

# Annual Review 2005





Education is one of the best instruments for change. Yet in many impoverished communities, children often lack the chance to receive even a basic education. This new school built by World Vision in Thailand, will now give these children the opportunity to learn how to read and write.

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# World Vision Australia

World Vision is Australia's largest overseas aid and humanitarian organisation. More Australians entrust more money to World Vision than any other international Non Government Organisation (NGO) in the country, helping millions of people living in poverty around the world.

The world has the knowledge, skills and resources to eliminate poverty. With the support of around 350,000 Australians, World Vision helped almost 12 million people this year. As well as providing relief in emergency situations, we work on long-term development projects with local communities to address the causes of poverty and help them move towards self-sufficiency. Through its advocacy, the organisation also seeks to address the structural systemic causes of poverty and injustice.

## Our Motivation

World Vision is committed to the poor because we are Christian. Our commitment means we will work with all cultures, faiths and genders to achieve transformation.

## Future Focus

World Vision Australia has developed a three-year strategic plan that provides a clear framework on how we will develop operations through to 2008. Throughout this review are highlights of our future plans. Additional information can be found at [worldvision.com.au](http://worldvision.com.au)

## People helped in 2005

Africa	7,075,915
Asia	3,890,196
Latin America	483,614
Middle East/Eastern Europe	522,902
Australia	1,189
<b>Total</b>	<b>11,973,816</b>



## Our Mission

Is to be a Christian organisation that engages people to eliminate poverty and its causes.

## Enacted Through

- Relief & Development
- Policy Change
- Synergy & Effectiveness
- Engaging Australia
- Christian Engagement

## Our Values

- We are Committed to the Poor
- We Value People
- We are Stewards
- We are Partners
- We are Responsive
- We are Christian

## Vision Statement

Our vision for every child, life in all its fullness

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

*Through the generosity of countless individuals, corporations and our government, World Vision is able to help rebuild lives for the Asia tsunami disaster survivors, like these three sisters from Sri Lanka.*



# Chairman's Message



**Peter King**  
Chairman of the  
Board of Directors

## Highlights

- 80.7% of income spent on relief and development programs
- 28% increase in funds allocated to development projects
- In partnership with the Make Poverty History coalition, influenced the Australian Government to increase overseas aid to \$4 billion by 2010

Despite terror, war and natural disasters dominating the headlines in 2005, Australians have proven themselves compassionate, generous and full of hope.

Far from giving in to pessimism, more Australians than ever before are taking a positive stand against suffering, poverty and injustice by supporting World Vision's work.

More Australians understand that their financial support for World Vision can make a long-term impact on the lives of the poor. Australians are also increasingly engaged with World Vision's advocacy for the poor and they expect Australia's leaders and leaders across the world to tackle global poverty seriously.

While the Asia tsunami in 2004 produced a humanitarian challenge on a truly bewildering scale, the response of the Australian people was awe-inspiring.

Donations from the Australian public rose 68.7% on last year and the number of children sponsored by Australians has again increased, by 11.8% to 360,241.

The faith that our supporters have shown gives us hope for a better world and better futures for all.

This year's achievements are outstanding, but the needs of poor children and their communities will require us to do even better in the future. The challenge remains for us to engage Australians more deeply, to continue increasing World Vision's income, to use our resources even more effectively and to maintain our focus on empowering poor communities to transform their lives.

I would like to thank the Board of Directors for their support and to recognise our Chief Executive, Tim Costello, for his leadership and commitment to our cause.

I would also like to acknowledge all the dedicated and passionate staff for their exceptional efforts this year and the volunteers who donated so much of their time.

Finally, I would like to thank God for every single Australian who has chosen to stand with us and support "Our vision for every child, life in all its fullness; Our prayer for every heart, the will to make it so".

A handwritten signature in black ink, appearing to read 'Peter King', written over a light blue background.

**Peter King**  
Chairman of the Board of Directors

# Chief Executive's Message

In the last year, we've seen the ocean rise up, sweeping away entire villages and devastating communities. There were earthquakes, floods and conflicts in many parts of the world.

But there was also a wave of compassion and generosity to reach out to those in need. Children emptied their piggybanks, adults dug deep into their pockets, corporations opened their coffers, and the Australian Government increased its overseas aid dramatically.

It humbles me as I present you the report on the outstanding results we achieved in 2005.

World Vision Australia helped almost 12 million people around the world and funded 603 projects in 66 countries, including work with Indigenous communities here in Australia.

This work could not have been possible without the support of our donors. Their great generosity has come in a year with so many humanitarian disasters and at a time in which the focus on terrorism could have easily led Australians to become more insular. Instead, they reached out. Donations from the Australian public and corporations have increased significantly.

It is our hope that we can build a movement of people, political leaders and governments who will not tolerate extreme poverty, just as slavery was not tolerated 200 years ago.

The Make Poverty History campaign is the start of such a movement. Its impact in raising the awareness of the causes of global poverty in our community as well as influencing the government to increase its overseas aid spending has been outstanding.

Our work in communities around the world is supported by 350,000 Australians, and corporate donors whose social responsibility goes beyond our borders. We engage political leaders using the knowledge gained from more than 50 years experience in the field, speaking with and for the poor and vulnerable people with whom we work alongside, and whose voice too often goes unheard.

We do not take for granted the trust that Australians have in us. This year, we have continued to focus on improving the effectiveness of our work, in our transparency to donors and our accountability to the world's poor. We have sought to increase the capacity of poor communities to hold their own governments accountable. Good governance is a growing component of our work that helps lift people out of grinding poverty.

Finally, I would like to thank each and every one of our supporters for the commitment they give to World Vision and to our amazing staff whose dedication to our cause is second to none.

We witnessed some terrible tragedies in the last 12 months. My hope is that with our faith and dedication we continue to grow as an organisation and get ever closer to achieving our goal of living in a world free of poverty.



**Tim Costello**  
Chief Executive



**Tim Costello**  
Chief Executive

## Highlights

- Worked with 12 million people in 66 countries
- \$106.4 million donated to tsunami appeals
- Launched detailed 3 year strategic plan to enhance organisational efficiency and drive our work through to 2008
- Strengthened overseas aid and humanitarian sector through active partnerships with other NGOs



*Children in Aceh, Indonesia, are slowly returning to a normal life as communities get on with rebuilding livelihoods after the devastation of the Asia tsunami disaster.*

# Highlights and Summary of Financial Results

## Highlights

World Vision Australia's 2005 financial year continued the trend of strong income growth and tight cost control. The tsunami which devastated coastal areas across Asia on Boxing Day, 2004, had a major impact on operations throughout the year and on the financial results. The main highlights include:

- The number of children sponsored by Australians increased by 38,080 to 360,241 (up 11.8%)
- 23% increase in the number of projects funded
- A Micro Enterprise Development (MED) loan recipient won the UN Cambodian MED award
- Winner of 3 National Marketing Awards
- Partnering with remote and urban Indigenous communities, and supporting emerging Indigenous artists through the Birrung Gallery
- Worked with World Vision Malawi to pilot a groundbreaking advocacy project to enable people living with HIV/AIDS to access treatment

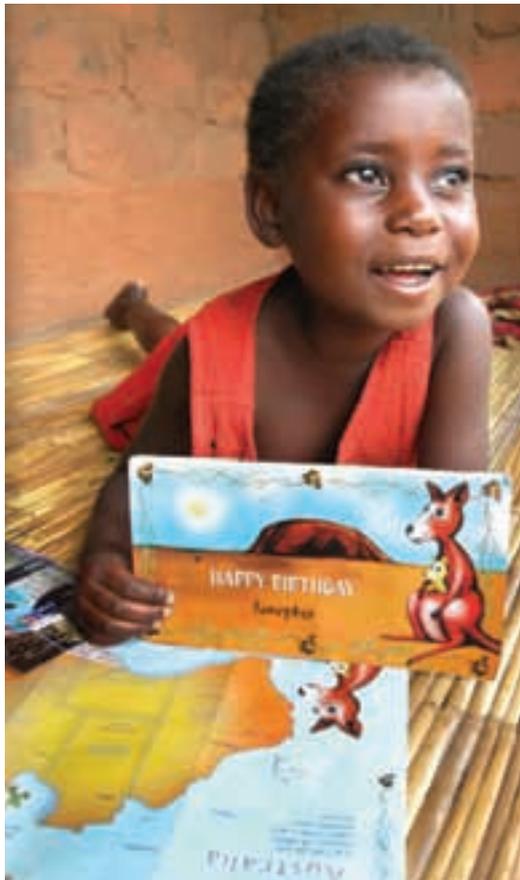
- In partnership with the World Bank, designed a carbon sequestration program using reforestation in Ethiopia
- Published *Island Nation or Global Citizen* report that shows Australians are much more concerned about global issues than citizens of other nations

