

WORLD VISION AUSTRALIA  
ANNUAL REPORT 2009



WE ARE DEDICATED TO WORKING  
WITH CHILDREN, FAMILIES AND  
COMMUNITIES TO OVERCOME  
POVERTY AND INJUSTICE.

### **Incorporation**

World Vision Australia ABN 28 004 778 081 is a public company limited by guarantee. Its members are the current Board of Directors. Its registered office is located at 1 Vision Drive, Burwood East, Victoria.

### **Charitable status, tax concessions and fundraising**

World Vision Australia is a Public Benevolent Institution (PBI). It is endorsed as an Income Tax Exempt Charity and receives certain other tax concessions and exemptions consistent with its status as a PBI which relate to Goods and Services and Fringe Benefits taxes. World Vision Australia has been endorsed by the Australian Taxation Office as a Deductible Gift Recipient (DGR) to operate an Overseas Aid DGR gift fund and a Necessitous Persons DGR gift fund.

World Vision Australia is registered under applicable fundraising legislation as required in each state where it raises funds as follows:

New South Wales – Registration no. CFN 13579

Queensland – Registration no. Ch.675

South Australia – Licence no. CPP 605

Tasmania – Registration no. 1

Victoria – Registration no. 10214

Western Australia – Licence no. 18076

### **Accreditations**

World Vision Australia is fully accredited by **AusAID**, the Australian Government's agency for international development. The AusAID accreditation process aims to provide AusAID, and the Australian public, with confidence that they are funding professional, well managed, community-based organisations that are capable of delivering quality development outcomes.

World Vision Australia is an active member of the **Australian Council for International Development** (ACFID) and adheres to the **ACFID Code of Conduct** which defines minimum standards of governance, management and accountability for development non-government organisations (NGOs).



**integrity • values •  
accountability**

WORLD VISION IS A CHRISTIAN,  
RELIEF, DEVELOPMENT AND  
ADVOCACY ORGANISATION  
DEDICATED TO **WORKING WITH  
CHILDREN, FAMILIES AND  
COMMUNITIES** TO OVERCOME  
POVERTY AND INJUSTICE.





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Pic A - In Bangladesh, as part of the Cyclone Sidr Recovery Program, these boys participate in disaster preparedness activities at their school.

Pic B - These school children in the Wabinyonyi ADP in Uganda are benefiting from improved access to primary healthcare and educational opportunities.

Pic C - In Zambia, Holiness' family can now grow enough food to meet their needs throughout the year after receiving assistance through World Vision Australia's Seeds, Tools and Training Appeal.

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## WHO WE ARE

World Vision Australia is part of the World Vision International Partnership, an independent Christian relief, development and advocacy organisation operating in more than 90 countries.

We are dedicated to working with children, families and communities to overcome poverty and injustice. We aim to effectively engage all Australians in the fight against poverty.

Our Christian faith is the foundation for all we do and we strive to follow the teachings of Jesus Christ. We seek to express our Christian beliefs in an inclusive and non-judgmental manner. As an organisation inspired by Christian values, we are committed to serving people in need regardless of their religion, race or gender.

Viewed collectively, the World Vision International Partnership is the world's largest non-governmental humanitarian and development agency.

### OUR VISION

Our vision for every child, life in all its fullness;

Our prayer for every heart, the will to make it so.

### OUR MISSION

We are a Christian relief, development and advocacy organisation that seeks to transform the lives of children and communities by tackling the causes of poverty.

### CORE VALUES<sup>1</sup>

#### **We are Christian**

We seek to follow, and are motivated by, Jesus Christ's identification with the poor; the powerless, the afflicted, the oppressed, the marginalised; in His special concern for children; in His respect for the equal dignity of women and men; in His challenge to unjust attitudes and systems; in His call to share resources with each other; in His love for all people without discrimination or conditions; in His offer of new life through faith in Him.

#### **We are committed to the poor**

We stand in solidarity with the poor in a common search for justice. We seek to understand the situation of the poor and work alongside them towards fullness of life.

We seek to facilitate an engagement between the poor and the affluent that opens both to transformation. We respect the poor as active participants, not passive recipients, in this relationship. They are people from whom others may learn and receive, as well as give. The need for transformation is common to all. Together we share a quest for justice, peace, reconciliation and healing.



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Pic A - When he's not in school, Feyisa helps in the family fields and tends the animals. World Vision is providing agricultural support to families in his Ethiopian village.

Pic B - In Myanmar, this young boy participates in activities in a Child Friendly Space that was established by World Vision following Cyclone Nargis. More than a year after the cyclone, the centre continues to respond to the social and developmental needs of local children.

Pic C - A World Vision child nutrition program in Niger has helped to restore these children to health and teach their mother about food hygiene and healthy eating practices.

### **We value people**

We give priority to people before money, structures, systems and other institutional machinery. We act in ways that respect the dignity, uniqueness and intrinsic worth of every person – the poor, donors, our staff and their families, boards and volunteers. We celebrate the richness of diversity in human personality, culture and contribution. We practise a participative, open, enabling style in working relationships. We encourage the professional, personal and spiritual development of our staff.

### **We are responsive**

We are responsive to life-threatening emergencies where our involvement is needed and appropriate. We are willing to take intelligent risks and act quickly. We do this from a foundation of experience and sensitivity to what the situation requires. We also recognise that even in the midst of crisis, the destitute have a contribution to make from their experience. We are responsive in a different sense where deep-seated and often complex economic and social deprivation calls for sustainable, long-term development. We maintain the commitments necessary for this to occur. We are responsive to new and unusual opportunities. We encourage innovation, creativity and flexibility. We maintain an attitude of learning, reflection and discovery in order to grow in understanding and skill.

### **We are partners**

We are members of an international World Vision Partnership that transcends legal, structural and cultural boundaries. We accept the obligations of joint participation, shared goals and mutual accountability that true partnership requires. We maintain a cooperative stance and a spirit of openness towards other humanitarian organisations. We are willing to receive and consider honest opinions from others about our work.

### **We are stewards**

The resources at our disposal are not our own. We are faithful to the purpose for which those resources are given and manage them in a manner that brings maximum benefit to the poor. We speak and act honestly. We are open and factual in our dealings with donor constituencies, project communities, governments, the public at large, and with each other. We endeavour to convey a public image conforming to reality. We strive for consistency between what we say and what we do. We demand of ourselves high standards of professional competence and accept the need to be accountable through appropriate structures for achieving these standards. We share our experience and knowledge with others where it can assist them. We care for the earth and act in ways that will restore and protect the environment. We ensure that our development activities are ecologically sound.



### OUR HISTORY

In 1950, American Rev Dr Bob Pierce created World Vision to help children orphaned in the Korean War. In 1953, the World Vision child sponsorship program commenced to provide these children with ongoing support. The sponsorship program soon expanded into other Asian countries and then Africa and Latin America, assisting children from poor communities with food, healthcare and education. World Vision's emergency relief work began in the 1960s, delivering food, clothing and medical supplies to people affected by disasters.

World Vision Australia commenced its operations in 1966.

In the 1970s, World Vision began to embrace a broader community development model and focused more intently on addressing the causes of poverty by assisting communities to meet needs in areas such as clean water and sanitation, education, healthcare, leadership training and income generation.

### WHAT WE DO

Today, World Vision Australia addresses poverty and injustice through the following core activities:

- **Community development:** We work within communities and across geographical areas to help individuals and groups improve the wellbeing of children and overcome poverty. We do this through long-term projects aimed at empowering communities to sustainably manage their own development.
- **Humanitarian and emergency relief:** We work on all aspects of disaster management. When disasters strike, World Vision has staff and supplies positioned around the globe to respond to immediate needs like food, water, shelter and safe spaces for children. We also work with communities to recover from disasters and reduce the impacts of future natural disasters through planning and capacity building, with the aim to transition to community development activities.
- **Tackling injustice through policy change and advocacy:** We engage governments, institutions, donors, communities and the public to address the underlying issues that perpetuate poverty. World Vision aims to empower communities to speak up for their rights and influence change, both locally and globally.
- **Engaging Australia:** We seek to educate Australians about the causes of poverty and to challenge them to be involved in its alleviation, including by making financial and non-financial contributions to our work. World Vision also seeks to make known God's offer of renewal and reconciliation through Jesus Christ, and to encourage people to respond.

### HOW WE WORK WITH WORLD VISION PARTNER OFFICES

The World Vision International Partnership is a partnership of over 90 interdependent national offices, most of which are governed by local boards or advisory councils. By signing the World Vision International Covenant of Partnership, each partner agrees to abide by common



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policies and standards. This means that while we are accountable to other World Vision offices, World Vision Australia is a distinct legal entity with its own Board. World Vision Australia applies the policies and standards of the World Vision International Partnership in accordance with our local context. World Vision offices hold each other accountable through an ongoing system of accreditation and peer review.

World Vision Australia's relief, development and advocacy programs are implemented through World Vision's network of national offices.

Typically, World Vision Australia receives a proposal from a World Vision national office to provide support for a proposed project. World Vision Australia then assesses the proposal and makes a determination as to whether or not to support it. This determination occurs through a structured committee process and decisions are made based on criteria such as strategic fit, relevance of the proposed response, organisational capacity and budget requirements. If World Vision Australia agrees to support the program and provide funding for it, World Vision Australia works with the relevant World Vision national office on design, monitoring and evaluation of the program. Fundraising and marketing activities to generate financial support for the program are managed by World Vision Australia.

Where appropriate we work directly with communities in implementing activities, particularly in our Australian programs.

Additional information on the World Vision International Partnership (including key governance arrangements) is provided on our website at [worldvision.com.au/AboutUs/CorporateGovernance/AnnualReports.aspx](http://worldvision.com.au/AboutUs/CorporateGovernance/AnnualReports.aspx) and also at [wvi.org](http://wvi.org).

### EXTERNAL COALITIONS AND PARTNERS

World Vision contributes to the efforts of a larger community of organisations and people working towards poverty alleviation and justice for the oppressed. In Australia, our work with other NGOs in coalitions such as Make Poverty History and Micah Challenge allows us to act on a broader scale and achieve greater results. ACFID and AusAID are also key partners.

World Vision Australia regularly works with universities, academics and NGOs on specific issues or activities. This includes cooperation on research, advocacy, professional knowledge exchange, teaching and learning, recruitment, professional experience for students, and community engagement.

We also seek to achieve better international humanitarian coordination through global mechanisms such as the UN Office for the Coordination of Humanitarian Affairs, as well as participation in initiatives to improve aid effectiveness.

Pic A - Korotimi has learned how to prepare nutritious food for her children at a World Vision-supported mothers' workshop in Mali.

Pic B - In rural communities in India, World Vision is raising awareness about the importance of education for girls like Nafisa.



## MESSAGE FROM OUR BOARD CHAIR

Looking back on World Vision's previous Annual Reports and messages from the Chair, "challenge" is a word that is repeated time and time again. The challenges we face are seemingly relentless and overwhelming.

We are continually challenged by the long-term nature of achieving positive change in poor communities, by horrendous natural disasters, and by global issues like the financial crisis. But through these challenges, our Christian faith provides the motivation that keeps us going. It shapes, drives and renews our commitment to achieving the vision of life in all its fullness for every child.

We also know that the challenges we face test and stretch our faith, for some even to the point of questioning the existence of a loving God. But for others, as we see time and again in the communities with whom we work, faith is a constant source of strength. We have a commitment to honour that faith and to support those communities, whatever their tradition.

As a faith-based organisation, the matter of how faith relates to our development work is of vital importance. There is an increasing interest in how faith shapes development activity and society. The World Bank has been in dialogue with churches and other faith-based organisations for some years and there is an increasing academic interest in this area overseas. As a Board, we are constantly asking for evidence of what is occurring in communities and the other World Vision offices that we partner with. It is essential that we have our own frames of reference that allow us to understand the belief systems and worldviews of the contexts in which we work.

Notwithstanding the difficulties of 2009, we have made significant progress in many areas and have been buoyed by these successes. In other areas we had to rethink, redesign or redirect our efforts. We have made do with less, made sacrifices, stretched our initiatives and our budgets further and we've learned more lessons. We acknowledge and accept that many challenges still lie ahead.

We look forward over the next year to continuing to work intentionally to understand more clearly how change in societies occurs and what constitutes effective change.

The Board's continued thanks goes to the huge number of donors, supporters, volunteers and employees who recommit time and again to do what they can to address injustices in the short, medium and long term.

Yours sincerely

**Anne Robinson**



## MESSAGE FROM OUR CHIEF EXECUTIVE

The climate surrounding the operations of World Vision Australia changed in three significant ways this year. The economic climate began grimly under the cloud of a financial crisis. The national mood was similarly bleak in the aftermath of Victorian fires and Queensland floods in February. The nation – indeed the world – has been caught in a struggle about how best to respond to the impacts of climate change.

The financial crisis was a sharp reminder of the need to be careful stewards of our resources and our responsibilities both to the poor and to the many generous donors who pledge to help. I was moved by the graciousness with which staff managed this time of austerity to ensure we met our commitments and trimmed costs. Diligent work and the strength of our relationships with donors meant that World Vision did not experience a sharp drop in income, although our plans to continue strong growth were checked. The “green shoots” of recovery are cautiously appearing in the global economy, and I believe World Vision Australia is well placed to grow.

Despite the challenges, World Vision was not diverted from its task of offering relief, partnering for development and helping the voiceless to be heard. Our work in 59 countries assisted almost 22 million people, including 2.9 million people in emergencies. There were other milestones to celebrate, such as when chocolate producer Cadbury determined their flagship Dairy Milk – first in the UK and then in Australia, New Zealand and Canada – would become a Fairtrade product, paying better wages and making conditions safer for cocoa farmers and their children. The launch of the Poverty and Justice Bible in the Great Hall in Federal Parliament, in the presence of Prime Minister Kevin Rudd and then Opposition Leader Malcolm Turnbull, was also a significant moment for us.

The growing impact of climate change on the world's most vulnerable communities compelled us to engage more publicly on this issue on behalf of the World Vision International Partnership. Our aim is to ensure that global leaders recognise a twin task – limiting the most dangerous impacts of global warming while keeping a moral focus on the needs of the poorest communities.

A series of disasters in our region in October brought renewed attention to the fragile nations in our neighbourhood. The fast response and dedication of World Vision staff from the region meant we were able to offer real assistance to traumatised communities and safe places for children.

As we look to 2010, we will continue to create new opportunities to engage with our partners in the Australian community and with governments to fight poverty and its causes. The Global Food Crisis has not subsided: more families are unsure where their next meal will come from. The launch of World Vision International's Child Health Now global campaign gives added focus to our work to end the preventable deaths of millions of children each year, and to help communities create sustainable futures.

Yours sincerely  
**Tim Costello**

A handwritten signature in black ink, appearing to read 'Tim Costello', written over a horizontal line.

Pic A - Anne Robinson, Chair of the World Vision Australia Board

Pic B - Tim Costello, World Vision Australia Chief Executive



## OUR ACCOUNTABILITY AND THIS ANNUAL REPORT

Without the trust of our stakeholders – the children we seek to serve, the communities with whom we partner, donors, sponsors, supporters, governments, peer organisations, churches, and the public – we cannot fulfil our Mission. By holding ourselves accountable, we demonstrate that we are worthy of this trust.

Accountability is our willingness to acknowledge responsibility to others with whom we work and who support us, and our willingness to accept responsibility for our actions and their implications.

Our Core Values highlight the need for us to take accountability seriously. They demand of us an open, honest picture of what we are trying to do in partnership with others, and responsiveness to the contexts we work in by putting people's rights and needs at the fore. As a Christian organisation there are many examples set out in Scripture which motivate us to demonstrate exemplary accountability.

World Vision Australia recognises that a failure to be accountable may also present risks to the organisation. Without accountability to:

- the children and communities we serve, our efforts to alleviate poverty and address injustice are less likely to be realised and our legitimacy and credibility to act and speak out on such issues will be undermined;
- the individuals and organisations in Australia who support our work with financial contributions and by joining our campaigns, and also those we seek to engage (such as the government, businesses and the wider Australian public), our funding sources and reputation may be diminished;
- staff and volunteers, our operational capacity and integrity may be eroded;
- those who help to ensure that we do our work properly and who shape our legal operating environment, our licence to operate and charitable status might be revoked (e.g. the Australian Securities and Investment Commission (ASIC), the Australian Taxation Office, state fundraising regulators, AusAID and ACFID).

Accountability, for World Vision, is ultimately about our responsibility for the quality and effectiveness of the work we undertake to have a positive impact on the lives of people living in poverty or those whose lives have been devastated by man-made and natural disasters.

In addition to upholding our Core Values and complying with relevant laws, World Vision's accountability encompasses its adherence to external standards, codes and charters. These external standards codes and charters help us to measure and benchmark our performance. For more information, read the supplement to this report available at [worldvision.com.au/AboutUs/CorporateGovernance/AnnualReports.aspx](http://worldvision.com.au/AboutUs/CorporateGovernance/AnnualReports.aspx).



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Pic A - Alice is in first grade and goes to a school supported by World Vision in Mali.

Pic B - Sponsored child Erkejan (far right) and his siblings receive nutritional supplements and other health support as part of World Vision development work in his community in Mongolia.

Pic C - In Ethiopia, Yonas and his family received food and household support as part of a World Vision project to assist families impacted by HIV and AIDS.

The provision of information on our activities, our performance and our operations in this Annual Report is one of the ways in which we seek to satisfy our accountability obligations.

### REPORTING PERIOD AND SELECTION OF CONTENT

This Annual Report covers our activities and performance during the period between 1 October 2008 and 30 September 2009, aligning with the World Vision International Partnership's financial year.

The information included in the report has been determined through consultation with World Vision Australia staff and a sub-committee of our Board. The report has been prepared to satisfy specific reporting requirements of the Corporations Act 2001 (Cth) and the ACFID Code of Conduct. Preparation of this report has also been informed by reference to: the PricewaterhouseCoopers not-for-profit reporting framework; the Institute of Chartered Accountants in Australia's report Enhancing not-for-profit annual and financial reporting; and the Global Reporting Initiative's reporting guidelines.

### COMPANION DOCUMENTS TO THIS REPORT:

- [Annual Program Review 2009](#)  
[worldvision.com.au/AboutUs/CorporateGovernance/AnnualReports.aspx](http://worldvision.com.au/AboutUs/CorporateGovernance/AnnualReports.aspx)  
 This review contains 14 detailed case studies of our relief, development and advocacy programs and provides transparent and critical reflection on our successes and failures. This annual publication is one of a range of measures we have instituted to improve transparency and accountability, and to monitor, review, improve and illustrate our work.
- [Annual Evaluation Review 2009](#)  
[worldvision.com.au/AboutUs/CorporateGovernance/AnnualReports.aspx](http://worldvision.com.au/AboutUs/CorporateGovernance/AnnualReports.aspx)  
 This document collates and synthesises learning across evaluations of World Vision Australia programs which finished during 2009, focusing on outcomes and effectiveness. Five case studies are also included in the report to highlight particularly important lessons and achievements.
- [Field Ministry Strategy 2008-2010](#)  
[worldvision.com.au/Learn/ReportsResearchPublications.aspx](http://worldvision.com.au/Learn/ReportsResearchPublications.aspx)  
 This document provides information about how we work in the field and what we do, and explains the regional priorities and intentions for our international programs.
- [Australia Program Strategic Plan 2009-2011](#)  
[worldvision.com.au/Learn/ReportsResearchPublications/ReportCategoryIndex.aspx](http://worldvision.com.au/Learn/ReportsResearchPublications/ReportCategoryIndex.aspx)  
 This document provides information about our work in Australia and sets out our three-year programming direction.



### ADDITIONAL INFORMATION AND FEEDBACK

The online version of this report provides links to supplementary information including the companion documents referred to above, links to featured case studies and relevant websites. For more information about World Vision Australia in general and other supplementary publications, please visit our website at

**[worldvision.com.au/AboutUs/CorporateGovernance/AnnualReports.aspx](http://worldvision.com.au/AboutUs/CorporateGovernance/AnnualReports.aspx)**

We welcome and encourage feedback on this report. To comment on or receive more information about this report, please contact us by email: [service@worldvision.com.au](mailto:service@worldvision.com.au), or write to: Director of Legal Risk & Governance, World Vision Australia, 1 Vision Drive, Burwood East, Vic, 3151.

In May 2009, World Vision Australia was awarded runner-up in the PricewaterhouseCoopers Transparency Awards. The awards recognise and encourage the improvement of quality and of transparency of reporting within the not-for-profit (NFP) sector. The judges found:

“World Vision is a very large Australian NFP organisation with a broad and complex footprint. They overcame the challenges of this complexity to demonstrate many of the qualities that exemplify a well governed and more transparent organisation in an accessible and user friendly way.”

PricewaterhouseCoopers  
**Transparency  
awards**

Runner-up 2008



## 2009 AT A GLANCE

### Community development

- Supported 249 Area Development Programs and an additional 658 projects addressing specific issues such as child labour, human trafficking, conflict resolution and food security.
- Provided safe migration education to 20,000 people and established 150 community-based protection mechanisms as part of the Mekong Delta Regional Trafficking Strategy spanning eight Asian countries.
- Worked to secure household livelihoods in 21 African countries by promoting sustainable agriculture and improving access to markets.
- In partnership with BHP Billiton, commenced a five-year early childhood care and development project for Indigenous communities in the East Pilbara region of Western Australia.
- Supported 11 social entrepreneurship pilot projects in Kenya and Indonesia to address local economic development challenges.
- Published our first Annual Evaluation Review to synthesise learnings from across our range of field programs, focusing on outcomes and effectiveness.

### Humanitarian and emergency relief

- Assisted 2.9 million people during emergency responses in the Democratic Republic of Congo, the Gaza Strip, the Horn of Africa, Pakistan and Zimbabwe.
- Contributed to a large-scale, coordinated response to the cholera outbreak and food security emergency in Zimbabwe that provided assistance to more than 1.3 million people.
- Supported World Vision's response to Typhoons Ketsana and Parma in the Philippines, assisting over 30,000 people.
- Helped to provide food, water and sanitation, and health assistance to families displaced by conflict in Pakistan's Swat Valley.

Pic A - Yeubdar farms the family fields with her granddaughter Bitu, who was treated for malnutrition in a World Vision-supported supplementary feeding program in Ethiopia.

Pic B - Filtered water protects children like Shathi from water-related illnesses. Her community in Bangladesh received a water filter as part of World Vision's Cyclone Sidr Recovery Program.



### Policy change and advocacy

- Through our Don't Trade Lives campaign and with partner NGOs, influenced Cadbury Australia's decision to use Fairtrade cocoa in the production of its most popular product, Cadbury Dairy Milk chocolate.
- Participated in planning for World Vision International's first global advocacy campaign, Child Health Now, launched in November 2009.
- Represented the World Vision International Partnership at UN climate change negotiations in Bangkok, New York and Barcelona.
- Influenced the Australian Government's decision to increase overseas aid funding for basic education, health, and water and sanitation.
- Continued to support the Regional Advocacy Capacity Anti-trafficking Project in Asia which is strengthening World Vision's capacity to advocate in restricted contexts and mobilising our standing on key regional committees and advisory bodies.

### Engaging Australia

- Launched several programs and initiatives to provide new ways for Australians to engage with our community development and advocacy work. These included KidzCase, SEE Solutions, One Earth and WorldVoice.
- Partnered with the Australian Youth Climate Coalition to conduct a youth vote on climate change which was supported by more than 37,000 young Australians.
- Conducted our most successful 40 Hour Famine in four years, with participation from 2,200 schools, 650 churches and 2,000 community groups.
- In partnership with AusAID and the International Women's Development Agency, staged another successful season of One Just World public forums on international development, attracting 60 high-profile speakers and reaching an audience of 5,000.
- Redesigned our website to enable supporters and the general public to immerse themselves in poverty-related issues through multimedia and interactive features.
- With the Bible Society and Micah Challenge, published the Australian edition of the Poverty and Justice Bible, which was launched by the Prime Minister and the Leader of the Opposition at Parliament House.
- Held Global Leadership Conventions around Australia which were attended by more than 4,500 students from 110 schools.

Pic A - Baswari, age 7, attends the World Vision-supported Manzil Drop-in Center for working children in Rawalpindi, Pakistan.

# 2009 IN NUMBERS

	2009	2008
<b>Programs</b>		
Total number of people assisted (This figure is an estimate only)	<b>21.9 million</b>	22.7 million
People assisted with emergency relief	<b>2.9 million</b>	3.4 million
Number of people assisted with food aid	<b>0.7 million</b>	1.2 million
Number of countries worked in	<b>59</b>	64
Total projects at home and overseas	<b>907</b>	891
Number of children sponsored	<b>399,563</b>	405,832
Number of Area Development Programs supported	<b>249</b>	249

<b>Finances</b>		
Total revenue	<b>\$346.6 million</b>	\$355.4 million
Total disbursements to international projects	<b>\$295.8 million</b>	\$293.7 million
Total revenue from child sponsorship	<b>\$202.4 million</b>	\$205.7 million
Value of goods donated by Australian companies	<b>\$4.2 million</b>	\$12.6 million
Value of medicines donated by international agencies	<b>\$33.9 million</b>	\$34.5 million
Value of food donated by international agencies	<b>\$30.2 million</b>	\$26.0 million
Value of work with AusAID	<b>\$18.0 million</b>	\$18.1 million

<b>People</b>		
Total number of World Vision Australia employees	<b>561</b>	621
Number of full-time employees	<b>442</b>	416
Number of part-time employees	<b>119</b>	205
Staff turnover rate (excludes casual employees, includes fixed-term contracts, redundancies and resignations)	<b>21.6%</b>	21.4%
Total number of volunteers	<b>3,845</b>	3,635
Hours volunteered	<b>43,452*</b>	153,008

<b>Gender profile</b>		
Women in executive positions	<b>4 of 9 (44%)</b>	40%
Women in senior management (Hay grade 16 or above)	<b>53%</b>	53%
Average female salary (as a % of male salary)	<b>81%</b>	73%

<b>Workplace safety</b>		
Number of reported incidents or injuries	<b>43</b>	40

<b>Training and learning</b>		
Average hours of training per employee	<b>27</b>	48

\* 2009 figures do not include the hours volunteered by KIDS HOPE AUS. mentors.



Environmental impact CO <sub>2</sub> -e Emissions	2009	2008
Air travel (fuel only)	2065 tonnes CO <sub>2</sub> -e	2001.5 tonnes CO <sub>2</sub> -e
Car fleet	239.1 tonnes CO <sub>2</sub> -e	231.6 tonnes CO <sub>2</sub> -e
Electricity	3052.9 tonnes CO <sub>2</sub> -e	3260.1 tonnes CO <sub>2</sub> -e
Gas	205.7 tonnes CO <sub>2</sub> -e	330.4 tonnes CO <sub>2</sub> -e
Paper	742.1 tonnes CO <sub>2</sub> -e	491.5 tonnes CO <sub>2</sub> -e
Green power purchased	- 634.4 tonnes CO <sub>2</sub> -e	-
BP Fuel offsets	- 392.2 tonnes CO <sub>2</sub> -e	-
<b>TOTAL emissions</b>	<b>5278.4 tonnes CO<sub>2</sub>-e</b>	<b>6315 tonnes CO<sub>2</sub>-e</b>
<b>TARGET</b>	<b>5313 tonnes CO<sub>2</sub>-e</b>	<b>5977 tonnes CO<sub>2</sub>-e</b>

- Conversion factors have changed during FY09 and conversion factors published during February 2009 have been used for this report. FY08 emissions have not been recalculated.
- Air travel emissions have been calculated using the Greenfleet calculation methodology (not GCP factors) for domestic and international flights (fuel impact).
- Where electricity consumption figures for the month of September 2009 have not been received, estimates have been used.
- Electricity consumption figures for the Melbourne office (until 31 March) are not available. Consumption has been estimated at the same rate per person as the Burwood office, assuming 7 FTE's.
- The reported BP fuel offsets cover the period 1 January 2008-30 September 2009.
- The paper emission data relates to emissions (as waste) from office paper and marketing materials printed from our head office.
- It is World Vision Australia's intention to continuously improve in capturing data and reporting our environmental impacts and to keep aligning with Australian and international best practices in carbon accounting.



## 2009 IN REVIEW

**Our Strategic Plan for 2009-2011 sets the following goals as we work towards our mission:**

### **Transform children's lives (see pages 15–25)**

We will facilitate and deliver best practice advocacy, humanitarian and development programs domestically and internationally, so as to provide the most effective help for the children and communities with whom we work.

**Goal 1:** Support and influence the implementation of best practice humanitarian and emergency relief, advocacy, and international programs

**Goal 2:** Implement best practice programs in Australia

### **Champion the child poverty agenda (see pages 26–38)**

We will engage our supporters, partners and allies, including the communities with which we work, to fuel a social movement against poverty and injustice. We will be viewed as a credible voice on behalf of the children and communities we serve and therefore be in a strong position to influence the actions of decision makers.

**Goal 3:** Challenge and advance humanitarian and development thinking and practice

**Goal 4:** Fuel a movement to engage the whole Australian community on poverty and injustice issues

**Goal 5:** Influence the Australian Government, international institutions and foreign governments to adopt policies and practices consistent with the Child Poverty Agenda

### **Grow our resources (see pages 39–48)**

We will increase our capacity to transform lives by growing our funding from the Australian public, Australian Government, corporations and multilateral organisations.

**Goal 6:** Grow funding from the Australian Government and multilaterals

**Goal 7:** Grow child sponsorship income from the Australian public and businesses

**Goal 8:** Grow non-child sponsorship income from the Australian public and businesses

### **Improve organisational performance (see pages 49–54)**

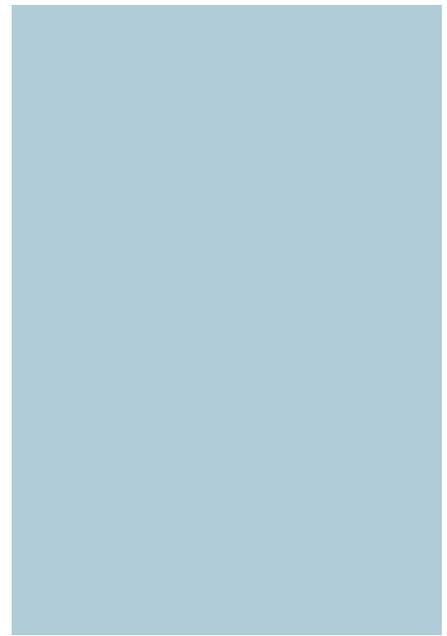
We will conduct our operations effectively and efficiently, demonstrating accountability and transparency in all we do. We will be viewed by our donors and staff as excellent stewards of our people, our funds and the environment.

**Goal 9:** Drive continuous performance improvement

**Goal 10:** Make strategic investments to position World Vision Australia as an INGO of the future

Pic A - In Lebanon's Palestinian refugee camps, children like Fatima, who suffers from cerebral palsy, are gaining access to education and recreational opportunities through a World Vision program promoting the rights of disabled children.

Pic B - Jjika, age 6, participates in a school feeding program facilitated by the Mombo ADP in Tanzania.



## TRANSFORM CHILDREN'S LIVES

We are a Christian relief, development and advocacy organisation and carry out our work as an expression of our Christian conviction.

Our belief is that there is a spiritual dimension to life and that people are created in the image of God; therefore they have intrinsic worth and purpose. We seek to emulate Jesus' ministry of bringing healing and wholeness, accepting all people without judgement. We stand alongside the vulnerable, including children, in our desire to see just systems, self-reliant communities and transformed relationships.



