

World Vision Australia

ANNUAL REPORT 2012

World Vision

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Incorporation

World Vision Australia ABN 28 004 778 081 is a public company limited by guarantee incorporated under the Corporations Act. Its members are its current 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 by the Australian Taxation Office (ATO) as an Income Tax Exempt Charity and receives certain other tax concessions and exemptions consistent with its status as a PBI, which relate to income, goods and services, and fringe benefits taxes. World Vision Australia has been endorsed by the ATO as a Deductible Gift Recipient (DGR) and also operates an Overseas Aid Fund and a Necessitous Persons Fund both of which are also endorsed as DGRs.

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

- **New South Wales** – Registration no. 13579
- **Queensland** – Registration no. CH0675
- **South Australia** – Licence no. CPP605
- **Tasmania** – Registration no. 1
- **Victoria** – Registration no. 10214.12
- **Western Australia** – Licence no. 18076

Accreditations

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

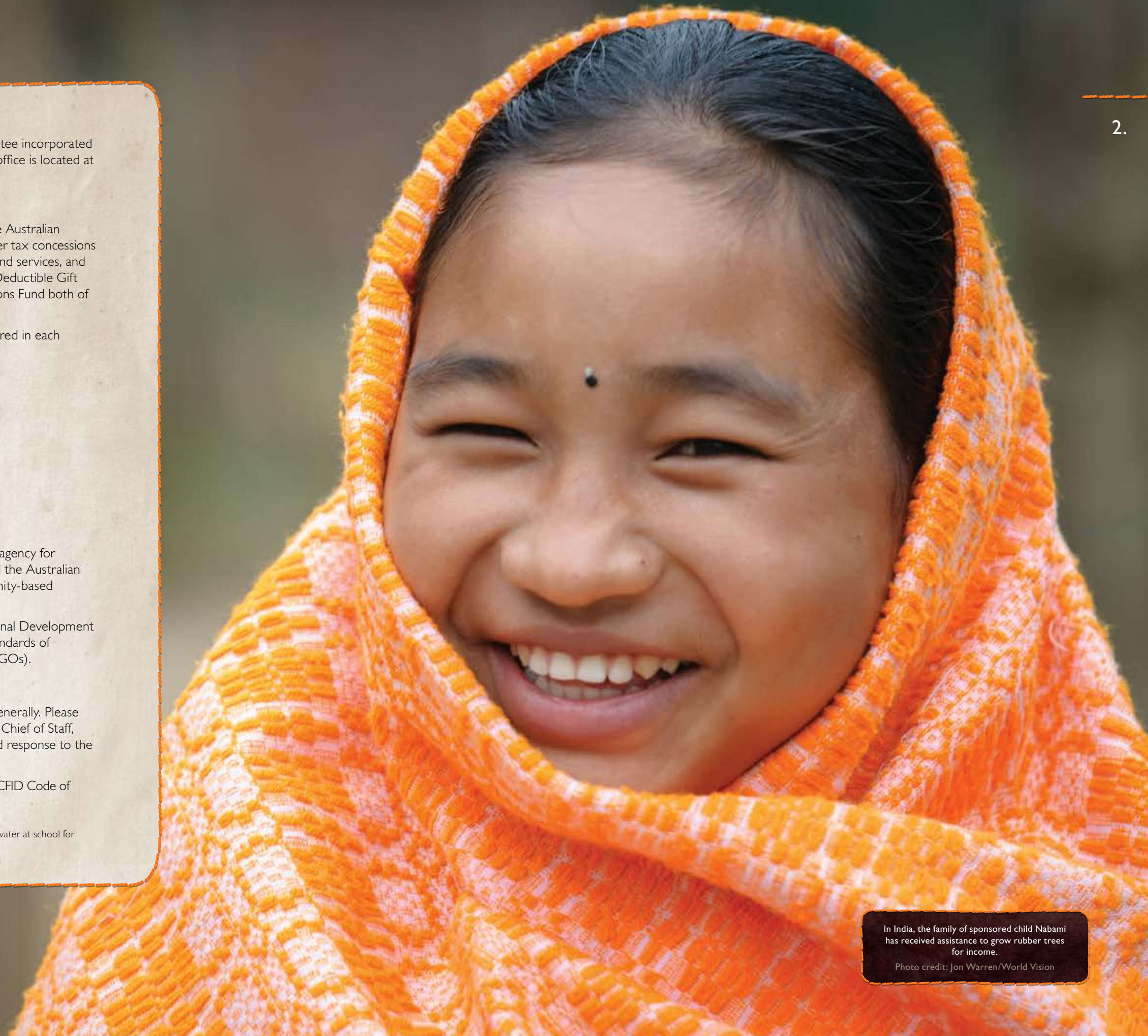
World Vision Australia is an active member of the Australian Council for International Development (ACFID) and adheres to the ACFID Code of Conduct, which defines minimum standards of governance, management and accountability for non-government organisations (NGOs).

Feedback and complaints

We welcome feedback on this report and on our operations and conduct, more generally. Please send any feedback or complaints to service@worldvision.com.au or write to: Chief of Staff, Office of the CEO, 1 Vision Drive, Burwood East, Vic, 3151. Acknowledgement and response to the feedback will be given.

Complaints relating to a breach of the ACFID Code of Conduct can be made to the ACFID Code of Conduct Committee (worldvision.com.au/acfid).

Cover image: A World Vision water project in Cambodia has provided these students with access to clean water at school for drinking and vegetable gardening. **Photo credit:** Sopheak Kong/World Vision



In India, the family of sponsored child Nabami has received assistance to grow rubber trees for income.

Photo credit: Jon Warren/World Vision



A World Vision-supported pig breeding project in Bolivia has enabled Arminda's family to turn their lives around.

Photo credit: Jon Warren/World Vision

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WHO WE ARE

World Vision Australia is part of the World Vision International (WVI) Partnership, which operates in more than 90 countries.

Viewed collectively, the World Vision International Partnership is the world's largest non-governmental, humanitarian and development agency. World Vision is a Christian relief, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice.

We aim to 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.

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

Our mission is to be a Christian organisation that engages people to eliminate poverty and its causes.

CORE VALUES

We are Christian

We acknowledge one God; Father, Son and Holy Spirit. In Jesus Christ the love, mercy and grace of God are made known to us and all people. From this overflowing abundance of God's love we find our call to ministry.

We proclaim together, "Jesus lived, died, and rose again. Jesus is Lord." We desire him to be central in our individual and corporate life.

We seek to follow him in his identification with the poor; the powerless, the afflicted, the oppressed, the marginalised; in his special concern for children; in his respect for the dignity bestowed by God on women equally with 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. From him we derive our holistic understanding of the gospel of the Kingdom of God, which forms the basis of our response to human need.

We hear his call to servanthood and see the example of his life. We commit ourselves to a servant spirit which permeates the organisation. We know this means honestly facing our own pride, sin and failure.

We bear witness to the redemption offered only through faith in Jesus Christ. The staff we engage are equipped by belief and practice to bear this witness. We will maintain our identity as Christian, while being sensitive to the diverse contexts in which we express that identity.

We are committed to the poor

We are called to serve the neediest people of the earth; to relieve their suffering and to promote the transformation of their condition of life. We stand in solidarity in a common search for justice. We seek to understand the situation of the poor and work alongside them towards fullness of life.

We share our discovery of eternal hope in Jesus Christ. 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 in a broken world.

We value people

We regard all people as created and loved by God. We give priority to people before money, structure, systems and other institutional machinery. We act in ways that respect the dignity, uniqueness and intrinsic worth of every person; the poor, the donors, our staff and their families, boards and volunteers.

We celebrate the richness of diversity in human personality, culture and contribution. We practice a participative, open, enabling style in working relationships. We encourage the professional, personal and spiritual development of our staff.

We are stewards

The resources at our disposal are not our own. They are a sacred trust from God through donors on behalf of the poor. 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 are stewards of God's creation. 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.

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 affirm our interdependence and our willingness to yield autonomy as necessary for the common good. We commit ourselves to know, understand and love each other. We are partners with the poor and with donors in a shared ministry. We affirm and promote unity in the Body of Christ. We pursue relationship with all churches and desire mutual participation in ministry. We seek to contribute to the holistic mission of the church. 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 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 recognize 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.



Supporting families to improve food production often has a dramatic impact on the wellbeing of children like Diang, aged six, from Senegal.

Photo credit: David duChemin/World Vision

OUR COMMITMENT

We recognise that values cannot be legislated; they must be lived. No document can substitute for the attitudes, decisions and actions that make up the fabric of our life and work. Therefore, we covenant with each other, before God, to do our utmost individually and as corporate entities within the World Vision Partnership to uphold these Core Values, to honour them in our decisions, to express them in our relationships and to act consistently with them wherever World Vision is at work.

