

The graphic features a large, stylized number '7' composed of thick, geometric lines in dark blue, yellow, and tan. The background is a solid tan color. The text 'CPA AUSTRALIA' is in white, and 'INTEGRATED REPORTING' is in yellow. Below this, the name 'Jeff Hughes' and title 'Chief Operating Officer' are in white. At the bottom left, the tagline 'BE HEARD. BE RECOGNISED.' is in white. At the bottom right, the CPA Australia logo is displayed, consisting of a blue square with 'CPA AUSTRALIA' and a yellow square with a circular emblem.

CPA AUSTRALIA

INTEGRATED
REPORTING

Jeff Hughes
Chief Operating Officer

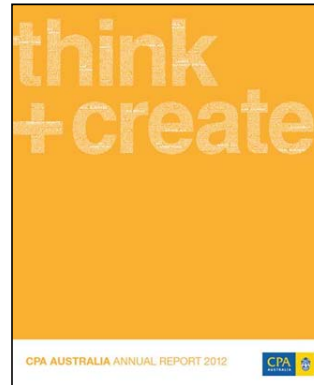
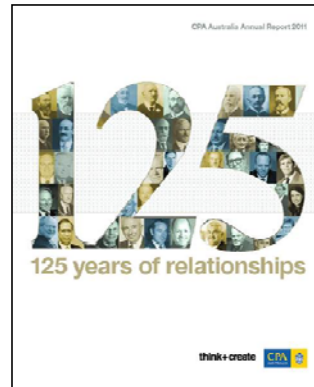
BE HEARD.
BE RECOGNISED.

CPA
AUSTRALIA

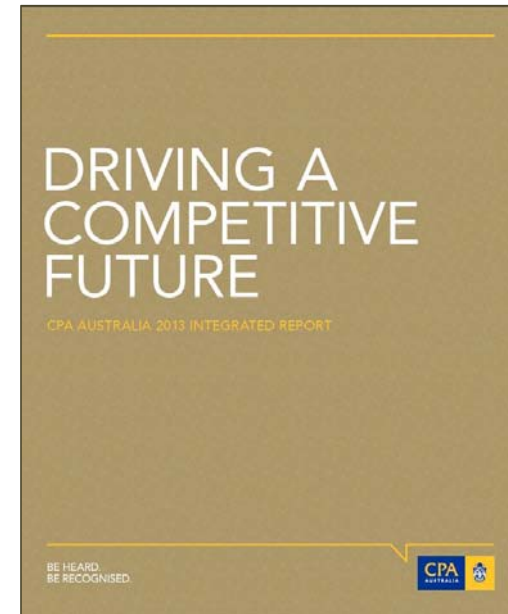
OUR REPORTING JOURNEY



Stand alone reporting



Combined reporting



Integrated reporting

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IMPLEMENTING THE FRAMEWORK

- Starting to implement the draft framework prior to 2013 and involvement in the Pilot Program helped grow confidence
- We had some practice runs so we could be sure we were ready to report
- Time is needed to get organisation wide buy in and understanding
 - The reporting journey we have taken helped make the process easier - able to take a stepped approach
 - Don't underestimate the time it may take to educate report contributors

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IMPLEMENTING THE FRAMEWORK

- Ability of stakeholders to fully engage with the process, particularly materiality takes time
 - Devote enough time (close to 12 months in first instance)
 - Look at your engagement channels and how you can gather information from stakeholders
- Are your business model / risks / strategy well articulated?
- Don't report for reporting's sake – is it important to your stakeholders, does it relate to your strategy and your risks?

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PRACTICAL CHALLENGES – BUSINESS MODEL

- Articulating the business model
 - It is often “known” across the business but may not be written down
 - Need to distill organisational knowledge into something the Board and management can agree on
 - It can be challenging for designers to take the words articulating the model and turn it into something visually appealing and that makes sense
 - Our first attempts were very wordy, but allowed us to start explain our business model

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2013/2014 BUSINESS MODEL

HOW CPA AUSTRALIA CREATES VALUE

Founded in 1886, CPA Australia is one of the world's largest professional accounting and finance bodies, representing more than 150,000 members and business professionals in 120 countries.