## CASE STUDY

### Nayuchi ADP – Uniting for a better future

Operating for 10 years in southern Malawi's Machinga District, the Nayuchi ADP has been the catalyst for positive change on a number of fronts.

The approach employed by ADP staff in developing relationships with a broad cross-section of the community, including traditional chiefs, women, youth and Christian and Muslim leaders, has helped to ensure sustainable progress.

When activities commenced, not one child from the community had attended secondary school. Adult literacy levels were very low and schools were overcrowded and underdeveloped. Now, 2,292 children are receiving pre-school education, the first ever group of secondary students has graduated, and more than 300 adults have passed national literacy exams.

In 1998, only 14 percent of households had enough food to last the year. After receiving training in the use of organic fertiliser, and the introduction of irrigation schemes and drought-resistant crops, 80 percent of households now produce enough food to meet their needs.

Chief among community concerns was the high prevalence of HIV, which in 2003 stood at 16.4 percent and above the national average.

The program has worked with community groups to reduce the stigma faced by people living with HIV and AIDS. Young men have been supported in their campaign for safe circumcision practices, and church leaders have taken a strong leadership role in advocating HIV testing and the use of condoms. Close partnerships have also been fostered with local government, especially to support the work of the District AIDS Coordinating Committee.

As a direct result of these and other activities, local people now have better access to HIV testing and counselling, condoms, anti-retroviral drugs, and increased knowledge of HIV and AIDS treatment options. They are fighting stigma, living positively with HIV and caring for those affected by the pandemic. HIV prevalence in the area has fallen from 16.4 percent to 12 percent.

This success has received national and international recognition, with Malawi's National AIDS Commission recognising it as a model program because of its role in developing community-based HIV and AIDS prevention structures.

A detailed case study on Nayuchi ADP is available at [worldvision.com.au/Learn/ReportsResearchPublications.aspx](http://worldvision.com.au/Learn/ReportsResearchPublications.aspx)

Pic A - Sponsorship funds have been used to improve educational facilities in Seydou's community.

Pic B - In Nayuchi ADP community-based organisations have been formed to focus on development issues such as health, water and sanitation and food security.

## Goal I:

Support and influence the implementation of best practice community development programs, humanitarian relief and advocacy.

Snapshot of achievements	
<b>Child rights and protection</b>	<ul style="list-style-type: none"> <li>• Support for street children in Cambodia, Myanmar, Thailand and India</li> <li>• Direct support to 113 trafficking survivors; safe migration training for 20,000 people; training for 750 peer educators</li> <li>• Formation of 150 community-based protection mechanisms</li> <li>• Projects with the legal profession in Lesotho and Rwanda to facilitate child protection</li> <li>• Formation of community-based committees to help children affected by war</li> <li>• Education of thousands of children and adults in Ecuador on child rights and encouragement of indigenous representation on district and national child councils</li> <li>• Support of a child drop-in centre for 200 children working and living on the streets in Pakistan</li> </ul>
<b>Promoting primary health</b>	<ul style="list-style-type: none"> <li>• Improved health and sanitation practices in Bangladesh, Mongolia, the Philippines and Timor-Leste</li> <li>• Provided HIV and AIDS education focusing on at-risk populations, orphans and vulnerable children in Armenia, Azerbaijan, Georgia, Cambodia, Nepal, Lao PDR, Vietnam, Indonesia, India and throughout Africa</li> <li>• Commenced national TB reduction project in Papua New Guinea</li> </ul>
<b>Promoting gender equality</b>	<ul style="list-style-type: none"> <li>• Gender mainstreaming across World Vision's Africa programs</li> <li>• Reduction of female genital mutilation in Somalia and attitudinal change in community</li> </ul>
<b>Building stronger communities and enhancing livelihoods</b>	<ul style="list-style-type: none"> <li>• Establishment of food cooperatives to increase cash income and improve food security in 21 African countries, Honduras, Ecuador, Chile, Brazil, Colombia, Vanuatu, Lao PDR and Mongolia</li> <li>• Establishment and provision of early childhood education and entry of school-aged children into formal education in the Solomon Islands</li> </ul>
<b>Building community resilience</b>	<ul style="list-style-type: none"> <li>• Successful reduction of flood and storm vulnerability in Quang Ngai (Vietnam) resulting in significantly greater safety for local communities during Typhoon Ketsana</li> <li>• Disaster mitigation projects in Pakistan, Colombia, Peru, Brazil and Guatemala</li> </ul>
<b>Advocating for change</b>	<ul style="list-style-type: none"> <li>• Direct assistance to victims of trafficking; helped to secure agreements halving processing times for the safe and timely return of trafficked persons</li> <li>• Contributions to government policy on trafficking</li> <li>• Community-based music projects to educate on important issues impacting youth such as HIV and AIDS, gender-based violence, drug and alcohol abuse</li> <li>• Campaign partnerships in Bolivia to provide legal identities and birth certificates to marginalised indigenous communities</li> </ul>

WORLD VISION IS A CHRISTIAN, RELIEF, DEVELOPMENT AND ADVOCACY ORGANISATION DEDICATED TO **WORKING WITH CHILDREN, FAMILIES AND COMMUNITIES** TO OVERCOME POVERTY AND INJUSTICE.



<p><b>Promoting peace and good governance</b></p>	<ul style="list-style-type: none"> <li>• Commencement of governance projects in PNG, Uganda and Tanzania to increase representation of communities, build capacity and accountability of local governments</li> <li>• Peace building initiatives in the Middle East, Pakistan and Afghanistan</li> <li>• Training of more than 300 community workers and village organisations to assist with advocacy plans in Pakistan</li> <li>• Interfaith dialogue peace building projects in Bosnia and Herzegovina</li> <li>• Roll-out of local PeaceNet Capacity Building Program to enhance the capacity of local World Vision staff to respond during rapid-onset, conflict-oriented emergencies and to enhance regional peace-building strategies for local empowerment</li> </ul>
<p><b>Responding to humanitarian emergencies</b></p>	<ul style="list-style-type: none"> <li>• Deployment of staff and emergency items to respond to tsunamis in Western and American Samoa</li> <li>• Emergency response to assist displaced people in Pakistan's Swat Valley through distribution of food and non-food items, water, sanitation and health services, livelihood support and the creation of Child Friendly Spaces for more than 2,000 families</li> <li>• Contributed to a large-scale, coordinated response to the cholera outbreak and food security emergency in Zimbabwe that provided assistance to more than 1.3 million people</li> <li>• Supported World Vision's response to Typhoons Ketsana and Parma in the Philippines, assisting over 30,000 people</li> </ul>
<p><b>Responding to trauma</b></p>	<ul style="list-style-type: none"> <li>• A psychosocial wellbeing project for staff from local NGOs in Lebanon's Palestinian refugee camps</li> <li>• An education project for facilitators, teachers and parents to provide basic psychosocial assistance to children in Gaza</li> </ul>

**Please go to Our Regional Footprint on page 55 for more information on these achievements and development challenges.**



## Community development

World Vision Australia's mission is to address the underlying causes of poverty and injustice so that all people can enjoy their basic human rights. In our programs we focus our efforts on these key areas:

- Design quality, including systematic inquiry into local context as a precursor to design;
- Strengthening participation and voice of the children, women and men we seek to serve, especially the most vulnerable, in all stages of the program cycle;
- Effective partnerships with other agencies in delivering sustainable program outcomes in both local programming and broader field-based policy change advocacy;
- Partnering with local organisations and individuals to build capacity; and
- Facilitating ongoing learning and reflection through participatory research and evaluation, to help us and our programming partners find solutions and act on important issues.

Area Development Programs (ADPs), supported through child sponsorship, are World Vision's characteristic community development program model. ADPs focus on changing the world in which a child grows up through long-term development projects that help the child and the child's community. ADPs typically run for 12 to 15 years. In 2009, we supported 249 ADPs around the world.

ADPs are led by skilled local World Vision staff and community groups which have a broad representation of community members. Progress towards meeting goals is evaluated every three to five years with the community and local program staff.

Child sponsorship contributions are pooled to fund activities that are designed to benefit all those in the community where the sponsored child lives, including the children who are not sponsored. Sponsors benefit through a personal connection with a sponsored child and their community and through increased awareness of global poverty issues.

In addition to ADPs, World Vision Australia also supports a wide range of specific development projects, which are typically around three years in duration. In 2009, we supported 658 projects addressing issues such as child trafficking, child labour, conflict resolution and food security. Sometimes these projects complement existing ADPs, but often they are in areas where ADPs and child sponsorship are not appropriate development models. These projects are funded through a range of ongoing and one-off donation options such as Child Rescue, Water Health Life, the Smiles gift catalogue and One Earth. They are also funded through corporate partnerships and major donors including individuals, trusts and foundations, AusAID, and multilateral organisations such as the United Nations Development Programme and the Asian Development Bank.



### Humanitarian and emergency relief

World Vision Australia's relief responses have three fundamental objectives – saving lives, reducing human suffering and protecting livelihoods. Our staff often remain in emergency-affected areas long after the crisis has passed, helping communities to rebuild and better prepare for potential future emergencies.

We respond to emergencies of many kinds including:

- Natural disasters such as earthquakes, floods, cyclones and droughts
- Man-made disasters such as conflicts and war
- Complex humanitarian emergencies caused by political, social and economic factors that can occur across a single country or a group of countries
- Chronic ongoing emergencies where a country experiences deterioration in quality of life over an extended period of time.

In 2009, we assisted approximately 2.9 million people through our responses to humanitarian emergencies around the world including conflict in the Democratic Republic of Congo and Gaza, drought in the Horn of Africa region and a serious cholera outbreak in Zimbabwe. We also assisted internally displaced people in Pakistan and continued rehabilitation and disaster preparedness work in Myanmar.

Emergency appeals, specific grants from AusAID and other agencies, and donations to World Vision Australia's Emergency Preparedness Fund are used to support our emergency responses.

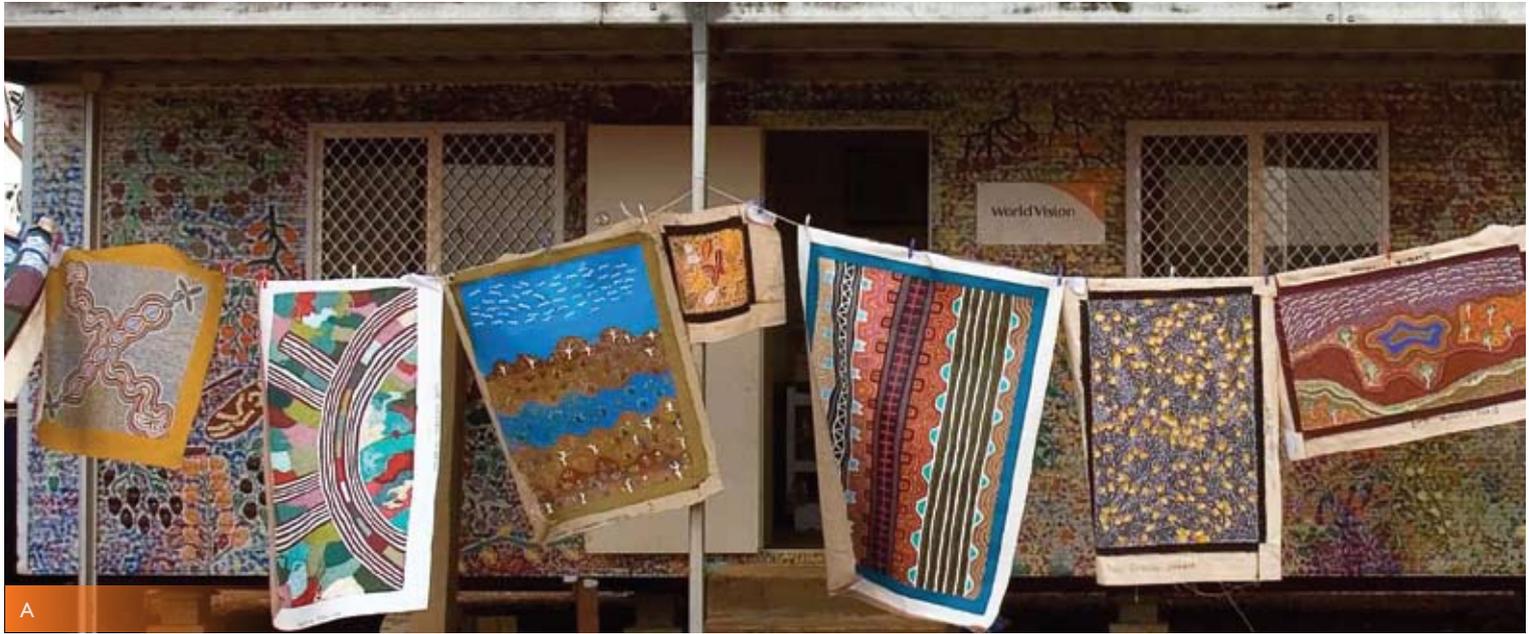
### Supporting advocacy in communities

Long-term, effective development and humanitarian work must be accompanied by changes in the systems and structures that cause poverty. World Vision Australia actively supports advocacy initiatives within our programs which attempt to address the systemic and structural causes of poverty. This gives expression to the prophetic call to seek a more just world, which echoes throughout Scripture.

We approach this in two ways, by supporting ADPs and other projects that specifically integrate advocacy and by supporting national and regional initiatives that build organisational capacity to undertake advocacy. In 2009, we supported advocacy projects to improve participation in local government and projects focused on child protection.

Pic A - Families who are part of the West Bethlehem ADP have been able to increase their incomes after receiving training and equipment for beekeeping.

Pic B - In October 2009, food and other relief supplies were distributed amongst families affected by Typhoon Ketsana in the Philippines.



### Program effectiveness, quality and impact

In an increasingly complex global environment, development programs need to be based on research and analysis, requiring the capability of combining macro level analysis with local responses. At the same time we know that the strongest contributing factor to effectiveness is the quality of the relationships we have with local communities. Local ownership is critical to achieving sustainable outcomes.

The World Vision International Partnership has established a programming framework called Learning through Evaluation with Accountability and Planning (LEAP). This framework brings a common global standard to the tasks of designing, monitoring and evaluating programs and is applied to all World Vision programs around the world. World Vision Australia played an important role in the development of the revised LEAP framework launched during 2008.

*Effective programs are those which empower poor, marginalised and vulnerable children and communities to change their circumstances and build upon that change. Our approach is underpinned by a commitment to human rights, particularly children's rights and gender equality.*

World Vision Australia's Program Effectiveness Unit works to facilitate organisational learning and continuous improvement with respect to the quality and effectiveness of World Vision Australia-funded programs.

In 2009, our Program Effectiveness Unit published its first Annual Evaluation Review.

This document collates and synthesises learning across evaluations of World Vision Australia programs which finished during 2009, focusing on outcomes and effectiveness. The report will serve as a baseline; the value of which will increase in future years, when accumulated data can be used to highlight trends and patterns.

The Program Effectiveness Unit also produces the Annual Program Review and organises the annual Measuring Effectiveness Conference.

For more information on World Vision's ADPs, read detailed case studies of the following ADPs: Phu Cu ADP in Vietnam, Nayuchi ADP in Malawi and Lamay ADP in Peru (available at [worldvision.com.au/Learn/ReportsResearchPublications.aspx](http://worldvision.com.au/Learn/ReportsResearchPublications.aspx)). You can also take an interactive tour of the Camino Hacia La Esperanza ADP in Colombia on our website at [worldvision.com.au/Issues/Transforming\\_Lives\\_\\_Child\\_Sponsorship.aspx](http://worldvision.com.au/Issues/Transforming_Lives__Child_Sponsorship.aspx)



## Goal 2: Implement best practice programs in Australia

Our Australia Program works to alleviate poverty and disadvantage by applying World Vision's international development approach to quality programming here in Australia.

Snapshot of achievements	
<b>Indigenous programs</b>	<ul style="list-style-type: none"> <li>• Worked with 11 Indigenous communities in four states/territories</li> <li>• In partnership with BHP Billiton, commenced a five-year early childhood care and development project for Indigenous communities in the East Pilbara</li> <li>• Birrung Gallery represented 495 Indigenous artists</li> <li>• Began implementing a home ownership project with the Mapoon community in far north Queensland</li> <li>• The Epenarra Leadership and Governance Project concluded successfully with increased community control over resource allocation and involvement in decisions about service delivery</li> </ul>
<b>KIDS HOPE AUS.</b>	<ul style="list-style-type: none"> <li>• Facilitated 281 programs in 2009, with over 2,800 children being mentored</li> </ul>

Pic A - In 2009, World Vision Australia began working with the emerging artists of Wetenngerr in the Northern Territory following requests from the community for this kind of support.

Pic B - Jessie Akemarr Peterson is a member of the World Vision-supported Epenarra (Wetenngerr) Artists who staged successful exhibitions during 2009.

World Vision Australia's Indigenous programs work to alleviate disadvantage among Aboriginal and Torres Strait Islander Australians. KIDS HOPE AUS. is a mentoring program for at-risk children implemented through partnerships between churches and primary schools throughout Australia.

In 2009, we worked towards the focus areas and priorities set out in our *Australia Program Strategic Plan 2009-2011*.



## Birring Gallery

*495 artists represented from 26 remote art centres and 64 associated out-stations.*

*2009 gallery income: \$0.5 million*

### Indigenous programs

The disadvantage of Indigenous communities is evident across a wide range of socio-economic indicators, including infant mortality, poor health and life expectancy; educational participation and achievement; labour force participation and mainstream economic opportunities; access to quality housing; incarceration and recidivism rates; family and community dysfunction and disenfranchisement; and access to government services. For an Indigenous population that is young and growing, our failure to redress disadvantage now will lead to an escalation of inequality.

World Vision Australia began working with Indigenous Australians in the mid-1970s when the Aboriginal Evangelical Fellowship approached us for assistance in developing the capacity of Indigenous Christian leaders. World Vision Australia also operated a grants program for Aboriginal and Torres Strait Islander community organisations. The past decade has seen our Australia Program evolve into a direct implementation model of development programming and our efforts have been directed into projects focused on leadership development, healthcare, youth development and the establishment of an Aboriginal art gallery in Sydney.

In 2009, World Vision Australia worked with 11 Indigenous communities in four states/territories. Our Indigenous programs are funded by donations to Linking Hands, corporate giving and government grants.

### Examples of our work in 2009 include:

#### Early childhood care and development

Working with BHP Billiton, World Vision Australia commenced an early childhood care and development project in the East Pilbara region of Western Australia. Early childhood care and development, especially for children under the age of five, is crucial for breaking the cycle of poverty and giving children and families the foundation of a healthier life. Due to the isolation and small size of communities in the East Pilbara, major gaps exist in service provision and governance capacity.

The goal of the project is to improve key Indigenous maternal and early childhood health outcomes by 20 percent in targeted East Pilbara communities.

World Vision Australia also continued its early childhood work with Warlpiri communities in the Northern Territory during 2009. In this project, World Vision Australia partners with the Central Land Council to implement the project for the Warlpiri Education and Training Trust.



### Indigenous art

In 2007, the Federal Government commissioned an inquiry into the Indigenous art industry and the alleged exploitation of artists. The inquiry led to an Indigenous Art Code of Conduct which was introduced in 2009 to promote fair and ethical trade with Indigenous artists; transparency in the promotion and sale of Indigenous artwork; and a fair and equitable resolution system for disputes arising under the Code.

Although adherence to the Code is not mandatory for art dealers and agents, it will enable Indigenous artists to distinguish between ethical and non-ethical dealers, and give them information to make decisions about what is a fair financial return for their artwork. Birrung Gallery staff were involved in the development of the Code, with representation on the advisory committee.

World Vision Australia continued to work with the remote Northern Territory community of Wetenngerr (or Epenarra) where women in the community have been involved in art activities since 2002. In 2009, the women held their inaugural exhibition at World Vision's Birrung Gallery, with four of the artists travelling to Sydney for the official opening. The exhibition was promoted as the "Mwerrangker (Beautiful) Art from the Silver Bullets" and it came close to selling out. In August, following an exhibition at Tandanya Gallery in Adelaide, the Flinders Art Museum collected the works of Wetenngerr artist Janella Woodman, achieving a major benchmark for the community in the Indigenous art market.

In addition to the successful sale of Indigenous art, the project has seen several women take on positions in the Federal Government's Community Development Employment Projects to ensure the sustainability of their art activity. The women have taken ownership of the art activities and have learnt to document works and create certificates of authenticity.

During 2009, Birrung Gallery hosted exhibitions from Indigenous artists including Elton Wirri, Ernabella Ceramics, the Tjanpi Desert Weavers and Maruku Arts, Charlie Wallabi Tjungurrayi and Josephine Nangala.

### Home ownership

During 2009, World Vision Australia began implementing a home ownership project with the Mapoon community in far north Queensland. Access to clean, safe and secure housing is a key contributor to the wellbeing of children.

A number of elements are required to implement a successful home ownership scheme in Indigenous communities. These include low-cost housing construction

Pic A - In 2009, Birrung Gallery showcased the work of Indigenous artists from 26 remote art centres.

Pic B - Staff from Birrung Gallery contributed to the development of the Indigenous Art Code of Conduct, which came into effect in 2009.



## KIDS HOPE AUS.

*Number of KIDS HOPE AUS. programs: 281*

*Number of children being mentored: over 2,800*

models, appropriate governance models, native title and cultural heritage recognition and protection, as well as a range of facilitated community processes regarding insurance, maintenance, wills and household financial decision making.

World Vision Australia is assisting the Mapoon Council and its trustees to work through these complexities with both the government and their community. We are playing a key role in bringing together prospective home owners, local Aboriginal organisations and government agencies to work through all of the details that will ensure a successful and sustainable community transition to private home ownership.

### **Governance and leadership**

During 2009, the Wutunurrurra (Epenarra) Leadership and Governance Project concluded. This project was developed to increase community control over resource allocation and increase their involvement in decisions about service delivery. Service delivery in Epenarra is now at a level commensurate with a discrete community with local government status. Successful completion of this project involved negotiating the transition of responsibility to the Northern Territory's Barkly Shire.

This project demonstrated the importance of ensuring that those who will be responsible for the ongoing provision and oversight of services beyond World Vision's involvement are engaged from the outset.

### **KIDS HOPE AUS.**

In 2009, an additional 160 churches inquired about the program and 240 churches remain on the active inquiry database. New training modules were developed and all training materials and resources reviewed and updated. Throughout the year, 70 new coordinators and 700 additional mentors were trained, Child Safe Environment Training sessions were held in each state, and the KIDS HOPE AUS. team presented at four major conferences, including the Australian Research Alliance for Children & Youth conference in September.

Our first KIDS HOPE AUS. program in Alice Springs has also just commenced, and it is working specifically with Indigenous children. A second Alice Springs church is now in the process of securing a partner school.



B

## CHAMPION THE CHILD POVERTY AGENDA

The Scriptures speak plainly about the need for justice and the establishment of structures to uphold conditions for a fair society.

Effective development and humanitarian work must be accompanied by changes in the systems and structures that cause poverty. We seek to bring about these changes by working with community groups, institutions, governments, business, churches and other faith-based groups.

We are committed to listening to the poor, to upholding the dignity of all persons, to offering a prophetic voice, and to creating a world that offers hope.

Pic A - World Vision's KIDS HOPE AUS. mentoring program continues to grow around the nation, with programs commencing in Alice Springs during 2009.

Pic B - Micha takes part in summer activities organised by the Ain El Remmaneh ADP in Lebanon. Arts and recreational activities are being used to promote peace and acceptance between children from different cultural backgrounds.



## CASE STUDY

### Ethiopia – Community-managed forestry

Climate change could compound vulnerability in areas of Ethiopia where resource scarcity and poverty already compromise people's wellbeing. And over-exploitation has left less than three percent of Ethiopia's native forests untouched, resulting in increasingly severe cycles of drought and flood.

Recognising that natural resource management could also potentially provide poor communities with a future income source, World Vision began the groundbreaking work of establishing Africa's first ever carbon trading forestry project in the Humbo region of southern Ethiopia in 2005.

Under the Kyoto Protocol's Clean Development Mechanism, industrialised countries with an emissions target can supplement their domestic efforts by investing in projects like this one in Humbo that reduce emissions in developing countries.

The Humbo project operates under a partnership between World Vision Australia, World Vision Ethiopia, the Ethiopian Environment Protection Agency and the World Bank, as well as local and regional governments and the community.

It involves the regeneration of 2,728 hectares of degraded forests with indigenous, bio-diverse species, mostly through Farmer Managed Natural Regeneration of living tree stumps. Where no living tree stumps remain, nurseries have been established to raise over 450,000 seedlings for planting.

Seven village-level cooperatives manage and protect the regenerated forest, which is providing the community with increasing quantities of wood products for income generation, and resulting in reduced land degradation and subsequent improvements in the health of crops and livestock.

The sale of carbon credits will eventually provide an additional income stream for future development activities.



B

### Goal 3: Challenge and advance humanitarian and development thinking and practice.

#### Snapshot of achievements

- Responded to challenges precipitated by a changing climate in communities and worked to demonstrate the links between climate change and poverty
- Worked with urban communities and continued to develop our programs and approaches to the growing challenge of urban poverty
- Worked to promote innovative approaches to local economic, enterprise and employment development to increase incomes
- Piloted mobile phone technology to collect field data for better emergency response and development outcomes
- Worked with ACFID, partner organisations and universities on a range of research projects and key conferences

During 2009, we continued our work towards this goal on many fronts including significant, often leading, contributions to policy analysis and programming approaches for climate change, urban programming, global health, protection, psychosocial programs, economic development, gender issues in development, food security and trafficking.

Pic A - Farmers prune tree regrowth as part of the Humbo Community-based Natural Regeneration Project. Forest restoration has resulted in increased production of wood and tree products that contribute to household economies.

Pic B - World Vision's Integrated Coastal Resource Management Project in the Philippines is founded on the need to respond to and mitigate environmental degradation and climate change in addressing food and livelihood security. As part of the project, more than 25,000 mangrove seedlings have been planted by local communities in Lamon Bay to protect the coastline from erosion.



A

"By 2050, two-thirds of my country will go under water and about 30 million people will be displaced and have no place of their own to live on this planet Earth, if we do not deal with this issue of global warming and climate change urgently and seriously."

Rt Rev Michael Baroi, Bishop of Dhaka, Bangladesh

## Examples of our work in 2009 include:

### Climate change and poverty

The overwhelming consensus of the world's climate scientists is that the world's climate is changing and that these changes particularly impact the poor. Children in poor communities are already suffering from climate change and they will continue to suffer the most. The poor are least able to protect themselves from its effects and they are least able to recover from climatic disasters. They tend to live in the most vulnerable areas, such as low-lying land prone to flooding, or marginal agricultural land prone to drought. They are the most vulnerable to the spread of tropical diseases such as malaria and dengue fever with the increased prevalence of mosquitoes which carry these diseases. They are more likely to have to leave their homes in search of water or to escape flooding. They are the most vulnerable to the effects of the conflicts likely to arise from international tensions over water, energy and displaced people.

Climate change is not a sectoral issue for those who are interested in "the environment". It is a cross-cutting global emergency that is already being felt and which will impact every area of World Vision's work in coming years. How World Vision responds will determine our effectiveness in achieving our Mission for decades to come.

One part of our response is to ensure that we effectively demonstrate the links between climate change and poverty and in particular its impact on child wellbeing. We produced a series of climate change reports in 2009 which also include examples of our programmatic responses:

- Part 1: Food and Water Security
- Part 2: Disaster Risk Reduction
- Part 3: Threats to Health

These can be downloaded on our website at [worldvision.com.au/Learn/ReportsResearchPublications/ReportCategoryIndex.aspx](http://worldvision.com.au/Learn/ReportsResearchPublications/ReportCategoryIndex.aspx)

As the world's largest child-focused development organisation, World Vision can play a critical role in supporting communities in developing countries to mitigate future climate change and adapt to the impacts of climate change which they are already experiencing.

### Fourth Annual Measuring Effectiveness Conference – Community, Poverty and Business

This conference is designed to appeal to a wide variety of audiences. It aims to bring together practitioners, professionals and students who are interested in sustainable international community development. It is open to those already involved in the humanitarian aid sector and those seeking to become involved.



B

In 2009, the theme for our Measuring Effectiveness Conference was Community, Poverty and Business. An essential element of alleviating poverty is providing communities with access to resources and skills to increase income and assets. NGOs are exploring new approaches to poverty alleviation and businesses are seeking to fulfil corporate social responsibility by investing more in communities and community development.

The conference brought over 100 participants together to share ideas and best practice and to explore aspects of the relationship between business and communities and business and NGOs.

Presentations from this year's conference as well as those from previous years are available on our website at

**[worldvision.com.au/Learn/Conferences/MeasuringEffectiveness](http://worldvision.com.au/Learn/Conferences/MeasuringEffectiveness)**

### **Social Entrepreneurship**

World Vision Australia's Social Entrepreneurship Unit (SEU) is an initiator and promoter of innovative approaches to local economic, enterprise and employment development to increase the incomes of people who are poor.

Over the last three years the SEU has been supporting World Vision's regional and national offices in Kenya and Indonesia by designing and implementing creative concepts and pilot programs that help overcome seemingly intractable local economic development problems and increase sustainable incomes of people within World Vision ADPs.

This work has taken on many forms and the SEU was engaged in four pilots in Kenya and seven in Indonesia during 2009. In the Ndabibi region of Kenya, the creation of a self-sustaining local Economic Empowerment Committee has seen the development of fledgling silk and honey industries. In another project at Wema in Kenya's Rift Valley, an Economic Empowerment Committee has been instrumental in facilitating improvements to several hundred kilometres of access roads, overseeing the construction of over 70 dams for local producers, and establishing a tree nursery for much needed reforestation in the area. Both committees have also taken on the management of a Business Facilitator who is paid by World Vision Australia to provide much needed business advice to local people wanting to start or expand enterprises. The intention is that the committees and the work of the Business Facilitators will be self-sustaining by the end of an initial three-year period.

Pic A - The 2009 Measuring Effectiveness Conference explored the relationship between business, communities and NGOs.

Pic B - With the Make Poverty History coalition, World Vision Australia participated in Stand Up and Take Action in 2009. A world record 173 million people gathered at over 3,000 events in more than 120 countries, demanding that their governments eradicate extreme poverty and achieve the Millennium Development Goals.



A

"I have come in order  
that you might have life  
– life in all its fullness."

John 10:10

On the islands of Flores and Rote in eastern Indonesia, World Vision Australia has introduced three Market Facilitators who emulate the role of traders. But instead of exploiting local producers, the Market Facilitators provide information on better prices and identify opportunities for small farmers to increase their profits.

## Goal 4: Fuel a movement to engage the Australian community on poverty and injustice issues.

We seek to demonstrate the links between global poverty and issues like global trade, climate change, labour exploitation and human rights. We aim to bring to life what poverty means by showing Australians how it affects people's lives; how it denies their most basic human rights to freedom from hunger, disease, violence and exploitation.

World Vision Australia strives to educate people about the underlying causes of poverty and encourages people to become involved in its alleviation. We seek to engage supporters, partners and others to be part of a social movement against poverty and injustice. As part of this engagement, we raise financial and other resources for our work.

### Examples of our work in 2009 include:

#### **Human trafficking and slavery - Don't Trade Lives**

World Vision Australia's Don't Trade Lives campaign (DTL) was launched in 2008. With a vision to unite Australians to combat human trafficking and slavery, DTL examines the issue of labour exploitation and looks at how our purchasing behaviour relates to these issues. DTL encourages the Australian Government to actively support neighbouring countries in addressing this issue. It also asserts that governments, businesses and individuals worldwide have a role to play in combating this crime.