## Income

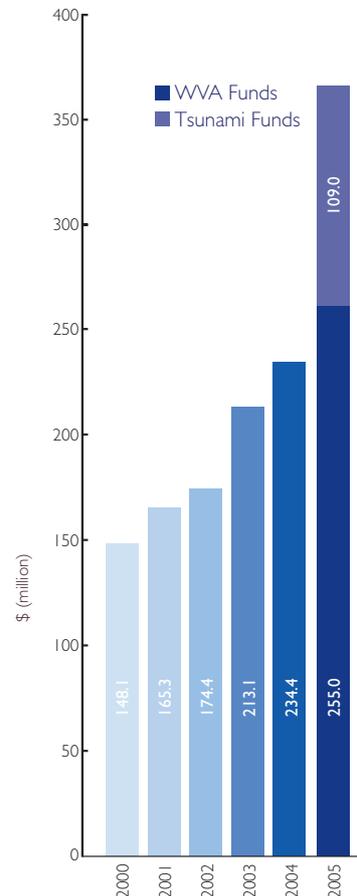
Total income increased by \$129.6 million (55.3%) on the previous year, of which \$106.4 million was donated for the Asia tsunami emergency relief appeal.

- Donations from the Australian public \$296.5 million (up 68.7%)
- Goods donated by Australian companies \$16.1 million (up 23.0%)
- Grants from the Australian Government \$14.5 million (down 17.3%)
- Goods from international donors, primarily food aid, \$34.6 million (up 12.0%)
- Increase on 2004 excluding tsunami revenues \$20.6 million (up 8.8%)

With the help of generous and committed supporters, World Vision Australia continues to change lives and give children a brighter future.



## Revenue Continued to Grow



# Highlights and Summary of Financial Results

## Expenditure

- The proportion of income (excluding tsunami income) spent on fundraising reduced from 10.7% to 9.5%
- The proportion of income (excluding tsunami income) spent on administration costs reduced from 7.5% to 7.1% (excluding implementation of our new supporter information system)
- Implementation of a new supporter information system is improving our administration activities and fundraising cost efficiency

## Asia Tsunami Disaster

World Vision Australia received \$106.4 million from various appeals in response to the tsunami disaster:

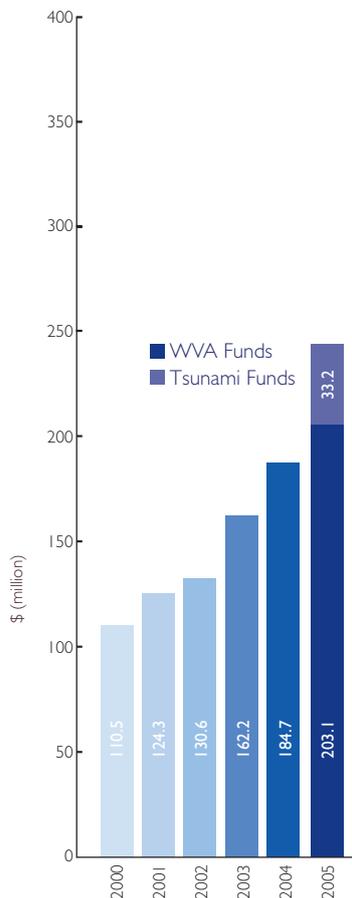
- Cash Donations \$103.4 million
- Australian Government \$2 million
- Goods donated by Australian companies \$1 million
- Interest of \$2.6 million has been earned on these funds

As at 30<sup>th</sup> September 2005, \$30 million has been used to fund relief and development projects, \$3.2 million spent on overheads and \$76.1 million is held in trust to be used to fund future development projects. Most of the funds are invested with AMP, after a competitive tender was held to select an investment partner and \$2.6 million of interest has been earned and added to the Tsunami funds.

## Helping People

Almost 12 million people have been helped during the year as a result of the generous support of the Australian people, companies and government which supported our work in many ways. World Vision Australia funded 603 projects in 66 countries, including work with Indigenous communities in Australia.

## Record Cash and Gifts used on Relief & Development



Providing families with practical assistance is an effective way of creating long-term solutions to their needs. Farmers like Margaret in Zambia receive seeds, tools and training to help grow enough food for their families.

# Highlights and summary of financial results

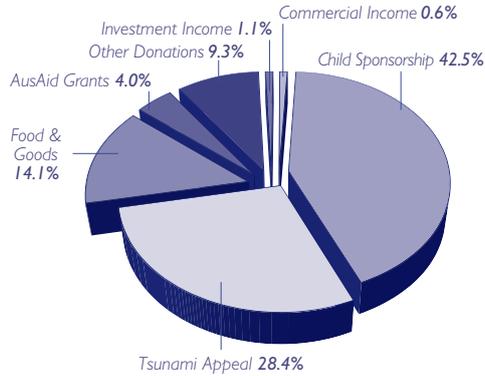
## Highlights

- 12% increase in donations from the Australian public, excluding Tsunami donations
- Total donations from the Australian public increased 68.7%

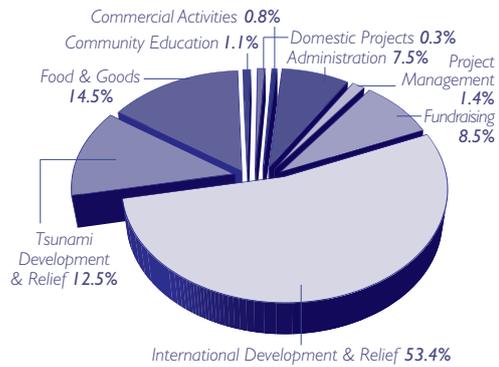
## FUTURE FOCUS

OUR SUPPORTERS HAVE A DEEP UNDERSTANDING OF THE CAUSES OF POVERTY

## Total Income \$363,981,778



## Total Payments \$289,549,277



## Income

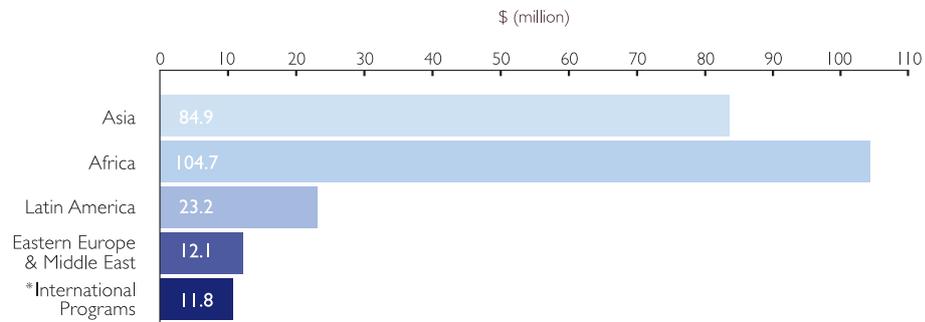
Child Sponsorship	42.5%	154,823,224
Tsunami Appeal*	28.4%	103,376,827
Food & Goods	14.1%	51,141,550
AusAid Grants	4.0%	14,458,222
Other donations	9.3%	33,901,483
Commercial Income	0.6%	2,339,374
Investment Income	1.1%	3,941,098
	<b>100.0%</b>	<b>363,981,778</b>

\*Cash donations only

## Payments

Fundraising	8.5%	24,732,898
Administration	7.5%	21,572,081
Project Management in Australia	1.4%	4,011,966 <sup>(1)</sup>
International Development & Relief	53.4%	154,649,076 <sup>(1)</sup>
Tsunami Development & Relief <sup>(2)</sup>	12.5%	36,136,493 <sup>(1)</sup>
Food & Goods	14.5%	41,948,363 <sup>(1)</sup>
Community Education	1.1%	3,243,995
Domestic Projects	0.3%	856,741
Commercial Activities	0.8%	2,397,664
	<b>100.0%</b>	<b>289,549,277</b>

## (1) International Development Aid and Relief \$236,745,898



\* International Programs include funds sent to our central international account to be forwarded to allocated projects in various countries.