Our core services to members include education, training, knowledge exchange, technical support, networking and advocacy.

Our major sources of funding are membership fees and receipts for the products and services we deliver.

Our business model is designed to support the demand for global accounting and business professionals who can work in multiple jurisdictions. As such, it is designed to change as the market demand for professional accounting services changes and grows both in Australia and abroad. Our sphere of operations covers staffed offices in all states and territories of Australia as well as in China (including Hong Kong), Indonesia, Malaysia, New Zealand, Singapore, the UK and Vietnam.

We believe the work of professional accountants is fundamental to the stability, efficiency and sustainability of individual companies, financial markets and the economies of entire countries. Ultimately, their work enables capital to flow to the most productive projects and ensures that standards of living increase.

The work we do is supported by our strong governance and values. Governance is fundamental to CPA Australia's activities and our Board of Directors ensures strong adherence to the principles of good corporate governance. Our core values are respect, empowerment, accountability, cooperation and honesty. Our people live these values as they support the organisation to deliver on its objectives.

INPUTS

Financial resources:

- Membership fees
- Receipts for products and services

People:

- Members
- Employees

Intellectual capital:

- Our brand
- CPA Program
- Our knowledge and expertise

Infrastructure:

- A network of 19 offices
- Our IT and digital infrastructure

Partners:

- Suppliers
- Accountancy bodies
- Governments and regulators
- Higher education sector

VALUE ADDING ACTIVITIES

- Delivering the highest quality CPA Program that meets the changing needs of candidates and employers
- Providing access to relevant knowledge and resources
- Producing thought leading advocacy on behalf of the profession and our members
- Broadening the audience of those who take an interest in what a CPA does and in CPA Australia
- Recruiting, retaining and developing our people.

OUTPUTS

- High calibre accounting professionals who add value to their organisations and communities.
- A strong service oriented culture
- Thought leadership on matters that impact the accounting and broader business communities.
- Strong brand value and recognition
- A capable workforce that is passionate about CPA Australia and the value CPAs deliver

OUTCOMES

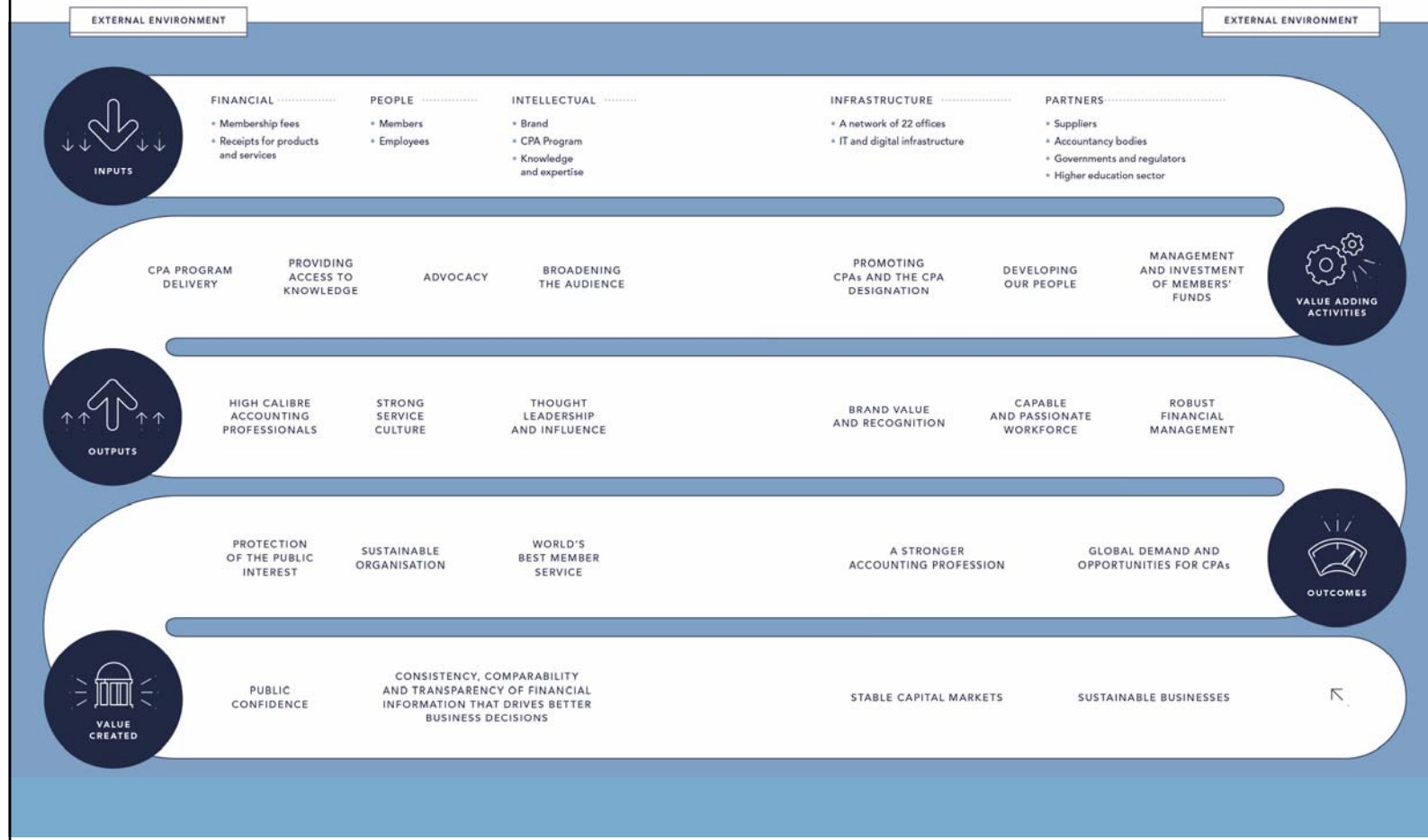
- Protection of the public interest
- A sustainable organisation
- World's best member service
- A stronger accounting profession
- Global demand and opportunities for CPAs