The first phase of DTL targeted the trafficking of children and the exploitation of their labour in the cocoa industry. The overarching goal of this work was to ensure the global chocolate industry eliminates child trafficking and exploited labour from cocoa production by 2018.



Since March 2009, key manufacturers have broken ranks with their competitors and made public commitments about their supply chains.

Most notably, the Cadbury company, including Cadbury Australia – Australia’s largest chocolate manufacturer – announced they will use Fairtrade cocoa in the production of their most popular product, Cadbury Dairy Milk chocolate. Cadbury Australia’s decision will triple the amount of Fairtrade cocoa available in Australia and impact approximately 7,800 cocoa farming households. This equates to a direct impact on 39,000 people (including 23,400 who would be children) in the first year.

A highlight of campaign activities was the Trek Against Trafficking, an initiative of World Vision’s youth movement, Vision Generation (VGen). The November 2008 event brought 150 young advocates from around Australia to Canberra for an education and campaign training experience on trafficking and ethical consumerism.

“Vgenners” also held local activities to raise awareness of the “Big Chocolate” campaign, contributing much to the campaign’s success in mobilising support for action from both industry and retailers.

### **Climate Change – Youth Decide**

World Vision Australia partnered with the Australian Youth Climate Coalition to conduct a youth vote on climate change. Over the span of a week, from 14-21 September, 37,432 young Australians between the ages of 12 and 29 voted on the world they wanted to inherit. Major partners Monash University and Visy, along with a host of supporting organisations, came together to help promote Youth Decide. Almost 5,000 young people gathered for a concert at Melbourne’s Federation Square to hear Jimeoin, The Cat Empire, Blue King Brown, Mat from the Beautiful Girls and Kisschasy perform for the Youth Decide cause. An overwhelming 97.5 percent of young people voted for emissions targets stronger than those currently proposed by the government. These results were conveyed to the Australian Government as part of World Vision’s advocacy on climate change.

Pic A - Ramani and her family participate in a permaculture project in Neluwa, Sri Lanka, that is supporting the introduction of agricultural practices that work with, not against, the natural environment.

Pic B - More than 150 young Australians gathered outside Parliament House in Canberra in November 2008 to highlight child trafficking as part of World Vision Australia’s Don’t Trade Lives campaign.



"No one is immune – rich, poor, developed and developing countries. We are all in this together. I will probably be spared the worst effects of climate change but I worry for our children's future and for the millions of people who are already being impoverished and displaced."

Archbishop Desmond Tutu,  
Nobel Peace Prize 1984

### **WorldVoice**

During the year we launched WorldVoice. This gives our supporters the opportunity to lend their voice on issues relating to poverty and injustice via participation in regular online surveys. WorldVoice enables supporters to join with others to help influence decision makers as well as providing an avenue for learning more about issues affecting people's lives around the world. Supporters' views will help World Vision in dialogues with the media, corporations, governments and the general public. The first WorldVoice survey dealt with the issues of climate change and poverty.

### **Child Health Now campaign**

During 2009, World Vision Australia contributed to the planning of World Vision International's Child Health Now campaign which commenced in November 2009. This campaign will focus on preventing the deaths of up to six million children each year from preventable causes such as diarrhoea, malaria and pneumonia. The campaign aims to support local communities in raising their voices about their right to quality healthcare, and it will press governments to meet their responsibilities towards achieving Millennium Development Goals 4 and 5 to improve child and maternal health worldwide. More information on the Child Health Now campaign is available at [childhealthnow.com](http://childhealthnow.com)

### **Global Food Crisis**

Young Australians from all over Australia took part in the 2009 40 Hour Famine, with increased involvement of students from over 2,200 schools and 650 churches, 2,000 community groups and an additional 7,200 young people going it alone. The 2009 40 Hour Famine focused on educating young people about the Global Food Crisis and its causes, including climate change, increasing food prices and lack of access to markets.

Two churches in the Blackwood District of the Adelaide Hills used the 40 Hour Famine as a way to engage their whole community this year. The Blackwood Hills district was turned into a "World Vision 40 Hour Famine Global Village". Signs were displayed above roads and on shops, with 15 churches, seven schools, 15 businesses, service organisations, the local media, and the local and state governments involved. It is estimated that the initiative connected with 50,000 people in the region.

Global Leadership Conventions are full day events organised by World Vision Australia for students in upper secondary and upper primary school classes to inform and educate them on issues surrounding poverty. In 2009, more than 4,500 students from over 110 schools participated in interactive workshops focusing on the Global Food Crisis. Participants heard from Alex Langarite, a member of the pastoralist team in World Vision Kenya on the effects of the Global Food Crisis on his family, community and nation.



Attending a Global Leadership Convention is often a life-changing moment for students. It equips them with skills and resources to take action on global poverty in their school community.

During 2009, an issue of Get Connected, our global education resource for schools, was themed around the causes and effects of the Global Food Crisis. Based on teacher subscriptions, we estimate that over 110,000 students in classrooms throughout Australia are being exposed to this resource.

### **One Just World**

One Just World is a national series of public forums in capital cities around Australia. It is aimed at involving the community in conversation and debate on key international development issues. One Just World is a partnership between World Vision Australia, the International Women's Development Agency, AusAID and university research centres in each state (Deakin, Melbourne, ANU, UTS, University of South Australia, Griffith and Murdoch).

The series has featured over 60 high-profile speakers from Australia and around the world. As well as stimulating thought and dialogue around critical issues, these speakers also form an important network for World Vision Australia and its partners.

During 2009, One Just World forums addressed the topics of food and nutrition, disability and development, international development, water and sanitation, human rights, and climate change. Almost 5,000 people attended these forums.

Pic A - In Melbourne's Federation Square, artists including Kisschasy and The Cat Empire played before thousands to promote Youth Decide, a national youth vote on climate change organised by World Vision Australia and the Australian Youth Climate Coalition. Over 37,000 votes were cast, with 97.5% favouring greenhouse gas emissions targets stronger than those currently proposed by the Australian Government.

Pic B - Midusha, from Sri Lanka, is benefiting from a World Vision child rights and protection program.



“What does love look like? It has the hands to help others. It has the feet to hasten to the poor and needy. It has eyes to see misery and want. It has the ears to hear the sighs and sorrows of men. That is what love looks like.”

Saint Augustine

### **Church engagement**

World Vision is a Christian relief, development and advocacy organisation. Engaging with Australian Christians and churches is integral to who we are. Through this engagement we are able to explore together what Christian discipleship means in a world where more than a billion people battle daily with overwhelming poverty and injustice.

We seek to contribute to a social movement in Australia leading to increased involvement in issues related to poverty and justice. Churches and Christians have a role to play in this.

During 2009, key events and successes included:

- The launch of the Poverty and Justice Bible by Prime Minister Kevin Rudd and Malcolm Turnbull in the Great Hall at Parliament House. This was a joint initiative between World Vision, Micah Challenge and the Bible Society.
- The critical role that churches played in the success of World Vision's Don't Trade Lives campaign.
- More than 700 churches participated in the 40 Hour Famine and raised more than \$800,000.
- Voices for Justice, a four-day Christian advocacy event at Parliament House in Canberra seeking justice for the world's poor. World Vision provided significant support for this event, which was attended by a number of church leaders.



"The trouble is that rich people, well-to-do people, very often don't really know who the poor are; and that is why we can forgive them, for knowledge can only lead to love, and love to service. And so, if they are not touched by them, it's because they do not know them."

Mother Teresa

### Redesign of our website

In May 2009, we launched our new website after many months of careful consideration, planning and development. The website aims to immerse visitors in poverty-related issues and to hear directly from the children and communities we seek to serve.

The redesign of our website comes with the recognition that a growing number of Australians choose to communicate, interact, transact and seek information primarily through the internet. The new site enables World Vision to tell more authentic stories about global poverty and to more effectively demonstrate the impact our work is having on people's lives.

The website features a range of video and audio stories, as well as an interactive tour of one of World Vision's ADPs in Colombia. This allows supporters to explore issues affecting the community, based on their own interests and concerns.

Pic A - Prime Minister Kevin Rudd joined then Opposition Leader Malcolm Turnbull, World Vision Australia Chief Executive Tim Costello and National Director of The Bible Society in Australia Jorge Rodrigues to launch the Australian edition of the Poverty and Justice Bible on 14 September 2009 at Parliament House in Canberra.

Pic B - The new World Vision Australia website allows visitors to read, listen to and watch stories and information exploring a range of poverty and development issues.



A

"We don't want anyone to find fault with the way we handle your generous gift. But we want to do what pleases the Lord and what people think is right."

2 Corinthians 8:20-21

## Goal 5: Influence the Australian Government, international institutions and foreign governments to adopt policies and practices consistent with the Child Poverty Agenda.

Our efforts in this area help to raise the profile and influence of Australian NGOs within the aid sector and in the wider political and bureaucratic circles.

### Snapshot of achievements

- Engaged in dialogue with the Australian Government on overseas aid issues
- Published the third edition of *Island Nation or Global Citizen 2009*, which assesses how Australia is tracking in meeting its commitments to the MDGs
- Attended UN climate change negotiations to build alliances and to help ensure the interests of the poor are heard and addressed in any new global climate agreements

During 2009, often in partnership with other aid and development agencies through ACFID, Make Poverty History and Micah Challenge, we worked to influence policy across a number of areas including maternal and child health, human trafficking, climate change and aid funding. Some highlights of our work in this area include:

- In the 2009 Federal Budget, the Australian Government increased its overseas aid funding for basic education, health, water and sanitation. These new commitments were largely aligned with the increases supported by World Vision Australia.
- The Australian Government increased its support for multilateral organisations such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Global Vaccine Initiative and the Education for All Fast Track Initiative. This included the announcement of a debt swap with Indonesia which will see \$75 million in commercial debt cancelled in return for Indonesia's investment in domestic TB programs supported by the Global Fund. These initiatives were aligned with measures supported by World Vision Australia.

Pic A - Australia's Minister for Foreign Affairs, Stephen Smith visited a World Vision Australia-supported project in Ethiopia that is introducing solar-powered stoves to the local community

- We made presentations to various parliamentary inquiries, standing committees and reviews on matters including human rights, climate change, health and development programming in Africa.

Influential policy engagement requires a strong evidence base, which this year was supplemented by World Vision Australia's biennial publication *Island Nation or Global Citizen 2009*, which assesses how Australia is tracking in meeting its commitments to the MDGs.

**([worldvision.com.au/Learn/ReportsResearchPublications/ReportCategoryIndex.aspx](http://worldvision.com.au/Learn/ReportsResearchPublications/ReportCategoryIndex.aspx))**

During the year we also hosted field trips to World Vision Australia projects for the Minister for Foreign Affairs, Stephen Smith MP (Ethiopia) and the Minister for Sport, Youth, Childcare and Early Childhood Education, Kate Ellis MP (India).

Our engagement with international institutions continues to expand in line with efforts to respond more effectively to global challenges. During 2009, World Vision Australia:

- Attended the UN climate change negotiations in Bangkok, New York and Barcelona on behalf of the World Vision International Partnership to build alliances and to ensure the interests of the poor are heard and addressed in any new global climate agreements.
- Raised the profile of the relationship between climate change and poverty at UN Climate Week in New York where World Vision Ambassador Hugh Jackman shared the stage with UN Secretary-General Ban Ki-moon and former UK Prime Minister Tony Blair.

### World Vision's advocacy work around the globe is guided by the following principles set out in the **World Vision International Advocacy Policy**:

- World Vision must act judiciously and responsibly when engaged in advocacy.
- To fail to speak or act on behalf of the poor in certain situations will be failure to enact Core Values and will be inconsistent with World Vision's Christian development stance.
- There are conditions in which neutral ground does not exist; silence or absence of action can in fact promote one outcome against another.
- Advocacy should flow from listening to and consultation with the poor who are most directly affected.
- Advocacy positions must be shaped by our Core Values and must be consistent with our mission.
- Advocacy must promote perspective and solution as opposed merely to formulating a description of a problem or statement of fact.
- Advocacy must be issue-oriented and specific rather than expressing blanket endorsement or condemnation of a particular government or political group.
- When there is no formal policy position, advocacy will only be undertaken when there is an urgent situation or crisis where human life or wellbeing is at stake. When advocacy occurs where there is no formal policy, appropriate policy discussions and decisions should follow.
- Advocacy positions will be based on the widest possible consultation, especially with those colleagues present in the situation.
- Advocacy will have careful regard for its risk to life and its impact on ministry in all countries where World Vision has a presence.

## GROW OUR RESOURCES

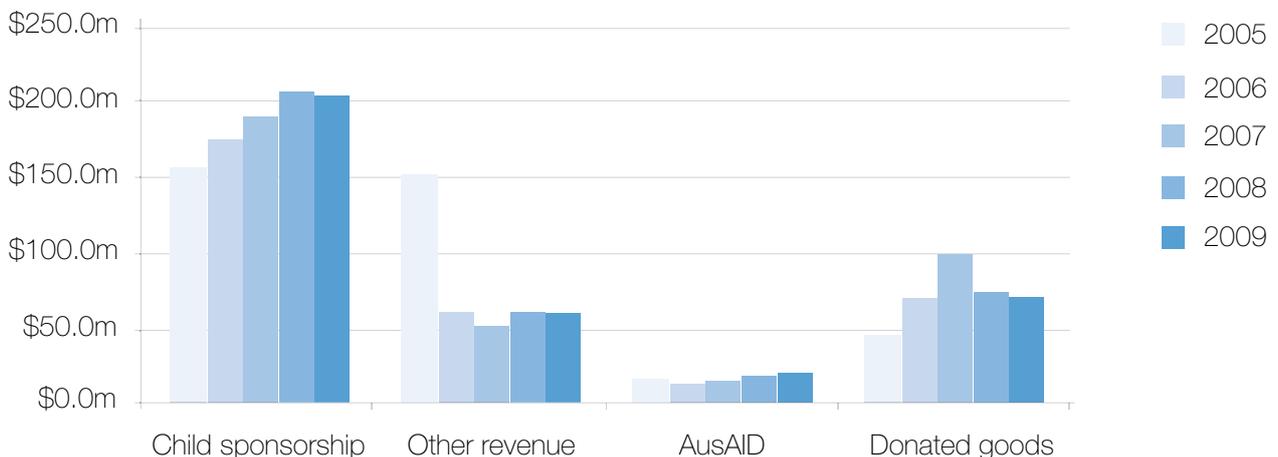
The Scriptures teach that everything we have comes from God. Our assets are held on trust to serve Him in the world. The way we go about this requires wisdom and careful oversight. The wise steward is praised, given increased responsibility, and shares in the joy of the Lord. We strive to make the best use of our resources to address poverty and development needs at different levels.

### Resourcing challenges in 2009

2009 provided a challenging financial environment for businesses and charities alike with consumer confidence at its lowest level for 17 years. The fall in consumer confidence coincided with increased difficulty in obtaining new sponsors. An additional challenge for Australian charities in the international aid and development sector arose from the enormous generosity of the Australian public in response to the Victorian Bushfires. Some \$300 million from the public's "charitable wallet" was contributed to the Bushfire Appeal and this also led to a renewed focus on domestic issues. Despite the difficult economic environment, World Vision Australia continued to receive strong and loyal support from the Australian public and business.

- Child sponsorship: The difficult economic environment resulted in an overall decrease in the number of children sponsored. Cash income from child sponsorship fell in 2009 by \$3.3 million (1.6%) to \$202.4 million.
- Other private donations: Donation programs such as Child Rescue, Water Health Life, the 40 Hour Famine, the Smiles gift catalogue and the Global Food Crisis Appeal continued to be well supported.
- Donated goods: While contract values from the United Nations World Food Programme increased \$4.2 million to \$32.0 million, there was a \$4.7 million (7%) overall reduction in donated goods to \$68.3 million.
- AusAID: The value of work conducted on behalf of AusAID, the Australian Government's overseas aid agency, was \$18.0 million.

### REVENUE BY CATEGORY



\*2005 other private donations includes Tsunami income.

## Reporting to donors

We keep donors up to date with our work primarily through our website, our quarterly supporter magazine World Vision News and our monthly e-newsletter World Vision News Online ([worldvision.com.au/OurWork/Newsletters.aspx](http://worldvision.com.au/OurWork/Newsletters.aspx)). Child sponsors receive an annual review of progress in their sponsored child's community. In most cases they also receive letters from their sponsored child, the child's family or a community member. We also produce a variety of reports (including financial statements) which are available on our website including case studies, reports and policies on a wide range of issues categorised under six main areas: **Aid, Trade and MDGs; Australia and the Pacific; Children; Environment; Health;** and **Human Rights**.

World Vision International's quarterly journal, **Global Future**, features debate on important development questions and articles from policy makers, grassroots activists and development practitioners, including World Vision staff. Each issue deals with a topical theme, such as trade, human rights, HIV and AIDS, corporations and conflict.

The World Vision "Supporter Feedback" page on our website provides a way for supporters to provide any comments or lodge complaints. Feedback is also received directly through our call centre. In each case, feedback is directed to the relevant staff or departments for consideration and resolution.

Regular performance reports capture supporter feedback and suggestions by category and type, as well as trends in supporter contact and resulting actions. These reports inform action by our Supporter Service Group, which is currently preparing a year-on-year analysis of feedback trends.

## Ethical fundraising

World Vision Australia subscribes to ethical fundraising practices and all our fundraising activities are undertaken in compliance with relevant legislation and in accordance with the ACFID Code of Conduct.

Values of human dignity, respect and truthfulness underlie all of our communications. Our aim is to consistently demonstrate integrity, show respect and sensitivity, be responsive and articulate a clear, justifiable logic for our choices. Our Image Use Guidelines ([worldvision.com.au/AboutUs/OurPolicies/ChildProtection.aspx](http://worldvision.com.au/AboutUs/OurPolicies/ChildProtection.aspx)) set out our approach to communications with the supporters and the public.

## How we ensure donated funds are used appropriately

World Vision is committed to spending as much as possible in the communities where we work, in the most efficient manner we can.

In 2009, World Vision Australia applied 84 percent of the revenue it spent to program costs where expert staff work with poor and marginalised communities. The remaining 16 percent was spent on administration and fundraising. This represents an important investment in our ability to support effective and professional field programs. See page 89 for further details on how funds were spent in 2009.

Program, fundraising and administration costs are all calculated in accordance with the definitions set out in the ACFID Code of Conduct. World Vision Australia continues to seek ways to reduce overhead costs, without sacrificing program quality.

We are committed to accountable and transparent financial management and follow strict procedures to ensure funds are used as intended, including annual internal and external audits. At least once every three years we are also audited by World Vision International's Audit and Evaluation Department. World Vision Australia receives aggregated project financial data by region, country and project level to allow us to monitor and analyse project expenditure. We also receive quarterly financial reports for each individual project along with regular narrative reporting. This facilitates further detailed analysis and enables follow-up with each project.

In addition to a rigorous internal audit system, World Vision Australia's accounts are audited by PricewaterhouseCoopers. Our audited statutory accounts are lodged with ASIC and are included on pages 98 to 128 of this report.

## **Control and management of funds disbursed overseas**

Funds designated for overseas programs are transferred to World Vision International which acts as a central treasury for World Vision offices around the world. World Vision International then disburses funds on our behalf to World Vision national offices in the countries where our projects operate.

World Vision Australia controls the access to funds held by World Vision International on an individual project basis. Project funds held by World Vision International cannot be drawn down until approval is granted by World Vision Australia.

All funds allocated or committed to any domestic or international field project must be approved by World Vision Australia's Field Allocations Committee. The Field Allocations Committee consists of key internal personnel providing oversight of World Vision Australia funds committed to our relief and development programs. It helps to ensure integrity in the allocation of funds for programming and accuracy in our communications with supporters. The committee applies local and international accounting standards and operational audits to ensure that our overseas and local partners adhere to our project management standards.

Funds donated to World Vision Australia are used for the purposes for which they were raised. The only exception to this occurs where circumstances that are beyond our control prevent us from utilising funds in the promised manner. Such circumstances may include instances where:

- geopolitical issues prevent the use of funds;
- security of staff is jeopardised so that World Vision is forced to withdraw from the project area;
- the relevant community has asked us to leave;
- World Vision Australia loses confidence that its field partner has capacity to implement projects and account for funds spent.

When World Vision Australia cannot use funds for the purposes for which they were raised, funds are spent on areas of similar need. Wherever practicable, donors receive notice of such action. The method of communicating this change in funding allocation depends on the number of donors involved.

World Vision Australia staff periodically visit our projects and perform quality monitoring in the areas of sustainability, impact, development approach and financial risk monitoring.

## **Fraud, corruption and misuse of funds**

World Vision Australia is committed to the highest standards of legal, ethical and moral behaviour. World Vision works in some of the poorest and most unstable places in the world. We face potential vulnerability to fraud, corruption and mismanagement as a result. World Vision has set up management systems to minimise the risk of assets being lost or misappropriated.

World Vision Australia's Fraud and Corruption Control Policy aims to:

- ensure all staff are aware of their responsibilities;
- provide a clear statement to employees that fraudulent, corrupt or improper conduct is not acceptable and will not be tolerated;
- develop a culture that supports employees reporting conduct they suspect may be fraudulent, corrupt or improper and to provide guidance and protection to employees as to action which should be taken where they suspect any such activity; and
- provide assurances that any suspected fraudulent activity will be fully investigated.



## Goal 6: Grow funding from the Australian Government and multilaterals.

World Vision Australia works with the Australian Government (through AusAID) and multilateral agencies such as the UN World Food Programme on a range of projects.

### Snapshot of achievements

- The value of work conducted on behalf of AusAID, the Australian Government's overseas aid agency, was \$18.0 million
- While contract values from the UN World Food Programme increased \$4.2 million to \$32.0 million, there was a \$4.7 million (7%) overall reduction in donated goods to \$68.3 million

### AusAID

AusAID provides annual funding for accredited Australian NGOs to implement development and poverty alleviation programs overseas on Australia's behalf. This initiative is called the AusAID NGO Cooperation Program (ANCP).

AusAID makes a grant to World Vision Australia to which we match \$1 to every \$3 from AusAID<sup>2</sup>. In addition, AusAID provides funding through Cooperation Agreements and Periodic Funding Agreements for specific projects.

During 2009, World Vision Australia was involved in the implementation of 123 AusAID-supported projects.

During 2009, World Vision Australia and AusAID worked together to establish principles for enhancing our partnership and to agree increased funding thresholds for the next four years.

Pic A - When disaster strikes around the world, World Vision Australia works with the Australian Government and UN agencies to provide relief and rehabilitation support to affected communities.

<sup>2</sup>From July 2009, this changed to a 1:5 ratio under a new Partnership Agreement with AusAID.



### **World Vision’s partnership with the UN World Food Programme (WFP)**

Each year WFP provides more than 3 million metric tonnes of food to an average of 100 million people around the world. About half the food provided by WFP is sourced directly within the country or region where it is needed. The other half, sourced internationally, is shipped by sea and unloaded in ports around the world.

World Vision International is the largest distributor of WFP aid. World Vision deploys our field staff to take responsibility for the implementation of food distribution programs funded by WFP. World Vision actively supports WFP by seeking funds required to cover warehousing, food distribution, staffing, project monitoring and evaluation.

World Vision Australia provides field offices with financial support, capacity building and assistance in the design, monitoring and evaluation of food distribution programs.

<b>Country</b>	<b>Tonnage of food aid delivered in 2009</b>
Eastern DRC	125
Kenya	5108
Lesotho	601
Malawi	5943
Mauritania	26
Mozambique	6865
Myanmar	565
Northern Sudan	6478
Somalia	888
Sudan	3144
Uganda	5914
Zambia	2684
Zimbabwe	2102



B

World Vision Australia contributes through donations made to our Multiplying Gift Appeal. In 2009, our Multiplying Gift Appeal revenue increased 15.2 percent through new approaches to promoting this support option.

**Medicines**

	2009	2008
Value of medicines donated by international agencies	\$33.9 million	\$34.5 million

During 2009, World Vision Australia continued its partnership with the World Health Organization and the Vietnamese Department of Health in a national program to eliminate intestinal worms. Vietnam has the highest prevalence of infection in the region. In some rural areas, 100 percent of children are infected and this can contribute to stunted growth, malnutrition, anaemia, reduced mental capacity and gastro-intestinal complaints. Medicines donated by MedPharm (through Medicines for Humanity) and community health education are enabling a greater proportion of the population to be treated for intestinal worms and benefit from improved health and productivity. This program is a core part of World Vision’s Global Health Strategy focusing on maternal and child health.

## Goal 7: Grow child sponsorship income

Child sponsorship is World Vision Australia’s largest source of income.

Sponsored children, often from the poorest families, are selected as “representatives” of the sponsorship program by their communities. Funds do not go directly to the sponsored child or to his or her family. They are pooled with those of other sponsors to fund projects that benefit children, families and communities.

Child sponsorship establishes a relationship between a sponsor and a child in a way that personalises the challenges of poverty and development, and enables the sponsor to participate in making a difference in the life of the child.

Pic A - Funds raised through the 2009 Multiplying Gift Appeal supported food distribution activities amongst internally displaced people in northern Uganda.

Pic B - The Ga West ADP in Ghana works to ensure children go to school instead of working in nearby stone quarries to generate income for their families.



Sponsors' contributions help support vital development work in the communities where the sponsored children live, including improved health and educational opportunities. Long-term financial support allows for better planned and more flexible programs. Sponsored children participate and benefit from these programs, and the sponsors receive annual progress updates. It is our intention for sponsors to become more informed about the issues surrounding poverty as a result of their commitment.

### Snapshot of achievements

- Almost 400,000 children and their communities were sponsored through monthly contributions from Australian supporters
- Child sponsors donated \$202.4 million, which was a \$3.3 million reduction (1.6%) on 2008

In response to the difficult economic climate we increased our focus on sponsor retention with a renewed effort toward educating, informing, thanking and retaining our existing supporters.

As part of this effort we sought to improve the experience of child sponsorship through online mediums such as the **virtual ADP** available on our website and the launch of **KidzCase**, an educational tool for primary school age children which is available to sponsors by subscription. ([worldvision.com.au/OurWork/Solutions/KidzCase.aspx](http://worldvision.com.au/OurWork/Solutions/KidzCase.aspx))

Each year we appeal to sponsors to send personalised greetings to their sponsored children and contribute additional funds to support other communities in need. Revenue from this appeal increased \$1 million during 2009 following a number of improvement initiatives.

## Goal 8:

### Grow non-child sponsorship income from the Australian public and businesses

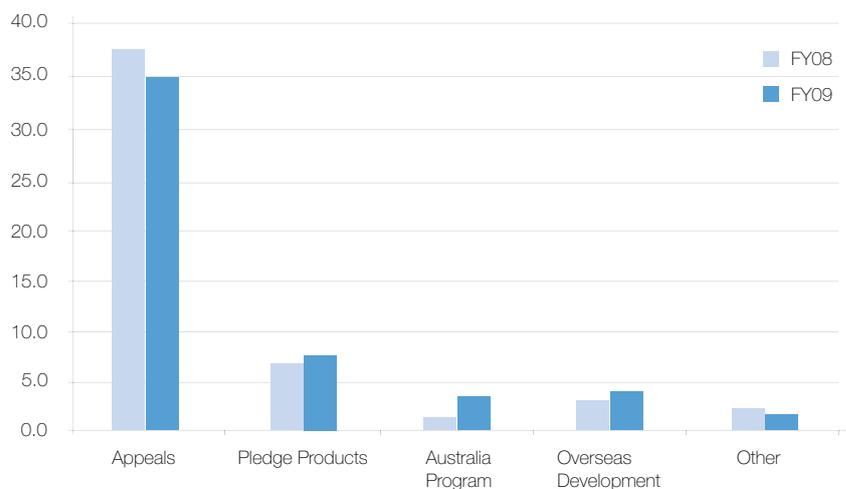
In addition to support from child sponsors, AusAID and multilateral agencies, World Vision Australia receives generous donations from individuals and Australian businesses through a range of other giving options.



### Snapshot of achievements

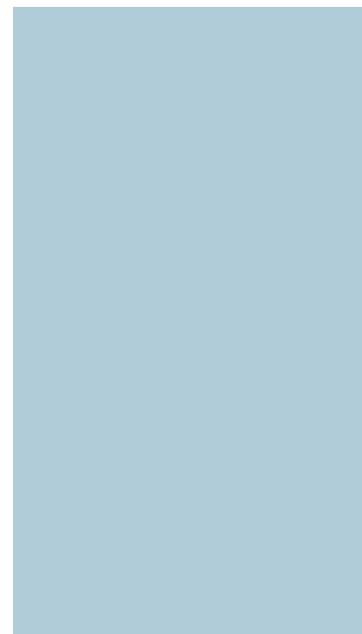
- Appeals: \$34.8 million
- Pledge donations (including Child Rescue pledge, Water Health Life pledge and other programs): \$7.7 million
- Australia Program: \$3.3 million
- Overseas development projects (mostly from corporate donors to specific overseas projects): \$3.7 million
- Other (including income from consulting services): \$2.3 million

### NON-CHILD SPONSORSHIP REVENUE



Pic A - Sponsored children in Vietnam visit an acacia nursery which has been established as part of the Tien Phuoc ADP. Farmers in this community have been trained to plant and raise trees to help prevent flash floods and landslides.

Pic B - In Ethiopia, child sponsorship funds are used to improve educational opportunities for children and adults in poor communities.



"It is therefore necessary to cultivate a public conscience that considers food and access to water as universal rights of all human beings, without distinction or discrimination."

Pope Benedict XVI  
Encyclical, Caritas in Veritate

While 2009 proved a challenging year for child sponsorship, many of our other donation programs were well supported by the public. Revenue received through our Smiles gift catalogue increased from \$3.8 million in 2008 to \$5.9 million following a major Christmas marketing campaign. During 2009, we also had our most successful 40 Hour Famine in four years with revenue growth of \$250,000.

As part of our engagement strategy we are working on building a more balanced range of support options for donors which are both suited to new audiences and structured to help us better respond to changing field needs. In addition to WorldVoice and KidzCase, we also launched SEE Solutions and One Earth.

SEE Solutions (Social and Economic Empowerment Solutions) raises funds to support social and economic empowerment projects that provide people and communities with the assistance, tools and training they need to work their way out of poverty and into self-sufficiency. Contributions are invested in a range of projects that tackle the underlying causes of poverty, such as unemployment, illiteracy, lack of skills and business know-how, and the inability to access markets and attain fair prices.

We also redesigned and relaunched our support option specifically targeting climate change issues. One Earth (formerly Twice as Green) aims to empower poor communities to cope with the effects of climate change – effects they are already experiencing. One Earth supports poverty-alleviating initiatives that do not contribute to further climate change.

SEE Solutions and One Earth supporters are kept up to date with the status of projects and insights into the challenges and issues faced by communities via access to a dedicated member website which enables them to:

- obtain an overview of each project and the activities being implemented
- look at project updates and follow the impact contributions are making
- see and hear directly from community members benefiting from these projects
- post questions about project activities and get answers from development experts
- learn more about economic development issues such as market access and fair trade and climate change
- participate in online forums and blogs
- learn about upcoming member information sessions and events.



### Corporate and donor partnerships

World Vision Australia aims to engage individual major donors and corporate Australia in a social movement to end global poverty and injustice. We do this by building intentional, long-term partnerships.