(2) Total spent	\$33,201
Cash held by World Vision International for development work	\$2,935
	<b>\$36,136</b>

# Child Sponsorship can Change Communities

Australians are now helping to transform the lives of over 360,000 sponsored children. That's an increase of more than 38,000 sponsored children over the past year.

Child sponsorship reaches far beyond sponsored children. Other children and families within the community benefit through the community development projects made possible through child sponsorship, building a better present, and better future – for everyone. Sponsored children are the representatives of the community and the changes in their lives reflect the broader changes taking place within the whole community.

One of those sponsored children is twelve-year-old Kieli in Vietnam. As a sponsored child, Kieli now has improved access to education and healthcare, whilst his family are now able to grow cassava, sweet potatoes and bananas, and raise chickens, pigs and goats to sell at the market.



Thanks to child sponsorship, Kieli (centre) has the opportunity to go to school. Once a year, Kieli also undergoes a health check-up at his school.

## Child sponsorship is also bringing lasting change to Kieli's community through:

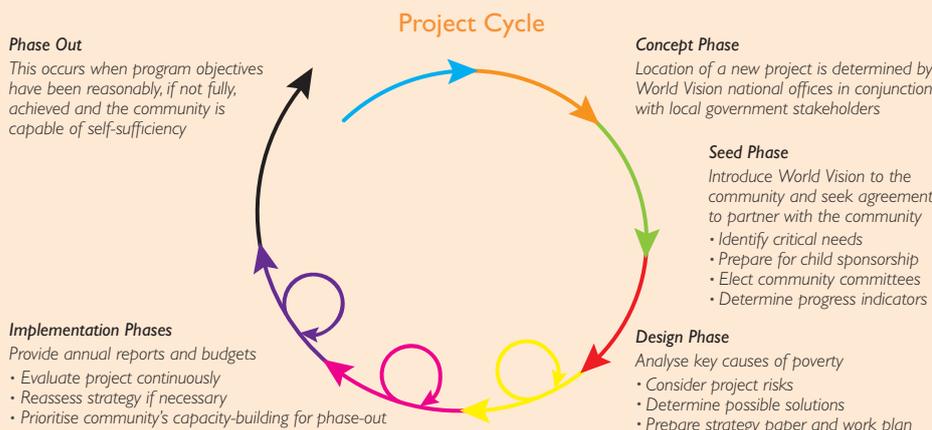
- Training for teachers to improve education quality for all
- A communal buffalo shared among seven families to plough the fields. This helps the community achieve a greater crop yield
- Building of a health clinic to provide basic healthcare services
- A Micro Enterprise Development program that empowers women like Kieli's mother with small, low-cost loans to start and run small businesses

## Quality Programming and Effectiveness

World Vision Australia is passionate about delivering highly effective programs. To ensure we get this right, we work with some of the world's top academics and development specialists.

The operating model that we have developed (shown below) serves as a guide for our work. The cycle can take up to fifteen years and the aim is to help the communities where we work to be self-sufficient.

A key focus over the next few years is to keep improving the impact of our work on those we serve. This year we have introduced a new design, monitoring and evaluation tool to ensure what we deliver has a significant impact. In addition to this, we are testing a Community Based Performance Monitoring system which aims to empower communities to engage with local governments, further improving the effectiveness and lasting impact of our program.



## RELIEF AND DEVELOPMENT

WE WILL IMPLEMENT BEST PRACTICE PROGRAMS OVERSEAS AND IN AUSTRALIA TO SAVE LIVES AND BUILD SUSTAINABLE COMMUNITIES

## Highlights

- World Vision International established a new design, monitoring and evaluation framework called LEAP (Learning through Evaluation with Accountability and Planning)
- Three food aid programs evaluated with the report presented to the World Food Program (WFP)
- Successful pilot of Community Based Performance Monitoring (CBPM) which aims to empower communities to engage with local governments

# Asia Tsunami Disaster



*Hajat is one of the local farmers working on World Vision's livelihood restoration program in Lamno, Aceh. Work is underway to clear and rehabilitate 900 hectares of agricultural land that was left covered with salt and debris from the tsunami, so the communities can grow their own food again.*

## Highlights

- Provision of salt resistant rice crops in Aceh
- Established 26 Child Friendly spaces in Aceh and 13 in Sri Lanka, providing safe play and learning areas for over 3,500 children

World Vision Australia received an amazing \$106.4 million to help survivors of the 2004 Asia tsunami. These funds have been used for the initial emergency and will continue to support longer-term rehabilitation needs.

Over the next five years, money raised will help to rebuild shattered communities and give hope to children and their families through construction of new homes, schools, clinics, hospitals, water and sanitation facilities, and re-establishment of traditional livelihoods.

These funds were donated by generous individuals, together with significant donations from corporate Australia, government grants and gift-in-kind donations. The response from the media and public to the 'Australia Unites Concert – Reach Out to Asia' and the World Cricket Tsunami Appeal was overwhelming. Australians opened their hearts and dug deep into their pockets to help those in need.

## Asian Tsunami Appeal Report

(In Thousands of Dollars)

REVENUE	2005
- Public Donations	75,459
- Corporate Donations – Cash	27,918
<b>Donations and gifts from the Australian public</b>	<b>103,377</b>
- Gifts in Kind	1,040
- Government	2,000
<b>Total Donations</b>	<b>106,417</b>
- Interest earned	2,582
<b>Total Revenue</b>	<b>108,999</b>
SPENDING	
Cash & Goods spent overseas <sup>(1)</sup>	29,266
- Program support by Australian staff <sup>(2)</sup>	721
- Overheads	3,214
<b>Total Spending</b>	<b>33,201</b>
Goods sourced from other programs	289
Cash held to fund programs	76,087
- Held in Australia	73,152
- Held by World Vision International	2,935

### <sup>(1)</sup> Funds spent overseas in projects

India	Indonesia	Sri Lanka	Thailand	Response Management <sup>(2)</sup>	Total
<b>3,646</b>	<b>8,293</b>	<b>14,086</b>	<b>2,157</b>	<b>1,084</b>	<b>29,266</b>

• The country totals represent the Australian share of pooled expenditure spent by World Vision International

• <sup>(2)</sup> World Vision established a dedicated team to co-ordinate and manage the total response across the region

# Asia Tsunami Disaster

To assist the tsunami survivors, funds are being allocated to Indonesia (28%), Sri Lanka (48%), India (13%), Thailand (7%) and Other (4%) in four main development areas:

- **Emergency response**  
In the initial 90 days, World Vision assisted over 1 million people by providing emergency relief items and temporary shelter; setting up water and sanitation supplies and also child protection activities.
- **Economic recovery**  
Initiatives such as assistance with small business loans, job training and the provision of vital equipment like fishing boats and nets are helping to kick-start local food production and re-establish livelihoods.
- **Infrastructure rehabilitation**  
Significant funding has been allocated to repair roads, hospitals, health clinics, schools and to provide water and sanitation.
- **Community and social rehabilitation**  
Initiatives in restoring community structure include training in leadership and disaster preparedness to equip communities for the future, and creating children's centres to help children and their parents come to terms with their losses.

## Highlights

- \$106.4m donated to tsunami appeals
- Cash donations \$103.4m
- Australian Government \$2.0m
- Goods donated by Australian companies \$1.0m
- Produced tsunami based educational resource for Australian schools in partnership with the South Australian Dept. of Education, Australian Red Cross and AusAID



*In the immediate aftermath of the tsunami, children's centres were set up to give children a safe place amidst the devastation. Here, children get the chance to play and learn together, and also open up and share the pain of losing loved ones or homes. Ongoing counselling and support helps them move on with their lives.*

# Micro Enterprise Development

## FUTURE FOCUS

INNOVATION IS A KEY FEATURE OF ALL OUR PROGRAMS AND WE USE ALL OUR RESOURCES EFFECTIVELY TO PROVIDE THE BEST OUTCOMES FOR THE POOR

## Highlights

- \$6.6 million worth of active loans through the MED program
- 76% of MED loans provided to women

The majority of the world's population lives on less than \$4 per day. Many of them work for long hours in small business activities for little return, such as making pots and furniture, or selling fruits and vegetables.

World Vision's Micro Enterprise Development program (MED) involves the provision of small loans to these people at discounted rates of interest. Loans are provided through Micro-finance institutions, as the poor do not have the necessary collateral to obtain credit from the formal banking sector. These loans help the micro entrepreneurs expand and make their businesses profitable. Most loans are between \$70 and \$140 over a term of approximately six to eight months.

