
Income tax expense/ (benefit) calculated at 30%	(9,401)	(3,714)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Mutual revenue	(45,407)	(43,955)
Mutual expenses	47,300	43,267
Foreign operations revenue	(5,571)	(4,964)
Foreign operations expenditure	7,494	6,585
Other tax adjustments	3,740	650
	(1,845)	(2,131)
Tax effect of:		
Temporary differences	(3,037)	256
(Recognition)/derecognition of prior year tax losses as deferred assets	5,971	1,163
Impact of tax in foreign jurisdiction	93	115
	3,027	1,534
Total income tax expense/(income)	1,182	(597)

Non-mutual operating and investment revenue totalled \$23.2m in 2022 (2021: \$16.6m). Non-mutual operating expenditure totalled \$26.1m in 2022 (2021: \$20.4m). This gives rise to a non-mutual taxable loss of \$2.9m (2021: loss \$3.8m) prior to any tax adjustments.

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

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

6 (c) Income tax recognised in other comprehensive income

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Deferred tax expense/(benefit) arising on the fair value remeasurement of equity investments at FVOCI (refer 6(d))	(936)	752
Deferred tax expense/(benefit) arising on the fair value remeasurement of debt instruments at FVOCI (refer 6(d))	(153)	(40)
Total income tax recognised in other comprehensive income	(1,089)	712

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

	Consolidated									
	Opening balance	Recognised	Recognised in		Closing	Recognised	Recognised in		Closing	
	2021	in profit or	other	Fx	balance	in profit or	other	Foreign	balance	
	\$'000s	loss	comprehensive	Revaluation	2021	loss	comprehensive	Subsidiaries	2022	
		income				income				
		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Investments	(3,504)	(620)	(712)	-	(4,836)	2,548	1,089	-	(1,199)	
Property, plant and equipment	(390)	346	-	-	(44)	364	-	-	320	
Employee benefits	252	32	-	-	284	97	-	-	381	
Provisions	17	(1)	-	-	16	3	-	-	19	
Leases	(150)	(13)	-	-	(163)	25	-	-	(138)	
Tax losses	3,775	968	-	-	4,743	(4,126)	-	-	617	
Foreign subsidiaries	67	-	-	2	69	-	-	10	79	
	67	712	(712)	2	69	(1,089)	1,089	10	79	

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	
	2022 \$'000s	2021 \$'000s
Tax losses not recognised as DTAs	8,595	2,635

7 Cash and cash equivalents

	Consolidated	
	2022 \$'000s	2021 \$'000s
Current		
Cash at bank and in hand	55,434	52,927
Deposits at call	13,000	14,000
	68,434	66,927

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	
	2022 \$'000s	2021 \$'000s
Inflow from operating activities		
Surplus/(deficit) for the year	(32,519)	(11,784)
Plus/(minus) non-operating items:		
Interest and dividend income received	(4,027)	(4,557)
Net (gain)/loss on sale of property, plant and equipment	2	-
Net (gain)/loss on sale of financial assets at FVTPL	(206)	(184)
Plus/(minus) non-cash items:		
Depreciation and amortisation	15,536	14,747
Foreign exchange translation	(53)	1,256
Provision for impairment	-	(127)
Addback loss allowance on trade receivables	209	107
Deferred tax adjustment	1,089	(712)
Make-good expense/(gain)	(40)	(580)
(Gain)/loss on revaluation of financial assets at FVTPL	8,495	(2,068)
Movement in Fiji funds	-	213
Finance costs	26	11
Change in assets and liabilities:		
(Increase)/decrease in receivables	68	697
(Increase)/decrease in other assets	125	(564)
Increase/(decrease) in payables	5,973	105
Increase/(decrease) in subscriptions and fees in advance	3,334	9,224
Increase/(decrease) in provisions	1,912	851
Net cash inflow/(outflows) from operating activities	(76)	6,635

8 Trade and other receivables

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Current assets		
Trade and other receivables	1,650	1,685
Loss allowance	(128)	(95)
	1,522	1,590
Other receivables:		
Accrued interest on bank deposits	35	1
Accrued interest on financial assets at amortised cost	5	2
	40	3
	1,562	1,593

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	
	2022	2021
	\$'000s	\$'000s
Movement in loss allowance		
Balance at 1 January	95	94
Amounts recovered	-	-
Remeasurement of loss allowance	33	1
Balance at the end of the year	128	95

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

9 Other assets

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Current		
Prepayments	5,902	6,084
Security deposit and other	34	21
	5,936	6,105
Non-current		
Security deposit and other	578	544
	578	544

10 Other financial assets

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Current		
Deposits greater than 90 days, less than one year	272	19,273
	272	19,273
Non-current		
Financial assets at fair value through profit or loss (FVTPL)	61,719	67,200
Financial assets at fair value through other comprehensive income (FVOCI)	30,613	37,153
	92,332	104,353

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

11 Property, plant and equipment

	Consolidated				
	Building at cost \$'000s	Plant and equipment and leasehold improvements at cost \$'000s	Library books at cost \$'000s	Capital work in progress \$'000s	Total \$'000s
Gross carrying amount					
Balance at 1 January 2021	3,800	54,711	55	950	59,516
Additions	-	333	6	3,432	3,771
Derecognition of assets	-	(1,582)	(9)		(1,591)
Transfers to/from asset class	-	2,782		(2,782)	-
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 31 December 2022	3,800	56,812	46	1,584	62,242
Accumulated depreciation and impairment					
Balance at 1 January 2021	(1,748)	(26,695)	(23)	-	(28,466)
Derecognition of assets	-	1,412	9	-	1,421
Depreciation	(76)	(6,627)	(11)	-	(6,714)
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 31 December 2022	(1,900)	(31,514)	(18)	-	(33,432)
Net book value					
Property, plant and equipment as at 31 December 2021	1,976	24,334	27	1,600	27,937
Property, plant and equipment as at 31 December 2022	1,900	25,298	28	1,584	28,811

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

	Consolidated		
	Intangible assets at cost	Capital work in progress - intangible assets	Total
	\$'000s	\$'000s	\$'000s
Gross carrying amount			
Balance at 1 January 2021	30,906	343	31,249
Additions	-	5,816	5,816
Derecognition of assets	(9,992)	-	(9,992)
Transfers to/from asset class	3,380	(3,380)	-
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 31 December 2022	27,971	6,575	34,546
Accumulated amortisation and impairment			
Balance at 1 January 2021	(30,114)	-	(30,114)
Derecognition of assets	9,985	-	9,985
Amortisation and impairment	(796)	-	(796)
Balance at 1 January 2022	(20,925)	-	(20,925)
Derecognition of assets	68	-	68
Amortisation and impairment	(1,540)	-	(1,540)
Balance at 31 December 2022	(22,397)	-	(22,397)
Net book value			
Intangible assets as at 31 December 2021	3,369	2,779	6,148
Intangible assets as at 31 December 2022	5,574	6,575	12,149

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss. Amortisation is recognised on a straight-line basis over their estimated useful lives as follows:

Core business systems	5 Years
Website	3 Years
Other software	3 Years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Website costs

The primary focus of the Group's website is as an advertising, branding and information tool for the Group and its members. All maintenance and operational expenditure have been treated as expenses incurred in the period.