Workplace giving is a key area of engagement. It provides businesses with the opportunity to align their corporate social responsibility programs with World Vision's development initiatives. Through the Workplace Giving Program employees can select the kind of developmental activities that their donations are allocated to. Corporations often match the workplace giving funds donated by staff and the program provides a critical entry point for creating other engagement opportunities with corporate Australia. Australian companies also contribute to our work with direct cash support for community development programs, third party marketing support, product discounting, professional services and the donation of goods.

Major donors contribute to our work in ways which include creating giving circles, introducing us to their networks, facilitating speaking engagements and offering pro bono business services.

Key corporate and major donor partnership activities during 2009 included:

- deepening relationships with corporate partners and major donors despite the global financial crisis;
- expanding our Workplace Giving Program;
- helping partners meet their communication needs and providing them with regular quality project reports;
- staging thank you events for major donors, which also gave us the opportunity to further showcase our program activities.

### Program resources (Gifts-in-Kind)

Following a strategic review, World Vision Australia's Program Resources group has repositioned itself as a niche provider of high-impact donated resources. The emphasis is now on working with World Vision national offices to understand how donated products, expertise or technology might support innovation and the achievement of strategic objectives. A focus on delivering high impact product in fewer shipments is expected to result in reduced carbon emissions and greater development outcomes.

The review, which considered beneficiary impact, financial and environmental costs, has resulted in the rationalisation of activity and the closure of two long-standing and valued Gifts-in-Kind partnerships with Guardian Pharmacies and Spotlight.

Pic A - After participating in World Vision-facilitated livestock and agricultural development activities, Feyisa's parents can generate greater household income.

Pic B - Our development programs around the world place child wellbeing at the forefront.



## IMPROVE ORGANISATIONAL PERFORMANCE

World Vision identifies itself as a Christian organisation and this creates a special responsibility for us. Only our very best endeavours can be acceptable in the work we carry out in the name of Christ. We believe that we must always strive for excellence and constant improvement. The quality of our work is the most practical expression of our commitment and witness to the Gospel.

Pic A - World Vision Australia's emergency officer Madeline Wilson participates in international relief responses around the globe.

## Goal 9:

Drive continuous performance improvement.

and

## Goal 10:

Make strategic investments to position World Vision Australia as an international NGO of the future.

We are committed to conducting our operations effectively and efficiently, and demonstrating accountability and transparency in all we do. During 2009, we continued to make operational and programmatic improvements to our systems and processes which have been detailed throughout this report.

There are many new challenges and opportunities facing organisations like World Vision to enable us to best satisfy our Mission in changing global circumstances. These challenges and opportunities include ensuring that we: promote a learning culture within the organisation; develop new skills; approach our policy work with increased sophistication; invest more in our systems and processes; develop staff and leaders; and engage donors with new approaches to giving.

To ensure that we are equipped to meet these challenges and that we are able to take advantage of new opportunities, we engage in ongoing internal discussion and strategic planning. Our Deputy CEO and Director of Strategy conducted a series of lunchtime forums with staff during the year where future challenges and opportunities were discussed and debated. During 2009, we also commenced a Learning Organisation initiative to enhance our knowledge management and organisational learning capabilities.

### EMPLOYEES

The People, Culture and Learning Team provides specialist employee and industrial relations, occupational health and safety, learning and development, and recruitment services that help to equip managers and employees to deliver the organisation's Mission whilst aligning with our Core Value "We Value People".

Our Code of Conduct provides the standards of professional behaviour expected of the organisation, its employees and volunteers. The Whistleblower, and Bullying and Occupational Violence policies empower employees to disclose concerns regarding improper conduct whilst providing protection for any person making such disclosures.

We are committed to an open and accountable management system which includes an effective and collaborative approach to performance management in which staff can be developed to reach their full potential.

Most of our staff live and work in Melbourne with approximately 474 working in the head office at East Burwood. Another 87 staff are located in our various state offices and other sites around Australia.



### Snapshot of achievements

- Launched updated performance management system
- Introduced new in-house training programs including manager orientation, business and financial management workshop, sales and communication training, coaching skills and managing for performance

### Remuneration

Many staff at World Vision Australia see their work as an expression of their Christian faith. For others, there is a desire to align their work life more closely with their personal values. The enormous goodwill shown by our staff to the organisation's mission is of substantial and enduring benefit to World Vision Australia.

In 2009, World Vision Australia remunerated staff in accordance with the principles outlined in the organisation's Remuneration Policy which provides that salary packages should be positioned at the 25th percentile of the relevant industry rate. In response to difficult financial times, the Executive Team recommended in October 2008 that, with the exception of certain staff whose roles had changed, there would be no salary increases during the 2009 financial year. The World Vision Australia Board approved this recommendation.

### Performance and development reviews

During 2009, we initiated a new employee performance management program called "LINK". The aim of LINK is to ensure that employees and managers work collaboratively to deliver World Vision's strategic priorities and optimise the potential of all our people. Through the LINK processes, formal discussions are held annually between an employee and their manager to:

- provide two-way feedback on individual performance and contribution;
- ensure individual job accountabilities and key deliverables for the coming 12 months are linked to World Vision's strategic priorities; and
- agree on plans for individual development.

Progress towards achieving key deliverables is followed up through quarterly review meetings, where both the employee and their manager, through informal two-way discussions, monitor the plans and goals set for quality, timeliness and ongoing strategic alignment.



### **Training and education**

The Learning and Development Team works with individual departments to develop measures to enhance teamwork, internal communication, collaboration and business planning. Training and support is also available in-house for all staff and volunteers on internal systems and use of new technologies. A number of staff have accessed financial support made available through our Tertiary Assistance Policy to gain qualifications in relevant fields such as international development practice and climate change. Our program staff, who travel regularly, participate in Home Week three times a year. This is an opportunity for them to learn from each other by sharing and reflecting on their experiences.

### **VOLUNTEERS**

In 2009, volunteers continued to play a critical role in enabling the organisation to deliver outcomes in an environment of shrinking resources. As an integral part of World Vision Australia, our volunteers bring knowledge, skills and experience that enable us to deliver key projects, campaigns, events and fundraising activities. No matter how big or how small, every contribution from our volunteers is extraordinary and demonstrates the commitment of Australians to eliminating global poverty.

#### **Volunteer profile**

In 2009, World Vision Australia benefited from the contributions of 3,845 volunteers who completed 43,452 hours of work representing significant labour cost savings (estimated value \$1.2 million) for the organisation. Of these hours, 2,774 were contributed by corporate partners.

#### **Volunteer trends**

This year we have seen an increase in corporate volunteer hours, largely due to the increasing willingness shown by companies to allow staff members to volunteer. There was also an increase in the breadth of work undertaken by volunteers. While the traditional work of assisting with campaigns, events, fundraising, processing mail and other large volume tasks is ongoing, volunteers have also assisted with research, change management projects, human resources metric reporting, database maintenance and video production. We have also seen an increasing number of internships offered over the last 12 months as World Vision continues to strengthen its partnerships with Australian universities.

Pic A - In Zambia, Blessings and Mirriam believe that education can help them create a better future for their families. As part of World Vision's development work in their community, two classrooms have been built at their school to relieve overcrowding.

Pic B - Improving access to clean water and sanitation and promoting good hygiene are important elements of our development work with communities.



### **Volunteer demographics**

Our volunteers span many age and interest groups. These include teenagers wanting to be part of an advocacy campaign, retirees wanting to make a positive impact on the lives of children living in poverty, corporate professionals seeking a way to use their skills to create change, and the semi-retired seeking to share their corporate knowledge and experience to assist in improving processes and systems.

### **Volunteer recruitment and training**

Volunteer opportunities are advertised on the World Vision Australia website and volunteers are recruited using the same processes as those used for paid positions. For each volunteer opportunity we look for the right match of skills, knowledge and experience. Volunteers are required to complete a police check in line with our Child Protection Policy, and they receive an induction pack and on-the-job training. Depending on the length of the volunteer project or assignment, volunteers also attend our orientation and induction program and have the opportunity to attend other training programs developed by the Learning and Development Team.

## **ENVIRONMENT**

World Vision Australia understands that climate change and environmental degradation could reverse many of the development gains of recent decades and present challenges for how development work should be carried out in the future.

As we continue to engage in global climate change discussions, we also acknowledge that our activities have an impact on the environment and that we can improve our operations to reduce this impact. In doing so, we have developed an Environmental Policy ([worldvision.com.au/AboutUs/OurPolicies.aspx](http://worldvision.com.au/AboutUs/OurPolicies.aspx)) and have started work on the development and implementation of an Environmental Management System, in line with the requirements of the ISO 14001 International Standard. Our Environmental Management System applies to all our Australian operations and offices, including our domestic and international travel.

### **Carbon neutral by 2017**

In assessing the environmental impacts of our activities, we have identified our greenhouse gas emissions as our most significant environmental impact. In 2007, World Vision Australia made a commitment to achieve zero emissions by 2017. This will be achieved by reducing or offsetting our greenhouse emissions.

As seen on the performance table on page 13, energy use from our offices has been identified as a significant part of our contribution to climate change.



### **Green office initiatives**

During the year, our Property Team, together with the support of the Environmental Sustainability Committee, has continued to seek ways to reduce the environmental footprint of our activities. Green office initiatives in our head office in 2009 were implemented in relation to: air-conditioning; lighting; toilets (water usage); paper usage; non-hazardous cleaning products; and additional bike facilities.

A 2009 assessment of the environmental sustainability of our head office building in East Burwood was conducted by Umow Lai Consulting Engineers. As we continue our journey towards environmental sustainability, we will carefully review and consider some of the recommendations made in their report.

### **Green IT initiatives**

Green IT initiatives in our head office in 2009 included: migration of enterprise business system to new virtual technologies enabling a reduction of physical servers by approximately 50 percent; reduction of the physical size of the data centre by 30 percent leading to reduced need for air-conditioning; optimisation of the uninterrupted power supply to reduce power consumption and maximise the device's life expectancy; and, replacement of all CRT (tube) monitors with Liquid Crystal Display (LCD) screens, reducing the average power consumption of computer screens by up to 50 percent.

### **Business community engagement**

We have maintained our engagement with the business community in which we operate by continuing our participation in the Tally Ho Waste Wise Business Hub and also joining the SIRF (Strategic Industry Research Foundation) Sustainability Roundtable as an active member.

### **Staff engagement**

Our employees are encouraged to follow best environmental management practices as part of their daily working activities in an effort to minimise our impact on the environment.

World Vision Australia has also been encouraging smart travel practices for employees such as car pooling, the use of public transport and cycling. World Vision Australia has its own bicycle user's group and by September 2009, this group comprised 35 staff members who have committed to replacing some of their usual journeys to work with cycling.

Pic A - In Timor Leste, our work with rural communities includes efforts to improve food security and child nutrition.

Pic B - The enormous contribution made by many volunteers is crucial to achieving the organisation's short and long-term goals.



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## OUR REGIONAL FOOTPRINT

This section of the report includes regional summaries of our program activities and illustrative case studies. In deciding which information to include in this section of the report, an emphasis has been placed on work relating to the regional priorities set out in our Field Ministry Strategy 2008-2010.

*Note: Figures provided for total estimates of people assisted in the regional summaries which follow fluctuate from year to year for various reasons including start and close of projects, some projects being annual projects, and availability of specific funding. More detailed explanation of variances can be provided on request.*

Pic A - Siblings Joan, Joseph and Esera benefit from development activities taking place in the Kammengo ADP in Uganda.

## ASIA AND PACIFIC

World Vision activities	2009	2008
Number of people assisted in region	11.3 million	13 million
People assisted with emergency relief in region	0.97 million	0.8 million
Number of people receiving food aid (in partnership with UN World Food Programme)	67,000	63,000
Number of countries worked in	17	17
Total projects in region	318	308
Number of children sponsored in region	119,344	122,502
Number of ADPs supported in region	84	85
Number of non-ADP projects in region	234 (includes regional projects and AusAID)	223 (including AusAID)
Number of AusAID projects	62	70

Finances	2009	2008
Total disbursed in region	\$91,862,279	\$99,048,812
	Cash: \$86,031,688	Cash: \$58,697,559
	Food and goods: \$3,249,994	Food and goods: \$37,849,297
	Project design and monitoring: \$2,580,597	Project design and monitoring: \$2,533,827

## ASIA

Country	No. of projects in 2009	No. of projects in 2008
Asia (multi country projects)	19 (includes one project from Greater Mekong sub-region)	16
Bangladesh	13	13
Cambodia	22	20
China	7	9
Timor-Leste	16	21
India	38	24
Indonesia	27	22
Laos	23	24
Mongolia	13	12
Myanmar	27	24
Nepal	9	9
Philippines	13	15
Sri Lanka	16	16
Thailand	10	10
Vietnam	18	21
<b>Total</b>	<b>271</b>	<b>256</b>



### Key development challenges in this region include:

- Of the 2.6 billion people living on less than \$2 per day, 1.9 billion live in Asia. Some 41 percent of children under five in South Asia are malnourished.<sup>3</sup>
- The Global Food Crisis has highlighted a lack of sustainable food security in many Asian countries, particularly Timor-Leste, Sri Lanka, DPR Korea, Lao PDR, Bangladesh and Nepal.<sup>4</sup>
- Lack of access to clean water and basic sanitation threaten the lives of millions in Asia. The need to improve maternal and child health is also particularly acute. The Asia-Pacific region accounts for 41 percent of the 9.2 million children under five who die each year, and 44 percent of annual maternal deaths.<sup>5</sup>
- Emerging trends in climate change are already evident, particularly in Bangladesh, Vietnam and the Philippines.
- The Asia-Pacific region has the largest number of people with disabilities in the world (400 million).<sup>6</sup>
- Child rights concerns are particularly alarming with 44 million engaged in child labour in South Asia and a further 1.2 million children trafficked every year, mostly from South and Southeast Asia.<sup>7</sup>

### Strategic priorities

In 2009, we supported programs in Asia focusing on the following strategic priorities outlined in the World Vision Australia Field Ministry Strategy 2008-2010.

#### *Child rights and protection*

In 2009, our response to child exploitation spanned six countries in Southeast Asia and two in South Asia. The Mekong Delta Regional Trafficking Strategy is providing a comprehensive response at source, transit and destination points across the region. During 2009, World Vision provided safe migration education training to 20,000 people and formed 150 community-based protection mechanisms. We also trained 750 peer educators and directly supported over 113 trafficking survivors.

Support for street children and child labour programs in Cambodia, Myanmar, Thailand and India continued during 2009, specifically in urban contexts, where there has been success in building government capacity to support the child rights agenda.

<sup>3</sup> (World Bank, 2008, [http://devdata.worldbank.org/AAG/ind\\_aag.pdf](http://devdata.worldbank.org/AAG/ind_aag.pdf)).

<sup>4</sup> [wvrelief.com](http://wvrelief.com) - WVI Global Food Security Initiative

<sup>5</sup> Investing in Maternal, Newborn and Child Health: The Case for Asia and the Pacific Asian Development Bank, April 2009 region [www.adb.org/socialprotection/disability.asp](http://www.adb.org/socialprotection/disability.asp)

<sup>6</sup> [www.unicef.org/protection/index\\_childlabour.html](http://www.unicef.org/protection/index_childlabour.html) and

<sup>7</sup> [www.unicef.org/protection/index\\_exploitation.html](http://www.unicef.org/protection/index_exploitation.html)



Pic A - The construction of a deep well in her Cambodian village has made life much easier Sophy. Before, she was forced to rise at four in the morning to walk the long distance to the nearest water point. Several wells have been constructed in the area as part of the Kampong Leng Food and Water Security Project.

Pic B - In Laos, the Pakkading Maternal and Child Health Project encourages mothers to take their young children to mobile health clinics for regular check-ups.

In Bangladesh and Mongolia, World Vision Australia supported interventions to establish childcare and vocational training centres for disabled children and youth.

*Promoting primary health*

In 2009, World Vision Australia supported significant maternal and child health initiatives in Mongolia, Nepal and Lao PDR. We also embarked on a pilot program across the Philippines, Indonesia, Lao PDR, Cambodia and India that aims to equip local World Vision staff with the capacity to implement effective maternal and child health programming.

Identifying positive role models to provide mentoring and coaching to fellow community members on good health practices has been effective in improving health and sanitation practices in Bangladesh, Mongolia, the Philippines and Timor-Leste. Integrating this role model and mentoring approach with food security work in Indonesia during 2009 helped to reduce malnutrition levels in project communities.

Our HIV and AIDS response across Asia continued with support for research and development projects in Cambodia, Lao PDR and India aimed at testing programming models suitable for a low prevalence context. Our work on HIV and AIDS also extended to specific programs in Cambodia, Nepal, Lao PDR, Vietnam, Indonesia and India focusing on at-risk populations and orphans and vulnerable children.

*Building community resilience*

Our Reducing Flood and Storm Vulnerability in Quang Ngai project in Vietnam was put to the test by Typhoon Ketsana in September 2009, when there was only one fatality in the project districts compared to 13 deaths in a nearby coastal district. Given this result, the project has received a one-year extension from AusAID to consolidate its achievements and communicate its methods with other communes and districts.

*Securing household livelihoods*

In Lao PDR, World Vision supported projects providing training and materials to improve food production, raise awareness on good nutrition, food storage and preparation practices, and to facilitate access to markets for excess cash crop production.

During 2009, World Vision Australia supported projects in Mongolia which are assisting vegetable and farming groups, not only to diversify their diet, but also to improve product quality and storage for marketing.



A

"Let justice roll down  
like waters, and  
righteousness like an  
ever-flowing stream."

Amos 5:24

#### *Advocating for change*

The Regional Advocacy Capacity Anti-Trafficking Project is one of World Vision's most significant advocacy endeavours in Asia. The program strengthens World Vision's capacity to advocate in restricted contexts and mobilise our standing and presence on key regional committees and advisory bodies. It has been instrumental in demonstrating that partnerships with government and other actors can enhance program effectiveness and organisational credibility. During 2009, the project:

- Assisted victims of the Ranong tragedy, in which 54 illegal migrants from Myanmar suffocated in the back of a container truck. These efforts led to successful prosecution of those responsible and compensation for families of victims and survivors;
- Played a lead role in bringing governments together to sign agreements for the safe, timely return and reintegration of trafficked persons. In many cases, processing time has now been reduced by half;
- Worked with partners from the UN and other NGOs to bring children from the Mekong Delta region to the World Congress III Against the Sexual Exploitation of Children and Adolescents in Brazil in November 2008;
- Enabled World Vision China to engage the government more closely on human trafficking and provided a platform for discussion with business and government on labour exploitation issues in China;
- Worked directly with the Vietnamese Government to help it shape its National Plan of Action for Children and set up bilateral cooperation with its neighbours.

#### *Responding to humanitarian emergencies*

*Typhoons Ketsana and Parma, Philippines* – On 26 September 2009, Typhoon Ketsana dumped a month's rain on Manila in less than seven hours and killed at least 400 people. Within a week, Luzon Island was hit again by Typhoon Parma, which claimed another 400 lives. Almost 4.5 million people across Luzon were affected by these disasters. World Vision, in coordination with the government and other agencies, assisted over 30,000 people and established Child Friendly Spaces to provide protection and recovery assistance for around 4,000 children.

*Cyclone Sidr, Bangladesh* – After 18 months, the World Vision Australia-supported Cyclone Sidr rehabilitation and recovery program concluded. The program:

- Provided crop, livestock and fishing resources to help survivors recover their livelihoods and increase their economic resilience;
- Aided the reconstruction of marketplaces on a raised level to minimise the impacts of future flooding on small business holders;



- Supported the reconstruction of 20 schools with disaster-resistant structures that can double as community shelters;
- Supported pond purification, provision of water filters and health and hygiene sessions;
- Facilitated village-level disaster risk reduction activities;
- Helped to strengthen the government disaster management committee.

**Cyclone Nargis, Myanmar** – During 2009, World Vision's Cyclone Nargis recovery program continued with the provision of infrastructure and capacity building to ensure access to clean drinking water, sanitation and hygiene, livelihood support including food aid, temporary shelter, healthcare and child protection.

**Snowstorms, Mongolia** – World Vision Australia contributed US\$40,000 for emergency relief in the aftermath of a March 2009 snowstorm in Mongolia's Uvs Province. The project assisted almost 20,000 people with distributions of wheat and animal fodder.

### Learning

The 2009 Annual Program Review includes the following case studies from Asia:

**Myanmar: Hidden Lives, Hidden Voices – Sustainable care and protection for vulnerable children**

**Philippines: Whose bottom line? – Learning from social performance management**

**Timor-Leste: Together We Are One – Young people stopping the violence in Timor-Leste**

**Indonesia: Creating learning communities – Putting quality back on the education agenda**

Our 2009 Annual Evaluation Review includes the following case studies from Asia:

**Child Safe Tourism Project – Cambodia**

**Time to Change: HIV/AIDS Prevention – Vietnam**

Pic A - Narak, Kakda, and Sopheak are peer educators from Cambodia who participated in the World Congress III against Sexual Exploitation of Children and Adolescents in Brazil in November 2008. World Vision worked with NGO partners and UNICEF to make their participation possible.

Pic B - Simulation training exercises are helping communities in Vietnam to better prepare for natural disasters.



## PACIFIC

Country	No. of projects in 2009	No. of projects in 2008
Pacific (multi country projects)	5	4
Papua New Guinea	23	23
Solomon Islands	10	14
Vanuatu	9	11
<b>Total</b>	<b>47</b>	<b>52</b>

### Key development challenges in this region include:

- The leading causes of death amongst Pacific children are preventable conditions such as diarrhoea, malaria and malnutrition.
- Papua New Guinea has a maternal mortality rate of 733 per 100,000, the second highest of all countries in the Asia-Pacific region.
- Delivery of basic services by governments is limited, as is the capacity of civil society to demand accountable governance.
- The Pacific is the most disaster-prone region in the world. Climate change and associated sea level rises, pollution, degradation of habitats and waste management are also critical issues.

### Strategic priorities

In 2009, we supported programs in the Pacific focusing on the following strategic priorities outlined in the World Vision Australia Field Ministry Strategy 2008-2010.

#### *Building stronger communities and enhancing livelihoods*

During 2009, the three-year Givhan Long Laef Project in Vanuatu concluded. This project worked to increase cash incomes and improve food security amongst rural families by establishing village-level marketing cooperatives.

The Solomon Islands' Makira Girl Child Reading and Rescue Project provided early childhood education to 1,000 children from 20 communities in 2009 and supported the entry of school-aged children into the formal education system. The project also helped to establish kindergartens in remote communities where government services are scarce.



B

#### *Improving health and responding to HIV and AIDS*

In Papua New Guinea, it is estimated that close to half the population have unreported tuberculosis (TB) and about 2,500 people die from the disease each year. During 2009, World Vision's five-year TB reduction project spread nationwide. Supported by the Global Fund to Fight Aids, Tuberculosis and Malaria, World Vision Australia and World Vision New Zealand, this project aims to increase TB detection and cure rates to 70 percent and 85 percent respectively.

The Wara Laip Bilong Yumi (Our Living Water) Project worked to reduce the prevalence of waterborne diseases on Papua New Guinea's Buka Island in 2009. According to the Department of Bougainville's Division of Health, around 80 percent of the population of Bougainville Province, where Buka Island is located, do not have access to adequate potable water supplies. The project is supporting the construction of 22 shallow wells and promoting improved sanitation and hygiene practices amongst community members.

#### *Responding to humanitarian emergencies*

In response to the region's vulnerability to natural disasters, World Vision Australia continued to fund a project aimed at pre-positioning relief kits in various locations in the Pacific to be used in emergencies. We also supported training for local World Vision staff in disaster preparedness and the development and review of a National Disaster Preparedness Plan.

On 29 September 2009, four tsunami waves triggered by an undersea earthquake smashed into Western and American Samoa, causing massive destruction in a matter of minutes. Waves up to 20 feet struck the islands, flattening entire villages and claiming more than 100 lives. After an initial assessment, World Vision Australia deployed staff to work with partner organisations and help distribute emergency items including personal hygiene supplies, tarpaulins, blankets, mosquito nets and water purification tablets.

#### *Advocating for change*

During 2009, World Vision Australia supported projects to improve the participation of Papua New Guinea citizens in local government and to engage youth in social issues.

Komuniti Tokaut, a pilot governance project in Papua New Guinea, was established to build the capacity and accountability of local governance structures and their members. During the year the project convened the Pacific's first ever workshop on NGO case studies of demand-led governance, which was attended by senior governance representatives from AusAID and the European Union.

Pic A - Herman is immunised against measles at a maternal and child health clinic in Port Moresby, Papua New Guinea.

Pic B - The Makira Girl Child Reading and Rescue Project in the Solomon Islands aims to equip children with basic literacy and numeracy skills so they are prepared for entry into the formal school system.



A

The Harmoni Musik project aims to use community-based music to educate others on important issues affecting young people such as HIV and AIDS, gender-based violence, and drug and alcohol abuse. This project led to the recording of contemporary songs which are now being played on local radio.

### Learning

See our report:

### Reducing maternal, newborn and child deaths in the Asia Pacific (with the Nossal Institute for Global Health)

## AFRICA

World Vision activities	2009	2008
Number of people assisted in region	8.4 million	8.2 million
People assisted with emergency relief in region	1.7 million	2.3 million
Number of people receiving food aid (in partnership with UN World Food Programme (WFP + GIK – GIK = 0.73 million-0.091 million)	0.64 million	1.2 million
Number of countries worked in	20	22
Total projects in region	379	392
Number of children sponsored in region	185,420	188,813
Number of ADPs supported in region	103	113
Number of non-ADP projects in region	276 (including AusAID)	279 (including AusAID)
Number of AusAID projects	32	33



Pic A - In Uganda's Kammengo ADP, Alan's mother has learned about the importance of immunisation and other basic healthcare to protect her children from disease.

Pic B - Mirikat, age 9, is a sponsored girl from Ethiopia.

Finances	2009	2008
Total disbursed in region	\$115,172,534	\$104,487,622
	Cash: \$70,315,330	Cash: \$73,820,438
	Food and goods: \$41,621,775	Food and goods: \$27,990,439
	Project design and monitoring: \$3,235,429	Project design and monitoring: \$2,676,745

Country	No. of projects in 2009	No. of projects in 2008
Africa (multi country projects)	23*	8
East Africa (multi country projects)	4	4
Southern Africa (multi country projects)	3	5
West Africa (multi country projects)	4	2
Burundi	5	5
Chad	9	8
Democratic Republic of Congo	7	5
Eastern Democratic Republic of Congo	4	Nil
Ethiopia	31	33
Ghana	7	6
Kenya	30	34
Lesotho	15	15
Liberia	Nil	1
Malawi	21	22

\* This figure is high because of regional projects run from Africa in different countries.



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Country	No. of projects in 2009	No. of projects in 2008
Mauritania	Nil	2
Mozambique	17	17
Northern Sudan	15	19
Rwanda	14	17
Senegal	16	15
Somalia	17	16
South Africa	6	6
Sudan	16	17
Swaziland	17	21
Tanzania	25	26
Uganda	27	36
Zambia	20	28
Zimbabwe	26	24
<b>Total</b>	<b>379</b>	<b>392</b>

#### Key development challenges in the region include:

- Climate change and conflict continue to pose major development challenges for Africa. Ongoing conflicts in the Democratic Republic of Congo, Sudan and Somalia, and drought in Ethiopia, Kenya, Uganda and Tanzania have left many people in desperate situations, with women and children most severely affected.
- The global financial and food crises are having a severe impact on Africa's most vulnerable people, making development gains difficult to sustain.
- The HIV and AIDS pandemic remains a significant challenge, particularly in east and southern Africa.
- The lure of jobs, the effects of climate change and the decline in rural productivity are drawing people into Africa's cities at a faster rate than ever before. This influx into urban centres is increasing social tensions and placing strain on limited resources.



"True peace is not merely the absence of tension: it is the presence of justice."

Martin Luther King Jr

### Strategic priorities

In 2009, we supported programs in Africa focusing on the following strategic priorities outlined in the World Vision Australia Field Ministry Strategy 2008-2010.

#### *Securing household livelihoods*

During 2009, our work to secure household livelihoods in 21 African countries included the promotion of sustainable agricultural practices, the introduction of small-scale irrigation schemes, seed multiplication and seed banks, food stores and herb gardens, improving access to markets, promotion of better nutrition and dietary diversification, and natural resource management. These efforts are leading to increased food security and enhanced nutrition at the household level. By increasing skills and knowledge about good nutrition amongst families in Malawi, Swaziland and Lesotho, the Southern Africa Food and Nutrition Security project has helped to reduce malnutrition levels and mortality in target communities.

World Vision Australia continued to support projects throughout Africa that provide poor households with business skills and income generating opportunities. In Ethiopia, a project to increase household income from mango production in the Homosha-Assossa ADP has helped to secure market access and increase the local price for mangoes six-fold. Local economic development and business facilitation and training initiatives in South Africa and Kenya have equipped households with skills to identify business opportunities and run small businesses.

#### *Promoting peace, justice and good governance*

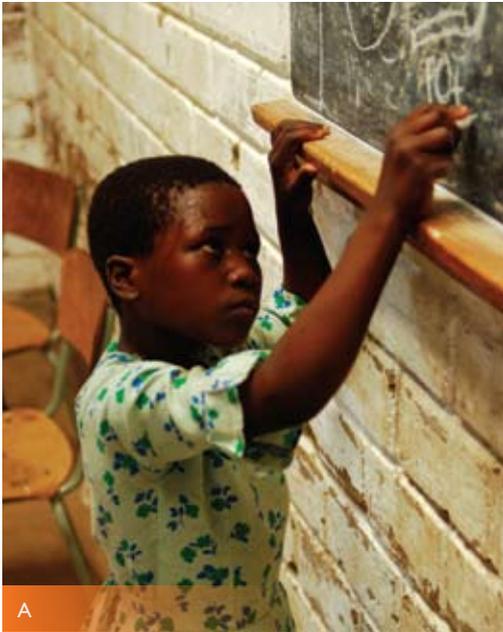
Citizen Voice and Action (CVA) work in Uganda and Tanzania is empowering people to demand better governance and accountability from service providers, including government agencies. Positive responses from local service providers in Uganda have inspired World Vision Uganda to replicate CVA activities across all program communities. AusAID and private donors continue to support healing, peace and reconciliation initiatives in Rwanda which promote harmony and cooperation in communities still grappling with the psychosocial impact of the 1994 genocide.

#### *Protection: the child and the community*

In Lesotho, World Vision is training paralegal teams and district children's coordinating teams to ensure that children participate, are cared for and protected. In Malawi, World Vision is working with community leaders and the local government to strengthen the Malawi Police Child Victim Support Unit so that it can effectively deal with child abuse cases and implement prevention measures as well. The Lawyers of Hope project in Rwanda is equipping pro-bono lawyers to take up the rights of children in coordination with government-sponsored child protection committees.

Pic A - World Vision Australia-funded peace and reconciliation initiatives in Rwanda were formally acknowledged by World Vision International for being able to effectively integrate peace building into relief, development and advocacy work.

Pic B - In the Homosha-Assossa ADP in Ethiopia, mango farmers have received support to form producer cooperatives where they can access information and training on topics such as improving production techniques, pre- and post-harvest handling and access to finance.



"Gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governance."

Kofi Annan (seventh Secretary-General of the United Nations, 2001 Nobel Peace Prize).