In addition to providing finance, this program also offers training and advice, including:

- Access to markets
- Technology
- Education, training and job skills

MED programs are effective in poverty reduction for many reasons:

- They are simple to operate
- They use locally available skills
- They are labour intensive and create significant employment
- They improve the income of those living in poverty, especially women

## Small loan, big impact

Women represent approximately 80% of all the micro-loan recipients worldwide. As the primary nurturer for children, their main concern is providing adequate and nutritious food, a healthy and safe environment and education which will see their children thrive. Many entrepreneurial women seek out micro finance to help them establish and develop their small enterprises, allowing them to provide a more solid future for their families.

24-year-old Phally from Cambodia is one of these women. Ten years ago Phally left school to help her single mother support their family and keep her three brothers in school. She worked two jobs, selling vegetables and working in the soybean fields.

Five years later, Phally borrowed about \$70 through the MED program to open a grocery shop. Phally's hard work, entrepreneurial skills and determination helped her and her family overcome the odds and make it a profitable business. With this financial security, Phally is able to support her mother and extended family. It also allows Phally to give her young daughter, Dalia, the opportunities she never had. "I want Dalia to finish school," says Phally. "I want her to have a different life from mine."

To top it off, Phally has also been named winner of the UN Cambodian Micro Enterprise award.

*Phally's permanent shop with a variety of goods is a far cry from the bicycle basket she once used to sell her vegetables.*



# Advocacy and Public Influence

World Vision Australia's Advocacy and Public Influence work is making a big difference for people around the world. We are working to educate and inform Australians about the causes of poverty, and empower them to take action in order to achieve change. We are also engaging with the Government and other key decision-makers to influence policies that affect the poor.

World Vision Australia played a leading role in the Make Poverty History (MPH) campaign. It is Australia's opportunity to respond to the Global Call to Action Against Poverty, a worldwide movement calling on world leaders to fulfill their commitments to the Millennium Development Goals (MDGs). The campaign received support from many Members of Parliament and successfully engaged a large number of Australians. Over 800,000 people have bought the signature White Bands as a sign of support, and 14,000 World Vision supporters signed postcards to the Prime Minister, urging him to take action to achieve the MDGs. Make Poverty History also played an important part in influencing the Australian Government to agree to double aid to \$4 billion by 2010.

World Vision successfully lobbied the Australian Government to better protect

and uphold the rights of children who are trafficked into and out of Australia. The Criminal Code Amendment (Trafficking in Persons Bill) was passed by Federal Parliament on 22 June 2005, adopting eight recommendations that had considerable World Vision Australia input. Positive changes included prohibiting non-commercial forms of exploitation and protecting child witnesses.

A governance program that empowers communities to hold their local decision makers accountable for service delivery was piloted in Uganda. Communities developed action plans to achieve reforms in the delivery of primary schooling and health services. More programs will be rolled out in Brazil, Tanzania and India.

A groundbreaking HIV/AIDS access to treatment project was designed with World Vision Malawi. This process is pioneering new approaches to collaboration between our advocacy and development work.

World Vision contributed to the Australian Government's white paper process to help shape the Government's future aid and development program. We made submissions covering Asia and PNG, HIV/AIDS, health, education and governance.

*Note: Up to 3% of sponsorship funds are used to address the underlying reasons for poverty. This may include public influence in Australia, engaging with governments on foreign aid, trade and other development issues, as well as activities aimed at protecting children in developing countries from exploitation.*



## Highlights

- Key member of the MPH campaign which played an important role in influencing the Australian Government to double aid to \$4 billion by 2010
- Input into the Criminal Code Amendment (Trafficking in Persons Bill) to better protect the rights of children who are trafficked into and out of Australia
- Active member of the Micah Challenge, a campaign mobilising Australian Christians against poverty

## POLICY CHANGE

WE WILL ADVOCATE TO CHANGE GOVERNMENT AND INSTITUTIONAL POLICIES IN AUSTRALIA AND INTERNATIONALLY TO BENEFIT PEOPLE IN NEED

*World Vision's "Vision Generation" teamed up with other youth organisations in Canberra to lobby our politicians to Make Poverty History.*

# Where World Vision Works

**Sudan:** After fleeing home with their families to escape ongoing violence, many children are facing the prospects of growing up in refugee camps. World Vision has opened two new schools in the Otash camp, so that 2,500 children will have the opportunity to gain an education.



**Ghana:** Lives have changed for the families in Gyabenkrom village. Pump-fitted boreholes dispense clean water for cooking, drinking and washing, so children and women no longer have to walk two kilometres to collect dirty water. Around 12,000 people in 27 communities will benefit from the 30 boreholes installed in partnership with AusAID.



**Guatemala:** Families whose income relied on coffee planting suffered a setback when coffee prices fell. World Vision, working with a local development association, implemented an irrigation project. Now, vegetable farming provides families with fresh food and a new source of income.



AFRICA	PROJECTS	AFRICA	PROJECTS
Africa Regional Office	2	Niger	1
Angola	3	Rwanda	10
Chad	11	Senegal	8
DR Congo	4	Somalia	6
Ethiopia	24	South Africa	6
Ghana	14	Sudan	12
Kenya	29	Swaziland	6
Lesotho	11	Tanzania	29
Liberia	4	Uganda	25
Malawi	13	West Africa Regional Office	2
Mauritania	1	Zambia	26
Mozambique	13	Zimbabwe	14

LATIN AMERICA/CARIBBEAN	PROJECTS
Brazil	13
Chile	6
Colombia	2
Dominican Republic	1
Ecuador	7
Guatemala	7
Haiti	6
Honduras	9
Latin American Region	4
Nicaragua	5
Peru	7



**India:** World Vision provides farming assistance to families of children like Pinky, so that they have enough to eat, and the family has enough income to keep their children in school. Pumps have been installed to provide clean water, and medical attention is provided to sick children without charge.



**Cambodia:** Child sex tourism is a serious problem here. World Vision supported a public awareness campaign mounted to address the demand for exploited children, with large billboards that read "Abuse a child in this country, go to jail in yours" placed at airports, travel agencies, hotels and along major streets to warn off would-be sex tourists.



**Zambia:** 23,900 Congolese refugees in the Kala camp receive food rations that include sorghum, beans, high energy supplements and salt. These supplies are provided by the United Nations World Food Programme and distributed by World Vision with funds donated through our Multiplying Gift Appeal.

ASIA & PACIFIC ISLANDS	PROJECTS	ASIA & PACIFIC ISLANDS	PROJECTS
Afghanistan	5	Mongolia	8
Asia Pacific Region	4	Myanmar	16
Australia	3	Nepal	4
Bangladesh	11	North Korea	1
Cambodia	16	Pakistan	4
China	6	Papua New Guinea	9
East Timor	3	Philippines	11
Greater Mekong Region	2	Solomon Islands	5
India	24	Sri Lanka	17
Indonesia	22	Thailand	13
Laos	15	Uzbekistan	1
Melanesia	1	Vanuatu	4
Micronesia	1	Vietnam	13

MIDDLE EAST/ EASTERN EUROPE	PROJECTS
Armenia	2
Azerbaijan	9
Bosnia	4
Iran	2
Iraq	3
Jerusalem/West Bank/Gaza	7
Lebanon	7
Romania	7
Russia	1
Serbia and Montenegro	1

# Statement of Financial Performance

for the year ended 30 September 2005

(In Thousands of Dollars)