SaaS Arrangements

The Group updated its policy in relation to cloud computing arrangement costs during 2021 in response to IFRIC agenda decisions. The 2020 comparative financial data was restated in the 2021 financial report to reflect the change.

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 Right of use asset \$'000s
Gross carrying amount	
Balance at 1 January 2021	51,923
Additions/modification to right-of-use assets	6,660
Derecognition of right-of-use assets	-
Foreign exchange movements	747
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 31 December 2022	62,454
Accumulated depreciation	
Balance at 1 January 2021	(13,836)
Depreciation	(7,237)
Derecognition of right-of-use assets	-
Foreign exchange movements	(474)
Balance at 1 January 2022	(21,547)
Depreciation	(7,056)
Derecognition of right-of-use assets	2,469
Foreign exchange movements	(410)
Balance at 31 December 2022	(26,544)
Net book value	
Right-of-use asset as at 31 December 2021	37,783
Right-of-use asset as at 31 December 2022	35,910

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low-value assets and leases with a duration of twelve months or less. Lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income over the lease term.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease
- 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 2021	53,630
Additions/modification	6,472
Interest expense	1,791
Lease payments	(9,535)
Lease rental concessions	-
Lease incentives received	100
Foreign exchange movements	288
Balance at 1 January 2022	52,746
Additions/modification	4,707
Interest expense	1,570
Lease payments	(9,238)
Lease rental concessions	-
Lease incentives received	380
Foreign exchange movements	493
Balance at 31 December 2022	50,658

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate which is determined by obtaining interest rates from various external financing sources. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

The Group early adopted in the prior year AASB 2020-4 *Amendments to Australian Accounting Standards—COVID-19-Related Rent Concessions* and applied the practical expedient consistently to eligible rent concessions. Amounts received are treated as a credit to rent and outgoings in the statement of profit or loss and other comprehensive income. During 2022, the Group did not receive any COVID-19 related rental concessions (2021: \$nil). For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

Service charges are not included in the calculation of lease liabilities and are expensed in the statement of profit or loss and other comprehensive income. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability includes:

- Amounts expected to be payable under any residual value guarantee
- The exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at a revised discount rate at the time of remeasurement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- In all other cases where renegotiating increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Extension options

Some property leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options.

The Group reassess whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$16m.

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Lease commitments¹		
Less than one year	8,976	9,054
One to two years	8,300	8,317
Two to three years	7,259	7,613
Three to four years	7,260	6,627
Four to five years	7,003	6,616
More than five years	25,812	29,377
Total	64,610	67,604

¹ Lease commitments reflect the contractual undiscounted cash flows.

14 Provisions

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Current		
Employee benefits	8,482	6,665
Restoration of leased properties	226	85
	8,708	6,750
Non-current		
Employee benefits	1,582	1,369
Restoration of leased properties	1,753	2,012
	3,335	3,381
	12,043	10,131

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	
	2022	2021
Employee numbers		
Average number of full-time equivalent employees (FTEs) during the financial year	594	577

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 2022, 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	
	2022	2021
	\$'000s	\$'000s
Balance at 1 January	2,097	2,447
Provision charged/(credited) to plant and equipment	(135)	64
Provision charged/(credited) to profit or loss	(9)	(425)
Unwinding of discount and effect of changes in the discount rate	26	11
Balance as at 31 December	1,979	2,097

15 Other liabilities

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Current		
Subscriptions and fees received in advance	87,592	84,258
	87,592	84,258

16 Parent entity disclosure

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Financial position		
Assets		
Current assets	70,211	88,454
Non-current assets	168,842	176,246
Total assets	239,053	264,700
Liabilities		
Current liabilities	128,892	117,804
Non-current liabilities	45,022	47,687
Total liabilities	173,914	165,491
Net Assets	65,139	99,209
Members' funds		
Retained surplus	59,458	90,638
Reserves		
Investment revaluation reserve	4,567	7,109
Foreign currency translation reserve	1,114	1,462
Total members' funds	65,139	99,209

As at 31 December 2022, current liabilities are \$58.7m 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.

Loan to subsidiary

On 31 October 2021, CPA Australia Advice Pty Ltd was deregistered with ASIC in line with the 2018 decision to cease operations by the Board of CPA Australia. To satisfy the requirements for voluntary deregistration under the Corporations Act, CPA Australia Advice Pty Ltd was required to reduce its assets below \$1,000, this was achieved by transferring \$85,758 representing the balance of remaining funds to the parent company CPA Australia Ltd. The transfer of assets was treated as a reduction in equity capital contribution in the accounts of CPA Australia Advice Pty Ltd. As CPA Australia Ltd previously impaired the loans to CPA Australia Advice Pty Ltd, the funds returned to CPA Australia Ltd were treated as a reversal of the impairment provision in the accounts of CPA Australia Ltd. The reversal of the impairment was eliminated on consolidation and had no impact on the consolidated financial statements.

17 Commitments

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Other non-cancellable contractual commitments		
Not later than one year	12,751	17,977
Later than one year but not later than five years	7,733	12,282
Later than five years	12,990	13,591
	33,474	43,850

Other contractual commitments

Other non-cancellable commitments include the Group's contribution to the strata administration and capital works fund in respect of the Sydney premises, software development costs and software licensing agreements.

The Group has no contractual commitments for the acquisition of property, plant and equipment as at the end of the reporting period.

Other commitments

In 2022, the Group will continue to support the following organisations: APESB, IFAC and the 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 2022 to IFAC in the pursuit of their objectives. The contribution for the 2022 year was \$1,576,835 (2021: \$1,406,821).

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 2022 year were \$485,000 (2021: \$473,500).

The Group has provided support in 2022 to the IFRS Foundation (previously the VRF <IR> Council) in the pursuit of their objectives. The contribution for the 2022 year was \$50,493 (2021: \$69,587).