In Southern Sudan, community-based protection committees have been formed to help children affected by war to recover and reintegrate into their communities. The protection committees have been trained on human rights law, Sudan's Comprehensive Peace Agreement, the protection of vulnerable groups and methods of non-violent conflict resolution. They are using drama skits to raise awareness in their communities on issues including the forced recruitment of child soldiers and exposure to violence, and they are monitoring the wellbeing of children in particular need of support.

*Promoting gender equality*

World Vision Australia's commitment to gender equality is contributing to improved gender mainstreaming in World Vision's Africa programs. At community level, the attitudes of traditional leaders and elected officials are changing as gender stereotypes are challenged.

Throughout Africa we continued to work for the eradication of female genital mutilation (FGM). In Somalia, World Vision has been raising awareness about the harmful effects of FGM, supporting alternative income generating activities for men and women who practise circumcision for their livelihoods, and empowering men, women, boys and girls to advocate for change. An evaluation of the project during 2009 found that 86 percent of girls in target communities had been circumcised during the life of the project, as compared to a 2003 finding that "all girls undergo FGM". It also revealed that almost 40 percent of community members thought FGM should be abandoned, representing a considerable change in attitudes.

*Improving health and responding to HIV and AIDS*

Jesus had a powerful ministry of bringing healing and wholeness, and in accepting people without judgement. World Vision is working with communities to increase knowledge about HIV and AIDS prevention, care and support, and discrimination against people living with HIV and AIDS. Our programs are facilitating increased access to voluntary counselling and testing centres and anti-retroviral treatment programs.

The AusAID-funded Masaka-Rakai Psychosocial Project continues to strengthen community-led treatment of depression in communities affected by HIV and AIDS. Interpersonal psychotherapy groups facilitated by community volunteers enable participants to identify the causes of their depression and support one another by sharing problems and tackling challenges together.

World Vision Australia-supported health programs in Africa continue to focus on water and sanitation and maternal and child health as key themes. Our work in ADPs endeavours to strengthen community-based health services by supporting the training of community health networks comprising community health volunteers, community care coalitions, water, sanitation and hygiene committees, and mothers/parents groups. These groups work at the grassroots level to encourage access to, utilisation and improved quality of health facilities.



"When I was hungry  
you gave me  
something to eat, and  
when I was thirsty you  
gave me something to  
drink."

Matthew 25:35

### Zimbabwe: Responding to a complex humanitarian emergency

In late 2008, a cholera outbreak swept through Zimbabwe, claiming more than 4,000 lives with a further 91,000 reported cases. At around the same time, hospitals were closed following the mass exodus of essential staff in protest against poor pay and working conditions. In addition, rampant inflation and critical food and fuel shortages in the early months of 2009 left more than 80 percent of the population struggling to survive on less than US\$2 a day.

World Vision is the largest aid agency in Zimbabwe and we have been working in the country since 1973. To respond to the needs created by this complex humanitarian crisis, World Vision assisted in the following areas:

#### Cholera response

- provided medical supplies and non-food items such as water purification tablets, oral rehydration solution sachets, soap and jerry cans to affected areas
- drilled 16 new boreholes and repaired another six
- installed six water storage tanks
- distributed plastic water containers to 3,700 households
- installed water reservoirs as part of long-term measures to restore the supply of clean water.

#### Food aid

Between January and March 2009, at the peak of the hunger period, World Vision provided food aid to a total of 1.3 million people. Extended school closures caused additional hardship, so when classes finally resumed, World Vision was able to bring relief to thousands of children by providing a daily supplementary cooked meal. World Vision also worked with other agencies to feed almost 270,000 children in 13 districts.

#### Women and children

World Vision set up Child Friendly Spaces for children at schools that were closed, providing them with a safe and supervised place to play, learn, share their experiences and access food. Once schools reopened, World Vision provided educational materials along with incentives to teachers to support children's education. World Vision also assisted women, children and the chronically ill to access basic healthcare such as immunisations and supplementary feeding programs.

Pic A - Patuma is one of many children benefiting from a strong focus on education in Malawi's Nayuchi ADP.

Pic B - During Zimbabwe's recent food emergency, World Vision distributed World Food Programme rations amongst more than one million people.



### Learning

The 2009 Annual Program Review includes the following case studies from Africa:

**Somalia: Shifting the cultural norms – Working to eradicate Female Genital Mutilation in Somalia**

**Zambia: When rural meets urban – Lessons from Zambia**

**Kenya: Watering hope – Economic Empowerment @ work**

**Niger: Wattle we eat for dinner? – Edible seeded Australian acacias and World Vision’s response to hunger**

**Senegal: A part, not apart: Redefining responses to disability in rural Senegal**

**Lesotho: “Show me the money!” – Can cash transfers cause behaviour change?**

Our 2009 Annual Evaluation Review includes the following case study from Africa:

**Machinga HIV/AIDS prevention and care project evaluation – Malawi**

## LATIN AMERICA AND CARIBBEAN

World Vision activities	2009	2008
Number of people assisted in region	0.75 million	0.7 million
People assisted with emergency relief in region	41,401	11,400
Number of people receiving food aid (in partnership with UN World Food Programme)	Nil	Nil
Number of countries worked in	10	10
Total projects in region	117	111
Number of children sponsored in region	88,944	90,395
Number of ADPs supported in region	58	54
Number of non-ADP projects in region	59 (including AusAID)	57 (including AusAID)
Number of AusAID projects	12	10



B

Finances	2009	2008
Total disbursed in region	\$32,353,098	\$29,475,742
	Cash: \$31,444,234	Cash: \$28,719,303
	Food and goods: Nil	Food and goods: Nil
	Project design and monitoring: \$908,864	Project design and monitoring: \$756,439

Country	No. of projects in 2009	No. of projects in 2008
Latin America and Caribbean (multi country projects)	6	7
Bolivia	9	4
Brazil	21	20
Chile	8	12
Colombia	7	8
Ecuador	10	9
Guatemala	9	8
Haiti	9	8
Honduras	13	11
Nicaragua	10	7
Peru	15	17
<b>Total</b>	<b>117</b>	<b>111</b>

Pic A - In Bolivia, the Citizenship Construction and Strengthening Indigenous Rights Project is ensuring that children like Marcelo are provided with formal identity documents which enable them to register for school and government services.

Pic B - As part of the K'ana Permaculture Project in Peru, farmers receive training and support to grow alternative crops and raise livestock as a means to increase household income and improve the family diet.



### **Key development challenges in this region include:**

- The global financial crisis has affected the most vulnerable people in Latin America, intensifying the food security crisis already present in the region.
- Climate change is resulting in increasing frequency of natural disasters, particularly in Central America. El Nino is also causing widespread drought in Central America and further exacerbating the food security crisis.
- Several countries in the region are also vulnerable to civil unrest and its associated humanitarian consequences. The ongoing conflict in Colombia has internally displaced over two million people. Honduras is facing a political crisis and gang violence is increasing, particularly in Guatemala and Honduras.
- Growing urbanisation and migration from rural areas is changing the development context.
- Drug conflicts are increasing across the region, particularly in Colombia and Guatemala.

### **Strategic priorities**

In 2009, we supported programs in Latin America and the Caribbean focusing on the following strategic priorities outlined in the World Vision Australia Field Ministry Strategy 2008-2010.

#### *Securing household livelihoods*

Marginalised producers in the region face increasing competition in the marketplace. In Honduras, Ecuador, Chile, Brazil and Colombia, World Vision continued to provide small producers with technical advice so they can improve the quality, presentation and competitiveness of their products and gain access to new markets.

In Brazil, we assisted farmers to grow and market organic fruit by providing them with access to appropriate technology, technical support, business and marketing skills, and export opportunities. In Honduras, World Vision helped farmers to increase and diversify their production by exploring new crops, adopting new technologies and accessing regional markets. In Haiti, World Vision stepped up efforts to tackle the root causes of poverty through natural resource management initiatives. In addition to promoting reforestation, this has contributed to an increase of up to 200 percent in household income for project participants, improved children's health through better diet, increased school attendance and retention, and behaviour changes.



"When I gave food to the poor, they called me a saint. When I asked why the poor were hungry, they called me a communist."

Dom Helder Camara

#### *Enhancing community participation and rights*

World Vision Australia has been working with partners to promote greater participation and rights, particularly for indigenous communities where awareness and information about civic action is minimal. In Bolivia, World Vision collaborated with the National Police and the National Electoral Court in a widespread campaign to provide legal identities and birth certificates to people living in marginalised indigenous communities. In addition, World Vision Australia is supporting a research project investigating the concept of "children's human rights" in Bolivia's indigenous customary law.

In Ecuador, an AusAID-assisted program provided indigenous children and their communities with a greater understanding of child rights in line with Ecuador's Child Rights Code. The project facilitated the education of thousands of children and adults via radio programs and community events promoting child rights. School councils in indigenous schools are encouraging indigenous children to become leaders and are promoting indigenous representation on district and national child councils.

#### *Building stronger communities*

In 2009, World Vision Australia supported a regional Community Emergency Response and Disaster Mitigation project in Colombia and Guatemala, which equipped community members to plan and respond to disasters through activities such as school emergency drills and first aid training.

In Peru and Brazil, we supported a Community Resilience Project to help communities assess their readiness to deal with natural disasters and plan for future emergencies. We also provided communities with resources and technical advice so that they can investigate opportunities for carbon sequestration to mitigate the impacts of climate change and create a potential new income source.

#### *Advocating for change*

A strong emphasis on promoting rights continued through the Community Voice in Action projects in Peru and Brazil. These are enabling communities to access their basic rights to services, particularly education and health, by providing them with appropriate skills and strategies to access and lobby the government.

In Bolivia, we supported a project aimed at protecting vulnerable children against maltreatment, exploitation, sexual abuse and trafficking by building institutional and child networks and by educating community members.

Pic A - In the Monquecagua ADP in Honduras, training in food production and business principles has helped members of a women's cooperative increase their family incomes and become leaders in their community.

Pic B - Breeding guinea pigs as an alternative source of food and income is contributing to improved wellbeing for families in rural and isolated communities in Peru.



A

### Learning

The 2009 Annual Program Review includes the following case study from the Latin America and Caribbean region:

#### **Haiti: Overcoming dependency – the slow train gathering momentum in La Gonave**

## MIDDLE EAST, EASTERN EUROPE AND CENTRAL ASIA

World Vision activities	2009	2008
Number of people assisted in region	1.3 million	0.8 million
People assisted with emergency relief in region	35,772	0.3 million
Number of people receiving food aid (in partnership with UN World Food Programme)	27,022	1,501
Number of countries worked in	11	14
Total projects in region	68	65
Number of children sponsored in region	5,054	3,408
Number of ADPs supported in region	4	4
Number of non-ADP projects in region	64 (including AusAID)	61 (including AusAID)
Number of AusAID projects	17	12

Finances	2009	2008
Total disbursed in region	\$12,724,458	\$12,583,411
	Cash: \$9,091,975	Cash: \$5,684,075
	Food and goods: \$3,275,027	Food and goods: \$6,624,152
	Project design and monitoring: \$357,456	Project design and monitoring: \$275,184



Country	No. of projects in 2009	No. of projects in 2008
Middle East, Eastern Europe and Central Asia (multi country projects)	7	6
Afghanistan	6	7
Albania	4	2
Armenia	2	3
Azerbaijan	7	4
Bosnia and Herzegovina	2	1
Georgia	2	2
Iran	Nil	1
Iraq	Nil	1
Jerusalem/West Bank/Gaza	11	9
Lebanon	13	10
Pakistan	12	14
Romania	1	2
Russia	Nil	1
Uzbekistan	1	2
<b>Total</b>	<b>68</b>	<b>65</b>

Pic A - World Vision Australia supported efforts to assist families displaced by conflict in Pakistan's Swat Valley during May 2009. Targeted distributions of relief supplies were provided to households hosting displaced people.

Pic B - In Afghanistan, the Women's Economic Literacy and Livelihoods project aims to lift women and children out of chronic poverty by educating and empowering women and girls.



"Blessed are the peacemakers, for they will be called the children of God."

Matthew 5:9

### Key development challenges in this region include:

- 16 percent of the world's conflict-related emergencies occur in this region. In particular, ongoing civil unrest, instability and conflict continue in Pakistan, Afghanistan and the Gaza Strip, with major impacts on the lives of community members, particularly children, and on overall regional security. Average malnutrition rates among Palestinian children are as high as 75 percent.
- The diminishing humanitarian space (including the specific targeting of humanitarian agencies by combatant groups) is a significant problem affecting the provision of humanitarian assistance in Afghanistan and Pakistan.
- Increasing urbanisation in Lebanon and across Eastern Europe is resulting in social dislocation and increasing urban poverty with a rise in unemployment, and increasing incidence of street children and forced labour.
- Child labour, abuse and sexual exploitation are problems throughout the region. In Pakistan alone, there are an estimated 1.2 million children living and working on the streets; in Afghanistan it is estimated that 24 percent of children aged 7-14 are working, many in exploitative conditions.
- Violence and discrimination against women affects many countries. In Afghanistan, women who try to engage in public life are frequently intimidated, threatened or attacked.

### Strategic priorities

In 2009, we supported programs in the Middle East, Eastern Europe and Central Asia focusing on the following strategic priorities outlined in the World Vision Australia Field Ministry Strategy 2008-2010.

#### *Promoting peace, justice and good governance*

In response to ongoing political instability across parts of the Middle East, Pakistan and Afghanistan, World Vision Australia actively promotes peace building in this region, as well as the building and strengthening of community linkages.

In Pakistan, we worked with communities to raise awareness about basic human rights, and to build the capacity of communities to advocate for improved quality and accessibility of basic services. World Vision trained more than 300 "community activists", provided advocacy training for village organisations and helped them to develop their own advocacy plans. As a result, an advocacy campaign led by village organisations recently secured a government commitment to provide additional primary school teachers.

In Bosnia and Herzegovina, a World Vision peace-building project promoted inter-faith dialogue between Muslims and Christians in selected schools.



B

At the regional level, World Vision Australia continued to support the PeaceNet Capacity Building Program to enhance the capacity of local World Vision staff to respond during rapid-onset, conflict-oriented emergencies and to enhance regional peace-building strategies for local empowerment.

*Building stronger communities*

In Pakistan, World Vision continued to work with communities devastated by the 2005 earthquake to strengthen their resilience and capacity to respond to and recover from future disasters. Our expertise in working with communities on disaster risk reduction has been recognised by the Government of Pakistan's District Disaster Management Authority which has asked World Vision to take the lead in developing standard operating procedures for government and non-government agencies engaged in disaster preparedness and risk reduction work.

Throughout Armenia, Azerbaijan and Georgia, World Vision Australia supported an HIV and AIDS program targeting mobile and migrant populations. Individual migrant workers, migrant families, communities and the local government were provided with key prevention messages and the program also promotes greater access to services such as voluntary counselling and testing.

*Responding to humanitarian emergencies*

All our work at World Vision Australia occurs on a non-discriminatory basis. For us, Jesus' teaching about "who is my neighbour?" (Luke 10:25-37) breaks through the narrowness of ethnic and religious division.

In May-June 2009, more than two million people were displaced from Pakistan's Swat Valley by intense fighting between Pakistan's armed forces and the Taliban. This was one of the world's largest and most rapid movements of people in recent history. With support from World Vision Australia, and drawing on lessons learned during the 2005 Bam earthquake response, World Vision Pakistan immediately launched an emergency response which included distribution of food and non-food items, provision of water, sanitation and health services, livelihood support, and the creation of Child Friendly Spaces for more than 2,000 families.

*Protection: the child and the community*

Child abuse and exploitation are serious problems in Pakistan, where there are 1.2 million children working and living on the streets. Over the past year, World Vision Australia has supported a drop-in centre for street children just outside the capital, Islamabad. The centre is attended by nearly 200 children who have been working on the streets as "rag pickers", domestic workers, oil and scrap collectors and bus cleaners.

Pic A - Aisha is employed as a tailor in a World Vision-supported sewing workshop in Herat, Afghanistan.

Pic B - Balqis loves studying and dreams of going to university one day. The West Bethlehem ADP is working to promote the psychosocial wellbeing of children affected by conflict. It aims to empower these children to become agents of change in their community.



The centre provides them with recreational activities, psychosocial support and access to informal education with a view to transition into the formal education system.

In Lebanon, World Vision advocated for a new law banning corporal punishment in schools and domestic violence in homes. World Vision Azerbaijan drafted an inclusive education law for the mainstreaming of disabled children into the public school system. The Ministry of Education will present this draft law to Parliament, and if passed, 49,000 children with disabilities will have the right to attend public schools for the first time in Azerbaijan's history.

In Armenia, World Vision developed comprehensive guidelines and training packages to help build youth leadership skills and awareness about how they can protect themselves and others from abuse and sexual exploitation on the internet and other forms of information technology.

#### *Responding to trauma*

Recognising that humanitarian work exposes staff to unique stresses, especially during responses to conflict, World Vision has commenced a project to improve the wellbeing of staff from local NGOs working in Lebanon's Palestinian refugee camps. Getting staff members to demonstrate personal psychosocial wellbeing and promoting organisational change are helping to create a healthier working environment.

In Gaza, we continued to respond to the psychosocial needs of children experiencing trauma as a result of conflict and violence. Facilitators, teachers and parents have been trained to provide basic psychosocial assistance to children. Counsellors have been conducting support groups for women and community meetings for parents to provide them with skills to meet their children's psychosocial needs more effectively. Debriefing sessions to address the psychosocial needs of caregivers have also been conducted.

#### **Learning**

The 2009 Annual Program Review includes the following case study from Central Asia:

#### **Uzbekistan: Harm Reduction – Meeting the challenge of HIV prevention in Uzbekistan**



B

## CORPORATE GOVERNANCE

Corporate governance is the system by which an organisation is directed and controlled. The aim of corporate governance is to create long-term, sustainable value for the organisation's stakeholders especially, in the case of World Vision Australia, those who we serve. The Board recognises its role in overseeing the development and implementation of processes which reflect good corporate governance. It also understands that these processes must be embedded into the daily operations of the organisation for World Vision Australia to have the best opportunity to achieve its Mission. World Vision Australia acknowledges that, no matter how effective we believe our governance might be, it must continue to consider, review, test and change processes to make improvements.

Although not a listed entity, World Vision Australia supports the ASX Principles of Good Corporate Governance and Best Practice Recommendations and applies them insofar as it is sensible and realistic to do so in the context of a large, not-for-profit organisation and with due regard to the scope of its operation and level of donor and public interest. During 2009, the ASX Principles have been applied in the following ways.

### LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board's primary role is to direct the activities of World Vision Australia towards living out its Vision and achieving its Mission and goals. The Board periodically reviews and assesses how the organisation is performing in relation to its Strategic Plan, the focus of which is to Transform Children's Lives, Champion the Child Poverty Agenda, Grow the Organisation's Resources and Maximise the Organisation's Effectiveness (see page 14).

The Board refreshed its Board Charter in November 2008 and maintains a set of Board policies which detail the Board's role, powers, duties and functions. In addition to the matters required by law, the Board is responsible for:

- setting the strategic direction for World Vision Australia, assessing progress towards strategic objectives and approving policies to work towards those objectives;
- appointing and evaluating the performance of the Chief Executive Officer and determining his/her remuneration and conditions of service;
- approving the appointment and remuneration of executives who report directly to the Chief Executive Officer;

Pic A - In Bangladesh, Shahnaj and her younger sister Smritimoni sleep under a mosquito net to protect them from malaria.

Pic B - In Cambodia, Srey and her friend cycle home from school.

- approving and monitoring the annual budget;
- considering and approving strategies and policies to ensure appropriate risk management;
- monitoring and receiving advice on areas of operational business opportunities and financial risk;
- ensuring compliance with laws and policies;
- appointing Board committees to assist in effective governance;
- decisions relating to the purchase/sale or lease of real estate.

#### *Chief Executive Officer and delegation to management*

The Chief Executive Officer is responsible for operational management, with all powers, discretions and delegations authorised, from time to time, by the Board. The Board is responsible for regularly reviewing and ensuring that all necessary and appropriate delegations are in place to enable the Chief Executive Officer and World Vision Australia management to meet this responsibility.

The Chief Executive Officer has appointed an Executive Team to be responsible for various divisions of the organisation and has sub-delegated various authorities accordingly. As well as acting individually within their respective authorities, Executive Team members also act collectively to advise the Chief Executive Officer on matters where a collective process will improve organisational results. To this end the Executive Team generally meets on a weekly basis, with additional retreat style meetings scheduled quarterly.

## STRUCTURING THE BOARD TO ADD VALUE

#### *Board composition*

The Board is comprised entirely of independent non-executive directors who have a broad range of skills and who individually and collectively exercise their judgment to ensure optimum results for the organisation. Whilst the Board currently considers that, collectively, the directors have the necessary capabilities required to direct World Vision Australia, it continues to review the combined Board skills in the light of the challenges facing the organisation and impending Board member retirements. The Board Development and People Committee is responsible for seeking out, liaising with and assessing the appropriateness of potential Board members. A thorough induction program has been implemented for new Board members to assist them to become quickly effective in their role.

Directors are initially appointed for a term of three years with the option of two additional terms, subject to satisfactory performance. Prior to re-appointment, directors undergo a Peer Review interview with fellow directors. This process is designed to review and assess the individual's performance as a director and his/her continued commitment to the Mission of the organisation. Under limited circumstances, including the appointment to a World Vision International directorship, a director may be appointed for an additional term.

The Chair and Deputy Chair of the Board are elected annually. World Vision Australia's Constitution does not permit any employee of World Vision Australia, including the Chief Executive Officer, to be a director of World Vision Australia.

#### *Board Chair*

The Board Chair's primary responsibility is to ensure the integrity of the Board's processes. The Chair maintains the relationship between directors and management to ensure productive cooperation. Ms Anne Robinson was elected Board Chair in November 2005 and has since been re-elected annually.

#### *Board meetings and Board committees*

The Board meets at a frequency that allows it to discharge its duties. This is generally five times each year but additional meetings are scheduled as required. In 2009, the Board met four times and is scheduled to meet six times in 2010. (This reflects timing only, rather than a decision to alter the number of meetings). Workshops or forums are held whenever it is necessary for the Board and the management team to examine strategic issues. Opportunities are also created for Board members to receive and discuss, on both formal and informal bases, information about the organisation's activities. The Board conducts an annual retreat during which complex and/or controversial issues that cannot be effectively handled during a regular Board meeting are discussed in detail.

The Chief Executive Officer and members of the Executive Team participate in Board meetings. Agenda setting is a collaborative process that is coordinated by the Company Secretary, guided by a formal calendar of activities, with input from the Board Chair, Committee Chairs, the Chief Executive Officer and the Executive Team, with final approval by the Board Chair.

The Board does not delegate major decisions to committees but charges various committees with the responsibility to consider detailed issues and to make appropriate recommendations to the Board. The charters of the two Board committees were refreshed in November 2008 and a new process was introduced that requires each committee to review its own performance against the expectations of the charters. The committees will report their findings, together with any proposed changes, formally to the full Board annually.

#### *Board Executive Committee*

The Board Executive Committee meets in exceptional circumstances between meetings of the full Board. The Executive Committee includes the Chair and Deputy Chair, the other Committee Chairs and an additional director elected by the Board. Its purpose is to assist the Board by carrying out specific tasks as delegated by the full Board. The Executive Committee did not meet during the reporting period.

#### *Board Development and People Committee*

The Board Development and People Committee reviews and contributes to Board and organisational human resource strategies and policies. In particular, the committee is responsible for:

- assisting the Chair and the Board in evaluating the performance and remuneration of the Chief Executive Officer;
- monitoring and evaluating individual director performance, Board and Committee Chair performance and collective Board performance;
- nominating potential new Board members; orienting and training Board members;
- reviewing policy recommendations and guidelines relating to significant human resources issues, including the terms of employment and remuneration for executives, strategies and succession planning; and
- monitoring organisational culture and compliance with the Mission and Core Values of World Vision Australia.

At the date of this report, members of this committee were Colin Carter (Chair), Louise Baur, John Conn, Michael Prince and Anne Robinson.

#### *Audit Committee*

Details of the role, functions and membership of the Audit Committee are set out below under "Safeguard Integrity in Financial Reporting" and "Recognising and Managing Risk".

#### *Conflicts of interest*

Any actual or potential conflict of interest must be fully disclosed to the Board. The Board has adopted a comprehensive Conflict of Interest Policy designed to ensure that any potential conflicts are disclosed, considered and handled appropriately.

#### *Independent advice*

Any director may seek such independent legal, financial or other advice as he/she considers necessary, at World Vision Australia's expense, provided the advice sought is in writing and is directly relevant to World Vision Australia affairs.

At the date of this report, members of this committee were Colin Carter (Chair), Louise Baur, John Conn, Michael Prince and Anne Robinson.

## PROMOTING ETHICAL AND RESPONSIBLE DECISION MAKING

### *Conduct and ethics*

The Board expects World Vision Australia as a whole, every director and employee to conduct themselves with the highest ethical standards.

World Vision Australia has a Code of Conduct which outlines the organisation's expectations and enables directors and employees to share a common understanding regarding how to conduct themselves in a manner that upholds and maintains World Vision Australia's Core Values.

Understanding the Core Values is an integral part of director and employee induction programs.

World Vision Australia also has a Whistleblower Policy designed to reinforce a culture in which honesty, integrity and business ethics are part of the everyday behaviour at World Vision Australia. The policy applies to employees, volunteers, contractors and the general public in relation to reports concerning improper conduct. World Vision Australia is committed to protecting and respecting the rights of a person who reports improper conduct in good faith and will not tolerate any retaliatory action or threats of retaliatory action against any person who has made or who is believed to have made a report of improper conduct.

### *Responsible decision making*

With the Core Values and its Code of Conduct as the abiding framework, World Vision Australia aims to place decision-making authority and the related accountability as close to those affected by the decision as possible. Decisions on matters involving highest risk and broadest scope are made by the Board or the Chief Executive Officer following the appropriate consultative and informative process.

## SAFEGUARDING INTEGRITY IN FINANCIAL REPORTING

### *Audit Committee*

The role of the Audit Committee is to assist the Board to meet its responsibilities for the integrity of World Vision Australia's financial reporting, compliance with external regulatory frameworks and internal standards, the effectiveness of the internal control and risk management framework, and the effectiveness of internal and external audit functions. To this end, the Audit Committee:

- oversees the financial reporting process to ensure the balance, transparency and integrity of published financial information;
- reviews the adequacy and disclosure of financial statements, and reviews budgets;
- reviews the effectiveness of internal control and risk management systems and approves the annual schedule of proposed internal audit activities;
- approves audit reports and risk management issues and reviews financial and operational risk assessments;
- oversees the external audit function, including recommending the appointment of, liaising with and assessing the performance of the external auditor;
- monitors management responses to audit issues;
- provides advice on financial and other issues; and
- considers matters raised by management, initiating enquiries in the areas of ethics, due diligence investigations, insurance, legal issues and statutory requirements.

The Audit Committee must satisfy itself as to the independence of the external auditor. This includes monitoring the ongoing relationships which former partners and employees of the external auditor have with World Vision Australia, and the services they supply to World Vision Australia, and monitoring the employment of such persons in senior management positions at World Vision Australia and their appointment as directors. The Audit Committee reviews any proposed appointment of former partners or employees of the external auditor to any executive role within World Vision Australia.

The committee has an appropriate number of members with formal qualifications to assist the committee to discharge the technical aspects of these responsibilities. At the date of this report, members of the Board Audit Committee were Shannon Adams (Chair), Barry Pipella, Rob Goudswaard, John Harrower, George Savvides and Donna Shepherd.

## MAKE TIMELY AND BALANCED DISCLOSURE

Disclosure is inextricably linked with accountability to stakeholders. World Vision Australia and the broader World Vision International Partnership is committed to continually improving the mechanisms by which it internally gathers information and reports to its stakeholders on progress towards delivering on its commitments and use of the resources entrusted to it.

## RECOGNISING AND MANAGING RISK

World Vision Australia is committed to an organisational culture that enables it to achieve its strategic objectives through appropriate management of risk. To this end the Board approved a Risk Management Policy and Guidelines which, together with sound risk management practices, help World Vision Australia take advantage of opportunities while also mitigating threats to its objectives and operations. The process used by World Vision Australia to identify, analyse, prioritise and treat risk is consistent with the Australian and New Zealand Risk Management Standard AS 4360:2004.

Commitment from all levels of the organisation is required to demonstrate behaviours which are consistent with a risk-conscious culture. All staff have a role to play, and are made aware of that role, in achieving World Vision Australia's strategic objectives.

The Board is responsible for considering and approving strategies and policies to ensure appropriate risk management, and approves and monitors compliance with the Risk Management Policy and Guidelines. The Board has delegated oversight of the Risk Management Policy to the Audit Committee including review of the effectiveness of World Vision Australia's internal control framework and risk management processes.

Management is responsible for designing, implementing, reviewing and providing assurance as to effectiveness of the policy. Risk assessments are conducted and risks across the organisation are identified for analysis, treatment and/or monitoring. These risks are rated and assigned to members of the Executive Team and other senior managers as "risk owners" who are responsible for management of each risk. The risk owner adopts and approves the risk treatment plan or other mitigating strategy for their area of risk. Risk treatment plans include measures such as periodic audits and internal reviews of processes and policies.

## REMUNERATING FAIRLY AND RESPONSIBLY

### *Policy*

World Vision Australia's Remuneration Policy strives to reach an appropriate balance between the need to recruit and retain appropriately motivated, skilled and experienced staff to carry out the strategic objectives of the organisation, with the organisation's Christian Mission, not-for-profit status and reliance on donated funds. Generally, World Vision Australia positions salary packages at the 25th percentile of the industry rate. For executive staff reporting directly to the Chief Executive Officer, salaries are positioned at the 10th percentile. World Vision Australia uses the Hay Group as its source of general market information and to establish the benchmark rates.

### *Directors*

No fees are paid for serving as a director. World Vision Australia does reimburse reasonable out of pocket expenses incurred by directors in the course of acting as directors of World Vision Australia. These include travel and accommodation expenses required to attend Board meetings, and training and development costs. Every effort is made to keep all costs within very modest budgets.

### *Executives*

The remuneration of the Chief Executive Officer and the Executive Team is reviewed on an annual basis by the Board Development and People Committee and recommendations made to the Board for approval. Details of remuneration of the Chief Executive Officer and Executive Team are included under "Remuneration of key management personnel".

# DIRECTORS



**ANNE ROBINSON  
(CHAIR)**  
BA, LLB (HONS), FAICD

## **SPECIAL RESPONSIBILITIES**

EXECUTIVE COMMITTEE (CHAIR), MEMBER OF BOARD DEVELOPMENT & PEOPLE COMMITTEE

Anne Robinson joined the Board in 2000 and was elected as Board Chair in November 2005. Anne is principal of the legal firm, Prolegis, which provides legal services to not-for-profit organisations. She has been involved in governance of a number of Christian Ministry organisations for over 26 years. She is also a director of World Vision International (USA). Anne graduated BA LLB with honours in international trade law and has published papers on international law, ecclesiastical law and religious freedom.



**SHANNON ADAMS**  
LLB, FAICD

## **SPECIAL RESPONSIBILITIES**

AUDIT COMMITTEE (CHAIR), EXECUTIVE COMMITTEE (DEPUTY CHAIR)

Shannon Adams joined the Board in 2005. Shannon is a lawyer who has advised financial institutions and insurers for over 26 years. He has been the managing partner of several legal firms and is presently a partner at Langes+. He specialises in financial services, insurance law and corporate governance, with a strong emphasis on the mutuals sector.