WHAT WE DO

Today, World Vision 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: When disasters strike, World Vision has staff and supplies positioned around the globe to respond to immediate needs like food, water, shelter and safe space for children. World Vision also works with communities to recover from disasters and reduce the impacts of future events through planning and capacity building.

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: World Vision seeks to educate Australians about the causes of poverty and to challenge them to be involved in its alleviation, including making financial and non-financial contributions to our work. World Vision also strives to impart God's offer of renewal and reconciliation through Jesus Christ and encourages people to respond.

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, followed by 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 commenced its operations in Australia in 1966 with the incorporation of World Vision Australia.

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.

HOW WE WORK WITH WORLD VISION PARTNER OFFICES

The World Vision International Partnership is a partnership of more than 90 interdependent national offices, most of which are governed by local boards or advisory councils. As signatories to the World Vision International Covenant of Partnership, each office agrees to abide by common policies and standards. This means that while World Vision Australia is accountable to other World Vision offices, we are also a distinct legal entity with our own Board of Directors. World Vision Australia applies the policies and standards of the World Vision International Partnership in accordance with our local context (including Australian legal requirements). World Vision offices hold each other accountable through an ongoing system of 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 suggested 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, organisational capacity and budget requirements. If World Vision Australia agrees to support the proposal and provide funding for it, World Vision Australia works with the relevant World Vision national office on design, monitoring and evaluation of the project. Fundraising and marketing activities are managed by World Vision Australia to generate financial support for the project.

The World Vision International Accountability Report provides a system-wide view of the mechanisms and processes that the World Vision International Partnership has in place to assure quality, promote improvement and ensure integrity. It also highlights various challenges and areas where additional work is required.

For more information on the World Vision International Partnership, go to wvi.org

PARTNERS AND COALITIONS

After 60 years, humanitarian and development professionals, and society more generally, have come to realise that single-focused approaches to global issues, including the fight against poverty, are not likely to succeed.

In a complex and interdependent world, World Vision acknowledges the importance of external partnerships. Working effectively, in collaboration with other organisations from across all sectors of society, is essential if we are to meet shared challenges, such as achieving the UN's Millennium Development Goals or effectively responding to the impact of climate change.

World Vision contributes to the efforts of a larger community of people and organisations working towards the alleviation of poverty and justice for the oppressed. 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.

World Vision program staff work with a wide range of partners across civil society, including churches, governments and the private sector, as appropriate to the context.



In Senegal, a World Vision development worker helps Khady, aged seven, carry water to her family's vegetable garden.

Photo credit: David duChemin/World Vision

11. **MESSAGE FROM OUR BOARD CHAIR**

It is an exceptional privilege to return to the Board of World Vision Australia as Chair and I am looking forward to seeing the organisation become even more effective in the coming years. I want to express profound thanks for the service of the retiring Chair, Anne Robinson, who has served World Vision with dedication and distinction for the past 12 years.

2012 has been a year of significant challenge and change for World Vision with the commencement of a new strategic direction. In the immediate term, this aims to secure the resources that make our work possible, while also enabling innovation and quality programming. Over the longer term, we seek to become even more effective and more relevant in identifying and responding to human needs around the world, and also here in Australia.

A significant and promising achievement this year has been the design of our new Pacific Timor-Leste office, based in Brisbane. This innovative structure brings together World Vision's field programs in Papua New Guinea, Solomon Islands, Vanuatu and Timor-Leste, integrated with the functions of World Vision Australia and World Vision New Zealand. This will allow us to expand our reach and our effectiveness in the countries closest to us – countries whose natural and human resources are immense, but where economic hardship is accompanied by serious challenges in areas such as maternal health, malaria, tuberculosis and access to educational opportunities.

It is critical that non-profit organisations like World Vision maintain the confidence of our supporters. This year has seen the introduction of the Australian Charities and Not-for-Profits Commission, intended to streamline charity regulation and promote public confidence in the sector by upholding high standards of integrity and transparency. Ultimately, it is up to the agencies themselves to ensure that we always strive to meet such standards, that we observe proper stewardship of the resources entrusted to us, and that we seek continuous improvement and innovation in our mission to enhance the wellbeing of children and communities.

World Vision continues to enjoy generous support from Australians – families, young people, churches, corporate partners and many others. This support has proved resilient despite swings in the national mood and volatile economic conditions. Through good governance, effective programs and a genuine spirit of partnership, we will endeavour to build on that faithful support. Equally important is a strong focus on our purpose. Even as World Vision Australia continues to grow and develop in the future, we must never compromise our purpose and Core Values. We must not lose sight of the goal of a world that no longer tolerates extreme poverty and where all children can enjoy life in its fullness.

On behalf of the World Vision Australia Board, I would like to place on the record our deep appreciation for the incredible commitment to the work and mission of World Vision shown by our Chief Executive, Tim Costello, and the management team and staff. They continue to display immense passion to make a difference to the lives of those we reach out to and work with in communities around the world.

Yours sincerely
George Savvides



12. **MESSAGE FROM OUR CHIEF EXECUTIVE**

This year has reminded me again that hope is found in the most unlikely places and even in the most desperate situations. Even when people are facing poverty and hunger, the belief that a better life is possible sustains the human spirit.

At the end of 2011, I travelled to the Dadaab refugee camp on the Kenyan side of the Somali border. Millions in the Horn of Africa were affected by an exceptionally severe drought, and for Somalis this compounded the ravages of war and insecurity. Even though physically weakened, you could not help but be impressed by the dignity and strength of women who had walked hundreds of miles in search of safety and sustenance for themselves and their children.

Children are our most precious gift, and children are at the very centre of all of World Vision's work. Not only in humanitarian emergencies like the Horn of Africa food crisis, but in all our programs, World Vision is striving to bring about positive change to give every child the chance in life that they deserve.

This means not just responding when disaster strikes, but also taking a positive and proactive approach to human problems, however daunting they sometimes seem. In a crisis we need to be generous and effective in providing immediate emergency assistance, including food aid. But at the same time, we have a responsibility to address the long-term, systemic forces that give rise to hunger in the first place.

I know millions of Australians share my belief that a suffering world demands a compassionate response and a spirit of hope. I am continually thankful that so many Australians choose World Vision programs as the means to express that spirit. Over the past few years many in Australia have experienced uncertainty in their own lives, and as a country our sense of hope and optimism has sometimes been clouded. In this environment, inevitably many charities and community organisations have found it challenging to maintain their level of support. World Vision is blessed to remain the choice of so many Australians who believe in a better world for children, and it is also important that many of our major donors, corporate supporters and the Australian Government have remained generous and kept their focus.

Although the world is always changing and our programs and strategies need to evolve accordingly, at its heart World Vision is about hope for the future for the world's children. If we stay focused on this goal, we will be making real the simple and timeless command to love our neighbours.

Yours sincerely
Tim Costello



REPORTING PERIOD AND SELECTION OF CONTENT

This Annual Report covers our activities and performance for the period 1 October 2011 to 30 September 2012, aligning with the financial year of the World Vision International Partnership.

The information included in the report has been determined through consultation with World Vision Australia staff and reviewed by our Board. The report has been prepared to satisfy specific reporting requirements of the Corporations Act 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 Sustainability Reporting Guidelines and NGO Sector Supplement.

Strong accountability mechanisms are crucial for our organisational sustainability. Without the trust of our stakeholders, we cannot fulfil our Mission. By holding ourselves accountable, we demonstrate that we are worthy of this trust.

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.