REVENUE	2005	2004	2003	2002	2001
Donations & Gifts from the Australian Public:					
- Child Sponsorship	154,823	133,133	110,484	96,757	89,430
- 40 Hour Famine	3,464	5,469	4,232	5,578	5,433
- Asia Tsunami Appeal	103,377				
- Emergency and Other Appeals	14,075	16,936	14,342	14,609	8,646
- Other Cash Donations	13,472	12,218	7,580	7,461	6,149
- Food and Goods <sup>(1)</sup>	16,068	13,077	10,256	9,139	7,994
<b>Total Donations &amp; Gifts</b>	<b>305,279</b>	<b>180,833</b>	<b>146,894</b>	<b>133,544</b>	<b>117,652</b>
<b>Legacies / Bequests</b>	<b>2,593</b>	<b>1,695</b>	<b>1,809</b>	<b>882</b>	<b>712</b>
Grants:					
- AusAID Cash	14,458	17,477	19,352	14,725	16,715
- Other Australian	496	589	357	192	239
- Other Overseas – Cash	6,184	6,545	5,590	4,484	5,110
- Food and Goods <sup>(1)</sup>	28,393	24,341	35,807	18,577	22,595
<b>Total Grants</b>	<b>49,531</b>	<b>48,952</b>	<b>61,106</b>	<b>37,978</b>	<b>44,659</b>
<b>Investment Income</b>	<b>3,941</b>	<b>696</b>	<b>809</b>	<b>648</b>	<b>598</b>
Other Income:					
- Commercial Activities	2,339	2,113	2,387	1,250	1,613
- Other	299	74	66	60	41
<b>Total Other Income</b>	<b>2,638</b>	<b>2,187</b>	<b>2,453</b>	<b>1,310</b>	<b>1,654</b>
<b>Total Revenue</b>	<b>363,982</b>	<b>234,363</b>	<b>213,071</b>	<b>174,362</b>	<b>165,275</b>
<b>DISBURSEMENTS</b>					
Overseas Projects:					
- Cash	190,786	144,166	115,488	99,595	92,603
- Food and Goods <sup>(1)</sup>	41,948	37,659	44,192	28,627	29,331
- Project Design, Development, Management <sup>(2)</sup>	4,012	2,916	2,500	2,338	2,366
<b>Total Overseas Projects</b>	<b>236,746</b>	<b>184,741</b>	<b>162,180</b>	<b>130,560</b>	<b>124,300</b>
Domestic Projects:					
- Cash	666	615	538	864	1,181
- Donated Goods		195	10	0	9
- Other	191	0	0	10	107
<b>Total Domestic Projects</b>	<b>857</b>	<b>810</b>	<b>548</b>	<b>874</b>	<b>1,297</b>
<b>Community Education</b>	<b>3,244</b>	<b>1,727</b>	<b>1,107</b>	<b>897</b>	<b>896</b>
Fundraising:					
- Public	24,509	24,872	22,856	20,825	20,747
- Government, Multilaterals & Private	224	453	395	360	399
<b>Total Fundraising</b>	<b>24,733</b>	<b>25,325</b>	<b>23,251</b>	<b>21,185</b>	<b>21,146</b>
<b>Administration</b>	<b>21,572</b>	<b>19,401</b>	<b>19,619</b>	<b>18,293</b>	<b>15,689</b>
<b>Commercial Activities</b>	<b>2,398</b>	<b>2,143</b>	<b>2,224</b>	<b>1,338</b>	<b>1,547</b>
<b>Total Disbursements</b>	<b>289,550</b>	<b>234,147</b>	<b>208,929</b>	<b>173,147</b>	<b>164,875</b>
Excess of Revenue over Disbursements	74,433	216	4,142	1,215	400
Funds available for future use at beginning of Financial Year	23,692	23,476	19,334	18,118	17,718
Funds available for future use at the end of the Financial Year	98,125	23,692	23,476	19,333	18,118

<sup>(1)</sup> Mostly food aid distributed under multilateral agreements with the United Nations' World Food Programme.

<sup>(2)</sup> WorldVision Australia has a team of professional staff working with our overseas offices to help improve the quality of development programs and increase the skills of local staff.

# Statement of Financial Position

as at 30 September 2005

(In Thousands of Dollars)

<b>CURRENT ASSETS</b>	<b>2005</b>	<b>2004</b>
Cash and Short-Term Deposits	88,427	15,349
Receivables	1,239	2,514
Inventories	253	328
Other	6,383	4,000
<b>Total Current Assets</b>	<b>96,302</b>	<b>22,191</b>
<b>NON-CURRENT ASSETS</b>		
Financial Assets	340	341
Property, Plant and Equipment	22,685	23,204
<b>Total Non-Current Assets</b>	<b>23,025</b>	<b>23,545</b>
<b>Total Assets</b>	<b>119,327</b>	<b>45,736</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	4,627	6,235
Provisions	2,809	2,674
<b>Total Current Liabilities</b>	<b>7,436</b>	<b>8,909</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	951	320
<b>Total Non-Current Liabilities</b>	<b>951</b>	<b>320</b>
<b>Total Liabilities</b>	<b>8,387</b>	<b>9,229</b>
<b>Net Assets</b>	<b>110,940</b>	<b>36,507</b>
<b>EQUITY</b>		
Reserves	12,815	12,815
Funds committed for future use	98,125	23,692
<b>Total Equity</b>	<b>110,940</b>	<b>36,507</b>

Full financial statements are available on our website at [worldvision.com.au](http://worldvision.com.au)

## Overseas Cash Disbursement

World Vision Australia works through an international partnership to implement aid and development programs in countries around the world.

The purpose of this partnership is to ensure we can deliver the most effective programs possible. To manage these programs and maximise the effectiveness of supporter funds, we need technical experts and strategists as well as local managers in each country in which we operate.

Our partnership has an international office which primarily oversees the management of all our field offices as well as global strategy and speciality expertise. This allows us to spend our money wisely and to ensure high quality programs are delivered globally. World Vision Australia provided around 2.5% of our revenue during the last financial year to help fund these activities. Our goal is to always keep this amount at under 5% of revenue.

We also have national operations in most of the countries we work in. Their role is essential to deliver effective programs and positive outcomes for their local communities. World Vision Australia provided around 1.8% of our revenue during the last financial year to help fund these local management activities. Our goal is to always keep this amount at under 6% of revenue.

# Independent Audit Report

## World Vision State Offices

### Victoria

1 Vision Drive  
Burwood East  
VIC 3151  
Registered Office

### New South Wales

Level 3,  
91 Phillip Street  
Parramatta  
NSW 2150

### Newcastle

3/45 Pearson Street  
Charlestown  
NSW 2290

### Canberra

Suite 4, 1st Floor  
71 Northbourne Ave  
Canberra  
ACT 2601

### Queensland

Level 3  
3350 Pacific Highway  
Springwood  
QLD 4127

### South Australia/NT

11 Eliza Street  
Adelaide  
SA 5000

### Western Australia

8th Floor  
Septimus Roe Square  
256 Adelaide Terrace  
Perth  
WA 6000

### Tasmania

121 Bathurst Street  
Hobart  
TAS 7000

We have audited the summarised financial report of World Vision of Australia for the year ended 30 September 2005, comprising the statement of financial position and statement of financial performance, 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 25 November 2005. For a better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual statutory financial report.

Tony Hallam, Partner

**PRICEWATERHOUSECOOPERS** 

PriceWaterhouseCoopers



*Ten-year-old Abdu in Ethiopia helps look after their family calf, Gete, which means 'my jewel' in Amharic.*

# Corporate Governance Statement

## Board Responsibilities

The Board focuses on the strategy and values it has in place to ensure that funds to the field are maximised on behalf of donors. It supports the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles) published in March 2003. World Vision Australia (WVA) is not a publicly listed company and as such, is not obliged to report on these principles. However, WVA has chosen, where applicable, to apply the principles to itself.

The Board ensures that WVA maintains the highest level of corporate ethics. It is comprised entirely of independent, non-executive directors who have a broad range of skills in commercial, business and international activities bringing accountability and judgement to ensure maximum impact for the donors and aid recipients.

The Board has adopted a formal charter. In particular, the Board:

- sets the strategic direction;
- approves and monitors the annual budget;
- sets and assesses the objectives and standards by which WVA is governed;
- appoints and evaluates the performance of the Chief Executive;
- appoints the executive committee;
- ensures adequate risk management; and
- ensures compliance with laws and policies.



(Left to right) Front: Christopher Daly, Kim Vanden Hengel, George Savvides, Peter King, Joan Abbott-Chapman, Margaret Rodgers  
Back: Anne Robinson, Brian Lampton, John Conn, Rex Keily, Dean Hirsch

The Chief Executive 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 and the management team to meet this responsibility.

## Board Structure

The Board is comprised of a maximum of 14 non-executive directors. No fees are paid for serving as a director; however the directors may be paid reasonable travelling and other expenses incurred in connection with the business of WVA.