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.

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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
Merran Kelsall	President and Chairman	Re-appointed 1 October 2022	30 September 2023
	Director	Re-appointed 1 October 2020	30 September 2023
Dale Pinto	Deputy President	Re-appointed 1 October 2022	30 September 2023
	Director	Re-appointed 1 October 2021	30 September 2024
Warren McRae	Deputy President	Appointed 1 October 2022	30 September 2023
	Director	Appointed 1 October 2021	30 September 2024
Rosemary Sinclair	Former Deputy President	Appointed 1 October 2021	30 September 2022
	Director	Re-appointed 1 October 2020	30 September 2023
Michaela Browning	Former Director	Resigned 30 April 2022	Not applicable
Helen Lorigan	Director	Appointed 1 October 2020	30 September 2023
Yew Kee Ho	Director	Appointed 1 October 2021	30 September 2024
Louise Cox	Director	Re-appointed 1 October 2022	30 September 2025
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	Appointed 1 October 2022	30 September 2023

Executives

Name	Title	Appointed / Resigned / Ceased
Andrew Hunter	CEO	Appointed 13 August 2022
	Director – CPA Australia (Shanghai) Co., Ltd	
Nicholas Diss	Former CFO	Resigned 12 August 2022
	Former Director – CPA Australia (Shanghai) Co., Ltd	Ceased 12 August 2022
Luke Gilholme	Interim CFO	Appointed 15 August 2022
Karen Hellwig	EGM Member Education	
Rowena Buddee	EGM Member Experience	
Rebecca Keppel-Jones	EGM Professional Standards and Business Support	
Deborah Leung	EGM International	
	Director – CPA Australia (Shanghai) Co., Ltd	
Farid Jarrar	Chief Information and Digital Officer	
Frances Buccheri	EGM Marketing and Communications	Appointed 1 January 2022
Gary Pflugrath	EGM Policy and Advocacy	
Marissa Alley	EGM People and Culture	

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 2022 was below the pooled amount for 10 Directors, calculated under the Constitution. From 1 October 2021 to 30 September 2022, the pooled amount for 10 Directors was \$1,047,859. From 1 October 2022 to 30 September 2023, the pooled amount was increased to \$1,124,353. The annual remuneration paid to the Directors in 2022 is set out in Note 19.c– key management personnel.

Director Enrico De Santi was Deputy Auditor General of Tasmania upon his initial appointment to CPA Australia's Board in October 2017. Mr De Santi's participation on the CPA Australia Board was approved by the Auditor General of Tasmania and was reported in the 2017 CPA Australia Integrated Report. On 20 November 2018, CPA Australia's Board communicated to all members advising that Mr De Santi, in consultation with the Auditor General, advised that he would perform his CPA Australia Director duties on a pro bono basis effective 16 November 2018. Mr De Santi retired from the Tasmanian Audit Office on 2 July 2021 and was paid Director fees from then until his term on the Board ended on 30 September 2021.

Director Michaela Browning is a long-standing senior executive of the Australian Diplomatic corps and brought to the Board a deep understanding of industry and international relations in regions where CPA Australia operates. Due to the Diplomatic positions held by Ms Browning, her appointment to the Board on 31 December 2020 to perform CPA Australia Director duties was on a pro bono basis. Ms Browning stepped down from her public service position as CEO of the National Foundation for Australia China Relations in July 2021 and was paid Director fees from 1 July 2021 to 31 October 2021. Ms Browning returned to performing her Director duties in a pro bono capacity from 1 November 2021 until her term on the Board ended on 30 April 2022.

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 \$464 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 business unit leaders and approved by the Board.

The Group has in place an incentive scheme for its staff that is designed to focus employees on the organisation's strategy including critical member service outcomes and to reward employee commitment to the overall strategic objectives of the Group. Overall, the Group's KPIs must be achieved for incentive payments to be made, performance is reviewed by the Board at the end of each year and the incentive pool is approved.

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.

19 (c) 2022 Compensation – key management personnel

Name	Company	
Non-executive Directors		
Merran Kelsall ⁴	CPA Australia Limited	Chairman and President
Dale Pinto ⁵	CPA Australia Limited	Deputy President
Warren McRae ⁶	CPA Australia Limited	Deputy President
Rosemary Sinclair ⁷	CPA Australia Limited	Director and immediate Past Deputy President
Louise Cox ⁸	CPA Australia Limited	Director
Helen Lorigan	CPA Australia Limited	Director
Yew Kee Ho	CPA Australia Limited	Director
Bernard Che-Wai Poon ⁸	CPA Australia Limited	Director
Bryan Chung ⁹	CPA Australia Limited	Director
Anthony Wright ⁹	CPA Australia Limited	Director
Enrico De Santi ¹⁰	CPA Australia Limited	Former Deputy President
Peter Wilson ¹¹	CPA Australia Limited	Former Director
Su-Yen Wong ¹²	CPA Australia Limited	Former Director
Robyn Erskine ¹³	CPA Australia Limited	Former Director
Michaela Browning ¹⁴	CPA Australia Limited	Former Director
Total non-executive Directors		
Executives		
Andrew Hunter	CPA Australia Limited	CEO
	CPA Australia (Shanghai) Co., Ltd	Director ¹⁵
Nicholas Diss ¹⁶	CPA Australia Limited	Former CFO ¹⁷
	CPA Australia (Shanghai) Co., Ltd	Former Director ¹⁷
Luke Gilholme ¹⁸	CPA Australia Limited	Interim CFO
Simon Eassom ¹⁹	CPA Australia Limited	Former EGM Member Education
Karen Hellwig ²⁰	CPA Australia Limited	EGM Member Education
Meg Yeates ²¹	CPA Australia Limited	Former EGM Marketing
Frances Buccheri ²²	CPA Australia Limited	EGM Marketing and Communications
Farid Jarrar	CPA Australia Limited	Chief Information and Digital Officer
Deborah Leung	CPA Australia Limited	EGM International
	CPA Australia (Shanghai) Co., Ltd	Director
Rowena Buddee ²³	CPA Australia Limited	EGM Member Experience
Gary Pflugrath	CPA Australia Limited	EGM Policy and Advocacy
Rebecca Keppel-Jones ²⁴	CPA Australia Limited	EGM Professional Standards and Business Support
Marissa Alley ²⁵	CPA Australia Limited	EGM People and Culture
Total executives		
Total non-executive Directors and executives		

1 Other long-term benefits include long service leave entitlements accrued during the year.

2 Includes annual leave entitlements accrued during 2022.

3 Other short-term benefits include car parking and fringe benefits.

4 Re-appointed as President and Chairman effective 1 October 2022.

5 Re-appointed as Deputy President effective 1 October 2022.

6 Appointed as Deputy President on 1 October 2022.

7 Term as a Deputy President ended on 30 September 2022.

8 Re-appointed as a Director on 1 October 2022.

9 Term as a Director commenced on 1 October 2022.

10 Mr De Santi elected to perform his Director duties on a pro bono basis from 16 November 2018. He retired from the Tasmanian Audit Office on 2 July 2021 and was paid Director fees from then until his term on the Board ended on 30 September 2021.