KEY NUMBERS 2010 – 2012

	2012	2011	2010
Programs			
Number of countries worked in	60	61	61
Total projects at home and overseas	884	801	873
Number of children sponsored	373,944	390,071	395,893
Number of Area Development Programs supported	232	241	236
Humanitarian relief	<ul style="list-style-type: none"> • Tropical Storm Washi – Philippines • West Africa food crisis • Horn of Africa drought • Philippine floods 	<ul style="list-style-type: none"> • Horn of Africa drought • Japan tsunami 	<ul style="list-style-type: none"> • Haiti earthquake • Pakistan floods • Food crisis in Niger
Major advocacy initiatives	<ul style="list-style-type: none"> • Child Health Now • Don't Trade Lives • Make Poverty History 	<ul style="list-style-type: none"> • Child Health Now • One Just World 	<ul style="list-style-type: none"> • Child Health Now • One Just World • Don't Trade Lives

	2012	2011	2010
Finances			
Revenue	\$343.9m	\$345.1m	\$346.7m
Disbursements to international projects	\$252.7m	\$266.3m	\$259.8m
Total revenue from child sponsorship	\$186.2m	\$194.5m	\$200.8m
Funds raised through emergency appeals	\$3.8m	\$7.2m	\$18.3m
Value of work with AusAID	\$41.5m	\$41.2m	\$35.6m
Value of goods donated by Australian companies	\$1.2m	\$1.1m	\$0.5m
Value of medicines donated by international agencies	\$27.1m	\$23.5m	\$13.3m
Value of food donated by international agencies	\$19.8m	\$21.1m	\$21.9m
Program cost ratio*	78.8%	81.2%	80.3%
Overhead cost ratio*	21.2%	18.8%	19.7%
People			
Total number of World Vision Australia employees**	578	554	588
Number of full-time employees	463	456	474
Number of part-time employees	115	125	119
Staff turnover rate	22.5%	20.2%	20.5%
Total number of volunteers	1,064	2,611	3,799
Hours volunteered	36,924	73,897	86,323
Carbon footprint			
Total emissions after offsets***	3,278 tonnes CO ₂ -e	4,640 tonnes CO ₂ -e	4,662 tonnes CO ₂ -e

* See Financial Position and Performance on page 117 for definitions
 ** International placements with World Vision national offices are no longer included in World Vision Australia's volunteer statistics. The placements are coordinated directly with World Vision national offices through an external, volunteer organisation, Austraining International. World Vision Australia can act as a partner organisation for placements upon request by our national office; however, the volunteer placement value directly contributes to national office programs.
 *** See Environmental management on page 69 for calculation details

LOOKING FORWARD: OUR STRATEGY

Strategic Goals

World Vision Australia's strategy is centred on achieving three long-term goals by 2021:

- **We aspire to contribute to the sustained wellbeing of 20 million children.**
- **We aim to grow our income base to \$1 billion.**
- **We seek to actively engage 1 million supporters.**

Our Priorities

To work effectively towards these long-term goals, we have set priorities that enable us to establish the right balance between focusing on the business of today and building for the future. These are:

Transform children's lives: We need to make certain that the development, relief and advocacy programs we deliver or support make positive and tangible contributions towards the wellbeing of children. To do this well, we need to continually review our portfolio of programs to ensure that they support our geographic and sectoral priorities (health, child protection and food security). We also need to invest, in order to improve program effectiveness and our response to emerging challenges, both domestically and internationally, such as climate change, urban poverty and increasing natural disasters.

Partnering with Australians to champion the child poverty agenda: Programs alone are not sufficient to create sustained wellbeing for children. We need to play an active role, working in tandem with partners and supporters to effect changes in attitudes, behaviours, systems and structures within our sphere of influence. This spans a wide range of activities, including influencing policy changes in government, giving voice to the plight of global poverty, uniting our voice with that of the church, and mobilising others to take action towards improving child wellbeing. We understand the role of the resource sector as an engine of sustainable development and want to explore further how we might collaborate for mutual value.

Grow our income for greater field commitment: As a support office within the World Vision International Partnership, we must meet our commitments to the growing resource needs of our field programs. Child sponsorship will continue to be our primary source of income and will be refreshed for growth. Growth in grants and contributions from major donors and enterprises will bolster our income base in the near term. Significant contribution is expected in the longer term from alternative avenues for income growth, including new products and new business models.

Build a sustainable organisation: It is critical that we continue to renew our organisation to support delivery of current performance and to position ourselves for the future. We must continue to invest and leverage our organisational assets – including our people, brand, sustainability and accountability, faith, partnership footprint, and significant supporter base. In addition, we need to target investments that enhance the distinctive capabilities essential to deliver on our strategy.

Our Strategy

We are also deepening our investment in five critical areas, which will provide the long-term, strategic focus necessary to deliver on our aspirations. These are:

Driving deeper relationships with our stakeholders: With greater understanding of our stakeholders, we will build deeper relationships and partner with purpose to enable mutual transformation. It is through relationship that we unite in a common cause and activate others to support the wellbeing of children, while finding new ways to impact our work. We believe that to create sustainable change, we must build a deeper understanding of our stakeholders and seek transformation across all aspects of our work.



Improving the health of mothers and babies like Jeeta and 11-month-old Mohit, from India, remains one of our four sectoral priorities.

Photo credit: Alyssa Bistonath/World Vision

Exploring adaptive development approaches: We must proactively seek new and adaptive ways of supporting and delivering impact in response to current and emerging development challenges. This includes working in fragile environments, finding innovative solutions to urban poverty, and responding to challenges arising from climate change.

Developing new operating models to bring communities and supporters closer together: We are improving our understanding of our role within a broader system where the traditional distinctions between fundraising "here" and programming "there" are increasingly blurred. We are seeing opportunities to explore new domestic, regional and international operating models.

Revitalising our core income sources for growth: To achieve and sustain our growth aspirations, we not only need to stabilise our core income sources, but revitalise them for growth. Key focus areas include: initiatives to refresh our child sponsorship offering, growing contributions from major donors and capturing growth opportunities in grants.

Generating alternative income sources: To remain sustainable, we must strengthen our core income streams (child sponsorship, grants, major donors). To create a step change, we must pursue innovative opportunities to simultaneously create financial and social value. The global rise of social investment and social enterprise, and the growing interest and funding in Australia, will create opportunities to explore further.

OUR PERFORMANCE

2012 has been a year of consolidation for World Vision Australia, with the commencement of a new strategic direction and three-year plan. Our performance for the first year of that three-year plan is shown in the following tables:

● Targets met ● Mixed results ● Targets not met

TRANSFORM Children's lives	FY12 progress
Goal 1: Deliver and support high impact development, relief and advocacy programs that positively impact the wellbeing of children	●
Goal 2: Achieve greater alignment of programs to World Vision International's geographic priorities	●
Goal 3: Deliver and support high impact programs that emphasise and build on our strengths	●

World Vision Australia continues to bring about positive changes in the lives of children and in the communities that we work with. We continue to focus on improving the quality of the impact of our programs and on developing more accurate measures to demonstrate outcomes to our donors.

We assess our change impact in terms of four levels:

Level 1: Increased awareness by the community of the issues they face and the ways in which they may be addressed;

Level 2: Increased capacity to address challenges – this includes achieving improved knowledge, skills and resources in communities;

Level 3: Practice and behavioural change – ie. people putting their knowledge and skills into practice – eg. seeking medical support at birth, breastfeeding babies, improved farming practices; and

Level 4: Improved child wellbeing outcomes (health/education/food security/wellbeing) – ie. people realise benefits from the changes they have made in their communities – eg. fewer maternal and child deaths, increased food production. This level represents the achievement of full transformational development.

This year's results indicate that the large majority of World Vision programs and projects are enabling communities to address the issues they face through awareness raising (level 1), by developing knowledge and skills (level 2), and promoting behaviours and practices in communities that support positive change (level 3). Given that community-level change often takes a generation to take hold, we are also encouraged by the number of programs that were completed in 2012 that were able to demonstrate improved child wellbeing outcomes in health, education and child protection (level 4).

Our renewed focus on greater alignment with partnership geographic priorities achieved close to 100 percent alignment, ensuring that World Vision globally is coordinated effectively and that resources go to the areas of greatest need. Alignment to the key sectors demonstrating higher order change also improved with an increase of 81 percent in the number of projects addressing maternal, newborn and child health, child protection and food security.

Improved outcome reporting has resulted from the trial in 2012 of a new methodology to measure the social return on investment for program innovation. This will be developed further in 2013.

Our key projects in Australia (Sydney Young Mob, Warlpiri and Pilbara) have contributed positively to child wellbeing outcomes and we have expanded partnerships with governments at all levels, corporate entities and local communities. In August 2012, World Vision Australia finalised a Memorandum of Understanding on Indigenous Development Effectiveness. Through this World Vision Australia will support the Australian Government in adopting a comprehensive development approach across the Indigenous Affairs portfolio working in partnership with communities.

PARTNER with Australians to champion the child poverty agenda	FY12 progress
Goal 4: Grow our active citizen supporter base	●
Goal 5: Grow value generated from our church strategic partnerships	●
Goal 6: Grow value and deepen relationships with resources sector strategic partners	●
Goal 7: Influence policy, practice and attitudinal change in Australia	●

Active citizens are Australians who support World Vision Australia financially and also engage in social justice advocacy. During 2012, we have developed our methodology for measuring the number of active citizens in the Australian population. This has enabled us to determine an accurate measure for the number of active citizens in Australia, as well as the level of their support.

Our relationships with church partners have strengthened and we now have 20 strategic church partners. We intend to deepen these relationships in 2013 with specific targets to achieve increased value contributions from each church.

2012 saw us focus on growing and deepening our relationships in the resources industry sector. Our new initiative "partnering with purpose" is building relationships to address development opportunities and challenges to the wellbeing of children as a consequence of mining industry activity.