VALUE CREATED

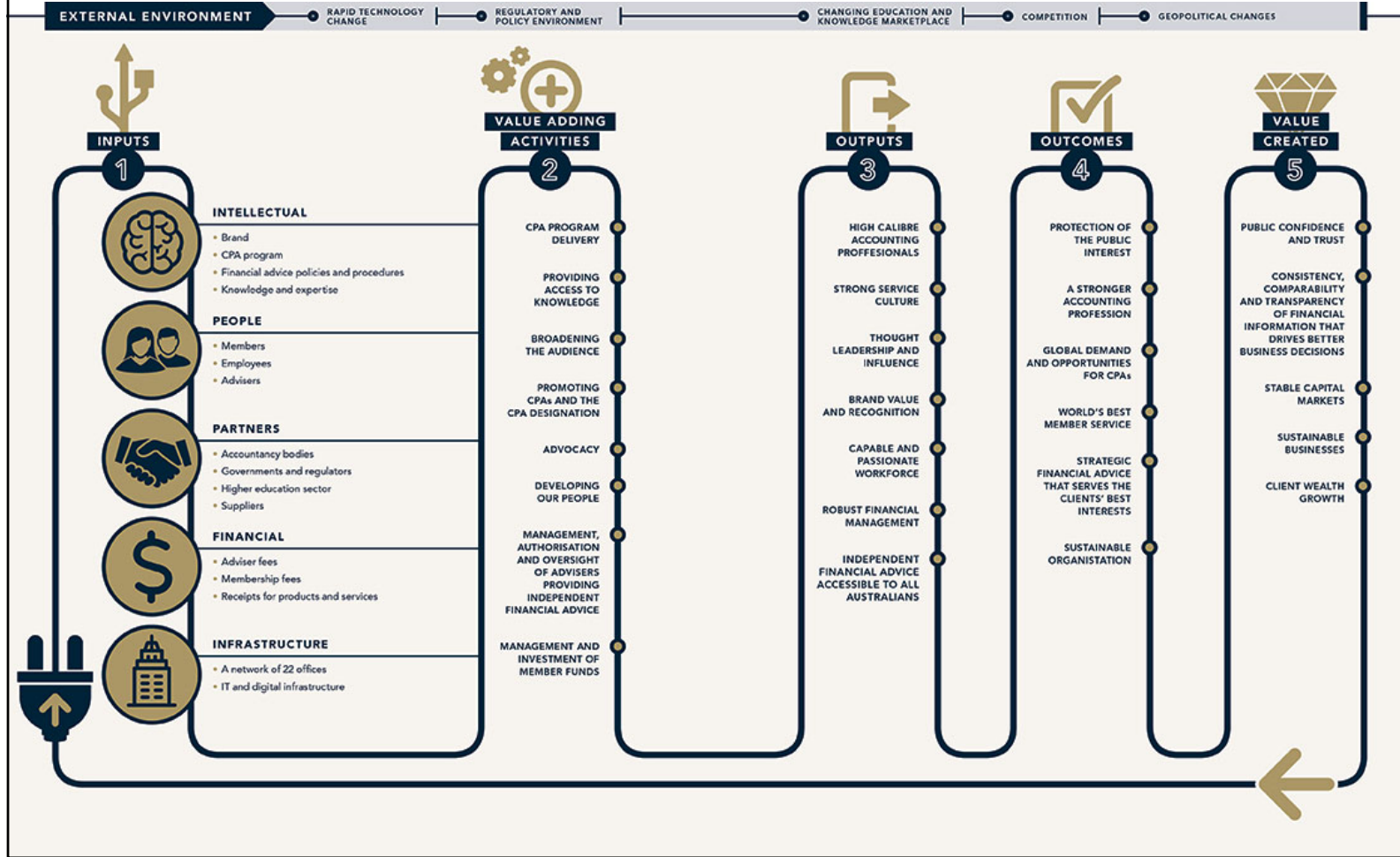
- Consistency, comparability and transparency of financial information that drives better business decisions
- Stable capital markets
- Sustainable businesses
- Public confidence