## Board of Directors

DIRECTOR	EXPERIENCE	SPECIAL RESPONSIBILITIES
Peter King FAICD	Peter King joined the Board in 1994 and was appointed Chairman in August 1995. A former Chief Executive of John Fairfax Ltd, he is currently on a number of Boards in various industry sectors including Chairmanship of two organisations. He is a foundation fellow of the Institute of Directors and has attended the Senior Managers programme at Harvard University.	Chairman, Board Executive Board Development Committee Marketing Committee World Vision International Director
Gary Brown Dip Bus FAICD	Gary Brown joined the Board in 2000 and is currently a director of Dawson Brown and Associates Pty Ltd and the Labour Union Cooperative Retirement Fund. Prior to 2000, Gary spent many years as a senior corporate human resources executive with broad international and domestic responsibilities. In 2000, he made a transition to consulting and now assists a broad range of organisations across many industries and cultural environments. The main thrust of the firm's work centres on strategic people and organisational issues.	Board Development Committee People Culture & Learning Committee (Chairman)
Christopher Daly BBus CA CPA	Chris Daly joined the Board in 1994. He was the former National Partner in charge of the Business Recovery area of practice of PriceWaterhouseCoopers in Australia, having joined the firm in 1976. Prior to that, Chris had various positions within industry.	Audit Committee (Chairman) Board Executive Policy & Programs Committee Board Secretary

DIRECTOR	EXPERIENCE	SPECIAL RESPONSIBILITIES
Dean Hirsch BA MSc LLd	Dean Hirsch has served on the Australian Board since 1997. He joined World Vision in 1976 and worked in a variety of roles before his appointment as President of World Vision International in 1996. He is based in Monrovia, USA, and travels regularly throughout the WV Partnership visiting projects and offices. He is Chairman of the NGO Advisory Committee to UNICEF and Chairman of the Global Movement for Children. In 1993, Dean was named Alumnus of the Year at Westmont College and in 1996, he was awarded an honorary doctorate in international humanitarianism.	
Rex Keily AM	Rex Keily joined the Board in 1993. Rex is an Executive Manager at the Spastic Centres of South Australia. His previous career, as a General Manager at Mitsubishi Motors Australia Ltd and (formerly) Chrysler Australia Ltd, spanned nearly 40 years in many capacities. He is President of the Scout Association of Australia (SA Branch), and is very active in a number of community organisations. In 2002, Rex was made a Member of the Order of Australia for his contribution to the Community and the Automotive Industry.	Board Executive People Culture & Learning Committee Board Development Committee (Chairman)
Brian Lampton	Brian Lampton joined the Board in 2002. Brian is a Director of the Jubilee Christian & Resource Centre and the Indigenous Community Care & Family Support Company. He has close association with the Haggai Institute. Brian also spends time as a broadcaster on Aboriginal radio. He holds a Diploma of Ministries and is a member of the Assemblies of God in Cairns.	People Culture & Learning Committee Audit Committee
Anne Robinson BA LLB (Hons) FAICD	Anne Robinson joined the Board in 2000. She is Principal of the legal firm, Prolegis, which provides legal services to non-profit organisations. She is also Chair of Home of Peace Hospitals Limited, Church of England Deaconess Institution Sydney Limited, and a member of Barker College Council. Anne graduated BA LLB with honours in international trade law, and is a Fellow of the Australian Institute of Company Directors.	Board Executive Committee Audit Committee
Margaret Rodgers BA BD ThL	Margaret Rodgers joined the Board in 1999. She is the Media Officer for the Anglican Archbishop of Sydney, and is actively involved in various committees of the Anglican Church, including the Sydney Diocesan Standing Committee and that of the General Synod, and the NSW Council of Churches. Director; Council of Churches Broadcasters Ltd.	Policy & Programs Committee (Chairman) Marketing Committee
George Savvides BE (Hons) MBA FAICD	George Savvides joined the Board in 1998 and is also a Director of World Vision International. He has established a career in the healthcare industry with CIG Healthcare, Smith + Nephew, Sigma and currently as Managing Director of Medibank Private Ltd. He graduated in Engineering from the University of NSW and obtained an MBA from the University of Technology in Sydney. George is a Councillor of the International Federation of Health Plans and a Fellow of the Australian Institute of Directors.	Board Executive Committee Board Development Committee Marketing Committee (Chairman) World Vision International Director
Kim Vanden Hengel BA Dip Ed MA (Development Studies)	Kim Vanden Hengel joined the Board in 2002 and currently works as a Vocational Education Consultant. She has degrees in languages and development studies. Kim worked from 1979–1982 and 1988–1996 in Niger, West Africa with SIM, in a variety of administrative and development project roles. Since returning to Australia, Kim has worked with the Archbishop of Sydney's Appeals. Kim is also a director of CNEC Partners and a member of the national steering committee of Micah Challenge.	People Culture & Learning Committee Policy & Programs Committee Audit Committee
Dr Joan Abbott-Chapman MA PhD (Social Anthropology) FACE	Associate Professor Joan Abbott-Chapman joined the Board in 2003 and is an Honorary Fellow, University Department of Rural Health, University of Tasmania, after retiring from the Faculty of Education in 2003. Joan has 30 years experience of teaching and research in Universities in the UK, USA and Australia. Her international experience includes 6 years as a Sociologist/Social Adviser with the British Ministry of Overseas Development within the Overseas Aid Program. She holds an MA (Honours) PhD (Social Anthropology) from the University of Edinburgh, is a Fellow of the Australian College of Educators and is the recipient of the ACE Tasmania Award 2002 for her 'significant contribution to education over many years in Tasmania and overseas'.	Marketing Committee Policy & Programs Committee
Dr Rosanna Wong DBE JP	Dr. Rosanna Wong joined the Board in 2003. Positions held: Executive Director, The Hong Kong Federation of Youth Groups; Chairman, Education Commission of the Hong Kong Special Administrative Region; Non-Executive Director, Hong Kong & Shanghai Banking Corporation Ltd; Non-Executive Director, Cheung Kong (Holdings) Ltd; Member, National Committee of the Chinese People's Political Consultative Conference; Member, High Level Panel of the United Nations on Youth Employment.	Marketing Committee Policy & Programs Committee
John Conn BA (Accounting) Grad Dip Arts FAICD ASA	John Conn joined the Board in 2004. He was a former General Manager at Australia and New Zealand Banking Group Limited, having worked in that company for almost 35 years in various capacities. 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.	Audit Committee People Culture & Learning Committee

## Executive Team

**Tim Costello**  
B.Juris LLB Dip Ed B Div M Theol  
Chief Executive

**Toby Hall**  
ICMA, MBA  
Chief Operating Officer

**Andrea Pink**  
BA (Psych) GAICD  
People, Culture & Learning

**Paul Ronalds**  
BEc LLB (Hons)  
Grad. Dip App Fin.  
Policy & Programs Group

# Board Meetings and Committees

The full Board normally meets five times during the year, with additional meetings scheduled as required. Forums are held where the Board and the management team examine various strategic issues. The Board does not delegate major decisions to committees. The committees are responsible for considering detailed issues and making recommendations to the Board. Each committee has a formal charter.

2005 Attendance at Meetings														
	Board Meeting		Board Executive		Board Development		Audit Committee		Marketing Committee		PCL Committee		P&P Committee	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
<b>No. of Meetings</b>														
J Abbott-Chapman	5	5							5	5			5	5
G Brown	5	4			4	3					4	3		
J Conn	5	5					5	5			4	4		
R Keily	5	4	2	2	4	4					4	3		
C Daly	5	4	2	2			5	4					5	4
P King (Chairman)	5	5	2	2	4	4					4	4	5	4
B Lampton	5	5					5	5			4	4		
S McKeon*	3	3	2	2										
A Robinson	5	4	2	2			5	4						
M Rodgers	5	4							5	4			5	4
G Savvides	5	5	2	2	4	4			5	5				
K Vanden Hengel	5	5					5	5			4	4	5	5
D Hirsch	5	1												
R Wong (alternate Director to Dean Hirsch)	5	2							5	2			5	2

\* Resigned in July 2005

Column A - indicates the number of meetings the Director was eligible to attend.

Column B - indicates the number of meetings attended. The Chairman is an ex-officio member of the Audit, Marketing and Policy & Programs Committees.

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



Chairman

Melbourne, 25 November 2005



Director

## SYNERGY & EFFECTIVENESS

WE WILL STRIVE CONTINUOUSLY TO BE BETTER AT EVERYTHING WE DO. WE WILL TAKE PRIDE IN OUR ABILITY TO BE A COLLABORATIVE, EFFICIENT AND EFFECTIVE ORGANISATION THAT WINS THE RESPECT OF OTHERS

## FUTURE FOCUS

OUR VALUES FORM  
THE BASIS FOR HOW  
WE WORK

### Audit Committee

The Audit Committee assists the Board to fulfil its corporate governance responsibilities by:

- reviewing internal audit reports and risk management issues under an agreed program;
- monitoring management responses to audit issues;
- reviewing adequacy and disclosure of financial statements, and reviewing budgets;
- providing advice on financial and other issues;
- reviewing financial and operational risk assessments;
- liaising with external auditors; and
- considering matters raised by management, initiating enquiries in the areas of ethics, due diligence investigations, insurance, legal issues and statutory requirements.