We continue to play a leading role influencing policy and practice in Australia and in bringing about attitudinal change:

- we were able to play a pivotal role working with our NGO colleagues in lobbying the Australian Government on the issue of Official Development Assistance, especially in the lead up to the 2012 Federal Budget;
- we also actively contributed to AusAID's Civil Society Engagement Framework; and



Getting to and from school is easy for these children in rural Vietnam after community members received support from World Vision to construct a feeder road.

Photo credit: Le Thiem Xuan/World Vision

- we provided submissions to the Independent Review of Australia's Aid Program emphasising the need for greater investment in health research and more detail about AusAID expenditure in specific countries.

GROW our income for greater field commitment	FY12 progress
Goal 8: Revitalise child sponsorship for revenue growth	●
Goal 9: Grow non-child sponsorship revenue from major donors and enterprises	●
Goal 10: Grow income from grants and goods-in-kind	●

Financial conditions in Australia coupled with low consumer confidence have made fundraising a tough proposition for charities. We expect this to continue. Requests for donations for emergencies and on a one-off basis are being received more positively than those for ongoing commitments.

Revenue has held up well. Excluding emergency appeals, underlying cash income grew \$2.0 million in 2012. Growth in grants income of 19 percent and steady non-sponsorship income outweighed a \$5.3 million decrease in child sponsorship revenue.

Child sponsorship remains our most significant fundraising offering, representing 64 percent of cash income. We have commenced a series of projects to revitalise the experience of our supporters with child sponsorship. These initiatives are intended to respond to the latest consumer trends in digital media consumption and capitalise on our ability to provide a deep connection for donors to the communities they support. This year we launched our first child sponsorship campaign focusing on urban poverty. While it will be some time before the needs of the urban poor are recognised in the broader community, we were pleased to achieve child sponsorship campaign recruitment targets.

BUILD a sustainable organisation	FY12 progress
Goal 11: Engage and motivate employees for high performance	●
Goal 12: Developing new operating models to bring communities and supporters closer together	●

World Vision Australia has maintained good levels of employee retention and has implemented performance-based appraisal systems. The Employee Engagement Survey conducted in July 2011 led to a series of organisation-wide initiatives to address the issues identified. A further survey was performed in September 2012, which indicated limited success. As a result, the Executive Team has made it a priority to address employee engagement in 2013.

The development of new operating models designed to bring communities and supporters closer together made significant progress in 2012. A key achievement was the consolidation of several overseas World Vision offices in the Pacific into one office located in Brisbane, Australia. This office will focus on fundraising and program activity for the Pacific and Timor-Leste and also oversee the deployment of rapid response teams in the wake of natural disasters and other humanitarian crises.

TRANSFORM CHILDREN'S LIVES

“For I was hungry and you gave me something to eat, I was thirsty and you gave me something to drink, I was a stranger and you invited me in, I needed clothes and you clothed me, I was sick and you looked after me, I was in prison and you came to visit me.”

Matthew 25:35-36

At World Vision, we have not invited the children into our lives ... they have invited us into theirs. From them we learn ... about poverty, about challenges, about the big differences made by the tiniest amount of hope. Through education and by providing pathways out of poverty, we are giving them a voice.

We are empowering them as agents of change for their communities' future.

When we feed the children – with nourishment and knowledge – we create opportunity for their entire family unit, village, community and country.



Marita, aged 10, from Mozambique, lost her best friend to malaria. World Vision health programs aim to prevent the loss and suffering caused by preventable diseases like malaria.

Photo credit: Jon Warren/World Vision

SNAPSHOT OF ACHIEVEMENTS IN 2012

<p>Improving child health</p>	<ul style="list-style-type: none"> • Impacting the lives of more than 8,000 children in Nepal by improving maternal and child health • Improving maternal and child health services in the Pacific through programs in PNG, the Solomon Islands and Vanuatu • Increasing child immunisation coverage from 80 to 95 percent in an Area Development Program (ADP) in Swaziland • Increasing the number of women accessing antenatal services in the Aboke ADP in Uganda from 37 to 89 percent in seven years • Decreasing the existence of child malnutrition in our program in northwest Guatemala by more than 18 percent in seven years
<p>Encouraging education</p>	<ul style="list-style-type: none"> • Establishing 94 community kindergartens in the Solomon Islands in partnership with the provincial government • Improving adult literacy in PNG to enable parents to assist with their children's reading skills and wellbeing • Increasing enrolments of children with a disability in schools in northern Uganda • Assisting children to return to school in Nicaragua by providing additional tutoring • Empowering women and girls in Afghanistan through education, thereby enabling them to earn an income and provide for their families
<p>Increasing food security and building community resilience</p>	<ul style="list-style-type: none"> • Increasing household resilience, reversing environmental degradation and adapting to climate change in Lesotho communities • Improving household food security in Zimbabwe by increasing drought-resistant crop production • The Humbo Community-Managed Natural Regeneration Project in Ethiopia has restored 2,728 hectares of degraded forest land
<p>Access to water and sanitation</p>	<ul style="list-style-type: none"> • Implementing a program with AusAID in Sri Lanka to reduce water-related diseases by improving access to clean water and sanitation • Improving sanitation practices and access to clean water in the Pacific • Reducing cases of illnesses such as cholera and diarrhoea in Swaziland by improving water supply in communities
<p>Economic development and livelihoods</p>	<ul style="list-style-type: none"> • Increasing by 75 percent the number of local people taking part in a small business project in Surabaya, Indonesia • Improving agricultural production and access to markets in Ethiopia, Indonesia and the Solomon Islands • Working with 1,180 households in North Gaza affected by decades of conflict
<p>Promoting child rights and protection</p>	<ul style="list-style-type: none"> • Combating the sexual exploitation of children in tourism in the Mekong sub-region by implementing the Prevention Pillar of Project Childhood, a \$7.5 million AusAID initiative • Reducing child exploitation and abuse in Sri Lanka, thereby improving the lives of 42,000 children • Encouraging the willingness of community members to report child abuse cases following our project in Zimbabwe

	<ul style="list-style-type: none"> • Improving local families' economic status through a project in Pakistan, thereby allowing 300 families to support their children's return to education
<p>Responding to humanitarian emergencies</p>	<ul style="list-style-type: none"> • Providing and funding technical assistance to respond to emergencies in China, India, Nepal and the Philippines • Assisting 1.1 million people in Niger, Mali, Chad, Mauritania and Senegal with emergency food, water, sanitation and health supplies • Assisting 2.5 million people experiencing a food crisis across Kenya, Ethiopia, Somalia and Tanzania over 18 months
<p>Advocating for change</p>	<ul style="list-style-type: none"> • Implementing the "Citizen Voice and Action" approach globally to empower communities to hold their governments accountable to improve services such as healthcare and education • Encouraging community members in Madang, PNG to advocate for local change through their Members of Parliament, thereby resulting in a direct impact on service delivery • Encouraging children and young people in Brazil and Bolivia to engage with their local governments, thereby improving access to essential services in their communities • Encouraging the participation of 17,000 children in Colombia to take part in community activities, including Peace Building networks, and to now have elected representatives on community youth councils



In Mali, twins Catherine and Suzane shell beans for their mother during their school holidays.
Photo credit: Justin Douglass/World Vision

GOAL 1:**DELIVER AND SUPPORT HIGH IMPACT DEVELOPMENT, RELIEF AND ADVOCACY PROGRAMS THAT POSITIVELY IMPACT THE WELLBEING OF CHILDREN**

In 2012, World Vision Australia's programs assisted 1,842,672 children in 60 countries throughout the world. More than 800 projects in these countries are providing long-term change in the lives of children from the poorest nations. That assistance is extended to their families, their communities and ultimately, the productivity and future of their country long after our project ends.

Our programming approach

Our work is characterised by enormous diversity: emergency relief, disaster risk reduction, climate change mitigation and response, health, education, economic development, agriculture, natural resource management, child protection, peace-building and governance across both rural and urban settings.

Our projects aim to facilitate long-term sustainable change in communities and to achieve this we apply the following approaches:

- We take an integrated approach to programming that combines relief, development and advocacy to address not just the symptoms but also the causes of poverty and human suffering.
- We focus on community empowerment rather than service delivery. Programs aim to facilitate community and child participation to enable them to drive their own development.
- We build partnerships with local organisations and communities, in order to enhance local capacity to sustain positive changes well beyond World Vision's presence in a community.
- We seek to address the many interconnected aspects of an issue. For example, climate change is both an issue of justice, as well as an environmental concern. It has multiple implications in the communities we work with, including health, food security, agriculture, political stability and livelihood security.
- We aim to address a number of themes that we have identified as crucial for achieving sustainable change. For example, the crucial role that women play in the development process and the need to use environmental resources efficiently, so that vital ecosystems are not compromised. We also focus on peace-building and the social, economic, political and cultural conditions that fuel conflict, as well as issues related to protection and disability.