2015 BUSINESS MODEL



2016 BUSINESS MODEL



CHANGES IN REPORTING

TABLE 15: GREENHOUSE GAS INVENTORY

tCO ₂ e by source	2013	2012
Electricity	1573	1606
Supply of electricity*	218	194
Flights	2638	4539
Taxis	127	133
Waste	150	128
Office paper	21	27
tCO ₂ e total	4728	6628
Total kg tCO ₂ e per member	31.6	45.8

TABLE 16: CPA AUSTRALIA TOTAL ELECTRICITY USAGE 2009-2013**

Gigajoules (GJ) by country	2013	2012	2011	2010	2009
Australia	4,793	4,816	5,083	6,541	5,522
China	379	402	388	394	344
Malaysia	144	158	175	187	171
Singapore	108	142	209	255	242
Other***	327	327	295	227	244
Total	5,752	5,845	6,150	7,604	6,524

TABLE 17: ENERGY CONSUMPTION BY COUNTRY

Country	2013	2012	2011
Australia	83%	82%	83%
China	7%	7%	6%
Malaysia	3%	3%	3%
Singapore	2%	2%	3%
Other	6%	6%	5%

- Movement from straight GRI reporting to <IR> enabled us to really concentrate on what is material to us
- Environmental reporting - Did it as an example to our members
- “Walking the talk” – but as a PAO we have very little material impact on environmental issues
- Dropped to web only and then stopped altogether

CHANGES TO REPORTING

2013

OUR STRATEGY

CPA Australia has a corporate plan that sets out our goals for 2012 to 2014. It outlines the strategies we are pursuing to meet our vision of being the world's best member service organisation and our goal of maximising the share of people who want a career built on professional accounting skills.

Our strategy is focused on key themes that are represented in our business model: service, growth, certification, knowledge and organisational capability.

Throughout the year our progress is reported through the performance contract that is agreed with the board, which uses a balanced scorecard approach to highlight key metrics in achieving our strategic aims.

SERVICE

As a member body, service is at the heart of what we do and we continue to build on our capability to deliver service that is world class in standard. This means delivering the right service, at the right time, in a way that adds value to our members and the organisations and communities they work within. We recognise that the way our members and stakeholders wish to interact with us is changing and we are focused on building our digital capabilities to better service our customers.

GROWTH

As professional bodies consolidate and form strategic alliances, our scope of influence and scale will be important to ensure CPA Australia and our members remain relevant in a global environment.