11 Term as Director ended on 31 December 2021.

12 Term as Director ended on 30 September 2021.

13 Resigned as Director effective 4 March 2021.

14 Ms Browning elected to perform her Director duties on a pro bono basis from 31 December 2020. She stepped down from her public service position as CEO of the National Foundation for Australia China Relations in July 2021 and was paid Director fees from 1 July 2021 to 31 October 2021. Ms Browning returned to performing her Director duties in a pro bono capacity from 1 November 2021 until her term on the Board ended on 30 April 2022.

Short-term employee benefits			Post-employment benefits	Other long-term benefits ¹	Total 2022 (excl Termination benefits)	Termination benefits	Total 2022 (incl termination benefits)	Total 2021
Salary and fees ²	Incentive	Other ³	Superannuation					
210,419	-	-	21,581	-	232,000	-	232,000	220,945
101,105	-	-	10,368	-	111,473	-	111,473	106,795
84,943	-	-	8,725	-	93,668	-	93,668	21,360
94,926	-	-	9,719	-	104,645	-	104,645	87,295
78,764	-	-	8,076	-	86,840	-	86,840	81,360
84,251	-	-	2,589	-	86,840	-	86,840	81,360
78,764	-	-	8,076	-	86,840	-	86,840	21,360
78,764	-	-	8,076	-	86,840	-	86,840	21,360
20,597	-	-	2,163	-	22,760	-	22,760	-
20,597	-	-	2,163	-	22,760	-	22,760	-
-	-	-	-	-	-	-	-	26,500
-	-	-	-	-	-	-	-	106,000
-	-	-	-	-	-	-	-	60,000
-	-	-	-	-	-	-	-	14,565
-	-	-	-	-	-	-	-	26,666
853,130	-	-	81,536	-	934,666	-	934,666	875,566
809,198	229,310	2,619	27,500	12,841	1,081,468	-	1,081,468	1,160,575
-	-	-	-	-	-	-	-	-
202,047	-	1,992	17,187	3,507	224,733	-	224,733	481,160
-	-	-	-	-	-	-	-	-
112,948	32,964	721	10,713	1,684	159,030	-	159,030	-
-	-	-	-	-	-	-	-	422,559
384,630	48,000	2,090	27,500	6,161	468,381	-	468,381	489,797
-	-	-	-	-	-	-	-	471,636
267,956	40,600	889	26,622	4,551	340,618	-	340,618	-
365,408	86,196	3,096	27,500	7,058	489,258	-	489,258	492,737
447,155	47,979	-	19,038	6,345	520,517	-	520,517	537,846
-	-	-	-	-	-	-	-	-
356,242	68,400	264	27,500	10,877	463,283	-	463,283	415,621
296,727	57,818	-	27,500	5,433	387,478	-	387,478	414,085
250,515	74,500	1,418	24,528	5,972	356,933	-	356,933	158,171
272,681	77,500	1,586	27,500	4,778	384,045	-	384,045	295,898
3,765,507	763,267	14,675	263,088	69,207	4,875,744	-	4,875,744	5,340,085
4,618,637	763,267	14,675	344,624	69,207	5,810,410	-	5,810,410	6,215,651

15 Appointed as a Director effective 13 August 2022.

16 Annual leave entitlements totalling \$29,367 and long service leave entitlements totalling \$93,139 were paid on cessation; these amounts are not included in total remuneration as they have been previously disclosed in the year of leave accrual.

17 Resigned effective 12 August 2022.

18 Appointed as Interim CFO effective 15 August 2022.

19 Ceased effective 30 June 2021.

20 Karen Hellwig was EGM Member Experience until 30 June 2021.

21 Ceased effective 31 December 2021.

22 Appointed effective 1 January 2022.

23 Rowena Buddee was EGM Public Practice and Professional Standards until 30 June 2021.

24 Appointed effective 1 July 2021.

25 Appointed effective 1 April 2021.

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

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

Director fees of \$1,638 (2021: \$1,606) have been accrued in respect of Andrew Heng, a Director of CPA Australia (M) Sdn. Bhd. and are payable in early 2023.

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. Nicholas Diss, former CFO was a Director of CPA Australia (Shanghai) Co. Ltd (ceasing 12 August 2022), Andrew Hunter is a Director of CPA Australia (Shanghai) Co. Ltd (appointed 13 August 2022) and Deborah Leung, Country Head Greater China and EGM International is a Director of CPA Australia (Shanghai) Co. Ltd.

In February 2021, a transaction between CPA Australia and Brooke Bird to the value of \$10,000 (excl GST) was identified. Robyn Erskine who was a Director of CPA Australia Ltd at the time of the transaction was also a Partner of Brooke Bird and had a controlling interest in Brooke Bird. The transaction was on arm's length commercial terms to develop education manuals and materials. Robyn Erskine resigned from her position as Director effective 4 March 2021 and the monies paid to Brooke Bird in relation to the services provided were repaid to CPA Australia Ltd. In March 2021, the organisation implemented a new process whereby any creditors identified as a related party of a Director are deactivated with payments only occurring once approval is obtained by the CFO.

There are no 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	
	2022	2021
	\$	\$
Auditor of parent entity, Australia subsidiaries and New Zealand branch		
Audit of financial report	255,140	230,400
Other assurance services	89,700	72,500
Affiliated firms		
Audit of financial reports for overseas subsidiaries and branches	146,996	125,135
	491,836	428,035

The 2022 annual financial report has been audited by KPMG Australia.

Any activity that involves the engagement of the company auditor must adhere to the Board endorsed principles and requires the prior approval of the Board ARCC to ensure there is no conflict of interest. As a general principle, the use of the external auditor is limited to the provision of statutory audit work and non-discretionary audit-related work. Where the statutory auditor is deemed to be the most appropriate to deliver professional development, article authoring or

CPA Program authoring, this is to be documented and provided to the Board ARCC for endorsement quarterly.