All projects are assessed at regular intervals against implementation plans, budgets and progress towards their objectives. Evaluations help us identify what works and why, and are therefore a critical part of our programming approach.

Transparency remains at the core of our programs and their delivery. Only then can we strategically assess the level of change achieved in the communities in which we work. If little impact were to be achieved, not only would our stewardship be in question, we would also be wasting the time and capacity of the people in the communities we seek to serve.

World Vision Australia models four levels to achieving change:

Level 1: Raising awareness of an issue through the project.

Level 2: Working with a community to build capacity.

Level 3: Demonstrating the practice of behavioural change.

Level 4: Seeing a change in social, economic, environmental and physical conditions, which is the level that every team in World Vision strives to attain.

Each of the over 800 projects delivered by World Vision Australia has the fourth level as its goal. Every member of staff aspires to contribute to a team, which achieves such great change in the lives of children and their entire communities. In 2012, 36 percent of our programs achieved the highest order change in child wellbeing and social, economic, spiritual and physical dimensions across the community.

While we achieved well above our targets and strategic performance indicators, it remains an organisational goal to create even greater change at the highest level. It is at this level that children become leaders who will perpetuate change for future generations, therefore leading their communities beyond cycles of poverty. This may continue well after World Vision's projects have ended.

Other significant indicators demonstrated in the 2012 review process included:

- projects increased community awareness of an issue by 94 percent;
- community capacity was increased in 85 percent of our projects; and
- evaluation quality and practice of our programs over the last three years has significantly improved.

**CHILD SPONSORSHIP – AREA DEVELOPMENT PROGRAMS****Community development**

Area Development Programs (ADPs), supported through child sponsorship, are World Vision's characteristic community development program model. ADPs focus on transforming the world in which children live – their family, their community and local area – through long-term development projects. ADPs typically run for about 15 years. In 2012, we supported 232 ADPs around the world.

Our child sponsorship program works towards achieving four key child wellbeing outcomes. We want each child to:

- enjoy good health
- be educated for life
- experience the love of God and their neighbours
- be cared for, protected and participate in decisions that affect their lives

By building partnerships with families, community groups, faith-based organisations and government bodies, World Vision works to identify each community's assets and needs, along with the underlying causes of children's poverty and vulnerability.



A World Vision microfinance project in Rwanda enabled Sarah's mother Leonice to invest in a cereal business and purchase a cow to generate extra income. Photo credit: Michelle Siu/World Vision

CASE STUDIES

SOLOMON ISLANDS

Improving the reading and further education of girls in Solomon Islands

The focus of World Vision Australia's project in Makira Province is to improve the education opportunities for 1,000 children in 20 rural communities.

By developing Early Childhood Education (ECE) centres, we have provided children from the 20 target communities with improved access to the formal education system. At least 55 percent of students were then judged ready for transition into primary school. Their literary skills had increased, their self-confidence had improved, and their motivation to actually attend primary school was enhanced.

In South and East Makira Province, we established 52 community kindergartens. The provincial government, in partnership with World Vision Solomon Islands, established a further 42. This project has created almost provincial-wide coverage for early childhood development.

World Vision Australia's project was a success, because of engagement with the local community and collaboration with them to improve the educational outcomes of their children. This strategy also contributed to the support for, and value placed on, early childhood education. In one community, members readily took on the gardening and household workloads of the ECE teachers, who were then freed up to run the pre-school.

There were significant gender impacts arising from the project. In Solomon Islands, males have, historically, been less engaged in early child-rearing, which is traditionally regarded as the mothers' domain. The interest generated by the ECE centres has enhanced the efforts of men in the community. Some fathers even took part in training to become teachers. Men also engaged in the design, building, and management of the ECE facility. Both men and women took part in the community committees.

Educational opportunities were also increased for community members who became Field-Based Trainers (FBT) or qualified ECE teachers. The Provincial Government Education Department sought out the project staff to provide technical advice on early childhood education, to adopt the project's FBT manual for government use, and the graduation of project-trained ECE teachers.

While World Vision Australia's project has directly helped 1,000 children from 20 communities, 4,000 people from local communities also benefited from the project. Indirectly, the benefits to wider communities are far greater, with an estimated 30,836 people from Makira being impacted by the project.

RWANDA

Improving household food security

World Vision is working with local communities to improve child health by increasing household food production and improving water and sanitation in four provinces of Rwanda.

Our goal is to assist over 76,000 people in the Kageyo, Kinyihira, Kisaro and Rutare communities by 2015.

The project is already having an impact in the communities. Households are producing more food, enabling them to sell some for income, with an increase of 16 percent on last year. In the past two years, malnutrition rates have dropped significantly. In Kisaro and Kinyihira communities, malnutrition has dropped from 85 percent to 9 percent.

In 2012 – the first year of the project – our focus was on food production, establishing farmer field schools and seed bank groups for women, whilst also conducting project baseline surveys and commencing nutrition awareness. Although our initial target was to provide 240 families with small and large livestock, we have exceeded all expectations. Some 640 families were assisted with livestock for future breeding, trade and consumption. Access to quality food has increased and malnutrition reduced for pregnant and lactating mothers and children under five years old.

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Similar success was achieved in our project to involve women in food production and utilisation practices. While we had aimed to engage 60 women in one year, 1,177 women and 464 men took part in 2012. A five-day campaign in the Kageyo and Rutare village communities promoted the impact of a balanced diet on malnutrition and encouraged communities to receive further education.

The second year will continue to empower communities towards food production and will ensure that families are food-secure. By educating communities in nutrition principles, we will increase awareness and knowledge on how to prepare an adequate diet for children and continue to improve child health in these communities.

See page 54 for our sponsor visit story in Rwanda.

SWAZILAND

Improved health through a new water supply network

In Swaziland, World Vision Australia has partnered with the community through the Macudvulwimu ADP since 2005. The program includes projects addressing health, HIV and AIDS, food security, economic development, and hygiene and sanitation within the communities.

A new gravity-fed water supply network was recently installed in Malanzini, in the southwest of Swaziland. The spring-fed water supply has already benefited community health and productivity. With the water passing through a sand-filtration system and several holding tanks, diseases such as cholera and diarrhoea are now greatly reduced. Contaminated water sources are no longer the sole option for the community. Before the new water source was installed, community members spent a great part of their day fetching water from distant and difficult locations. For the elderly and people with a disability, in particular, this new water source is critical, as they now have easy access to safe, clean water.

A local water management committee of eight women and five men is responsible for monitoring grazing lands and overseeing the water supply scheme. Households pay a once-off registration fee of 200 Rand (A\$25) and then 5 Rand per month thereafter, to support operation and necessary maintenance. Therefore, not only does the local community have ownership of the project, it also benefits from a stable source of clean water for generations to come.

PERU

Improving agriculture sustainably

Through an AusAID-funded project in Peru, World Vision Australia is educating 300 families in permaculture techniques to improve their living conditions and surrounding environment. The project encompasses many areas of community life, such as home conditions, hygiene, food production, education and community empowerment.

Prior to the project, families lived, slept and cooked in one room alongside their animals. Smoke from open cooking fires inside the houses caused respiratory illnesses, eye infections and burns. Women and children were the primary casualties. In these families, children were also suffering from malnutrition and school performance levels were low.

For the last two years, our project workers have walked alongside families to improve their homes and gardens, and subsequently, the health and education of their children. By building extra rooms and separating the kitchen from the living quarters, health risks have been prevented. Fuel-efficient, ecological stoves with outdoor chimneys dispose of smoke. Families now enjoy ecological refrigerators and sinks for washing and cleaning vegetables, as well as solar showers.

Traditional Incan farming techniques have been re-introduced to establish family organic vegetable gardens, resulting in improved health and nutrition amongst children. Guinea pig breeding has added important protein to the diets of all community members. In an effort to create sustainable, long-term farming opportunities for the community, families have been trained in the commercialisation of guinea pig farming. Together they are forming associations to share information and generating income by selling off surplus livestock.



With seeds provided by World Vision, Alexinah was able to create a community garden in her village in Swaziland to provide children affected by HIV and AIDS with nutritious meals.

Photo credit: Abby Metty/World Vision

As part of the project, *qoñiwuasi* ("hot houses" in Quechua language) have been built with special materials to let light in and keep the room warm for children to study in the dark and cold months. Parents are now actively assisting their children to continue learning after school hours to further their education and future opportunities.

World Vision Australia's project is also tackling deforestation. Families have planted home and community nurseries under the project to reforest areas near their homes. Fruit trees have provided a nutritious food source for the entire community and for future generations.