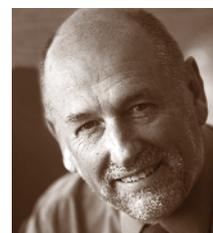


**DR LOUISE BAUR**  
BSC (MED), MB, BS (HONS),  
FRACP. PHD

## **SPECIAL RESPONSIBILITIES**

BOARD DEVELOPMENT & PEOPLE COMMITTEE

Dr Louise Baur joined the Board in 2007. Louise is Professor in the Discipline of Paediatrics & Child Health at the University of Sydney. She is a consultant paediatrician at The Children's Hospital at Westmead, the main paediatric institution in Sydney.



**COLIN CARTER**  
B.COM, MBA

## **SPECIAL RESPONSIBILITIES**

BOARD DEVELOPMENT & PEOPLE COMMITTEE (CHAIR)

Colin Carter joined the Board in 2008. Colin has over 31 years consulting experience advising on business strategy, corporate governance and organisational issues. Colin retired from full-time consulting work with The Boston Consulting Group in 2001 and has since been a director of Origin Energy Ltd and a Commissioner of the Australian Football League. Colin currently serves on the boards of Wesfarmers Limited, Seek Limited and the Geelong Football Club as a non-executive director. He is also a director of The Cape York Institute for Policy and Leadership and is chairman of Indigenous Enterprise Partnerships.

# DIRECTORS



**JOHN CONN**

BA (ACCOUNTING), GRAD DIP (ARTS), GRAD DIP OF FINANCIAL PLANNING, FAICD

**SPECIAL RESPONSIBILITIES**

BOARD DEVELOPMENT & PEOPLE COMMITTEE

John Conn joined the Board in 2004. John is a former General Manager at Australia and New Zealand Banking Group Limited. He is a Fellow of the Australian Institute of Company Directors and has attended senior executive programs at the Australian Graduate School of Management and the University of Washington, USA.



**ROBERT GOUDSWAARD**

B EC, GRAD DIP CORP FIN, GAICD

**SPECIAL RESPONSIBILITIES**

AUDIT COMMITTEE

Rob Goudswaard joined the Board in 2008. Rob has over 28 years of experience with Australia and New Zealand Banking Group Limited in various roles including General Manager of Personal Banking Asia and Pacific, Chief Operating Officer with ANZ Small to Medium Business and Managing Director, Regional, Rural & Small Business Banking. Rob is currently ANZ's Chief Risk Officer Institutional and a director of ANZ Trustees. He is a Fellow of the Williamson Leadership Community Program and a Fellow of the Financial Services Institute of Australasia. Rob has a Bachelor of Economics from Latrobe University and a Postgraduate degree in Corporate Finance from RMIT and attended the Senior Management Programmes at Melbourne Business School and London Business School.



**BISHOP JOHN HARROWER**

OAM, BE, BA, CENG CEI; MICHEME. THL RIDLEY, ADV DIP MISSL STUD. MA (THEOL), FAICD

**SPECIAL RESPONSIBILITIES**

AUDIT COMMITTEE

Bishop John Harrower joined the Board in 2006. John graduated with honours in Chemical Engineering from Melbourne University in 1970 and worked as a petroleum engineer with Mobil Oil. During these years he pursued studies in economics and political science, completing a Bachelor of Arts. A change of direction stemming from an invitation to work as a university lay chaplain took him to the Anglican Missionary training college in Melbourne in 1977. John lived and worked in Argentina for nine years in university chaplaincy, book publishing and distribution. He was ordained a priest in 1986 and was installed as the 11th Bishop of Tasmania in 2000. In that same year he was awarded a Medal of The Order of Australia "for service to the community through the Anglican Church and as a missionary". John holds senior positions on mission boards and national committees of the Anglican Church.



**BARRY PIPELLA**

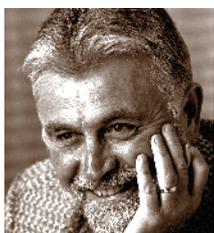
FAICD

**SPECIAL RESPONSIBILITIES**

AUDIT COMMITTEE

Barry Pipella joined the Board in 2005. He is the Vice President for Sector and Sales (Australia and New Zealand) for IBM Global Technology Services and is responsible for the growth of application and infrastructure outsourcing and hosting services in the region.

# DIRECTORS



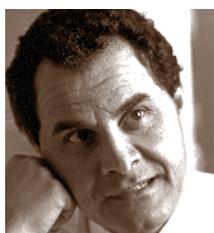
**MICHAEL PRINCE**

*BA (HONS), MASTER OF CHRISTIAN STUDIES, DIP PROF COACHING*

**SPECIAL RESPONSIBILITIES**

EXECUTIVE COMMITTEE, BOARD DEVELOPMENT & PEOPLE COMMITTEE.

Michael Prince joined the Board in 2006. Michael runs a consultancy business specialising in assessing, designing, implementing and evaluating projects on building capacity and institutional strengthening. He graduated with a Bachelor of Arts from the University of Western Australia and a Master of Arts in Christian Studies from Regent College, Vancouver, Canada.



**GEORGE SAVVIDES**

*BE (HONS), MBA, FAICD*

**SPECIAL RESPONSIBILITIES**

EXECUTIVE COMMITTEE, AUDIT COMMITTEE

George Savvides joined the Board in 1998 and is also a Director of World Vision International. He established a career in the healthcare industry with CIG Healthcare, Smith and Nephew, and Sigma Co Ltd and is currently Managing Director of Medibank Private Ltd. George graduated in Engineering at the University of NSW and obtained an MBA from the University of Technology in Sydney. He is a Councillor of the International Federation of Health Plans, a Fellow of the Australian Institute of Company Directors and an Executive Member of Australian Health Insurance Association.



**DONNA SHEPHERD**

*BA, MASTER OF INTERNATIONAL AND INTERCULTURAL MANAGEMENT, GAICD*

**SPECIAL RESPONSIBILITIES**

AUDIT COMMITTEE

Donna Shepherd joined the Board in 2008. Donna is the Managing Director of Creating Communities Australia, a community and economic development consultancy. She has over 24 years experience as a social planning consultant, community engagement specialist and educator with a number of international companies and NGOs in the USA, Tunisia, Ecuador and Australia. Donna is on the Advisory Board for the University of Western Australia Extension Board.

**ANGELA MILNE  
(COMPANY SECRETARY)**

*B BUS(ACC), CPA, AaicD*

Angela Milne commenced with World Vision Australia in June 2008 and was appointed as Company Secretary in August 2009. Angela joined World Vision with over 25 years experience with Shell Australia Limited in finance and governance roles, the last six of which were as a Company Secretary.

# EXECUTIVE TEAM



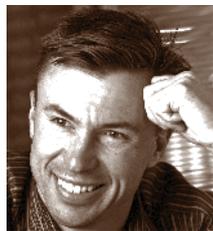
## **TIM COSTELLO**

*B JURIS LLB, DIP ED, BDIV,  
MTHEOL*

### **SPECIAL RESPONSIBILITIES**

CHIEF EXECUTIVE OFFICER

Rev Tim Costello is a pre-eminent Australian who has devoted his life to health, welfare and social justice in Australia and globally. He is an authoritative national voice of social conscience, and has led public policy debates on urban poverty, homelessness, gambling addiction, reconciliation with Indigenous Australia, and the elimination of global poverty. In 1984, he established a socially active ministry at St Kilda Baptist Church and in 1994 became Minister at Collins Street Baptist Church where he established Urban Seed, a not-for-profit outreach service for the urban poor. In 2005, Tim was made an Officer of the Order of Australia and in 2006 was Australian of the Year for Victoria. Tim was appointed Chief Executive Officer of World Vision Australia in 2004. He is also co-chair of Make Poverty History, a coalition of 60 Australian aid agencies working together to raise awareness on issues surrounding global poverty.



## **PAUL RONALDS**

*BEC LLB (HONS), GRAD DIP APP  
FIN, MA (INTERNATIONAL  
RELATIONS)*

### **SPECIAL RESPONSIBILITIES**

DEPUTY CEO AND  
DIRECTOR OF STRATEGY

Paul joined World Vision as Director of Policy and Programs in 2004. During 2008, Paul took on a new role as Deputy CEO and Director of Strategy. Paul has a background in law, business and economics. He worked in corporate law with national law firm Freehills and co-founded wishlist.com.au, one of Australia's most successful e-commerce companies. Paul also held the role of Chief Operating Officer of Urban Seed, a small, non-profit outreach service assisting marginalised people living in inner Melbourne. In 2002, he was awarded a Vincent Fairfax Fellowship in ethics and leadership. From 2006-2008, Paul served as an industry representative on the Australian Council for International Development Code of Conduct Committee. He is the author of *The Change Imperative: Creating a Next Generation NGO*, a book on organisational challenges faced by NGOs in a rapidly evolving global political context.



## **GRANT DAWSON**

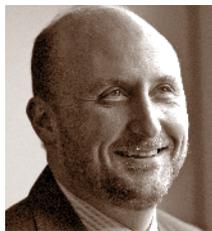
*BCOM, MBA, ACA*

### **SPECIAL RESPONSIBILITIES**

DIRECTOR OF SHARED  
SERVICES AND CHIEF  
FINANCIAL OFFICER

Grant joined World Vision Australia as Chief Financial Officer in July 2005. His primary focus is to ensure prudent management and reporting of all monetary resources at World Vision Australia. Previously Grant worked for Coopers and Lybrand, predominantly in accounts and tax before moving into accounting and financial management, mainly in the food industry. Grant also spent many years working in Asia, primarily on financial stewardship and acquisitions in China for HJ Heinz.

# EXECUTIVE TEAM



**DAVID PATERSON**  
BBUS

## **SPECIAL RESPONSIBILITIES**

DIRECTOR OF ENGAGEMENT

David joined World Vision Australia in 2007 to oversee the organisation's engagement of the Australian community. His team includes marketing, media and public affairs, communications, product development, and corporate and major donors. David has had an international career in marketing and strategy consulting. He was Chief Strategy Officer of the global XM group, and of TCG (the George Patterson group of companies); Asia-Pacific Director of Strategy for Bates Worldwide; and Director of Business Consulting with Arthur Andersen. Most recently he acted as the Chief Marketing Officer of Medibank Private Ltd. David is a Fellow of the Williamson Community Leadership Program, a co-founder of the Bridge Project, and is a Board member of YMCA Victoria.



**CONNIE LENNEBERG**  
BA (HONS), MA RESEARCH  
(RURAL DEVELOPMENT)

## **SPECIAL RESPONSIBILITIES**

DIRECTOR OF POLICY AND PROGRAMS

Conny joined World Vision in 2003 and oversees our international and Australian field work and advocacy activities. With over 25 years of experience in community development theory, research and practice, Conny has worked in a professional capacity with a wide range of international NGOs in Australia and overseas. In addition, she co-chairs the Development Practice Committee of the Australian Council for International Development, which is mandated to represent and support continual improvement in Australian NGO effectiveness.



**FIONA MCLEAY**  
BA (HONS) LLB, LLM (MELB), LLM  
(NYU)

## **SPECIAL RESPONSIBILITIES**

HEAD OF PRODUCT

Fiona joined World Vision Australia in February 2006. Fiona was admitted to legal practice in 1996. From 1998 until February 2006, she worked at national law firm Clayton Utz in Melbourne. Apart from her practice in construction and engineering law, Fiona was the pro-bono coordinator for the Melbourne office of the firm, and the national director of Community Connect, the firm's corporate social responsibility program, which she pioneered. In 2004, Fiona was awarded a scholarship to New York University Law School to undertake the Master of Laws in Public Service Law program. Fiona is on the Board of the Human Rights Law Resource Centre. During her time at World Vision Australia, she has held the positions of General Counsel, Company Secretary, Chief Risk Officer, Acting Head of Advocacy, Program Effectiveness and Learning, and most recently, Head of Product in the Engagement Group.

# EXECUTIVE TEAM



**MELANIE GOW**  
BA (HONS), MA (DEV), LL.M

## SPECIAL RESPONSIBILITIES

HEAD OF ADVOCACY AND PROGRAM EFFECTIVENESS

Melanie rejoined World Vision Australia in 2004 after five years with World Vision International, where she held various positions including Deputy Director for International Policy and Advocacy. Based in Geneva, Melanie worked closely with UN agencies and international NGOs on a range of human rights issues. She has undertaken extensive research on violence against children, refugee and asylum-seeking children, child labourers and children affected by armed conflict. Melanie's current position includes responsibility for our technical policy and program experts, our campaigns and global education teams as well as our program quality advisors, and spiritual engagement team. Melanie is a member of the Advisory Board of Researchers for Asylum Seekers at the University of Melbourne.



**JENNY WARD**  
BA, BEC (HONS), POST GRAD DIP (JAPANESE), MBA

## SPECIAL RESPONSIBILITIES

DIRECTOR OF PEOPLE, CULTURE AND LEARNING

Jenny joined World Vision Australia in November 2009 to provide strategic oversight and management support in the area of Human Resource Management. She has had an extensive career in economics and strategic human resource management in both industry and consulting. She has considerable global HR experience having worked for several multinational organisations and lived in locations as diverse as China, Japan and the USA. Jenny joins World Vision from BHP Billiton, where she held senior management roles in HR operations and strategic people resourcing.



**BOB MITCHELL**  
LLB, MPHIL, MTHST, GRAD DIP TAX, GRAD DIP THEOL, GRADCERTMIN

## SPECIAL RESPONSIBILITIES

DIRECTOR OF LEGAL, RISK AND GOVERNANCE

Bob joined World Vision Australia in February 2009. He has been a solicitor for over 20 years, and was a Tax Partner at PricewaterhouseCoopers for 14 years. He has been a board member of several non-for-profit organisations including BlueCare, The Timor Children's Foundation, World Relief, and The PwC Foundation.

# FINANCIAL PERFORMANCE AND POSITION

See pages 98 – 128 for our full Annual Statements and Accounts including detailed notes to the Financial Statements.

## RESULTS AT A GLANCE

This year, lower cash income contributed to a five percent reduction in cash disbursements to overseas programs. Cost savings assisted in reducing the impact of lower income.

- A total of \$302.1 million in cash and goods was disbursed to overseas programs in 2009.
- Cash disbursements to overseas programs fell \$3.1 million to \$223.8 million, while donated goods disbursed to projects increased \$5.8 million to \$78.3 million.
- Cash income fell \$4.1 million to \$278.3 million. Child sponsors donated \$202.4 million, which was a \$3.3 million reduction (1.6%) on 2008. The total number of child sponsorships fell by 5,505 during 2009 to 399,563.
- Cost savings in process efficiencies and travel contributed to a \$1.0 million reduction in administration expenses.
- The (\$12.9 million) deficit includes:

	<b>\$m</b>
Goods received in 2008 that were sent to projects in 2009	(10.0)
Tsunami income received in prior years and sent to projects in 2009	(4.0)
Domestic projects income received in 2009 that will be spent on projects in 2010	1.0
Operating surplus	0.1
Surplus/(deficit)	<b>(12.9)</b>

	<b>2009</b>	<b>2008</b>
	<b>\$m</b>	<b>\$m</b>
Child sponsorship	202.4	205.7
Other revenue	57.8	58.5
AusAID	18.0	18.1
<b>Cash income</b>	<b>278.3</b>	<b>282.4</b>
Donated goods	68.3	73.0
<b>TOTAL INCOME</b>	<b>346.6</b>	<b>355.4</b>
Fundraising	31.3	30.8
Administration	26.1	27.6
<b>Overheads</b>	<b>57.4</b>	<b>58.4</b>
<b>Overseas projects:</b>		
Cash	186.5	196.2
Contribution to World Vision International	23.2	17.0
Other project costs	7.8	8.0
Domestic projects	2.5	2.2
Community education	3.9	3.5
<b>Program (field ministry) disbursements – cash</b>	<b>223.8</b>	<b>226.9</b>
Overseas projects: donated goods	78.3	72.5
<b>Program (field ministry) disbursements</b>	<b>302.1</b>	<b>299.4</b>
<b>TOTAL DISBURSEMENTS</b>	<b>359.5</b>	<b>357.8</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(12.9)</b>	<b>(2.3)</b>



*Cash held in term deposits:* Funds collected for our overseas programs are placed in term deposits with the ANZ and Commonwealth banks, at an average interest rate of 3.7 percent, before being transferred to World Vision International on a quarterly basis.

*Working capital reserve:* World Vision Australia maintains an amount equivalent to eight weeks operating expenditure in Australian term deposits as a working capital reserve.

*Property:* In addition to cash held in term deposits and the working capital reserve, World Vision Australia owns the land and building where its head office is located at 1 Vision Drive, Burwood East, and a small investment property held in accordance with the terms of a bequest. See notes 12 and 13 to the Financial Statements on page 118 for additional details.

**Purchase of foreign currency:** All overseas projects supported by World Vision Australia are funded in US dollars. World Vision Australia purchases US dollars which it transfers to World Vision International. To minimise the risk of adverse currency exchange rate movements affecting our ability to meet the budgeted commitments we have made to field programs, World Vision International enters into foreign currency hedging arrangements on behalf of and following instructions from World Vision Australia. During 2009, forward exchange currency contracts for 2010 field payments were entered into at an effective exchange rate of 0.75583. Rates rose during the latter part of the financial year, and by the balance date the effective exchange rate was 0.86448. The hedging reserve was re-valued at 30 September 2009 to record the \$12.0 million loss on these hedges, which is recorded as a liability in the balance sheet.

#### **How funds were spent**

Of \$359.5 million in cash and donated goods disbursed during 2009, 84 percent went to program (field ministry) costs.



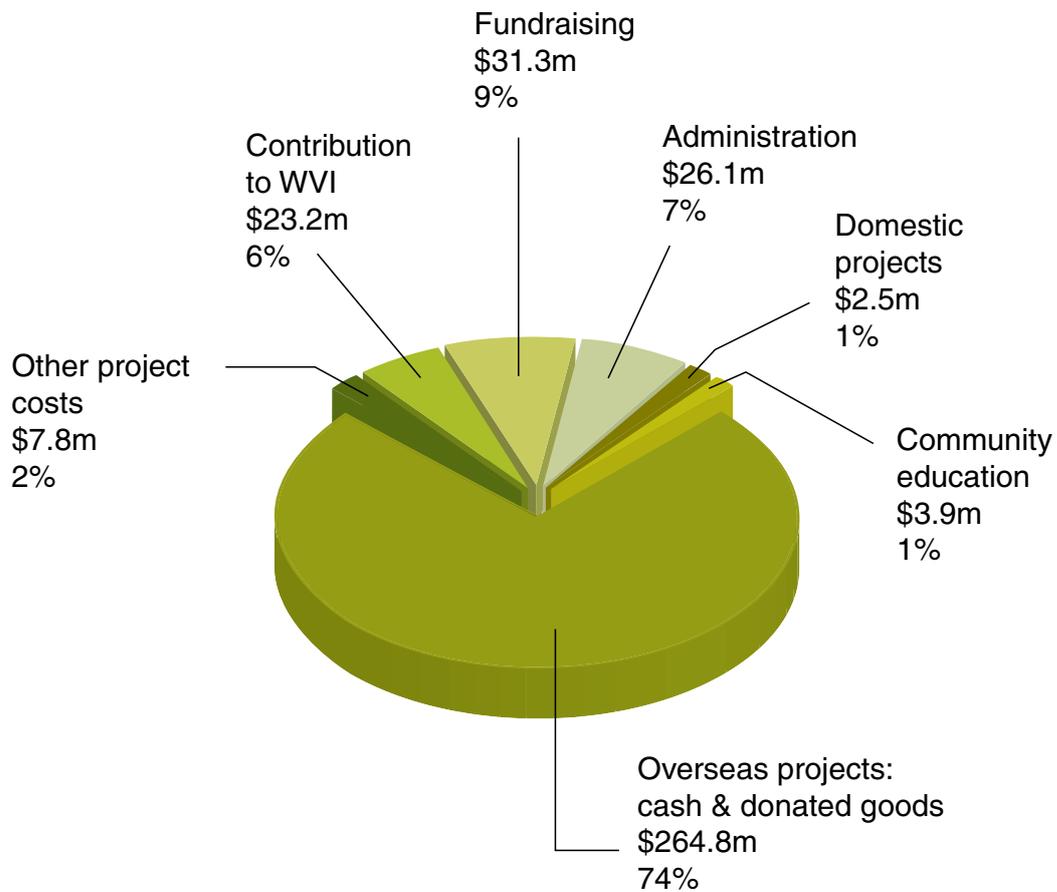
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## 2009 – HOW FUNDS WERE SPENT

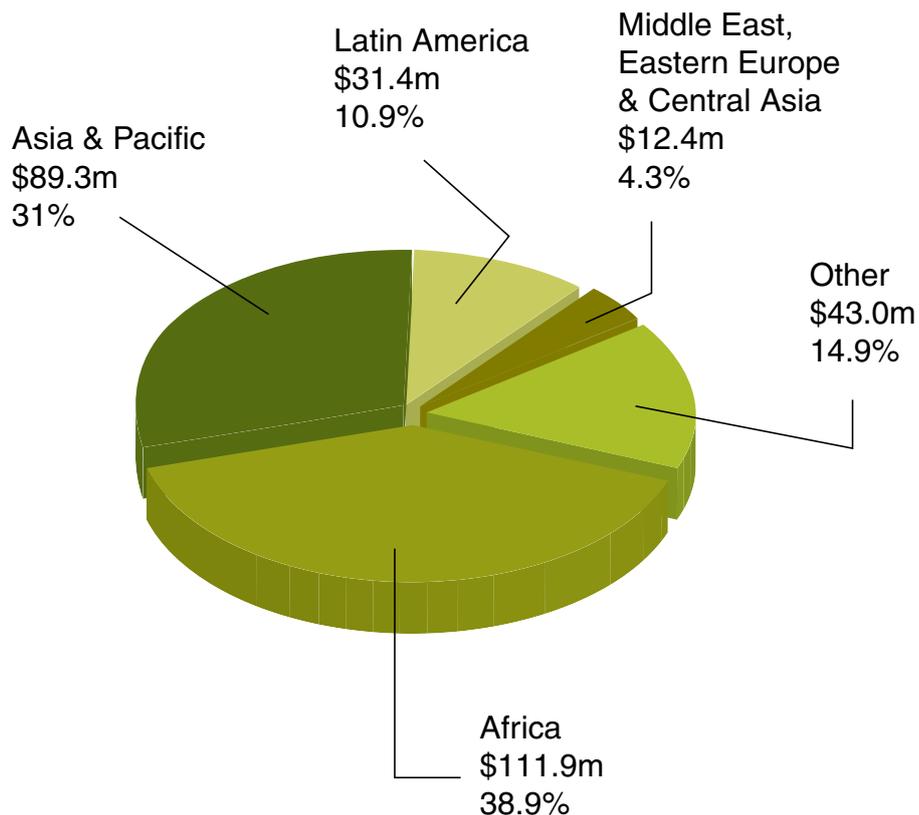
Program (field ministry) costs		84%
Overseas projects: cash, donated goods (74%)	Includes all funds, food (including WFP contracts) and goods (including medicines) disbursed to our international programs as well as reserves* designated for programs and held by World Vision International on our behalf.  *Reserves includes funds programmed for future years and unprogrammed funds designated for use in our international programs which have not yet been allocated to a specific project budget.	Overseas disbursements to support our relief and development work with communities fell by \$3.9m (1.4%) to \$264.8m. Cash disbursements reduced by \$9.7m (5%) to \$186.5m, including tsunami funds of \$4.0m. Food and goods increased \$5.8m to \$78.3m.
Overseas projects: Contribution to World Vision International (6%)	Includes World Vision Australia's contribution to the operating costs of World Vision International. For more information on our relationship with World Vision International, see the section titled "How we work with other World Vision offices" on pages 3 to 4.	The 2008-2009 devaluation of the Australian dollar contributed to World Vision Australia sending an additional \$2.7m (15%) to World Vision International to cover management costs that are paid in US currency. The total contribution was \$23.2m.
Overseas projects: other project costs (2%)	Includes costs associated with quality advisors and sector specialists in areas such as health and economic development, who are employed in Australia to assist with the design, monitoring and evaluation of the programs we support to ensure maximum impact.	Travel cost control contributed to a \$0.2m (3%) reduction in project management expenses to \$7.8m.
Domestic projects (1%)	Includes our program work here in Australia on Indigenous development programs, Birrung Gallery and KIDS HOPE AUS.	The growing focus on Indigenous development programs contributed to a \$0.3m (14%) increase in domestic projects spending to \$3.9m.
Community education (1%)	Includes the costs associated with public awareness campaigns in Australia, and advocacy activities which seek to bring about change in government and institutional policies.	Expenses on community education and advocacy increased \$0.4m (11%) to \$3.9m.
Overhead costs		16%
Administration (7%)	Includes the costs of our call centre, information technology, finance and accounting functions, human resources, legal and risk management, the CEO and management teams.	Savings in process efficiencies and travel costs contributed to a \$1.5m reduction in administration costs to \$26.1m.
Fundraising (9%)	Includes the cost of marketing, creative services and publishing, to attract new supporters for our poverty alleviation activities.	Fundraising expenses increased \$0.5m (2%) to \$31.3m.

Pic A - In Cambodia, sponsorship has enabled Chovoan to return to school after dropping out when his family migrated to another province.

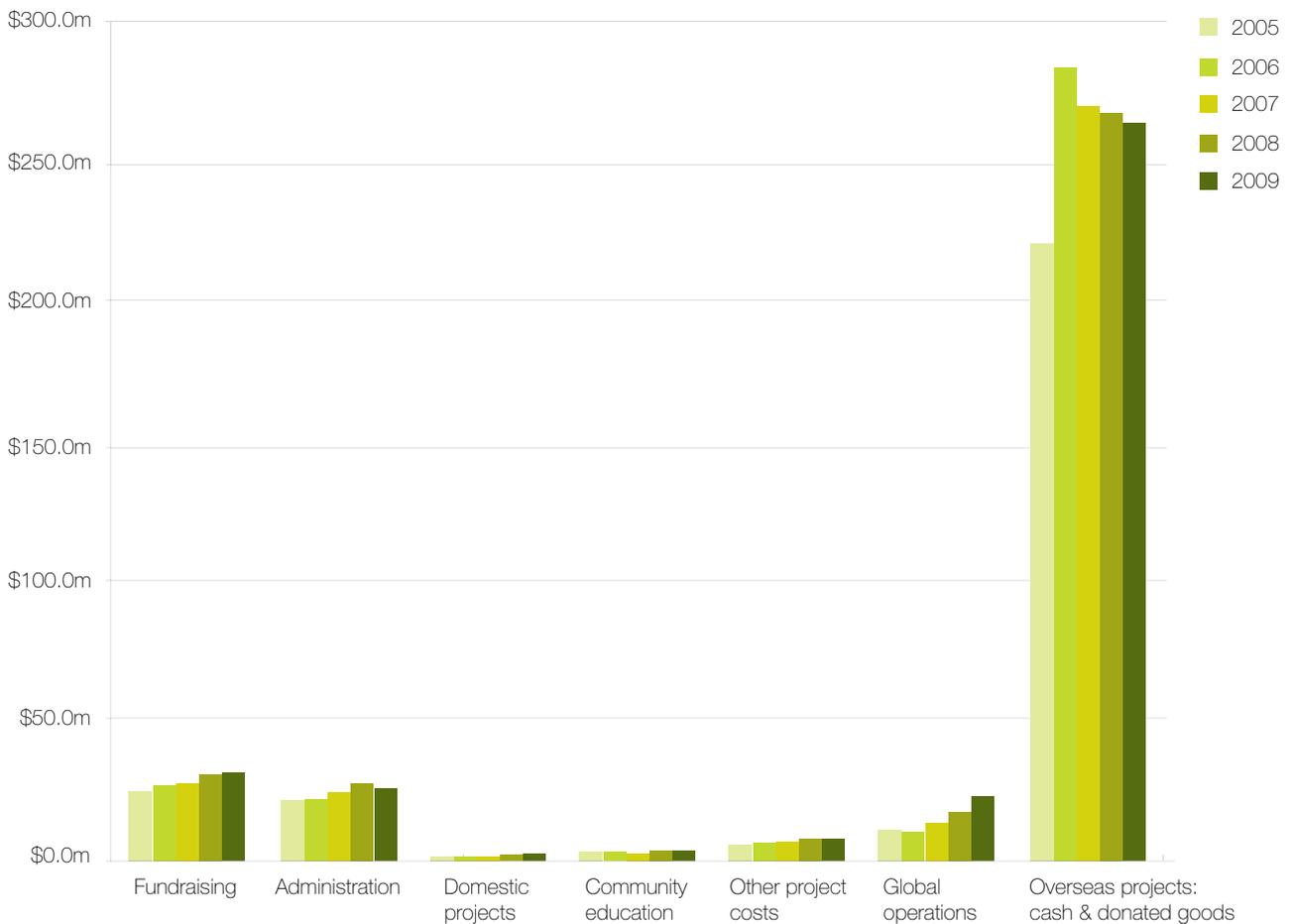
## HOW FUNDS WERE SPENT



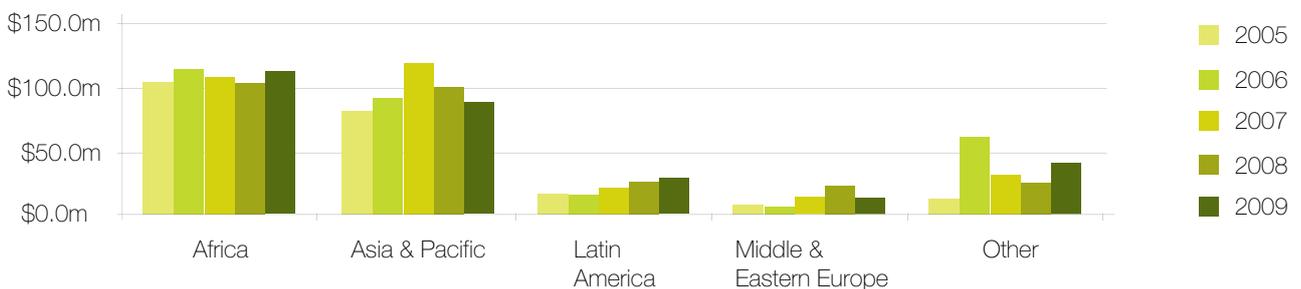
## FUNDS SENT TO OVERSEAS PROJECTS: CASH, FOOD AND GOODS



## HOW THE FUNDS WERE SPENT – FIVE YEAR HISTORY



## OVERSEAS PROJECTS: CASH, FOOD AND GOODS – FIVE YEAR HISTORY



### Where does a \$1 cash donation go?

In 2009, World Vision Australia received \$346.6 million in income which was made up of \$278.3 million in cash and \$68.3 million in donated goods such as food and medicine.

Of \$278.3 million in cash income:

- 21 cents per dollar was spent on overheads (fundraising and administration), and
- 79 cents per dollar was spent on ministry disbursements (domestic projects and community education and overseas projects excluding Tsunami).

# SUMMARISED FINANCIAL REPORT

PREPARED IN ACCORDANCE WITH THE ACFID CODE OF CONDUCT

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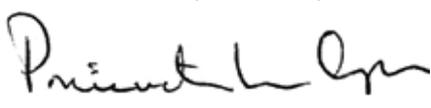
These reports are presented in Australian dollars. World Vision Australia is a public company limited by guarantee, incorporated and domiciled in Australia.