A key component of our strategy is our engagement with Asia. CPA Australia is committed to ensuring our members benefit from the full spectrum of opportunities that will emerge in the coming years with the rise of the Asian Century.

As we grow, we look to broaden the audience of those who take an interest in what a CPA does and in CPA Australia and we vigorously defend and develop our brand and reputation.

CERTIFICATION

The CPA Program is the key product we deliver and our strategy is to ensure a high quality, flexible CPA Program that meets the needs of candidates and employers. The high quality of the Program is evidenced in the strategic leadership and business roles our members hold; about 17 per cent of our members hold senior leadership roles, this includes more than 21,000 members at CEO or CFO level, in business ownership or partner roles.

KNOWLEDGE

Our members have diverse career and knowledge needs that extend beyond core accounting skills. As the knowledge needs of our members expand and as we increasingly have members located outside Australia and in regional areas, we are focused on delivering new ways for our members to access the knowledge they need.

DEVELOPING ORGANISATIONAL CAPABILITY

We look to build the capability of the organisation in those areas that will best enable us to meet our goals and objectives. In particular we are focused on attracting and retaining the right people and ensuring a pool of leadership talent into the future.

WITH CLOSE TO 150,000 MEMBERS ACROSS 121 COUNTRIES AND MORE THAN 127 YEARS OF LEADERSHIP, CPA AUSTRALIA IS AT THE FOREFRONT OF THE GLOBAL ACCOUNTING PROFESSION.

2016



PROTECTING THE PUBLIC INTEREST

To be a recognised and respected voice in the global business, accounting and leadership space. Ensuring the highest standards for all our members.

M1, M4, M7, M11*



DRIVING
WORLD'S
BEST MEMBER
ENGAGEMENT
AND SERVICE

An engaged membership created through delivery of world-class service and personalised communication.

M5, M7, M8,
M9, M10*



DELIVERING
A WORLD-CLASS
CPA PROGRAM
AND
CERTIFICATION

The highest quality CPA Program, where flexibility of delivery meets the changing needs of candidates and their employers.

M2, M9*



PROVIDING
ACCESS TO
KNOWLEDGE

Being a world-class provider of business, accounting and leadership content for our members, potential members and the broader business community.

M6, M9*



LEVERAGING
OUR BRAND AND
BROADENING
THE AUDIENCE

Broadening the audience of those who take an interest in what CPAs do, and what CPA Australia does. Adopting innovative new approaches to take the brand to a wider audience.

M3, M4*



SECURING
THE NEXT
GENERATION
OF TALENT

Being better at targeting and attracting students and young professionals than our competitors to ensure sustainable membership growth.

M2, M3*



ENSURING A STABLE, CAPABLE AND SKILLED ORGANISATION

A high-performance organisation that has the people, resources and skills base to deliver on our broader objectives.

M12, M13, M14*

* For how to interpret metrics refer to separate page.

ASSURANCE

- Report is assured as a Global Reporting Initiative (GRI) 4.0 report
 - some of the assertions tested are related to <IR>
 - Connectivity of information, Reliability and completeness, materiality
 - The assertion that it is an <IR> was tested when we first made that claim
- Improved quality of non-financial information
- Lack of assured <IR> reports in the market
- Looking to further define our approach to IR elements and metrics used
 - Test these as criteria to be used for assurance as an agreed procedure

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RESOURCES

- We had some of the systems and processes in place already due to GRI Reporting
- We have a very small core Team
 - Planning and risk management
 - Finance
 - Communications
 - Brand
- Broader input from across the business
- Support from Executive and Board is vital

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BENEFITS

- Increasing robustness of non-financial data – helped by assurance
- A fuller picture of our business and how we create value – for our members, staff and other stakeholders
- Monthly integrated reporting – built confidence
- Change in conversations around the business
- The close linkages with our strategy, our risk profile, our internal reporting and our external reporting

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LOOKING FORWARD

- Key recommendations
 - First step get support from Leadership for <IR>
 - Engage with your stakeholders to understand what is material to them
 - Just get started, even if you can only manage a few items in the first year – reporting is a journey and nobody has it “perfect” yet
- Next steps for CPA Australia
 - We will continue to produce an <IR>, and make the changes required to ensure it improves
 - Focus on transparency and balance

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