The committee is comprised of a minimum of three directors. The members of the committee have adequate qualifications to discharge their responsibilities. The committee is presently comprised of Mr Chris Daly, Mr John Conn, Rev Brian Lampton, Ms Anne Robinson and Ms Kim Vanden Hengel.

### Marketing Committee

The Marketing Committee reviews and contributes to the marketing and communication strategies. In particular, the committee:

- advises the Board on overall strategic direction;
- reviews the proposed operating plans;
- understands the implications and detail of the marketing budget in order to advise the Board; and
- considers specific marketing initiatives in depth, as required.

The committee is comprised of a minimum of three directors. The committee is presently comprised of Dr Joan Abbott-Chapman, Ms Margaret Rodgers, Mr George Savvides and Ms Rosanna Wong.

Marketing activities are conducted in accordance with codes of conduct as outlined by bodies such as the Australian Direct Marketing Association and the Australian Council for International Development.

### People, Culture and Learning Committee

The People, Culture and Learning Committee reviews and contributes to human resource strategies and policies. In particular, the committee:

- reviews policy recommendations and guidelines relating to significant human resources issues, including the terms of employment and remuneration of the Chief Executive and senior managers;
- assists the Chairman of the Board in setting performance targets and evaluating the performance of the Chief Executive; and
- reviews succession planning, corporate culture status, and compliance with the organisation's mission and core values.

The committee is comprised of a minimum of three directors. The committee is presently comprised of Mr Gary Brown, Mr John Conn, Mr Rex Keily, Mr Peter King, Rev Brian Lampton and Ms Kim Vanden Hengel.

### Executive Committee

The Executive Committee's role includes:

- advising the Chief Executive during the time between Board meetings;
- reviewing monthly performance;
- taking action on matters not requiring full Board attention;
- making policy recommendations to the Board;
- approving contracts and reviewing budgets;
- reviewing Board sub-committee reports; and
- making recommendations to the Board on performance and strategic issues.

The Board maintains an Executive Committee of a minimum of five directors. The committee is presently comprised of Mr Peter King, Mr Chris Daly, Mr Rex Keily, Ms Anne Robinson and Mr George Savvides.

### Policy and Programs Committee

The Policy and Programs Committee's role includes:

- establishing quality standards and performance measures for project design implementation;
- monitoring field budgets;
- reviewing selection procedures and policies for projects; and
- reviewing project reports.

The Board maintains a Policy and Programs Committee of a minimum of three directors. The committee is presently comprised of Ms Joan Abbott-Chapman, Mr Chris Daly, Mr Peter King, Ms Margaret Rodgers, Ms Kim Vanden Hengel and Ms Rosanna Wong.

### Board Development Committee

The Board Development Committee's role includes:

- establishing criteria for Board membership;
- reviewing Board membership, ensuring that the Board has the appropriate mix of qualifications, skills and experience; and
- nominating directors.

The Board maintains a Board Development Committee of a minimum of three directors. The committee is presently comprised of Mr Rex Keily, Mr Gary Brown, Mr Peter King and Mr George Sawides.

## Standards

### Ethical Standards

The Board's policy is for the directors and management to conduct themselves with the highest ethical standards. World Vision Australia has adopted a set of core values and a mission statement which are distributed to all employees. The directors regularly review these values and mission statement to ensure that WVA's organisational practices reflect best practice and corporate governance.

### Independent Advice

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

### Conflict of Interest

Any actual or potential conflict of interest must be fully disclosed to the Board.

### Board Performance

The Board has commenced a process of review of its performance and evaluation against agreed benchmarks.

All Board members undergo a performance review at least once during each three year term.

Directors have access to continuing education and all new directors undergo an induction session with the company secretary.

### Participation

Directors are encouraged to participate actively at all meetings and ensure their views are heard. They are required to bring an independent judgement to bear in decision making. The Board arranges for management to supply the Board and committees with information in a form and quality that enables them to effectively discharge their duties.

### Financial Information

The Chief Executive and the Chief Financial Officer have certified the accuracy and completeness of the financial information prepared in accordance with relevant accounting standards as provided to the Board.

### Identifying significant business risks

The Board regularly monitors the business environment and operational and financial performance of each of the company's activities. It monitors and receives advice on areas of operational business opportunities and financial risk and considers strategies and policies for appropriate risk management arrangements.

Systems are also established and monitored to ensure prompt and appropriate responses to complaints and inquiries.

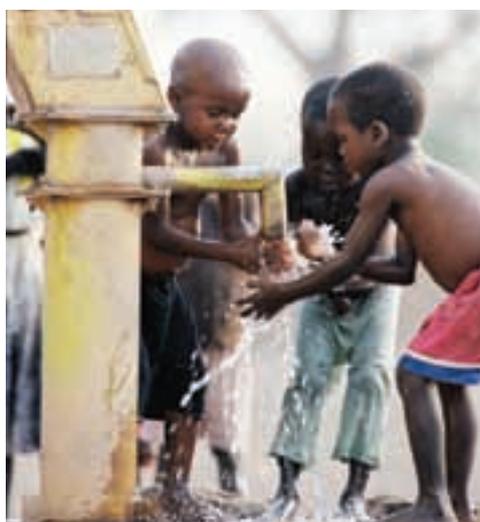
### Corporate Social Responsibility

The Board has adopted a statement of corporate social responsibility which sets out the organisation's broader obligations to members and customers, the community, employees, and the environment.

### External Auditor Relationship

The Audit Committee must satisfy itself as to the independence of the external auditor. This includes considering the ongoing relationships and services to WVA and other parties, and monitoring the number of former parties and/or employees of the external auditors on the Board or in senior management positions.

The audit committee reviews any proposed appointment of former partners of the external auditor to any executive role within WVA.



### FUTURE FOCUS

WE USE BEST PRACTICE BUSINESS PROCESSES, LEARN FROM OUR MISTAKES AND FOCUS ON CONTINUOUS IMPROVEMENT

Water-borne diseases kill 4,000 children each day. The chances of children falling sick from drinking dirty water can be dramatically reduced just by protecting water sources.



World Vision's Healthy Lifestyle Program gives Indigenous children in Epenarra a healthier start to the day

## Declaration by executives

In accordance with a resolution of the Chief Executive and the Chief Financial Officer of World Vision of Australia, I state that:

In the opinion of the Chief Executive and the Chief Financial Officer

a) the financial statements and notes of the Company 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 2005 and of its performance for the year ended on that date; and
- ii) complying with Accounting Standards and Corporations Regulations 2001; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of World Vision of Australia

Chief Executive

Chief Financial Officer

Melbourne, 25 November 2005

## Declaration by directors

In accordance with a resolution of the directors of World Vision of Australia, I state that:

In the opinion of the directors:

a) the financial statements and notes of the Company 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 2005 and of its performance for the year ended on that date; and
- ii) complying with Accounting Standards and Corporations Regulations 2001; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Chairman

Director

Melbourne, 25 November 2005

# Corporate and Donor Relations

The year 2005 marked a significant milestone in World Vision's partnership with both corporate Australia and individual donors. The Corporate and Donor Relations department engaged with more than 1,750 corporations and donors, with over \$56 million donated towards community development programs.

Comparable to the unprecedented generosity from the Australian public towards the Asia tsunami disaster, corporate Australia responded with an unparalleled contribution, both financial and non-financial.

Over \$27 million in cash was donated for emergency relief and the longer-term rehabilitation of the survivors. To assist World Vision in handling the massive flow of phone calls from all over Australia, call centre support was also donated, including phone lines, personnel and technical expertise. This was especially crucial during the Reach Out to Asia Concert and the World Cricket Match.

In addition to the tsunami appeal, solid partnerships were fostered throughout the last 12 months. Over 1,000 corporate volunteers, with the majority from the ANZ Bank and the National Australia Bank, gave their valuable time and energy at the World Vision national office, contributing over 8,000 hours of service.

The Gifts-in-Kind Program also reported a record year, with over 250 companies donating more than \$16 million worth of goods. Medical equipment, school supplies, clothing and other quality products continue to make a real difference to the lives of children and families, both locally and overseas.