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

During 2022, 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	
		2022	2021	2022	2021
		%	%	\$	\$
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.

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	Consolidated			
				Carrying amount
	Amortised cost	FVOCI – debt instruments	FVOCI – equity instruments	FVTPL – others
as at 31 December 2021	\$'000s	\$'000s	\$'000s	\$'000s
Financial assets measured at fair value				
Equities	-	-	27,149	-
Equity funds	-	-	-	23,507
Property funds	-	-	-	6,107
Securities	-	-	-	-
Securities – bonds	-	10,004	-	-
Alternatives – infrastructure	-	-	-	3,234
Alternatives	-	-	-	2,326
Hybrids	-	-	-	32,026
Total financial assets measured at fair value	-	10,004	27,149	67,200
Financial assets not measured at fair value				
Cash and cash equivalents	66,927	-	-	-
Term deposits	19,273	-	-	-
Receivables	1,590	-	-	-
Total financial assets not measured at fair value	87,790	-	-	-
Financial liabilities not measured at fair value				
Trade payables	-	-	-	-
Total financial liabilities	-	-	-	-
as at 31 December 2022				
Financial assets measured at fair value				
Equities	-	-	21,957	-
Equity funds	-	-	-	20,722
Property funds	-	-	-	5,780
Securities	-	-	-	-
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	68,434	-	-	-
Term deposits	272	-	-	-
Receivables	1,522	-	-	-
Total financial assets not measured at fair value	70,228	-	-	-
Financial liabilities not measured at fair value				
Trade payables	-	-	-	-
Total financial liabilities	-	-	-	-

Other financial liabilities \$'000s	Total \$'000s	Fair value			Total \$'000s
		Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	
-	27,149	27,149	-	-	27,149
-	23,507	-	23,507	-	23,507
-	6,107	-	6,107	-	6,107
-	-	-	-	-	-
-	10,004	-	10,004	-	10,004
-	3,234	-	3,234	-	3,234
-	2,326	-	2,326	-	2,326
-	32,026	4,762	27,264	-	32,026
-	104,353	31,911	72,442	-	104,353
-	66,927	-	-	-	-
-	19,273	-	-	-	-
-	1,590	-	-	-	-
-	87,790	-	-	-	-
16,663	16,663	-	-	-	-
16,663	16,663	-	-	-	-
-	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
-	68,434	-	-	-	-
-	272	-	-	-	-
-	1,522	-	-	-	-
-	70,228	-	-	-	-
22,964	22,964	-	-	-	-
22,964	22,964	-	-	-	-

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

	Minimum		Average		Maximum	
	2022	2021	2022	2021	2022	2021
Annual risk by risk type	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Foreign exchange	271	270	1,303	1,301	2,487	2,483

(ii) Interest rate risk

Exposures to interest rate risk are limited to financial assets bearing variable interest rates, including cash at bank and some debt instruments. Most of the interest-bearing financial assets are instruments held to maturity with fixed interest rates and term.

The Group does not have any interest-bearing financial liabilities.

(iii) Equity security price risk

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Sensitivity analysis has been determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 5 per cent higher/lower equity reserves would have increased/decreased by \$1.1m (2021: \$1.4m) due to changes in fair value.

(iv) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored and limits reviewed annually.

Trade receivables consist of members and customers, spread across diverse industries and geographical areas. The Group does not have any significant credit risk exposure to any single party or any group of counter parties having similar characteristics. The credit risk on liquid funds and term deposits is mitigated by ensuring the authorised deposit taking institutions have a minimum S&P credit rating of BBB+ (or Moody's/Fitch equivalent).

denominated in a currency that is not the functional currency of the parent entity.

The Group does not utilise off-balance sheet derivative instruments as a means of managing exposure to fluctuations in foreign exchange rates. Foreign exchange exposure is continuously monitored by the Group's Finance Business Unit and reported to the relevant operation through management reports which analyse exposures by degree and magnitude of risks.

In 2022, the depreciation of the Australian Dollar against the currencies where substantial cash is held resulted in a foreign exchange gain of \$0.05m (2021: loss \$1.3m) for the full year.

The following table illustrates the sensitivity of profit for 2022 and 2021, and intercompany loan amounts to shifts in foreign exchange rates. Minimum and maximum exposure is calculated at shifts of one per cent and 10 per cent change in exchange rates respectively.

The credit risk on financial assets of the Group which have been recognised on the statement of financial position is generally the carrying amount, net of any loss allowance. Use of off balance-sheet financial instruments is not part of current policy. Trade receivables are concentrated in Australia and the concentration of credit risk arises mainly in the following industries:

- Advertising and sponsors
- Accounting practices
- Credit services.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. The Group has two types of financial assets that are subject to the ECL model:

- Trade receivables
- Debt instruments carried at FVOCI.

The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1')
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit

losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. Based on its analysis, the Group has allowed 7.54 per cent for all amounts, which is based on an average loss over the past five years.

The loss allowance as at 31 December 2022 was determined as follows for trade receivables:

	Consolidated				Total \$'000s
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	
	\$'000s	\$'000s	\$'000s	\$'000s	
31 December 2021					
Expected loss rate	5.70%	5.70%	5.70%	5.70%	
Gross carrying amount – trade receivables	1,398	198	39	32	1,667
Loss allowance	80	11	2	2	95
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

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 2022 and 31 December 2021.

(v) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management.

The Group manages the liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities.

The Group invests in equities that are traded in an active market on the Australian Securities Exchange and that can be readily disposed of. All financial liabilities, namely trade and other payables, are due for settlement within three months and are non-interest bearing.

Whilst current liabilities exceed current assets, the Board considers that there is no liquidity risk as there are significant other financial assets within the organisation's investment portfolio that could be easily liquidated to fund any shortfall in working capital should it eventuate as outlined in Note 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 2022 and 31 December 2021.

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



Merran Kelsall AO FCPA
Director



John Curtin
Distinguished Professor
Dale Pinto FCPA
Director

14 March 2023



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 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2022
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in members' funds and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

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

- Recognition of revenue
- Capitalisation of intangible assets (system development costs)

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 (\$165.858 million)

Refer to Note 3 to the Financial Report

The key audit matter

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 satisfaction of performance obligations.