INDONESIA

Surabaya Urban Area Development Program

Since 2002, World Vision Australia has supported the Surabaya 2 ADP in Indonesia. Located in Indonesia's second largest city in the west of Java Island, the project has responded to the priority needs identified by the community. It has focused on:

- improving economic opportunities for target families;
- strengthening the health system to improve the health and nutrition status of children under five years; and
- developing a protective environment for children and youth to overcome the negative influences of crime, drug use and prostitution, which are all prevalent in the area.

Over the past decade, the project has developed 59 partnerships with various stakeholders to support achievements in these three key areas. The result is an equitable and transparent commitment to work towards the shared vision of sustained child wellbeing.

The children themselves are vital key partners in the project, as they are valued agents of change for the city's future. The facilitation of Children's Forums has enabled transformation of the children and their surrounding communities. A recent evaluation indicated that Children's Forums had been successful in lowering school dropout rates, reducing drug use and increasing children's overall wellbeing.

Additional evidence of positive impacts on children's lives gathered from a recent evaluation included:

Economic development

- a 75 percent increase in the number of community members who are able to access capital for small business opportunities;
- a 30 percent increase in the number of community businesses that have access to markets outside of their immediate village;

Health and nutrition

- improved quality and self-reliant status of 60 percent of the area's health centres;
- increased attendance (60 percent) by mothers and children under five years at the health centres;
- a 4 percent reduction in wasting amongst children under five years;
- an 11 percent increase in the number of children who receive the full immunisation schedule;

Child protection

- 275 youths have received training in peer-to-peer education and are now disseminating information about HIV awareness, drug use prevention and child rights;
- an increase in the number (285) of child protection cases that have been referred to and dealt with by the relevant authorities; and
- a 70 percent increase in the number of children who are able to express themselves in accordance with their interests and talents.



The World Vision Australia-supported Surabaya 2 ADP has assisted families to improve their incomes.
Photo credit: Lay Htoo/World Vision

HUMANITARIAN EMERGENCY RESPONSES

Emergency appeal funds, specific grants and donations to World Vision Australia's Emergency & Preparedness Fund are used to support our responses in communities affected by natural disasters and conflict. In 2012, our emergency team responded to several significant disasters including the East Africa and West Africa food crises, and natural disasters in Asia. In the Philippines, Tropical Storm Washi in December 2011, an earthquake in February 2012 and floods in August all required our rapid assistance. Responses included nutrition and health programs, water and sanitation assistance and food support as well as helping communities rebuild their income-earning capacity.

Our Humanitarian Emergency Affairs team monitors and responds to a variety of disasters each year. Assistance may come in the form of funding, staff deployment or technical assistance. Support to other World Vision offices included:

- Rwanda, Ethiopia and the Democratic Republic of Congo – conflict in the regions of North Kivu, South Kivu and Beni in DRC
- Somalia, Kenya and Uganda – Horn of Africa drought response
- Mali, Niger, Chad and Senegal – West Africa food crisis
- Kenya, Burundi, Ethiopia, Ghana and Lesotho – building of community resilience to disasters
- India – responses to flooding and ethnic conflict
- China – flood response
- Bangladesh, China and Indonesia – building of community resilience to disasters
- Pakistan – consecutive floods in Sindh and Punjab region
- Azerbaijan, Pakistan, Lebanon and Jerusalem-West Bank-Gaza – building of community resilience to disasters
- Lebanon – for Syrian refugees
- Brazil – drought response
- Brazil, Nicaragua and Bolivia – for building of community resilience to disasters

Emergency preparedness

Over 206 million people were affected by natural disasters in 2011. Drought, earthquake, flood, storm, volcanic eruption and fire contributed to the death and injury of people and livestock, and the destruction of homes, businesses and crops. Almost 30,000 people were killed as a result of natural disasters.

Vital support for our Emergency & Preparedness Fund enables us to prepare by pre-stocking and positioning life-saving supplies. Our permanent team of emergency responders is ready to deploy to all nations at risk from natural disasters. A humanitarian and emergencies operating base is also maintained in Singapore.

Mental health and psychosocial support

In collaboration with the World Health Organization and War Trauma Foundation, World Vision published *Psychological First Aid: Guide for Field Workers*. Launched on World Humanitarian Day in 2011, the guide assists readers to provide immediate psychosocial support to people in distress. Endorsed by 23 agencies, it has been translated into five other languages and is used worldwide.

World Vision Australia has collaborated with World Vision's Global Centre, Columbia University and the UN Child Protection Working Group on the protective and restorative benefits of Child Friendly Spaces in emergencies. The research will advance the evidence base for this area of relief work and contribute to higher quality programs for children in crises.

AUSTRALIA PROGRAM

A central tenet of our engagement with Indigenous communities is to support their projects without displacing Indigenous organisations or existing services. All projects draw on our strengths and experience in successfully facilitating community development. We facilitate collaborative and strengths-based initiatives, supporting the needs and solutions identified by the communities themselves.

Throughout 2012, World Vision's Australia Program has partnered with Indigenous communities in five community development projects in implementation phase. These include:

- two Early Childhood Care and Development projects – one being the Warlpiri Education and Training Trust Early Childhood and Development Project with Warlpiri communities in Central Australia and the other being with communities in the Pilbara, Western Australia, in partnership with BHP Billiton;
- the Indigenous Art project with *Wutunugurra* (Epenarra) artists in Central Australia, which successfully transitioned to a partner organisation in September 2012;
- a Participatory Monitoring and Evaluation project with five providers of the Community Development and Employment Project, and the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs, spread across remote Australia; and
- the Mapoon Home Ownership Project in Queensland.



In central Australia, Douglas enjoys a healthy morning tea at a World Vision-supported playgroup.

Photo credit: Suzy Sainovski/World Vision

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In 2012, the Australia Program has also been scoping, assessing and co-designing projects with Indigenous communities that create opportunity for long-term community-driven development. These include:

- Community Governance of Mining Benefits in the Pilbara region of Western Australia in partnership with BHP Billiton Iron Ore;
- the continued implementation and redesign of the successful Sydney Young Mob youth leadership project; and
- assessments for potential work in youth development and nutritional food supply with Western Desert communities in remote Western Australia.

World Vision Australia and the *Wutunugurra* (Epenarra) Artists Group through the Indigenous Art Project celebrate an exciting new phase; the group is now running independent of World Vision. The *Wutunugurra* (Epenarra) Artists group transitioned to a partnership with a regional arts body in September 2012.

The artists' confidence and skills have grown, the quality of the art produced has improved, and their works are now sold throughout the local arts market. Self-management and governance have been established and group members now liaise directly with a regional arts body and stakeholders within the arts field. For many of the artists, building confidence in the financial aspects of business and, more specifically in arts commerce, has been groundbreaking.

We have also assisted the group to support the inter-generational transfer of knowledge, arts practice and culture. These outcomes have contributed not only to current artists' understanding of how to work as artists, but have also increased the whole community's understanding of how strengthening the art group benefits the community, including families and their children.

World Vision's community development approach has generated much enthusiasm among the arts sector. Industry feedback indicates that World Vision and the *Wutunugurra* (Epenarra) Artists Group's approach and engagement will be adopted by other groups.

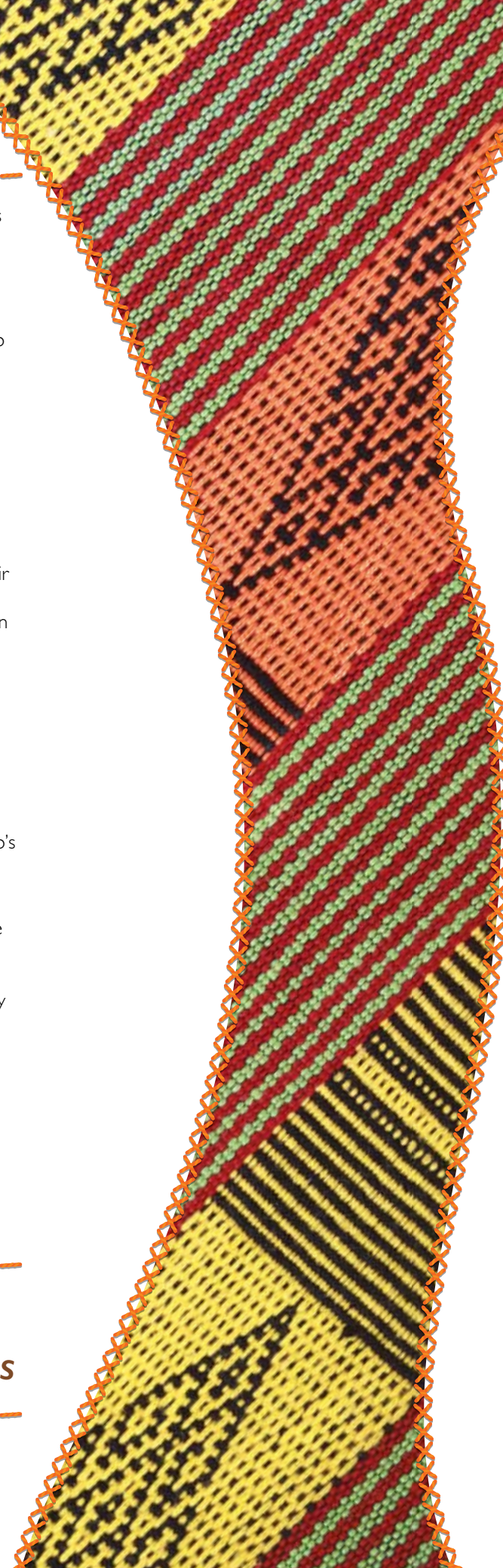
The projects we partner in are long term and although only the Indigenous Art Project is at completion phase, the two early childcare and development projects have already reported positive outcomes and progress. The Pilbara Early Childhood Care and Development Project is assisting children with transition to school. Participating children are already starting to reach development milestones for school entry. The parents undergoing training for early childhood positions are readily articulating their ideas on early childhood activities.