### *Independent audit report*

## TO THE MEMBERS OF WORLD VISION AUSTRALIA

We have audited the summarised financial report of World Vision Australia for the financial year ended 30 September 2009, comprising the income statement, balance sheet, cash flow statement, statement of changes in equity and table of cash movements for designated purposes, in accordance with Australian Auditing Standards.

In our opinion, the information reported in the summarised financial report is consistent with the annual statutory financial report from which it is derived and upon which we expressed an unqualified audit opinion in our report to the members dated 27 November 2009. For a better understanding of the company's financial position and performance, as represented by the results of their operations and their cash flows for the financial year, and the scope of our audit, this report should be read in conjunction with the annual statutory financial report and our audit report on that report.



PricewaterhouseCoopers

Melbourne 27 November 2009



Charles Christie Partner

# INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	2009	2008
	\$	\$
<b>REVENUE</b>		
<b>Operating Revenue</b>		
Donations and gifts – monetary & non-monetary		
- Child sponsorship	202,431,152	205,698,680
- 40 Hour Famine	5,442,381	5,193,681
- Asian Tsunami Appeal	0	51,464
- Other emergency and other appeals	19,205,489	24,113,831
- Other cash donations	22,755,816	18,578,534
- Donated goods	68,291,106	73,038,550
	318,125,944	326,674,740
Legacies & Bequests	3,206,508	2,705,924
Grants		
- AusAID	18,025,346	18,111,187
- Other Australian	426,270	283,644
- Other Overseas	3,698,953	3,133,274
	22,150,569	21,528,105
<b>Other Income</b>		
Investment income	1,630,428	3,110,133
Fair Value gain on financial assets through Profit and Loss	63,800	0
Other	1,401,210	1,404,024
<b>Total Other Income</b>	3,095,438	4,514,157
<b>TOTAL REVENUE</b>	<b>346,578,459</b>	<b>355,422,926</b>
<b>EXPENSES</b>		
Overseas projects		
- Funds to overseas projects (cash & donated goods)	288,016,935	285,725,597
- Other project costs	7,754,728	8,018,317
	295,771,663	293,743,914
Domestic projects		
- Indigenous		
- Cash	2,461,330	1,784,810
- Donated goods	0	90,270
- Other domestic projects	0	298,224
	2,461,330	2,173,304
Community education	3,909,451	3,471,020
Fundraising costs		
- Public	31,286,069	30,783,515
- Government, multilateral and private	0	0
	<b>31,286,069</b>	<b>30,783,515</b>
Administration	26,091,460	27,582,434
<b>TOTAL EXPENSES</b>	<b>359,519,973</b>	<b>357,754,187</b>
Shortfall from continuing operations	<b>(12,941,514)</b>	<b>(2,331,261)</b>

# BALANCE SHEET

AS AT 30 SEPTEMBER 2009

	2009	2008
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash & cash equivalents	23,252,846	24,721,616
Financial Assets		
Receivables	724,333	1,466,239
Unrealised Currency Hedge receivable	0	8,177,769
Financial Assets at fair value through profit or loss	754,600	0
Inventories	357,447	418,321
Donated goods	1,426,922	11,433,467
Other	470,114	451,331
<b>Total current assets</b>	<b>26,986,262</b>	<b>46,668,743</b>
<b>Non current assets</b>		
Property, plant & equipment	25,501,377	26,881,180
Other	0	0
<b>Total non current assets</b>	<b>25,501,377</b>	<b>26,881,180</b>
<b>TOTAL ASSETS</b>	<b>52,496,639</b>	<b>73,549,923</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade & Other Payables		
Accounts payable	5,352,265	5,278,735
Unrealised Currency Hedge payable	12,043,384	0
Provisions	2,911,533	2,995,695
<b>Total current liabilities</b>	<b>20,307,182</b>	<b>8,274,430</b>
<b>Non current liabilities</b>		
Payables	0	0
Other	708,688	632,058
<b>Total non current liabilities</b>	<b>708,688</b>	<b>632,058</b>
<b>TOTAL LIABILITIES</b>	<b>21,015,870</b>	<b>8,906,488</b>
<b>NET ASSETS</b>	<b>31,480,769</b>	<b>64,643,435</b>
<b>Equity</b>		
Retained Earnings	43,524,153	56,465,666
Reserves	(12,043,384)	8,177,769
<b>TOTAL EQUITY</b>	<b>31,480,769</b>	<b>64,643,435</b>

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Retained Earnings	Reserves	Total
<b>Balance at 1 October 2008</b>		\$	\$
	56,465,667	8,177,769	64,643,436
Excess of revenue over expenses	(12,941,514)		(12,941,514)
Amount transferred to (from) reserves	0	(20,221,153)	(20,221,153)
<b>Balance at 30 September 2009</b>	43,524,153	(12,043,384)	31,480,769

The Statement of Changes in Equity in the audited financial statements is restated above in accordance with the Australian Council For International Development Code of Conduct. This unaudited special purpose Statement of Changes in Equity should be read in accordance with notes 1b to 28 of the audited financial statements.

# TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Cash available at 1 October 2008	Cash raised during year	Cash disbursed during year	Cash available at 30 September 2009
	\$	\$	\$	\$
Asian Tsunami Appeal	4,810,771	0	(4,029,849)	780,922
Other purposes	19,747,410	277,592,126	(275,040,494)	22,299,042
<b>Total</b>	<b>24,558,181</b>	<b>277,592,126</b>	<b>(279,070,343)</b>	<b>23,079,964</b>

# FULL ANNUAL STATEMENTS & ACCOUNTS

30 SEPTEMBER 2009

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These reports are presented in Australian dollars. World Vision Australia is a public company limited by guarantee, incorporated and domiciled in Australia.

### Principal Registered Office in Australia:

1 Vision Drive  
Burwood East, Victoria 3151  
(03) 9287 2233

### Directors:

A Robinson (Chair), S Adams (Deputy Chair), L Baur, C Carter, J Conn, R Goudswaard, J Harrower, B Pipella, M Prince, G Savvides, D Shepherd.

### Chief Executive:

T Costello

### Company Secretary:

A Milne (Appointed 16 August 2009)

### Auditor:

PricewaterhouseCoopers  
Freshwater Place  
2 Southbank Boulevard  
Southbank, Victoria 3006

### Solicitor:

Clayton Utz  
18/333 Collins Street  
Melbourne, Victoria 3000

### Banker:

Australia and New Zealand Banking Group Limited  
Level 5 (Podium) 530 Collins Street  
Melbourne, Victoria 3000

### Website address:

[www.worldvision.com.au](http://www.worldvision.com.au)

# DIRECTORS' REPORT

The Directors present their report with respect to the results of the company for the financial year ended 30 September 2009 and the state of the company's affairs at that date. The Directors in office at the date of this report are listed on page 83–85.

Attendance at Meetings	Full Board Meeting		Board Development and People Committee		Audit Committee	
	A	B	A	B	A	B
Current directors						
A Robinson (i)	4	4	3	3	5	2
S Adams	4	4			5	5
L Baur	4	4	3	3		
C Carter	4	4	3	3		
J Conn (ii)	4	3	1	1	4	4
R Goudswaard	4	4			5	4
J Harrower	4	4			5	5
B Pipella	4	2			5	2
M Prince	4	2	3	2		
G Savvides (iii)	4	4	2	2	1	1
D Shepherd (iv)	4	4			3	3

Column A indicates the number of meetings which the director was eligible to attend.  
Column B indicates the number of meetings attended by the director

- (i) The Chair is an ex-officio member of any Board committee and attends meetings at her discretion.
- (ii) Appointed to the Board Development & People Committee from 1 July 2009, ceased membership of Audit Committee 30 June 2009.
- (iii) Appointed to the Audit Committee from 1 July 2009, ceased membership of Board Development & People Committee 30 June 2009.
- (iv) Appointed to the Audit Committee from November 2008 but attended earlier meetings as an observer.

There were no meetings of the Executive Committee during 2009.

## Principal Activity

The principal activities of the Company during the year were international development, relief and advocacy. No significant change in those activities has occurred during this period.

## Results

The year's results were affected by

- (1) Asian Tsunami net disbursements of \$4 million for which income was received in 2005.
- (2) Goods in kind shipments of \$10 million for which income was recognised in 2008.

This contributed to disbursements exceeding income by \$13 million.

## Dividends

The Company's constitution does not permit dividends and therefore no dividends have been recommended or paid for the year under review.

## Review of Operations

In 2009, our total revenue was \$346.5 million, a decrease of 2.5% over 2008. In the same period, we disbursed \$359.5 million, resulting in a deficit for the year of \$13 million.

	FY09 (inc Asian Tsunami Appeal)	FY09 (Excl Asian Tsunami Appeal)	FY08 (inc Asian Tsunami Appeal)	FY08 (Excl Asian Tsunami Appeal)
	\$m	\$m	\$m	\$m
Revenue	346.5	346.5	355.4	354.9
Disbursements	359.5	355.5	357.7	352.7
Surplus/(Deficit)	(13.0)	(9.0)	(2.3)	2.2

The 2009, result was affected by the disbursement in the 2009 year of funds raised in previous years to help victims of the Asian Tsunami. During the year \$4m was disbursed, leaving \$0.8m remaining in trust for spending in future years. If the disbursement of the Asian Tsunami funds in 2009 were to be ignored, there would have been a deficit of \$9.0m in the 2009 year.

Contributions to overseas and domestic projects during 2009 totalled \$298.2, an increase of 1.2% over 2008.

Funds raised from the Australian public totalled \$253.0 million, a decrease of 1.3% over 2008. Revenue from child sponsorship decreased in 2009 by 1.6% to \$202.4 million. In 2009, there were 399,563 children in 39 countries sponsored through the child sponsorship program resulting in many more families and communities benefiting from this. Donated goods revenue decreased \$4.7million (-6.5%)

The total costs of fundraising and administration as a percentage of revenue (excluding the Asian Tsunami Appeal) was 16.6% in 2009 (16.4% in 2008).

Notwithstanding the \$ 9.0m deficit (excluding Asian Tsunami Funds), cash on hand has remained consistent with that of 2008 and indicates that the deficit has primarily arisen through a reduction in our GIK at balance sheet date compared with that held at the end of 2008.

The net assets position of the Company as at 30 September 2009 was also affected negatively by the movement in the USD/AUD exchange rate. In line with its hedging policy, the Company currently takes out forward contracts to hedge future commitments in US dollars. As at 30 September 2009, as a result of changes in exchange rates, the movement in fair value of hedging contracts resulted in a decline in net assets of \$20.2m (\$8.2m assets in 2008 to \$12.0m liability at 30 September 2009) compared to the prior year.

### Significant Changes in the State of Affairs

No significant changes occurred in the state of affairs of the company during the financial year.

### Matters Subsequent to the End of the Financial Year

Apart from the ongoing uncertainty being experienced in the global economy and its impact on World Vision Australia, since the year end no item, transaction or event of a material or unusual nature has arisen that is likely, in the opinion of the Directors, to substantially affect the results of the company's operations in the future.

### Likely Developments and Expected Results of Operations

World Vision Australia continues to focus on international aid and relief. No change to this principal activity is likely.

### Directors' Benefits

No Director of the company has received or has become entitled to receive a benefit, because of a contract made by the company, other than as described in Note 21 to the accounts.

### Insurance of Officers

The company has paid premiums to insure directors and officers against liabilities incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as an officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The total amount of the premium paid for this insurance was \$18,679 (2008 - \$18,559). This premium has not been included in the notes on Remuneration of Directors and Key Management Personnel (Notes 21 and 22).

### Environmental Regulations

World Vision Australia's operations are not subject to any particular or significant environmental regulations under any law of the Commonwealth or of a State or Territory. Notwithstanding, the directors are not aware of any breaches of any environmental regulations.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporation Act 2001* is set out below.

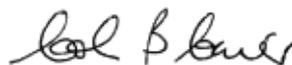
### Rounding of amounts

The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that Class Order to the nearest tenth of a million dollars.

This report is made in accordance with a resolution of the Directors.



Chairman  
Melbourne, 27 November 2009



Director

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of World Vision Australia for the year ended 30 September 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*, in relation to the audit;  
and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of World Vision Australia during the period.



Charles Christie  
Partner  
PricewaterhouseCoopers  
Melbourne 27 November 2009

Liability limited by a scheme approved under Professional Standards Legislation

# ANNUAL FINANCIAL REPORT

30 SEPTEMBER 2009

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This financial report covers World Vision Australia as an individual entity. The financial report is presented in the Australian currency.

World Vision Australia (WVA) is a public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

1 Vision Drive Burwood East, Victoria 3151

A description of the nature of its principal activities is included in the Directors' Report on page 99, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 27 November 2009. The company has the power to amend and reissue the financial report.

# INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	2009	2008
		\$	\$
<b>Operating Revenue</b>			
Donations and gifts from the Australian Public			
- Child sponsorship		202,431,152	205,698,680
- 40 Hour Famine		5,442,381	5,193,681
- Asian Tsunami Appeal	<b>3a</b>	0	51,464
- Other emergency and other appeals		19,205,489	24,113,831
- Other cash donations		22,755,816	18,578,534
- Donated goods	<b>3c</b>	68,291,106	73,038,550
		318,125,944	326,674,740
Legacies & Bequests			
		3,206,508	2,705,924
Grants			
- AusAID		18,025,346	18,111,187
- Other Australian Agencies		426,270	283,644
- Other Overseas Agencies		3,698,953	3,133,274
		22,150,569	21,528,105
<b>Total Operating Revenue</b>		<b>343,483,021</b>	<b>350,908,769</b>
<b>Other Revenue</b>			
Investment income		1,630,428	3,110,133
Fair Value gain on financial assets through Profit and Loss	<b>8</b>	63,800	0
Other		1,401,210	1,404,024
<b>Total Other Income</b>		<b>3,095,438</b>	<b>4,514,157</b>
<b>TOTAL REVENUE AND OTHER INCOME</b>		<b>346,578,459</b>	<b>355,422,926</b>
<b>Disbursements</b>			
Overseas projects			
- Cash	<b>4</b>	209,648,385	213,249,999
- Donated Goods	<b>4</b>	78,368,550	72,475,598
- Other project costs		7,754,728	8,018,317
		295,771,663	293,743,914
Domestic projects			
- Indigenous			
- Cash		2,461,330	1,784,810
- Donated goods		0	90,270
- Other domestic projects		0	298,224
		2,461,330	2,173,304
Community education			
		3,909,451	3,471,020

	Notes	2009	2008
		\$	\$
Fundraising costs			
- Public		31,286,069	30,783,515
- Government, multilateral and private		0	0
		<b>31,286,069</b>	<b>30,783,515</b>
- Administration		26,091,460	27,582,434
<b>TOTAL DISBURSEMENTS</b>	<b>5</b>	<b>359,519,973</b>	<b>357,754,187</b>
<b>Deficit of revenue over disbursements</b>		<b>(12,941,514)</b>	<b>(2,331,261)</b>

*The above income statement should be read in conjunction with the accompanying notes*

# BALANCE SHEET

AS AT 30 SEPTEMBER 2009

	Notes	2009	2008
		\$	\$
<b>Current assets</b>			
Cash & cash equivalents	6	23,252,846	24,721,616
Receivables	7	724,333	1,466,239
Unrealised Currency Hedge receivable	17	0	8,177,769
Financial Assets at fair value through profit or loss	8	754,600	0
Inventories	9	357,447	418,321
Donated goods	10	1,426,922	11,433,467
Other	11	470,114	451,331
<b>Total current assets</b>		<b>26,986,262</b>	<b>46,668,743</b>
<b>Non-current assets</b>			
Investment property	12	311,976	320,000
Property, plant & equipment	13	25,198,401	26,561,180
Other		0	0
<b>Total non-current assets</b>		<b>25,510,377</b>	<b>26,881,180</b>
<b>TOTAL ASSETS</b>		<b>52,496,639</b>	<b>73,549,923</b>
<b>Current liabilities</b>			
Accounts payable	14	5,352,265	5,278,735
Unrealised Currency Hedge payable	17	12,043,384	0
Provisions	15	2,911,533	2,995,695
<b>Total current liabilities</b>		<b>20,307,182</b>	<b>8,274,430</b>
<b>Non-current liabilities</b>			
Payables		0	0
Provisions	16	708,688	632,058
Other		0	0
<b>Total non-current liabilities</b>		<b>708,688</b>	<b>632,058</b>
<b>TOTAL LIABILITIES</b>		<b>21,015,870</b>	<b>8,906,488</b>
<b>NET ASSETS</b>		<b>31,480,769</b>	<b>64,643,435</b>
<b>Equity</b>			
Funds available for future use		43,524,153	56,465,666
Reserves	17	(12,043,384)	8,177,769
<b>TOTAL EQUITY</b>		<b>31,480,769</b>	<b>64,643,435</b>

The above balance sheet should be read in conjunction with the accompanying notes.

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	2009	2008
		\$	\$
<b>Total equity at the beginning of the financial year</b>		<b>64,643,435</b>	<b>47,322,643</b>
Changes in the fair value of cash flow hedge	17	(20,221,152)	19,652,053
<b>Net (expense)/income recognised directly in equity</b>		<b>(20,221,152)</b>	<b>19,652,053</b>
Deficit of available funds for the year		(12,941,514)	(2,331,261)
<b>Total recognised income and expense</b>		<b>(33,162,666)</b>	<b>17,320,792</b>
<b>Total equity at the end of the financial year</b>		<b>31,480,769</b>	<b>64,643,435</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	2009	2008
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from donors and merchandising (includes GST)		275,879,052	279,758,432
Interest received		1,727,714	3,018,407
Payments to field offices, suppliers and employees (includes GST)		(278,135,663)	(284,975,832)
<b>Net cash used by operating activities</b>	<b>18a</b>	<b>(528,897)</b>	<b>(2,198,993)</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant & equipment		(949,320)	(2,069,536)
Proceeds from sale of property, plant & equipment		0	50,756
<b>Net cash used in investing activities</b>		<b>(949,320)</b>	<b>(2,018,780)</b>
<b>Net decrease in cash held</b>		<b>(1,478,217)</b>	<b>(4,217,773)</b>
Cash at beginning of financial year		24,558,181	28,775,954
Cash at end of the financial year	<b>6, 18b</b>	<b>23,079,964</b>	<b>24,558,181</b>

The above cash flow statement should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS

### I. Summary of significant accounting policies

#### a) Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial reports have been prepared in accordance with the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

This company adheres to the Australian Council for International Development (ACFID) Code of Conduct on Financial Reporting.

#### b) Centralised accounting

The Melbourne office receives all income and is responsible for all expenditure. Branch accounting records have been maintained in accordance with statutory requirements for all state governments.

#### c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

World Vision Australia is a not for profit organisation and receives the principal part of its income from donations. Amounts donated by their nature can be recognised only when they are received by World Vision Australia.

The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

##### (ii) Donated Goods

These are accepted on the basis they will provide a future benefit. Revenue is brought to account when the goods are received and is recorded at fair value, which is represented by either wholesale value or an independent valuation.

##### (iii) Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

##### (iv) Sale of goods

World Vision Australia sells Indigenous artwork. Revenue is recognised when the risks and rewards of the goods has passed to the buyer.

##### (v) Rendering of services

Revenue is recognised when the contract outcome can be reliably measured, control of the right to be compensated for the service determined and the stage of completion can be reliably measured.

#### d) Income tax

No income tax is payable as the company is exempt under Australian taxation legislation.

#### e) Property, plant and equipment

Land and buildings are recorded at deemed cost. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on the other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their useful lives, as follows:

	<b>Years</b>
Buildings	40
Computer hardware	3-4
Plant and equipment	5-10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement in the period when the disposal occurs.

#### f) Impairment of assets

Assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the asset's depreciated replacement cost.

#### g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to, the taxation authority are presented as operating cash flow.

#### h) Employee benefits

##### *Wages and salaries, annual leave and sick leave*

Liability for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Long service leave is recorded as a non-current liability with the exception of employees with seven years or more service for which there is a current leave liability.

#### i) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

World Vision Australia has certain operating leases for offices where we have an obligation to return the premises to their original condition when the lease expires or is terminated. A provision for refurbishment costs is recognised over the period of the lease, measured at the expected future cost of refurbishment discounted to a present value at each reporting date. These obligations relate to wear and tear on the premises and not dismantling obligations. The operating lease payments do not include an element for repairs/overhauls.

#### j) Cash & cash equivalents

Cash includes cash on hand, traveller's cheques, foreign currency, deposits held at call with financial institutions and commercial bills held with financial institutions that are readily convertible to cash and have an insignificant risk of changes in value.

Funds awaiting remittance to field countries are normally invested in short term deposits and are included as cash and cash equivalents.

#### k) Foreign currency transactions and balances

Foreign currency transactions are converted to Australian currency at the rates of exchange applicable at the date of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the prevailing rate when incurred.

Foreign currencies held at balance date are converted to Australian dollars at exchange rates ruling at that date.

#### l) Comparative figures

Where required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

#### m) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement not more than 30 days from the date of recognition, and no more than 30 days for other debtors. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original term of the receivable.

#### n) Investment property

An investment property received by way of a bequest is recorded at deemed cost. The investment property is held per the terms of the Bequest. Useful life is 40 years, with the property being depreciated over its useful life using the straight-line method.

#### o) Trade and other creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. These amounts are unsecured and usually paid within 30 days of recognition.

#### p) Inventory and Donated goods

Indigenous art inventory and Donated goods are held at the lower of cost and current replacement cost. Donated goods are recorded at cost which is represented by either wholesale value or an independent valuation. Donated goods are held in inventory until the risks and rewards have passed to the receiving entity.

#### q) Foreign currency hedging

World Vision Australia remits cash to fund overseas projects to the Partnership Treasury Office in US Dollars. This central function coordinated by the Partnership Treasury Office ensures the efficient disbursement of funds to projects provided by World Vision Australia and other support offices. WVA enters into a series of forward foreign exchange agreements to provide certainty of the total US Dollars available to fund projects.

WVA documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. WVA also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair value of these agreements is recognised in the statement of financial position and the hedge relationships entered into are subject to an effectiveness test. Effective unrealised gains and losses are deferred in equity until such time as the remittances occur and any ineffectiveness is taken to the income statement as incurred. WVA expects all current hedge relationships to be highly effective going forward.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

#### r) Financial assets at fair value through profit or loss

A financial asset is classified in this category if held principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise.

#### s) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 25). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

#### t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2009 reporting periods. The company's assessment of the impact of these new standards and interpretation is set out below.

##### (i) Revised AASB 101 Presentation of Financial Statements and AASB 2007 8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The company intends to apply the revised standard from 1 October 2009.

##### (ii) AASB 2009 3 Amendments to Australian Accounting Standards – Embedded Derivatives (effective for annual periods ending on or after 30 June 2009)

The amendments made by the AASB to Interpretation 9 and AASB 139 clarify that where a financial asset is reclassified out of the 'at fair value through profit or loss' category, all derivatives embedded in that asset have to be assessed and, if necessary, separately accounted for in financial statements. The company will apply the amendments retrospectively for the financial year ending 30 September 2010. There will be no impact on the company's financial statements as at 30 September 2009 as it has not reclassified any financial assets out of the 'at fair value through profit or loss' categories.

##### (iii) AASB 2009 5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual periods beginning on or after 1 January 2010)

In May 2009, the AASB issued a number of improvements to existing Australian Accounting Standards. The company will apply the revised standards from 1 October 2009. The company does not expect that any adjustments will be necessary as the result of applying the revised rules.

## 2. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used as hedging instruments, i.e. not for trading or other speculative purposes. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk and aging analysis for credit risk.

Risk management is carried out by senior management under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### (a) Market risk

#### (i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future transactions and current field program commitments and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. Management's policy is to manage foreign exchange risk against the functional currency. Management are required to hedge foreign exchange risk exposure arising from future transactions and current field program commitments using forward contracts.

The Company's risk management policy is to hedge between 85% and 100% of anticipated cash flows (mainly field payments) in US dollars on a rolling quarterly basis for the subsequent 12 months.

Approximately 100% (2008: 100%) of projected purchases qualify as "highly probable" forecast transactions for hedge accounting purposes in accordance with the definitions contained in AASB 139 Financial Instruments: Recognition and measurement. The Company's exposure to foreign currency risk at the reporting date was as follows:

	30 September 2009	30 September 2008
	USD \$	USD \$
Forward Exchange Contracts: Buy foreign currency (cash flow hedges)	72,426,730	87,514,075

#### Organisation Sensitivity

Based on the financial instruments held at 30 September 2009, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Company's deficit for the year would have been unchanged. Equity would have been \$9,309,001 higher / \$7,616,455 lower (2008: \$12,336,419 higher / \$10,093,434 lower) had the Australian Dollar forward rate weakened / strengthened by 10% against the US dollar.

The Company's exposure to other foreign exchange movements is not material.

#### (ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from short term investments. Term deposits issued at variable rates expose the Company to cash flow interest rate risk. Term deposits issued at fixed rates expose the organisation to fair value interest rate risk. During 2009 and 2008, the Company's term deposits and investments were at variable rates and were denominated in Australian Dollars. As at the reporting date, the Company had the following variable rate term deposits and investments:

	30 September 2009	30 September 2008
	\$	\$
Term Deposits	17,800,000	23,010,650
Cash and bank balances	5,452,846	1,710,966

#### *Organisation sensitivity*

At 30 September 2009, if interest rates had changed by -/+100 basis points from the year-end rates with all other variables held constant, deficit and equity for the year would have been \$414,743 lower/higher (2008: \$403,327 lower/higher).

#### *(b) Credit risk*

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to other World Vision partnership offices, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'AA' are accepted. The Company's total credit risk as at 30 September 2009 is \$23,252,846 and consists mainly of cash and term deposits.

#### *(c) Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through term deposits and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

#### *(d) Fair value estimation*

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying values less impairment provisions of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

### 3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

#### (a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (b) Critical judgments in applying the entity's accounting policies

##### *Pharmaceutical Donations*

World Vision Australia uses industry standard publications for valuing pharmaceutical donations. In cases where multiple listings are contained in the publication the Company will use the lowest of the listed values. Occasionally the exact pharmaceutical donated is not included in the publication. In these cases a value is estimated based on the closest comparable listing. During 2009, \$33,890,549 (2008 - \$34,511,405) of Income and \$33,890,549 (2008 - \$34,511,405) of Disbursements were recognised from Pharmaceutical donations. As at 30 September 2009 \$0 (2008 - \$0) was held in inventory.

##### *Other Donated Goods*

World Vision Australia uses the wholesale value or an independent valuation for valuing donated goods. During 2009, \$34,400,106 (2008 - \$38,527,145) of Income and \$44,475,774 (2008 - \$38,054,463) of Disbursements were recognised as Donated Goods. As at 30 September 2009, \$1,350,978 (2008 - \$11,433,468) was held in inventory.

### 3a. Asian Tsunami Appeal Report

	2009	2008
	\$	\$
<b>Cash held in Australia at beginning of year</b>	<b>4,810,771</b>	<b>9,277,890</b>
<b>Revenue</b>		
Public donations	0	1,464
Corporate donations – cash	0	50,000
Donations and gifts from the Australian public	0	51,464
Interest earned	0	455,996
<b>Total revenue</b>	<b>0</b>	<b>507,460</b>
<b>Disbursements</b>		
Funds remitted to World Vision International	3,067,516	2,470,784
Funds for bilateral arrangements	958,183	2,471,919
<b>Total program disbursements</b>	<b>4,025,699</b>	<b>4,942,703</b>
Funds spent on program support	4,150	31,559
Overhead expenses	0	317
<b>Net Disbursements</b>	<b>4,029,849</b>	<b>4,974,579</b>
<b>Cash held in Australia at end of year</b>	<b>780,922</b>	<b>4,810,771</b>

	2009	2008
	\$	\$
<b>3b. Donated Goods</b>		
Goods donated by Australian Corporations	4,207,302	12,556,185
Medicines donated by International Agencies	33,890,549	34,511,405
Food donated by International Agencies	30,193,255	25,970,960
<b>Total</b>	<b>68,291,106</b>	<b>73,038,550</b>

#### 4. Disbursements to Overseas Projects by Country

##### Region/Country

Burundi	1,576,346	748,816
Ethiopia	9,592,823	10,042,583
Kenya	7,824,823	8,266,189
Northern Sudan	8,084,353	7,137,493
Regional Programs	0	943,222
Rwanda	3,342,243	1,927,951
Somalia	1,847,494	2,250,955
Sudan	5,639,922	3,092,556
Tanzania	8,915,697	5,426,908
Uganda	12,048,630	8,698,137
<b>East Africa</b>	<b>58,872,331</b>	<b>48,534,810</b>
Congo	1,012,002	2,255,657
Lesotho	2,328,048	7,669,547
Liberia	0	70,446
Sierra Leone	0	178,843
Malawi	8,338,910	6,415,523
Mozambique	9,126,285	7,711,129
Regional Office	70,360	0
South Africa	2,601,697	2,511,641
Swaziland	2,265,262	3,686,244
Zambia	10,275,932	7,732,518
Zimbabwe	9,809,744	7,206,831
<b>Southern Africa</b>	<b>45,828,240</b>	<b>45,438,379</b>
Chad	1,776,239	2,096,140
Ghana	2,077,790	2,384,928
Mauritania	8,141	147,289

	2009	2008
	\$	\$
Regional Office	83,179	0
Senegal	2,811,002	3,209,330
<b>West Africa</b>	<b>6,756,351</b>	<b>7,837,687</b>
Africa Regional	480,184	0
<b>AFRICA</b>	<b>111,937,106</b>	<b>101,810,876</b>
Afghanistan	1,140,177	3,634,088
Albania	1,050,854	20,222
Armenia	1,322,720	1,218,161
Azerbaijan	1,416,612	842,917
Bosnia	6,821	45,005
Georgia	3,932	152,385
Iran	0	9,012
Jerusalem/West Bank/Gaza	2,472,175	1,405,958
Lebanon	1,168,830	1,101,307
Middle East/Eastern Europe Region (MEERO)	489,621	43,249
Pakistan	2,877,413	536,883
Romania	114,547	3,009,168
Uzbekistan	296,664	277,740
Russia	6,637	12,132
<b>MEERO</b>	<b>12,367,003</b>	<b>12,308,227</b>
Bangladesh	4,838,505	6,753,636
Cambodia	4,459,487	4,119,333
China	2,189,077	2,762,989
East Timor	1,765,820	2,327,964
India	5,901,350	6,370,955
Indonesia	3,956,528	7,549,934
Laos	2,341,250	2,205,638
Mongolia	4,028,469	3,175,353
Myanmar	3,356,187	4,369,503
Nepal	1,516,242	1,453,168
North Korea	50,914	47,313
Papua New Guinea	2,066,399	2,598,759
Pacific Development Group	1,130,586	0

	2009	2008
	\$	\$
Philippines	3,696,903	30,668,415
Solomon Islands	1,307,881	1,114,657
Sri Lanka	4,558,884	4,695,919
Thailand	2,855,843	2,604,079
Vanuatu	591,245	702,938
Vietnam	38,472,732	12,662,102
Asia Pacific Region	197,380	364,199
<b>Asia Pacific</b>	<b>89,281,682</b>	<b>96,546,854</b>
Bolivia	365,530	36,741
Brazil	3,881,496	3,386,943
Chile	2,998,731	3,486,365
Colombia	2,413,236	2,545,373
Ecuador	4,017,822	3,095,300
Guatemala	3,479,943	3,361,315
Haiti	2,327,087	2,542,613
Honduras	3,191,022	2,941,176
Nicaragua	3,400,238	2,585,969
Peru	5,095,516	4,343,518
Regional Office	273,613	393,991
<b>Latin America</b>	<b>31,444,234</b>	<b>28,719,304</b>
Global Operations**	23,202,171	17,028,779
Other	60,491	447,447
Partnership Treasury Office*	19,724,248	28,864,110
<b>TOTAL</b>	<b>288,016,935</b>	<b>285,725,597</b>

\* Funds remitted to partnership office and yet to be disbursed to international projects.