How the matter was addressed in our audit

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 accounting standard. We

	<p>did this to assess the Group’s identification of performance obligations;</p> <ul style="list-style-type: none"> - 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. <ul style="list-style-type: none"> • 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.
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Capitalisation of intangible assets (system development costs)

Refer to Note 12 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Capitalisation of software development costs is a key audit matter due to the significance of the impact of new software development costs incurred during the current period on the Group’s financial results and the level of judgment required by us.</p> <p>Our judgment involves assessing the Group’s determination of software development costs to be capitalised as an intangible asset or expensed in accordance with AASB 138 <i>Intangible Assets</i> and the IFRIC interpretations relating to Software as a Service (SaaS) arrangements. Judgment is involved in assessing whether costs incurred enhance, modify or create additional capability to the existing owned systems.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Working with our IT specialists, we obtained an understanding of the nature and scope of the Group’s SaaS arrangements, including the impact on existing systems. • We evaluated the Group’s accounting policy for expenditure incurred in relation to the development and integration of the new software system and the modification of existing systems against the requirements of the accounting standards. • On a sample basis, we inspected the underlying invoices and contracts for expenditure related to the development of the new system, expenditure associated with the integration of the new system with existing systems, and expenditure relating to the

<p>We involved IT specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>modification of existing systems. We assessed the nature and classification of expenditure as capitalised or expensed in accordance with the requirements of accounting standards.</p> <ul style="list-style-type: none"> • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
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Other Information

Other Information is financial and non-financial information in CPA Australia Ltd's annual reporting (2022 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 the Schedule of Directors' Remuneration and selected Integrated Reporting Information included within the 2022 Integrated Report and our related assurance opinions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and



- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

http://www.auasb.gov.au/auditors_responsibilities/ar5.pdf. This description forms part of our Auditor's Report.



Chris Sargent
Partner

Melbourne
14 March 2023

Schedule of Directors' remuneration for the year ended 31 December 2022

14 March 2023

We disclose below an audited schedule of remuneration paid and payable to each Director of CPA Australia Ltd and its subsidiaries for the year ended 31 December 2022. This schedule is included on the following page titled Schedule which discloses the remuneration paid to each Director for the year ended 31 December 2022, prepared as if CPA Australia Ltd had received a direction from members to disclose the information prescribed under section 202B of the Act.

To assist members, we have also provided below a reconciliation of the information disclosed in the schedule to the total key management personnel remuneration included in the 2022 CPA Australia Ltd Consolidated Financial Report together with comparative information in respect of the 2021 financial year.

Basis of preparation

This schedule of Directors' remuneration has been prepared as if the Company had received a direction to disclose the information prescribed under section 202B of the *Corporations Act 2001* and on that basis is prepared and presents the information consistent with the requirements of section 202B of the Act in that it discloses all remuneration paid to each Director of CPA Australia Limited and its subsidiaries for the year ended 31 December 2022 regardless of whether it was paid to the Director in relation to their capacity as Director or another capacity (the remuneration of each Director is as defined in the Act and has been determined in accordance with requirements of AASB 124 *Related Party Disclosures*). The remuneration is on an accruals basis.

The determination of remuneration in this schedule has been applied consistently with that used in the schedule for the financial year ended 31 December 2021.

Name	Company	Position	Date appointed	Date retired/resigned
Non-Executive Directors				
Merran Kelsall	CPA Australia Limited	Chairman and President	Re-appointed 1 October 2022	
Dale Pinto	CPA Australia Limited	Deputy President	Re-appointed 1 October 2022	
Warren McRae	CPA Australia Limited	Deputy President	Appointed 1 October 2022	
Rosemary Sinclair	CPA Australia Limited	Director Immediate Past Deputy President		Retired 30 September 2022
Louise Cox	CPA Australia Limited	Director	Re-appointed 1 October 2022	
Helen Lorigan	CPA Australia Limited	Director	Appointed 1 October 2020	
Yew Kee Ho	CPA Australia Limited	Director	Appointed 1 October 2021	
Bernard Che-Wai Poon	CPA Australia Limited	Director	Re-appointed 1 October 2022	
Bryan Chung	CPA Australia Limited	Director	Appointed 1 October 2022	
Anthony Wright	CPA Australia Limited	Director	Appointed 1 October 2022	
Andrew Heng ⁴	CPA Australia (M) Sdn. Bhd.	Director		
Enrico De Santi	CPA Australia Limited	Former Deputy President		Retired 30 September 2021
Peter Wilson	CPA Australia Limited	Former Director		Retired 31 December 2021
Su-Yen Wong	CPA Australia Limited	Former Director		Retired 30 September 2021
Robyn Erskine	CPA Australia Limited	Former Director		Resigned 4 March 2021
Michaela Browning ⁵	CPA Australia Limited	Former Director		Resigned 30 April 2022
Suzanne Haddan	CPA Australia Advice Pty Ltd	Former Director		Ceased 31 October 2021
Total non-executive Directors				
Executive Directors				
Andrew Hunter ⁶	CPA Australia Limited	CEO		
	CPA Australia (Shanghai) Co., Ltd	Director	Appointed 13 August 2022	
Nicholas Diss ⁶	CPA Australia Limited	Former CFO		Resigned 12 August 2022
	CPA Australia (Shanghai) Co., Ltd	Former Director		Ceased 12 August 2022
	CPA Australia Advice Pty Ltd	Former Director		Ceased 31 October 2021
Priya Dharshini Terumalay ⁶	CPA Australia (M) Sdn. Bhd.	Country Head Malaysia		
	CPA Australia (M) Sdn. Bhd.	Director		
	CPA Australia (Shanghai) Co., Ltd	Director		
Deborah Leung ⁶	CPA Australia (Shanghai) Co., Ltd	EGM International		
	CPA Australia (Shanghai) Co., Ltd	Director		
Kerrell Ma ^{6,7}	CPA Australia Limited	Former Company Secretary and General Counsel		Retired 31 December 2022
	CPA Australia Advice Pty Ltd	Former Director		Ceased 31 October 2021
Total executive Directors				
Total non-executive and executive Directors				