The Warlpiri Education and Training Trust Early Childhood Care and Development Project is also helping children to transition to school. Additionally, parents and local community members are supported through training and employment in early childhood-related positions. The project has facilitated the production of early learning and childcare resources. Reference groups have been established to strengthen community governance for the long term to contribute further to child wellbeing.

GOAL 2:

ACHIEVE GREATER ALIGNMENT OF PROGRAMS TO WORLD VISION INTERNATIONAL'S GEOGRAPHIC PRIORITIES

World Vision Australia is a significant contributor to the programs of World Vision International throughout the world. Our commitment and ability to respond to emergencies in neighbouring



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countries and to contribute to the lives of children through projects in the northern hemisphere speaks to World Vision's very creation.

By aligning our partnership strategies with those of the founding body, World Vision Australia can contribute to the poorest and most fragile communities with whom we share this earth. In 2012, we achieved 94 percent alignment with World Vision International's geographic priorities.

GOAL 3:

DELIVER AND SUPPORT HIGH IMPACT PROGRAMS THAT EMPHASISE AND BUILD ON OUR STRENGTHS

Over recent years, World Vision Australia has invested substantially in supporting program quality and innovation in three project models. These are:

- Maternal, Child and Newborn Health (MCNH)
- Child Protection
- Food Security

By concentrating on three project models, we are able to develop and undertake innovative approaches to further benefit the poorest communities. Validation remains the key. The three project models give us the opportunity to determine the impact we are really achieving in children's lives.

Our target was to implement 90 new projects based around the three key project models. In 2012, we are pleased that this target was exceeded, with 163 projects implemented. This strategy has enabled a significant change in the quality and strategic targeting of our programs.

World Vision Australia is keen to measure the social return on investment for program innovation. New methodology has allowed us to interpret the value of the aggregate contribution of our project with the development process. It aligns our aid and development strategies with the language of economics which is important to our government, corporate and individual supporters.

By using such a measure, our conclusions have greater objectivity, and provide improved transparency as to which outcomes have the most significant impact on communities. Our testing has focused on a health project in Mozambique and a Farmer Managed Natural Resource project in Ghana.

Utilising the 7-11 approach

World Vision Australia is committed to improving the health and nutrition of women and children and contributing to the global reduction of mortality and morbidity amongst mothers and children under five years.

Our strategy is focused on evidence-based, cost effective preventative practices that address the primary causes of maternal and child mortality and illness. Our core emphasis is on pregnant women, newborns and children who are the most impacted. The effects of under nutrition are irreparable and ensuing negative effects will impair a child for life.

Our strategy is the 7-11 Analyse, Develop, Agree, Plan Tool (ADAPT) Framework of prioritised maternal and child health and nutrition. It is based on seven interventions targeted at pregnant women, and 11 interventions targeted at children aged between 0-24 months.

Pregnant women

- 1. Adequate diet
- 2. Iron/folate supplements
- 3. Tetanus toxoid immunisations
- 4. Malaria prevention and access to treatment
- 5. Birth preparedness, healthy timing and spacing of delivery
- 6. Deworming
- 7. Access to maternal health services including: antenatal care; postnatal care; skilled birth attendants; prevention of maternal-to-child HIV transmission; screening for HIV, tuberculosis, sexually transmitted infections

Children 0-24 months

- 1. Appropriate breastfeeding
- 2. Essential newborn care
- 3. Hand washing with soap
- 4. Adequate complementary feeding
- 5. Adequate iron
- 6. Vitamin A supplementation
- 7. Oral rehydration therapy/zinc
- 8. Prevention and care seeking for malaria
- 9. Full immunisation for age
- 10. Prevention and care seeking for acute respiratory infection
- 11. Deworming (+12 months)

CASE STUDY

The 7-11 ADAPT changing lives in Ethiopia

This three-year, AusAID-funded project's goal is to contribute to the reduction of maternal, neonatal, infant and under five years mortality and morbidity in target areas of Tigray Regional State, Ethiopia. The target population comprises 31,700 pregnant and lactating women, 14,600 children aged 0-11 months and 46,295 children aged 12-59 months.

The desired project outcomes are to improve essential healthcare and services for mothers, newborns and young children; to improve services and maternal health practices to prevent infections and diseases in infants and young children; to strengthen referral systems for mothers and children with acute or emergency health conditions; and to improve management, monitoring and evaluation. The project started in October 2011 and is a good example of designing a project to conduct data collection, identify gaps and prioritise interventions.

During the design workshop the community, district and regional partners reviewed the findings from the assessments and data collection to determine the project's priorities. This involvement has set a firm foundation for future collaboration with the district and regional health staff and the local women's development organisation. For example, the Woman Development Army received training in maternal, newborn and child health issues. Now they are eager to provide information to mothers on MNCH topics in local communities. This form of local ownership of the 7-11 Framework sets the foundation for success. Communities are empowered with information, education and strategies to improve the health of pregnant and lactating women and children under five years.



A mother and child wait for a check up at a World Vision-supported health clinic in Ethiopia. Photo credit: Ilana Rose/World Vision

CHAMPION THE CHILD POVERTY AGENDA

*“Speak up for those who cannot speak for themselves,
for the rights of all who are destitute. Speak up and judge
fairly; defend the rights of the poor and needy.”*

Proverbs 31:8-9

As Australians, we can overlook the privileges afforded to us by our democratic system. We can take for granted the chance to speak out for the rights and beliefs of our fellow human beings.

That unique freedom of expression enables us to create enduring change in the lives of the children and adults who are born into poverty and robbed of their voice and their rights.

World Vision Australia facilitates realistic opportunities for us, as global citizens, to act on and achieve lasting changes in the communities we serve.



Mariama, aged six, enjoys a meal of couscous at her school in Senegal, which receives support from World Vision.

Photo credit: David duChemin/World Vision

GOAL 4:

41.

GROW OUR ACTIVE CITIZEN SUPPORTER BASE

World Vision sees a clear role for our organisation to encourage Australians to become actively engaged in issues of poverty and injustice. To this end, we are committed to growing our active citizen supporter base by motivating Australians to take action with us in a variety of forms. One example of this is our commitment to campaigns, by which we raise awareness and demand action on issues directly related to child poverty.

In 2012, World Vision Australia's campaign priorities were:

- maternal and child health through the Child Health Now campaign;
- human trafficking and slavery through the Don't Trade Lives campaign; and
- more and better aid and achievement of the Millennium Development Goals through our campaigns, as well as the coalition campaigns, Make Poverty History and Micah Challenge.

Child Health Now campaign

Millennium Development Goals (MDGs) 4 and 5 aim to reduce under-five child deaths by two-thirds and maternal deaths by three-quarters, respectively, by 2015. Progress towards the targets for these goals, however, is among the worst for all the MDGs. Every year in the developing world, around 7 million children die before their fifth birthday from easily preventable diseases like pneumonia, diarrhoea and malaria. Every two minutes, a woman dies from complications during pregnancy or childbirth.

Through our global Child Health Now (CHN) campaign, we are calling on the international community to rededicate itself to the MDGs for health. We believe reducing the preventable deaths of women and children is one of the soundest investments the world can make.