Another means of support gaining popularity among employers is the Workplace Giving Program. Since its launch by the Australian Government, many companies have approached World Vision to find out how their staff can become involved. Workplace Giving offers supporters a great opportunity to contribute to World Vision programs such as child sponsorship, Micro Enterprise Development and Indigenous programs.

The significant increase in engagement is a clear sign that along with individual donors, corporations are demonstrating their commitment to social responsibility. The trend continues to gain momentum in the building of long-term partnerships with community programs.



## Highlights

- Engaged with more than 1,750 corporations and donors
- Over \$56 million donated towards community development programs

## ENGAGING AUSTRALIA

WE WILL CONTINUE TO EDUCATE AUSTRALIANS ABOUT THE CAUSES OF POVERTY AND CHALLENGE THEM TO BE INVOLVED IN ALLEVIATING POVERTY AND ITS CAUSES, EITHER BY PROVIDING FUNDING OR BY JOINING CAMPAIGNS

*The generosity of the Australian public and corporations is already making a difference to the lives of children who survived the horrific tsunami on Boxing Day 2004.*

# Our Responsibility to Society



*In rural Honduras, a goat is a valuable family asset. Its milk is a source of sustenance and it provides opportunities for breeding, bringing income for the family to improve the welfare of their children.*

## FUTURE FOCUS

WE USE OUR SIZE AND SKILLS TO SUPPORT ALL ORGANISATIONS COMMITTED TO OUR SOCIAL JUSTICE PRIORITIES

World Vision is committed to promoting Corporate Social Responsibility in Australian companies and we also seek to act as a good corporate citizen. As part of our planning for the future, we have undertaken to adopt a policy on our own Corporate Social Responsibility.

World Vision Australia has worked with the advice of experts in Corporate Social Responsibility to help us deepen our understanding and expand our approach. Our vision, mission and values define the focus of our core social, economic, legal and ethical responsibilities to Australia and the poor and vulnerable with whom we work internationally.

**The core themes of our Corporate Social Responsibility are:**

- **Poverty – we are committed to eliminating poverty and its causes, and empowering the world's poor.**

We work to achieve this via:

- disaster relief, long term development, advocacy and community education.

The detailed reports on pages 9 to 13 highlight some of our work to see poverty and its causes eliminated.

- **Engaging with Indigenous communities – we are committed to improving the lives of Indigenous communities, and promoting empowerment, leadership and capability.**

World Vision is working directly in partnership with remote and urban Australian communities to build capacity for long term sustainable change.

Our Indigenous Programs focus on strengthening communities through vocational training, promoting governance, leadership, community programs and health promotion initiatives.

Birring Gallery in Sydney supports emerging Indigenous artists from around Australia, with social development programs for youth in the metropolitan area.

- **Reducing the risk of child trafficking, sexual and labour exploitation – we are committed to developing programs and policies that reduce the risk of child trafficking, sex and labour exploitation.**

World Vision runs programs that protect vulnerable children around the world against child trafficking, sexual and labour exploitation. We are also involved in a public awareness campaign against child sex tourism in Cambodia and have worked

with an Australian organisation specialising in child protection to raise awareness here in Australia.

World Vision successfully lobbied the Australian Government to better protect and uphold the rights of children who are trafficked into and out of Australia. The Criminal Code Amendment (Trafficking in Persons Bill) was passed by Federal Parliament on 22 June 2005, adopting eight recommendations that had considerable World Vision Australia input.

- **Empowering people living in poverty to build sustainable communities – we are committed to partnering with communities to enable access to integrated programs including health, education, disaster preparedness and gender related initiatives.**

These programs are underpinned by a philosophical commitment to long-term community empowerment and transformation.

An example of our models for working towards building sustainable communities can be found on pages 9 to 13.

- **Delivering effective development programs and measuring our impact – we are committed to strengthening the integrity and quality of our work and providing innovative and sustainable programs that empower people to manage their own development.**

Page 9 shows some of our progress this year in lifting the bar in our programming work and what we are doing to become even more effective.

- **Partnering in social justice – we are committed to active, direct engagement with the Australian community, including corporate partners, churches and Australian governments to end poverty and injustice**

World Vision has been a key member of the Make Poverty History campaign, a coalition of over seventy Australian aid organisations, churches and community groups working to raise awareness about the Millennium Development Goals and to call on our leaders to halve global poverty by 2015. We have also been an active member of the Micah Challenge, a campaign mobilising Australian Christians against poverty.

- **Responsible resource generation – we are committed to organisational economic growth through the design and delivery of innovative fundraising programs.**

# Our Responsibility to Society

Our financial highlights on pages 6 to 8 show the significant income growth that has been achieved this year. It shows that more Australians have given to the poor, and more of that money has gone where it should to assist the poor and vulnerable.

- **Quality leadership, both internally and within the sector – we are committed to quality leadership, internally through fostering staff development, and within the sector by modelling best practice in accountability to supporters and communities.**

This year, World Vision has spent more time than ever before working with our colleagues in our international partnership and other Australian Non Government Organisations (NGOs). We are often able to provide leadership and assistance to the sector.

We have worked with over 50 NGOs and other groups on social justice campaigns such as Jubilee, Make Poverty History and Micah Challenge.

For the first time ever, we have held joint press conferences with other NGOs in relation to the tsunami and other emergency appeals in Australia.

We have reported back to the nation jointly with other NGOs showing them how Australian money has been spent to benefit those who suffered from the tsunami disaster.

We have worked through ACFID (see page 3) to increase the standards and quality across our industry.

Internationally, we have worked jointly to see higher standards of emergency response with other major NGO agencies.

We have also worked to monitor, benchmark and improve our information technology systems so we can help those we serve more efficiently.

- **Fostering a performance-oriented, collaborative environment for staff that is focused on achieving our mission – we are committed to providing ongoing growth and development opportunities for all staff members to ensure that we have maximum impact on eliminating poverty and its causes.**

This is achieved in a culture that values work-life balance and aims to build the

skills and experience to improve the international aid industry as a whole.

Volunteers also play a crucial role at World Vision and contribute to all levels of our work. They can be found throughout the organisation from the national office to the state offices and on the Board of Directors.

Around Australia, more than 9,000 volunteers contributed 97,000 hours to World Vision in the last financial year, which equated to \$1.9 million worth of work. Volunteering plays an important stewardship role for World Vision and also provides Australians with an opportunity to better understand poverty and make a valuable contribution to our work.

- **Protecting the environment – we are committed to reducing our environmental footprint from activities and programs, and managing our natural resources in a sustainable manner.**

We have a team working on a complete review of our environmental practises.

The team is responsible for identifying where we have negative environmental impacts and suggesting what we can do to minimise those impacts. We are aiming to reduce our negative environmental impacts by 10% a year.

This year, we have increased our recycling efforts and produced reports from fully recycled paper. We have been able to do this at virtually no extra cost.

We are committed to improving our performance because we recognise the impacts of climate change on the people we are partnering with.

The World Vision Australia Strategic Plan 2005 – 2008, which is available on our website, sets targets and specific actions as we work towards achieving these commitments. Progress will be reported regularly to senior management and the Board of Directors with measurement against key performance indicators. A summary of our performance against these commitments will also be published in our annual reviews in future.

World Vision is at varying stages in our understanding of what it means to be a socially responsible citizen. We acknowledge our responsibility to continuous learning and recognise that more work remains to be done despite the progress achieved during the past year.

## Highlights

- Kids Hope program reaches over 700 children at risk in Australia through 65 church - school partnerships
- 4,200 youth attended the Global Leadership Conventions
- More than 9,000 volunteers contributed 97,000 hours of work valued at \$1.9 million

## CHRISTIAN ENGAGEMENT

WE WILL ENGAGE WITH ALL OUR STAKEHOLDERS, AIMING TO PROVIDE THEM WITH AN INCREASED UNDERSTANDING OF HOW THE TEACHINGS OF JESUS CALL US TO GROW PERSONALLY, TO SUPPORT SOCIAL JUSTICE AND TO DEVELOP OUR SPIRITUAL LIVES IN WAYS RELEVANT TO OUR PERSONAL SITUATIONS

**National Office**  
1 Vision Drive  
Burwood East 3151  
Phone: 1300 303 440  
Email: [service@worldvision.com.au](mailto:service@worldvision.com.au)  
Internet: [worldvision.com.au](http://worldvision.com.au)