1 Other long-term benefits include long service leave entitlements accrued during the year.

2 Includes annual leave entitlements accrued during 2022.

3 Other short-term benefits include car parking and fringe benefits.

4 Total 2022 remuneration has been accrued in the 2022 financial statements. All amounts are payable early 2023.

Short-term employee benefits			Post-employment benefits	Other long-term benefits ¹	Total 2022 (excl termination benefits)	Termination benefits	Total 2022 (incl termination benefits)	Total 2021
Salary and fees ²	Incentive	Other ³	Superannuation					
210,419	-	-	21,581	-	232,000	-	232,000	220,945
101,105	-	-	10,368	-	111,473	-	111,473	106,795
84,943	-	-	8,725	-	93,668	-	93,668	21,360
94,926	-	-	9,719	-	104,645	-	104,645	87,295
78,764	-	-	8,076	-	86,840	-	86,840	81,360
84,251	-	-	2,589	-	86,840	-	86,840	81,360
78,764	-	-	8,076	-	86,840	-	86,840	21,360
78,764	-	-	8,076	-	86,840	-	86,840	21,360
20,597	-	-	2,163	-	22,760	-	22,760	-
20,597	-	-	2,163	-	22,760	-	22,760	-
1,638	-	-	-	-	1,638	-	1,638	1,606
-	-	-	-	-	-	-	-	26,500
-	-	-	-	-	-	-	-	106,000
-	-	-	-	-	-	-	-	60,000
-	-	-	-	-	-	-	-	14,565
-	-	-	-	-	-	-	-	26,666
-	-	-	-	-	-	-	-	7,500
854,768	-	-	81,536	-	936,304	-	936,304	884,672
312,593	88,583	1,012	10,623	4,960	417,771	-	417,771	-
202,047	-	1,992	17,187	3,507	224,733	-	224,733	481,160
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
224,819	23,409	-	56,243	4,287	308,758	-	308,758	273,432
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
447,155	47,979	-	19,038	6,345	520,517	-	520,517	537,846
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	356,380
-	-	-	-	-	-	-	-	-
1,186,614	159,971	3,004	103,091	19,099	1,471,779	-	1,471,779	1,648,818
2,041,382	159,971	3,004	184,627	19,099	2,408,083	-	2,408,083	2,533,490

5 Ms Browning elected to perform her Director duties on a pro bono basis from 31 December 2020. She stepped down from her public service position as CEO of the National Foundation for Australia China Relations in July 2021 and was paid Director fees from 1 July 2021 to 31 October 2021. Ms Browning returned to performing her Director duties in a pro bono capacity from 1 November 2021 until her term on the Board ended on 30 April 2022.

6 These Directors are employees of the CPA Australia Limited Group who do not receive remuneration in their capacity as Directors of subsidiaries.

7 Remuneration for Kerrell Ma has not been disclosed for 2022 as her directorship of CPA Australia Advice Pty Ltd ceased in 2021 on de-registration of the company and therefore disclosure is not required under section 202B of the Act.

Reconciliation of total remuneration per section 202B disclosure to the total key management personnel remuneration per the CPA Australia Limited Consolidated Financial Report

	Year ended 31 December 2022	Year ended 31 December 2021
Total section 202B basis of disclosing Director's remuneration (CPA Australia Ltd, CPA Australia Advice Pty Ltd, CPA Australia (M) Sdn. Bhd. and CPA Australia (Shanghai) Co., Ltd)	2,408,083	2,533,490
less: Andrew Heng (non-executive Director of CPA Australia (M) Sdn. Bhd. but not a key management personnel of CPA Australia Ltd Group)	(1,638)	(1,606)
less: Suzanne Haddan (non-executive Director of CPA Australia Advice Pty Ltd but not key management personnel of CPA Australia Ltd Group)	-	(7,500)
less: Kerrell Ma (former Director of CPA Australia Advice Pty Ltd but not a key management personnel of CPA Australia Ltd Group) ¹	-	(356,380)
less: Director of a foreign subsidiary but not key management personnel of CPA Australia Ltd Group (Priya Dharshini Terumalay) ²	(308,758)	(273,432)
add: Andrew Hunter key management personnel of CPA Australia Ltd remuneration while not a Director of CPA Australia (Shanghai) Co., Ltd	663,697	-
add: Key management personnel of CPA Australia Ltd but not Directors (Karen Hellwig, Simon Eassom, Farid Jarrar, Rowena Buddee, Gary Pflugrath, Rebecca Keppel-Jones, Marissa Alley, Luke Gilholme and Frances Buccheri)	3,049,026	4,321,079
Total key management personnel remuneration per CPA Australia Limited Consolidated Financial Report	5,810,410	6,215,651

1 Remuneration for Kerrell Ma was excluded as she is not a key management personnel of CPA Australia Ltd Group.

2 Remuneration for Priya Dharshini Terumalay was excluded as she is not a key management personnel of CPA Australia Ltd Group.



Independent Auditor's Report

To the Directors of CPA Australia Ltd

Opinion

We have audited the **Schedule of Directors' Remuneration** (the Schedule) of CPA Australia Ltd and its subsidiaries (the **Group**).

In our opinion, the accompanying Schedule presents fairly, in all material respects, the remuneration paid to each director for the year ended 31 December 2022 in accordance with the Basis of Preparation of CPA Australia Ltd described in the Schedule of Directors' Remuneration.

The **Schedule** comprises:

- the remuneration paid to each director for the year ended 31 December 2022
- the basis of preparation of CPA Australia Ltd.

The **Group** consists of CPA Australia Ltd (the Company) and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the schedule section of our report.

We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of preparation and restriction on use

We draw attention to page 147 of the Schedule which describes the basis of preparation.

The Schedule has been prepared to assist the Directors of CPA Australia Ltd for the purpose of presenting information consistent with the requirements of section 202B of the Act.

As a result, the Schedule and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of CPA Australia Ltd and its members and should not be used by or distributed to parties other than the Directors of CPA Australia Ltd and its members. We disclaim any assumption of responsibility for any reliance on this report, or on the Schedule to which it relates, to any person other than the Directors of CPA Australia Ltd and its members or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in CPA Australia Ltd.'s annual reporting which is provided in addition to the Schedule and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Schedule does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon with the exception of the Financial Statements and Global Reporting Initiatives information included within the 2022 Integrated Report and our related assurance opinions.

In connection with our audit of the Schedule, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Schedule or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Schedule of Directors' Remuneration

The Directors are responsible for:

- the preparation and fair presentation of the Schedule in accordance with the Basis of Preparation of CPA Australia Ltd described in the Schedule of Directors' Remuneration.
- implementing necessary internal control to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.
- assessing the 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 Schedule of Directors' Remuneration

Our objective is:

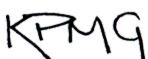
- to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

This description forms part of our Auditor's Report.