\*\* Funding of our global management and expertise. World Vision Australia is part of the World Vision International Partnership which operates in 90 countries. By sharing our experiences through the World Vision International Partnership we improve efficiency and maximise economies of scale. Programs are implemented via the network of national offices under the oversight of the World Vision International Partnership, which co-ordinates activities such as the transfer of funds and strategic operations. Our technical experts, strategists and global leaders in the international partnership office help with global strategy and specialty expertise.

The World Vision International Partnership also engages in international advocacy activities on issues such as debt relief, HIV and AIDS and child rights.

	2009	2008
	\$	\$
<b>5. Disbursements</b>		
Disbursements to overseas projects per Note 4.	288,016,935	285,725,597
Other project costs	7,754,728	8,018,317
Other Disbursements		
Employee benefits expense	31,066,378	30,728,640
Advertising, Printing & Postage	13,969,772	14,325,658
Rent and Occupancy	1,852,412	2,035,764
Depreciation	2,217,120	1,508,224
Other	14,642,628	15,411,987
<b>Total</b>	<b>359,519,973</b>	<b>357,754,187</b>

#### Current Assets

#### 6. Cash & cash equivalents

Cash at bank and cash on hand	5,452,053	1,593,406
Travellers cheques and foreign currencies	793	117,560
Deposits at Call (a)	17,800,000	23,010,650
<b>Total</b>	<b>23,252,846</b>	<b>24,721,616</b>

(a) Deposits at call

The Deposits have interest rates between 2.9% and 3.7% (2008: between 6.7% and 8.00%).

These deposits have an average investment term of 90 days (2008: 90 days), but remain at call.

#### 7. Receivables

Australian Taxation Office – GST	293,634	748,518
Debtors	430,699	717,721
<b>Total</b>	<b>724,333</b>	<b>1,466,239</b>

#### 8. Financial Assets at fair value through profit or loss

Opening carrying amount	0	0
Additions	690,800	0
Revaluation	63,800	0
Closing carrying amount	<b>754,600</b>	0

Revaluation gains relate to the revaluation of shares bequeathed to the Company during the year. In line with the Company's accounting policy these have been revalued to the quoted market value as at 30 September 2009.

	2009	2008
	\$	\$

## 9. Inventories

Indigenous art work	357,447	418,321
<b>Total</b>	<b>357,447</b>	<b>418,321</b>

*Inventories recognised as an expense during the year ended 30 September 2009 amounted to \$305,128 (2008 - \$272,344). Write-downs of inventories due to the decline in value recognised as an expense during the year ended 30 September 2009 amounted to \$15,102 (2008 - \$4,136). This expense has been included in 'Other' in the income statement.*

## 10. Donated Goods

Donated goods - awaiting shipment	279,712	2,906,568
Donated goods - in transit	1,147,210	8,526,899
<b>Total</b>	<b>1,426,922</b>	<b>11,433,467</b>

*Donated Goods from Australian and overseas corporations recognised as a disbursement during the year ended 30 September 2009 amounted to \$ 78,366,324 (2008 - \$72,565,868). Write-downs of Donated Goods due to the loss of service potential recognised as an expense during the year ended 30 September 2009 amounted to \$ 6,821 (2008 - \$4,136). The expense has been included in 'Fundraising - Public' in the income statement.*

## 11. Other Current Assets

Prepayments	402,921	421,679
Other receivables	67,193	29,652
<b>Total</b>	<b>470,114</b>	<b>451,331</b>

## Non-Current Assets

### 12. Investment property

Property from a bequest	311,976	320,000
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### Reconciliation of Movements in Investment Property

#### Investment property

Opening carrying amount	320,000	300,625
Additions	0	320,000
Disposals	0	(293,177)
Depreciation expense	(8,024)	(7,448)
<b>Closing carrying amount</b>	<b>311,976</b>	<b>320,000</b>

## 13. Property, Plant & Equipment

### Property

Land	5,140,000	5,140,000
Buildings	17,970,106	17,908,706
Accumulated depreciation	(2,175,232)	(1,717,112)
<b>Total Property</b>	<b>20,934,874</b>	<b>21,331,594</b>

	2009	2008
	\$	\$
<b>Computer Hardware</b>		
At cost	6,190,680	5,962,260
Accumulated depreciation	(4,740,890)	(3,951,225)
<b>Total Computer Hardware</b>	<b>1,449,790</b>	<b>2,011,035</b>
<b>Plant &amp; Equipment</b>		
At cost	6,420,005	6,095,299
Accumulated depreciation	(3,606,268)	(2,876,748)
<b>Total Plant &amp; Equipment</b>	<b>2,813,737</b>	<b>3,218,551</b>
<b>Total Carrying amount of Property, Plant &amp; Equipment</b>	<b>25,198,401</b>	<b>26,561,180</b>
<b>Reconciliation of Movements in Property, Plant &amp; Equipment</b>		
<b>Property</b>		
Opening carrying amount	21,331,594	21,175,654
Additions	53,867	673,199
Work in Progress	7,533	47,771
Disposals	0	(125,756)
Depreciation expense	(458,120)	(439,274)
<b>Closing carrying amount</b>	<b>20,934,874</b>	<b>21,331,594</b>
<b>Computer Hardware</b>		
Opening carrying amount	2,011,035	1,574,823
Additions	553,518	1,119,378
Work in Progress	8,994	(48,569)
Disposals	(103,003)	(74,036)
Depreciation expense	(1,020,754)	(560,561)
<b>Closing carrying amount</b>	<b>1,449,790</b>	<b>2,011,035</b>
<b>Plant &amp; Equipment</b>		
Opening carrying amount	3,218,551	3,174,004
Additions	180,129	587,636
Work in Progress	145,279	0
Disposals	0	(41,984)
Depreciation expense	(730,222)	(501,105)
<b>Closing carrying amount</b>	<b>2,813,737</b>	<b>3,218,551</b>

	2009	2008
	\$	\$

## Current Liabilities

### 14. Accounts Payable

Trade creditors	902,899	2,425,782
Accrued creditors	4,258,402	2,256,596
GST payable	0	42,962
Other payable	190,964	553,395
<b>Total</b>	<b>5,352,265</b>	<b>5,278,735</b>

### 15. Provisions

Annual leave	1,885,011	1,893,348
Long service leave	1,026,522	1,102,347
<b>Total</b>	<b>2,911,533</b>	<b>2,995,695</b>

## Non-Current Liabilities

### 16. Provisions

Long service leave	546,425	521,290
Operating lease & other contractual obligations	162,263	110,768
<b>Total</b>	<b>708,688</b>	<b>632,058</b>

### 17. Hedging Reserve – cash flow hedges

(a) Balance 1 October	8,177,769	(11,474,284)
Transfer to income statement on settlement	(8,177,769)	11,474,284
Fair value revaluation	(12,043,384)	8,177,769
<b>Balance 30 September</b>	<b>(12,043,384)</b>	<b>8,177,769</b>

(b) The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, and described in Note 1(q). Amounts are recognised in profit and loss when the associated hedged transactions affect profit and loss. The Company has agreed to sell A\$ 95.8 million at an effective exchange rate of 0.75583 over the next 12 months, at balance date the effective exchange rate was 0.86448.

### 18a. Reconciliation of net cash provided by operating activities to excess of revenue over disbursements

<b>Excess of Revenue over Disbursements</b>	<b>(12,941,514)</b>	<b>(2,331,261)</b>
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### Non-Cash Flows in Operating Activities

Revaluation on Financial Assets at fair value through P&L	(63,800)	0
Gain on disposal of property, plant & equipment	(16,655)	(12,960)

	2009	2008
	\$	\$
Write off of property, plant & equipment	119,660	0
Depreciation	2,217,120	1,508,388
Increase in financial asset held at fair value through P&L	(690,800)	0
Provision for employee benefits	0	(327,511)
<b>Changes in Assets and Liabilities</b>		
Decrease in receivables and prepayments	741,906	403,328
Decrease/(Increase) in inventories & donated goods	10,067,418	(606,369)
Increase in other current assets	(18,783)	0
(Decrease)/Increase in accounts payable	64,083	(832,608)
Decrease in provisions	(7,532)	0
<b>Net Cash provided by Operating Activities</b>	<b>(528,897)</b>	<b>(2,198,993)</b>

### 18b. Composition of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and investments in money market instruments, net of outstanding bank overdrafts and deposits held on behalf of donors.

Cash at the end of the financial year as shown in the Statement of Cash Flows reconciled to the related items in the Statement of Financial Position is as follows:

Cash on hand & at bank (Note 6)	23,252,846	24,721,616
Cash held on behalf of donors #	(172,882)	(163,435)
	<b>23,079,964</b>	<b>24,558,181</b>

# Cash held on behalf of donors is accrued in Accounts Payable (Note 14).

### 18c. Table of Cash Movements for Designated Purposes

	Cash available at 1 October 2008	Cash raised during year	Cash disbursed during year	Cash available at 30 September 2009
	\$	\$	\$	\$
Asian Tsunami Appeal	4,810,771	0	(4,029,849)	780,922
Other purposes	19,747,410	277,592,126	(275,040,494)	22,299,042
<b>Total</b>	<b>24,558,181</b>	<b>277,592,126</b>	<b>(279,070,343)</b>	<b>23,079,964</b>

## 19. Financial Instruments

### 19a. Terms, conditions and accounting policies

The Company's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Policies, Terms and Conditions
<i>Financial Assets</i>			
Cash & cash equivalents	6	<ul style="list-style-type: none"> <li>- Cash is recognised at its face value.</li> <li>- Cash in excess of liability requirements is invested in bank commercial bills and capital investment funds.</li> </ul>	<ul style="list-style-type: none"> <li>- Deposits at call have an average investment term of 90 days.</li> <li>- The interest rate is the current market rate applicable at rollover.</li> </ul>
Debtors	7	<ul style="list-style-type: none"> <li>- Trade receivables are carried at the original invoice amounts due.</li> </ul>	<ul style="list-style-type: none"> <li>- Credit sales are on 30 day terms.</li> </ul>
Financial assets at fair value through profit or loss	8	<ul style="list-style-type: none"> <li>- Financial assets at fair value through profit or loss are financial assets held for trading. Gains or losses arising from changes in the fair value are presented in the income statement within other income or expenses in the period in which they arise.</li> </ul>	<ul style="list-style-type: none"> <li>- Shares to be converted to cash at a future date depending on the share price.</li> </ul>
<i>Financial Liabilities</i>			
Trade creditors	14	<ul style="list-style-type: none"> <li>- Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company endeavours to settle trade liabilities on a 30 day term to take advantage of settlement discounts</li> </ul>
Unrealised Currency Hedge Payable		<ul style="list-style-type: none"> <li>- WVA's board policy is to hedge 100% of anticipated field project payments in the subsequent 6 months, 75% between 6-9 subsequent months, and 55% between 9-12 subsequent months. Unrealised gains and losses on forward purchased currency contracts are deferred in equity until such time as the remittances occur.</li> </ul>	<ul style="list-style-type: none"> <li>- WVA has entered into a number of forward exchange currency contracts at reporting date. The contracts were held at standard terms and conditions.</li> </ul>
Other creditors	14	<ul style="list-style-type: none"> <li>- Liabilities are recognised for amounts to be paid in the future.</li> </ul>	<ul style="list-style-type: none"> <li>- Creditors include donor invested funds that are repayable immediately on request. Interest on these funds is utilised in continuing sponsorship commitments.</li> </ul>

### 19b. Fair values

There is no material variance between an asset or liability's carrying value and fair value.

### 19c. Credit risk exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

### 19d. Interest rate risk

WVA is subject to normal commercial interest rate fluctuations on its bank accounts and money market instruments. WVA's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the year end, are as follows:

Fixed interest rate maturing in:													
Financial Instruments	Floating Interest rate		1 year or less		Over 1 to 5 years		More than 5 years		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	
<b>(i) Financial Assets</b>													
Cash & cash equivalents	23,208,532	24,586,347							44,314	135,269	23,252,846	24,721,616	3.7%
Currency Hedge	0	0	0	0					0	8,177,769		8,177,769	n.a.
Debtors	0	0	0	0					724,333	1,466,239	724,333	1,466,239	n.a.
Financial assets at fair value through profit or loss	0	0	0	0					754,600	0	754,600	0	n.a.
<b>Total</b>	<b>23,208,532</b>	<b>24,586,347</b>	<b>0</b>	<b>0</b>					<b>1,523,247</b>	<b>9,779,277</b>	<b>24,731,779</b>	<b>34,365,624</b>	
<b>(ii) Financial Liabilities</b>													
Trade creditors	0	0	0	0					902,899	2,425,782	902,899	2,425,782	n.a.
Currency hedge	0	0	0	0									n.a.
Other creditors	0	0	0	0					4,866,877	2,852,953	4,866,877	2,852,953	n.a.
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					<b>5,769,776</b>	<b>5,278,735</b>	<b>5,769,776</b>	<b>5,278,735</b>	

### 19e. Foreign currency risk

World Vision Australia has entered into a number of forward exchange currency contracts at reporting date designed as a hedge of anticipated field project payments that are denominated in US dollars. Forward contracts are used to manage foreign exchange risk. Under the contracts, the Company has agreed to sell A\$95.824 million at an effective exchange rate of 0.75583 over the next 12 months.

### 20. Superannuation commitments

During the financial year the Company contributed to a number of superannuation funds, as nominated by each employee. The Company has a legally enforceable obligation to contribute to employees' funds at a rate of 9% of wages and salaries.

### 21. Remuneration of Directors

No amounts were received from or are payable by the Company to Directors of the Company. The directors give their services to the Company without charge, however the Directors may be reimbursed certain travel and other expenses incurred in connection with the business of World Vision Australia.

### 22. Remuneration of Key Management Personnel

Name	Short-term benefits			Post-employment benefits		Total
	Cash salary and fees	Cash bonus	Non-mone-tary benefits	Super-annuation	Retirement benefits	
	\$	\$	\$	\$	\$	\$
<b>2009</b>						
T. Costello	229,358			20,642		250,000
K. Burke (1)	161,201			13,665		174,866
G. Dawson	147,159			11,181		158,340
C. Lenneberg	137,982			12,418		150,400
D. Patterson	247,913			20,235		268,148
F. McLeay	124,313			8,605		132,918
P. Ronalds	177,611			13,988		191,599
M. Gow	88,881			6,641		95,522
B. Mitchell (2)	84,678			7,706		92,384
Total	1,399,096			115,081		1,514,177

<b>2008</b>						
T. Costello	229,358			20,642		250,000
K. Burke (3)	107,799			9,810		117,609
G. Dawson (4)	35,233			9,208		44,441
C. Lenneberg (5)	22,523			2,049		24,572
D. Patterson	227,683			18,640		246,323
A. Pink (6)	55,939			4,922		60,861
P. Ronalds	175,849			13,503		189,352
P. Steele (7)	143,054			11,252		154,306
Total	997,438			90,026		1,087,464

(1) Resigned 21 September 2009

(2) Appointed 2 February 2009

(3) Appointed 21 January 2008

(4) Appointed 1 July 2008

(5) Appointed 11 August 2008

(6) Resigned 1 February 2008

(7) Resigned 16 June 2008

Prior to 2009, staff members included as Key Management Personnel were only those who reported directly to the CEO. This has been amended in 2009 to include all members of the Executive Team, whether or not they report directly to the CEO.

### 23. Remuneration of auditors

Amounts received or receivable by our auditors, PricewaterhouseCoopers for:

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Auditing the financial accounts for the current year	89,020	87,270
Other assurance services	3,000	3,000
Other services	0	17,743
	<b>92,020</b>	<b>108,013</b>

### 24. Contingencies

As at 30 September 2009, the Company had no material contingent assets or liabilities (2008: Nil).

### 25. Commitments

#### Lease commitments

World Vision Australia leases offices in all States, and one warehouse under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. In renewal, the terms of leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	776,138	949,336
Later than one year but not later than five years	876,355	1,950,421
Later than five years	0	0
	<b>1,652,493</b>	<b>2,899,757</b>

### 26. Related parties disclosure

No Director or any associated party received, or became entitled to receive, any fee or payment in relation to services provided to World Vision Australia.

### 27. Board membership

The Directors of the Company holding that office, or who have held that office, at any time during the financial year are, Ms Anne Robinson, Mr John Conn, Mr George Savvides, Mr Barry Pipella, Mr Michael Prince, Mr Shannon Adams, Dr Louise Baur, Bishop John Harrower, Mr Robert Goudswaard, Ms Donna Shepherd, and Mr Colin Carter.

### 28. Members' guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member (Director) is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company. As at the 30 September 2009 the number of members was 11 (2008 – 11).

# DECLARATION BY DIRECTORS

In accordance with a resolution of the Board of Directors of World Vision Australia, the Directors declare that in their opinion:

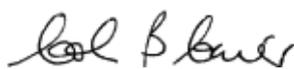
- (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) the financial statements and notes set out on pages 98 to 125 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 September 2009 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

On behalf of the Board



Chair

Melbourne 27 November 2009



Director

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD VISION AUSTRALIA

## **Report on the financial report**

We have audited the accompanying financial report of World Vision Australia (the company), which comprises the balance sheet as at 30 September 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for World Vision Australia.

### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

*Liability limited by a scheme approved under Professional Standards Legislation*

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

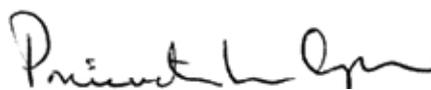
*Independence*

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

*Auditor's opinion*

In our opinion the financial report of World Vision Australia is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 September 2009 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



PricewaterhouseCoopers



Charles Christie  
Partner

Melbourne 27 November 2009

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## GLOBAL REPORTING INITIATIVE SUMMARY TABLE

This table has been prepared using the G3 reporting framework of the Global Reporting Initiative (GRI) [www.globalreporting.org](http://www.globalreporting.org). One of the objectives of the GRI G3 reporting framework is to allow users to compare performance across different organisations. The table aims to provide a reference to the Standard Disclosures which users of the reporting framework will be familiar with.

It is important to note that GRI G3 is not specifically designed for not-for-profit organisations which are formed for the purpose of serving a cause, rather than the pursuit or accumulation of profits for owners or investors.

Information on the profile disclosures and indicators addressed in this report are referenced in the following table.

World Vision International's Director of Global Accountability is a member of a GRI working group which is developing a Not-For-Profit Sector Supplement which is expected to be released in late 2009 or early 2010. Although World Vision Australia intends to report against the coming NGO Sector Supplement next year, we have reviewed the Public Comment Version and have elected to start addressing some of the new indicators related to program effectiveness management approach.

All information in the table relates to World Vision Australia, and not to any other World Vision entity which is a member of the World Vision International Partnership.

We have assessed our GRI application level as C (self declared).

### NGO SECTOR SUPPLEMENT INDICATORS

NGO SS GRI Indicator	Program effectiveness indicators Disclosure on Management Approach	Reference
NGOSS1	Involvement of affected stakeholder groups in the design, implementation, monitoring and evaluation of policies and programs	Program effectiveness, quality and impact/Annual Program Review/ Annual Evaluation Review
NGOSS3	System for program monitoring and evaluation, (including measuring program effectiveness and impact), learning, how the organisation changes its program as a result and how it reports on this	Program effectiveness, quality and impact/Annual Program Review/ Annual Evaluation Review

Pic A - Scrap collectors Janshir and Dahmin are registered in vocational training courses at the World Vision-funded Manzil Drop-in Center for working children in the Pakistani city of Rawalpindi.



Indicator		Reference
NGOSS4	Measures in place to ensure due attention to gender and diversity is integrated into program design and implementation, as well as in the monitoring, evaluation and learning cycle	Program effectiveness, quality and impact/Annual Program Review/ Annual Evaluation Review
NGOSS5	Process to formulate, communicate, implement and change your advocacy positions and public awareness campaigns	Year in Review: Goals 4 and 5
NGOSS6	Process to take into account and coordinate with the activities of other actors in order to increase effectiveness	Program effectiveness, quality and impact/Annual Program Review/ Annual Evaluation Review

GRI PROFILE DISCLOSURES		
Indicator		Reference
<b>Strategy and analysis</b>		
1.1	Director Statement	Message from our Chief Executive
1.2	Key impacts, risk & opportunities	Throughout report
<b>Organisational profile</b>		
2.1	Name of reporting organisation	Who we are
2.2	Major brands, products & services	Who we are /What we do
2.3	Operational structure of the organisation	Who we are/Website supplement
2.4	Location of organisation's headquarters	Incorporation
2.5	Countries of operation	Regional Footprint
2.6	Nature of ownership	Charitable status, tax concessions and fundraising
2.7	Markets served	Regional Footprint
2.8	Scale of organisation	2009 performance table
2.10	Awards received	Runner-up PricewaterhouseCoopers Transparency Awards
<b>Report parameters</b>		
3.1	Reporting period	Reporting period and selection of content



Pic A - Children in the Ain El Remmaneh ADP in Lebanon take part in summer recreational activities.

Pic B - Children benefiting from development activities in the Shambarai ADP in Tanzania.

Indicator		Reference
3.3	Reporting cycle	Reporting period and selection of content
3.4	Contact person	Feedback
<b>GRI Content index</b>		
3.12	Table identifying the location of the Standard Disclosures	GRI table
<b>Governance</b>		
4.1	Governance structure	Corporate governance
4.2	Whether chair is also an executive officer	Corporate governance
4.3	No. of members that are independent &/or non-exec. board members	Corporate governance
4.4	Mechanisms for shareholders & employees to feedback to highest governance body	Employees
4.5	Processes to deal with conflict of interest	Corporate governance
4.6	Process for determining the qualifications & expertise of the members of the highest governance body	Corporate governance
4.7	Internally developed statements of Mission & their status	Our Mission/Core values/Corporate Governance/Conduct and Ethics/Website Supplement
4.8	Oversight procedures	Corporate Governance/Website supplement
4.10	Evaluation processes	Corporate Governance
<b>Commitments and external initiatives</b>		
4.11	Explanation of whether/how precautionary approach is addressed by organisation	Corporate governance
4.12	Externally developed initiatives to which the organisation subscribes or endorses	Accreditations/External Codes and Standards
4.13	Memberships in associations	Accreditations/External coalitions and partners/World Vision's partnership with the UN WFP



A

Indicator		Reference
<b>Stakeholder engagement</b>		
4.14	List of stakeholder groups engaged by organisation	Our accountability
4.16	Approaches to stakeholder engagement	2009 in Review

GRI PERFORMANCE INDICATORS		
Indicator		Reference
<b>ECONOMIC PERFORMANCE INDICATORS</b>		
<b>Economic performance</b>		
EC1	Direct economic value generated & distributed	Financial performance and position
EC2	Financial implications & other risks due to climate change	Year in Review: Goal 3
EC4	Financial assistance from government	Tax status Year in Review: Goal 6 (AusAID)
<b>Indirect economic impacts</b>		
EC8	Development & impact of infrastructure investments/ services	Year in Review: Goals 1, 2 and 3
EC9	Significant indirect economic impacts	Year in Review: Goals 1, 2 and 3
<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>		
Indicator		Reference
<b>Energy</b>		
EN3	Direct energy use	Environmental performance data
EN4	Indirect energy use	Environmental performance data
EN5	Energy saved	Environment
EN6	Initiatives to increase energy efficiency	Environment
EN7	Initiatives to reduce indirect energy	Environment
<b>Biodiversity</b>		
EN12	Major impacts on biodiversity	Year in Review: Goal 3
EN13	Habitats protected or restored	Year in Review: Goal 3



Indicator		Reference
EN14	Managing future impacts on biodiversity	Year in Review: Goal 3
<b>Emissions, effluents and waste</b>		
EN 16	Total direct and indirect greenhouse gas emissions	Environmental performance data
EN 17	Other relevant indirect greenhouse gas emissions	Environmental performance data
EN 18	Reducing greenhouse gas emissions	Environment
<b>Product and services</b>		
EN26	Environmental impact initiatives	Environment
<b>Transport</b>		
EN29	Environmental impacts of transport use	Environmental performance data
<b>LABOUR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS</b>		
Indicator	Reference	
<b>Employment</b>		
LA1	Total workforce	2009 at a glance People/Employees
LA2	Employment turnover	2009 at a glance People
<b>Occupational health and safety</b>		
LA7	Standard injury & lost day rates	2009 at a glance Workplace safety/ Occupational health and safety
<b>Training and education</b>		
LA10	Training	2009 at a glance People
LA11	Skills management programmes	Performance and development reviews
LA13	Composition of governance bodies & employees according to diversity indicators	2009 at a glance People

Pic A - Suboma and her family received assistance to rebuild their lives following floods in their village in Bangladesh.

Pic B - In Mongolia, Duursakhmaa is benefiting from improvements to facilities at her school which are being facilitated by World Vision.



Indicator		Reference
LAI4	Female/male ratio by employee category	2009 at a glance People
<b>SOCIETY PERFORMANCE INDICATORS</b>		
<b>Community</b>		
SO1	Impact of operations on community	Throughout report Corruption
SO3	Percentage of employees trained in anti- corruption policies & procedures	Fraud, corruption and misuse of funds
<b>Public Policy</b>		
SO5	Participation in public policy development & lobbying	Year in Review: Goals 4 and 5
<b>PRODUCT RESPONSIBILITY AND PERFORMANCE INDICATORS</b>		
<b>Marketing communication</b>		
PR6	Marketing communications programs	Year in Review: Grow Our Resources

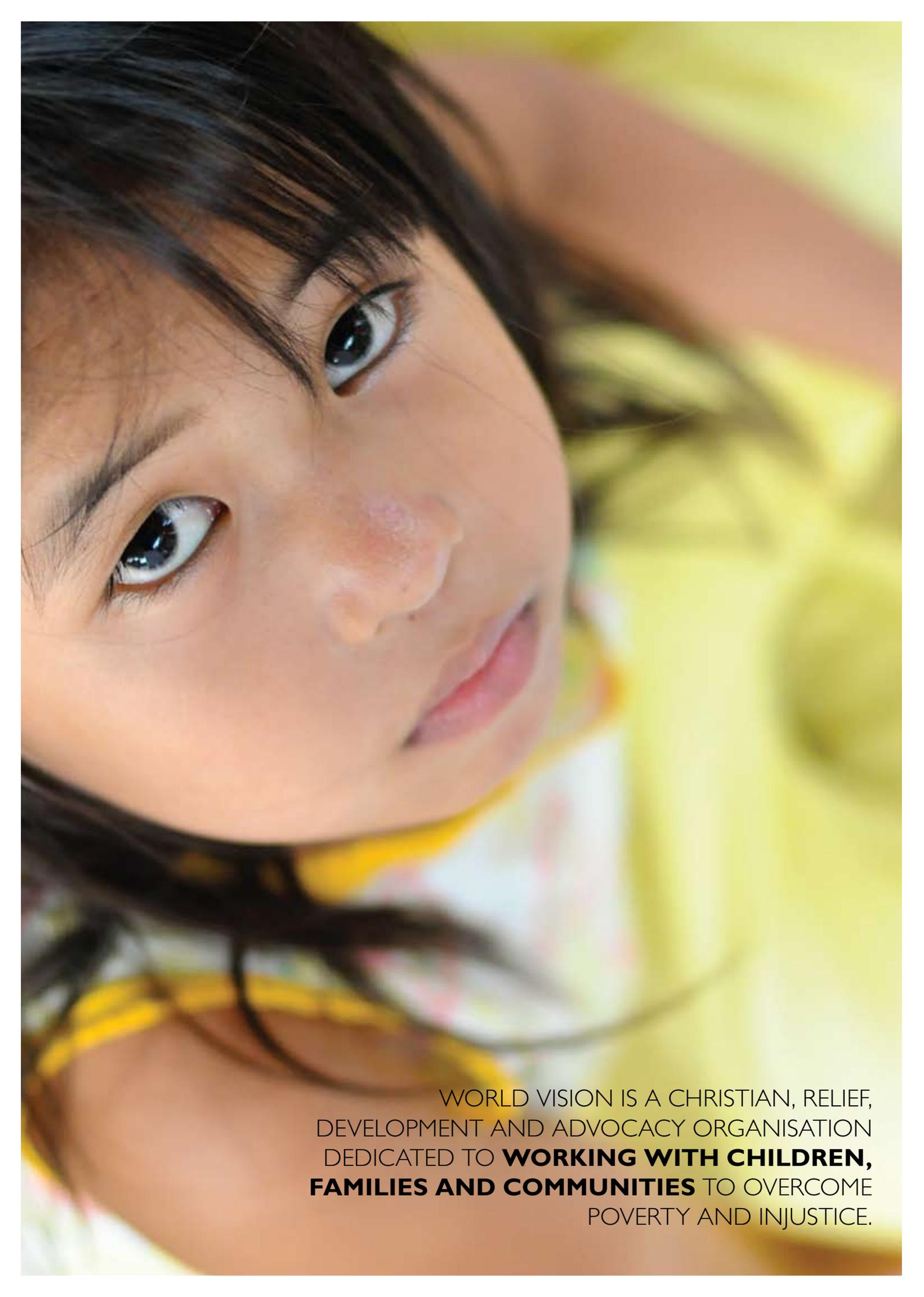


## GLOSSARY

ACFID	Australian Council for International Development
ADP	Area Development Program
AIDS	Acquired Immune Deficiency Syndrome
ANCP	AusAID NGO Cooperation Program
ASIC	Australian Securities and Investments Commission
AusAID	Australian Agency for International Development
CDC	Committee for Development Cooperation
CLCC	Creative Learning Communities for Children
CVA	Citizen Voice and Action
DGR	Deductible Gift Recipient
DTL	Don't Trade Lives
EEO	Equal Employment Opportunity
FGM	Female Genital Mutilation
GNI	Gross National Income
GRI	Global Reporting Initiative
HAP	Humanitarian Accountability Principles
HEA	Humanitarian and Emergency Affairs
HIV	Human Immunodeficiency Virus
ICVA	International Council of Voluntary Agencies
IDU	Intravenous Drug Users
INGO	International Non-Government Organisation
LEAP	Learning through Evaluation with Accountability and Planning
MDG	Millennium Development Goals
MOE	Managed Operating Environment
NGO	Non-Government Organisation
PBI	Public Benevolent Institution
SEE Solutions	Social and Economic Empowerment Solutions
SEU	Social Entrepreneurship Unit
TB	Tuberculosis
UTS	University of Technology Sydney
UNFCCC	United Nations Framework Convention on Climate Change
VGen	Vision Generation (World Vision's youth movement)
VIBE	Vision Inspired Bicycle Enthusiasts
WFP	United Nations World Food Programme

Pic A - Ghada, a sponsored child, lives in Lebanon's rugged Bekaa Valley.

Pic B - In the eastern Democratic Republic of Congo, displaced families including Chance and her baby son Elisha received emergency kits. Containing items such as blankets, cooking utensils and clothing.

A close-up, high-angle photograph of a young child with dark hair and large, dark eyes. The child is looking slightly to the right of the camera with a gentle expression. The background is softly blurred, showing warm tones of yellow and orange. The lighting is soft and natural, highlighting the texture of the child's skin and the details of their hair.

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## WORLD VISION AUSTRALIA ANNUAL REPORT 2009

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