KPMG



Chris Sargent
Partner

Melbourne
14 March 2023

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Office locations

Australia

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

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

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

Northern Territory
Level 2, Charles Darwin Centre
19 Smith Street
Darwin City NT 0800
GPO Box 1633
Darwin NT 0801

Queensland
Level 23, 333 Ann Street
Brisbane QLD 4000

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

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

Victoria
Refer to head office location

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

Asia

Beijing
Unit 308B, 3/F Office Tower C2,
Oriental Plaza
No. 1 East Chang An Avenue
Dong Cheng District
Beijing 100738, China
P: +8610 5387 5973
Free call: 10800 320 0135
beijing@cpaaustralia.com.au

Guangzhou
Unit 2504, Tower A,
GT Land Plaza
No. 85 Huacheng Avenue
Zhujiang New Town
Tianhe District
Guangzhou 510623, China
P: +86 20 2232 6266
Free call: 10800 320 0137
guangzhou@cpaaustralia.com.au

Hanoi
Suite 1201A, 12th Floor,
Tower A Handi Resco Building
521 Kim Ma Street Ba Dinh,
Hanoi, Vietnam
P: +84 24 3275 4116
hanoi@cpaaustralia.com.au

Ho Chi Minh City
Suite 501, 5th Floor
The Metropolitan
235 Dong Khoi Street District 1,
Ho Chi Minh City Vietnam
P: +84 28 3861 4120
hochiminh@cpaaustralia.com.au

Hong Kong
20/F Tai Yau Building
181 Johnston Road Wanchai,
Hong Kong
P: +852 2175 6783
hk@cpaaustralia.com.au

Indonesia
World Trade Centre 5
12th Floor, Jl. Jend
Sudirman Kav. 29 Jakarta
12920, Indonesia
P: 62 21 5099 6829
Free call: 0800 150 3097
id@cpaaustralia.com.au

Malaysia
Suite 10.01, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra 59200
Kuala Lumpur
P: +603 2779 2783
Free call: +1800 813 901
my@cpaaustralia.com.au

Shanghai
Suite 4003–4004
CITIC Square
1168 Nanjing West Road
Shanghai 200041, China
P: +86 21 8011 9501
Free call: 10800 320 0136
shanghai@cpaaustralia.com.au

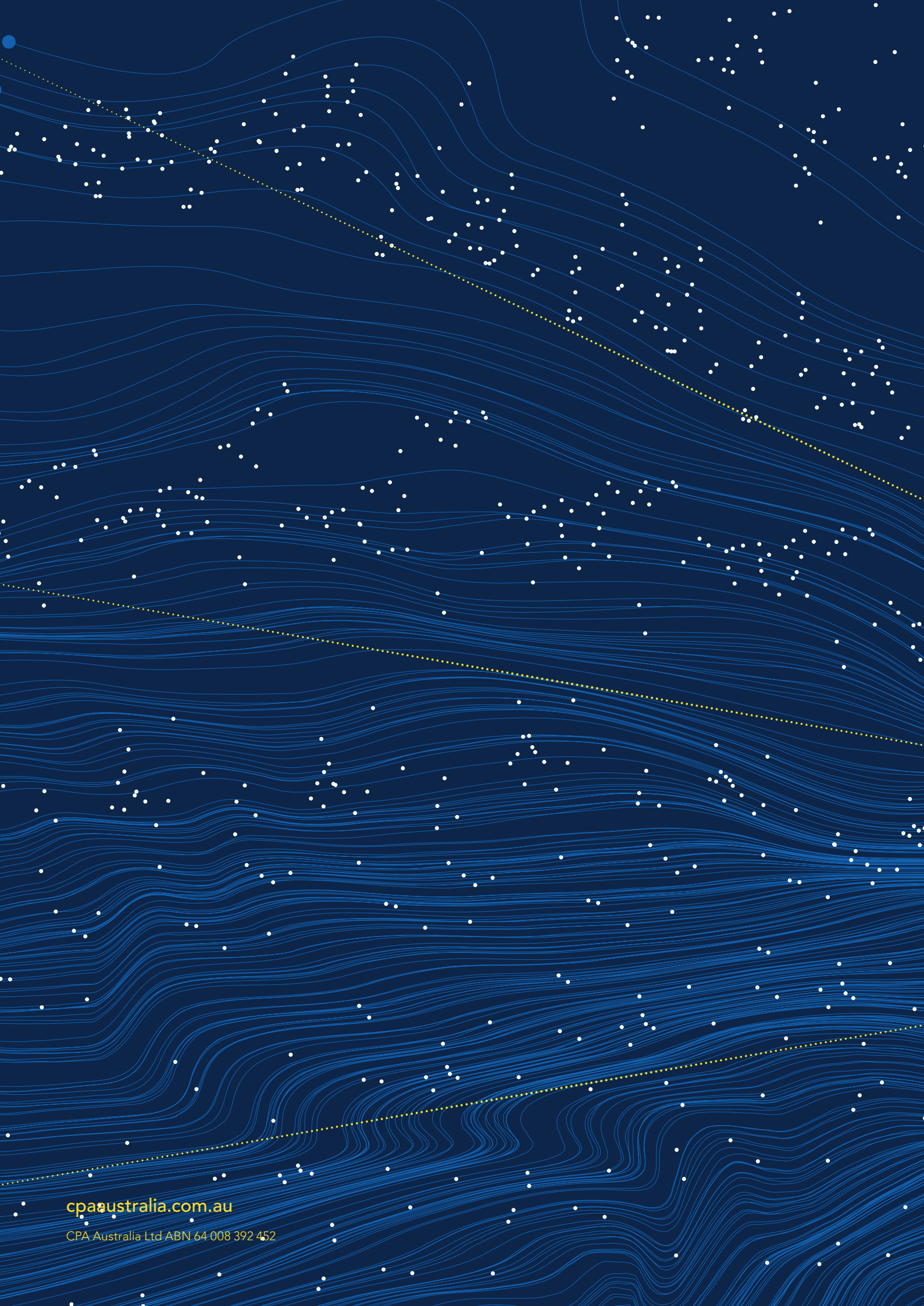
Singapore
1 Raffles Place
31–01 One Raffles Place
Singapore 048616
P: +65 3105 1522
Free call: 800 852 6759
sg@cpaaustralia.com.au

Other international

New Zealand
Level 9, 29 Customs Street
AON Centre
Auckland, 1010
PO Box 105–893
Auckland City
New Zealand 1143
P: +64 9 870 7716
Free call: 0800 570 001

United Arab Emirates
3509 Addax Tower
City of Lights,
Al Reem Island
Abu Dhabi, UAE
P: +971(0)26666802
Free call: 800 0311 0067
UAE@cpaaustralia.com.au

United Kingdom
25EP
Eccleston Yards
25 Eccleston Place
London SW1W 9NF
United Kingdom
P: +44 20 3514 9353
Free call: 0800 066 8672
europe@cpaaustralia.com.au



cpaaustralia.com.au

CPA Australia Ltd ABN 64 008 392 452