In 2012, Child Health Now campaign highlights included:

- A public, high-profile media event during the Commonwealth Heads of Government Meeting (CHOGM) in Perth, which called on Commonwealth leaders to address child malnutrition. Australian Test Cricketer Adam Gilchrist presented Foreign Minister Kevin Rudd with 50,000 signatures from our supporters. The event attracted widespread public and media interest and resulted in a policy commitment to improve food security;
- Baby showers held in key electorates before the Federal Budget in May raised awareness of the high rates of newborn deaths in the Asia-Pacific region. Our activists signed letters of support calling on the Australian Government to "deliver a 'bundle of joy' this Budget" by increasing health aid spending. Our supporters personally delivered letters to their local MPs, with baby baskets, balloons and cards, sharing positive messages of how aid saves lives;
- The Child Health Now roadshow visited universities throughout Australia. By engaging our existing "VGroups" on campus, we inspired more young people to join our youth movement and advocate to reduce maternal and child deaths;
- World Vision Australia was runner-up in three award categories for World Vision International's inaugural advocacy awards. The Partnership-wide awards attracted 58 applications from 39 countries. Our success was proven in three categories – Impact, Innovation and People's Choice. Central to this success was a video animation showing the impact of poor nutrition on child health. View at: worldvision.com.au/childhealthnow; and

42.



In Ecuador, young children in rural areas often shoulder heavy burdens. World Vision's Child Health Now campaign is calling on the global community to rededicate itself to improving child health.
Photo credit: Ilana Rose/World Vision

- Our youth movement, VGen, organised a national CHN mime to protest against the Federal Government's broken promise on aid. Up to 1,000 young people dressed as mimes converged on capital cities around the country and protested in a silent freeze-frame for 15 minutes. The protesters then marched through the city and shared their message with weekend shoppers. The mime attracted metropolitan and local media coverage and was a hot topic on social media.

Don't Trade Lives campaign

Over the past four years, World Vision's Don't Trade Lives campaign has successfully raised public awareness of human trafficking. Human trafficking is estimated to be a \$32 billion industry, with over 50 percent of that wealth generated in industrialised countries like Australia. The exploitation of people for profit is a global crime that affects us all. World Vision Australia believes we all have a role in addressing it. Our campaign is holistic in that it influences individuals, businesses and government to make changes.

Don't Trade Lives campaign highlights included:

- Over 70 Australian churches participated in Abolitionist Sunday in November 2011. This annual day motivates Christians and churches to continue the fight against human trafficking and slavery by taking action within their own congregations and communities;
- The Australian Labor Party announced in its national platform that it would appoint a Global Ambassador for People Trafficking Issues. This was a direct response to World Vision's Don't Trade Lives campaign advocating for the appointment of an expert ambassador;
- World Vision VGen youth activists met with the UN Special Rapporteur on Trafficking in Persons during her state visit to Australia. As a result, the Don't Trade Lives campaign influenced the inclusion of key issues in the Special Rapporteur's official recommendations to the Australian Government. These included:
 - considering the appointment of an Australian Ambassador for Trafficking;
 - increasing Official Development Assistance contributions to assist in the prevention of trafficking and for less developed economies to tackle its root causes;
 - encouraging an increased focus on the role of business in combating trafficking (which will be the subject of the Special Rapporteur's next report);
- We continue to lobby the Australian chocolate industry to review its supply chains and to cease using forced child and trafficked labour in the production of cocoa. Over 12,000 of our supporters, "Demanded a Sweeter Deal" from Australian chocolate companies in April 2012. Our public events in local communities, universities and churches raised awareness of the issue. This public pressure has assisted us in influencing Ferrero, Lindt, Nestle and Mars to all make timetabled commitments to 100 percent sourcing of ethical cocoa.

Make Poverty History and Micah Challenge

Through the Make Poverty History coalition, World Vision Australia organised 12 electorate events to demonstrate public support for increases in overseas aid. Our events included a photo exhibition, which shared compelling case studies on progress made on the Millennium Development Goals and how aid saves lives.

As an active member of Micah Challenge, World Vision Australia continues to campaign with Christians to speak out against poverty and injustice. This partnership has involved training around Christian advocacy and organising electoral forums with churches. The Voices for Justice event held in Canberra in September 2012 trained 280 Australian Christians in advocacy. VGen inspired and empowered 50 passionate young people. Participants met with more than 60 Members of Parliament to advocate on behalf of the world's poor, asking our political decision makers for more effective overseas aid.



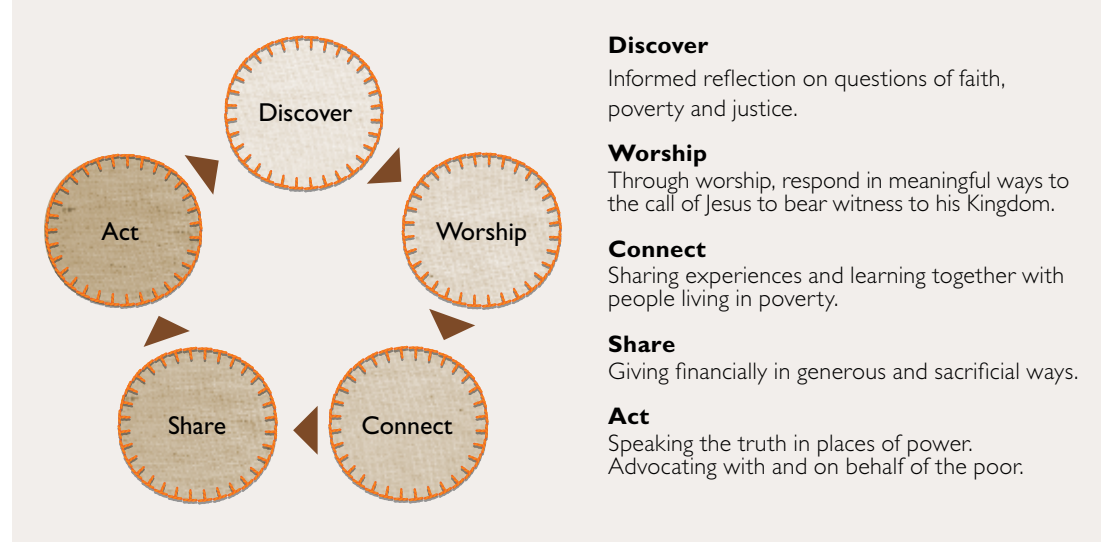
GOAL 5:

GROW VALUE GENERATED FROM OUR CHURCH STRATEGIC PARTNERSHIPS

Strategic Church Partnerships

For World Vision, churches are our indispensable partners. One of our core policies states that the ability to establish meaningful partnerships with churches is a key competency of our organisation. In the three years since the Church Partnerships team adopted a new approach to engagement with churches and other Christian networks, over 20 strategic partnerships have been created. Our intentional focus on deeper relationships with fewer church teams has been pivotal.

These new partnerships are based around geographical areas or thematic issues, such as child labour, maternal and child health, or HIV and AIDS. The depth of these new relationships is already evident. Our pattern of engagement is around five key areas, which foster both depth and breadth in these partnerships:



International Church Partnerships

The appointment of an International Church Partnerships Manager in 2012 will further the development of our new International Church Partnerships (ICPs) strategy. By linking congregations in Australia with churches based in our field project areas, we aim to create mutual benefits for supporters and local communities.

Churches and their members now expect that partnership with World Vision Australia will enable them to engage directly with our work in the field. They want transformative experiences, real relationships and face-to-face engagement. They have moved past a paradigm of "pray, pay and stay out of the way".

World Vision International has established a framework for ICPs. It seeks to establish and manage a program, which delivers results consistent with the higher expectations of churches and supports rather than disrupts the work of our field offices. Our pilot program of ICPs has been created in development with others:

- Vulnerable Children of Port Moresby (Pacific) is tackling child exploitation in the slum areas of Port Moresby.
- IMPACTS – Cambodia (Asia) is a project of cooperation between churches, World Vision and other NGOs in Cambodia, and the Cambodian Government to improve the capacity of local organisations to address the needs of orphans and other vulnerable children.



Children gather for a service in a church in the northwest of the Democratic Republic of Congo.
Photo credit: Jon Warren/World Vision

- Hope for a New Kenya (Africa) is a project to unite churches in Australia and Kenya to pray for the upcoming elections.

The ICP program is:

- enabling relationships to be built through visits between members of support office churches and field office staff;
- providing transformative stories and experiences to members of partner churches;
- providing a platform for us to influence the theology, practice and focus of Australian churches (and in turn be influenced by insights from those churches as well);
- aiding in our efforts to create social and spiritual transformation; and
- building relationships with churches, which reflect our desire for them to become our indispensable partners.

This year, our team has focused on:

- communicating in person and through book projects, social media and blogs about World Vision Australia to groups and individuals, Christians and churches;
- speaking alongside and filling in for our Chief Executive as required at various events and functions; and
- presenting at our internal Partnership meetings and forums on issues related to our work and the theological rationale for it.

“Welcome to My Place” is the faith-based component of our Welcome to Australia program. It provides an opportunity for churches to encourage their members to model hospitality in a practical way, as an alternative to the mandatory detention of refugees. In 2012, World Vision Australia was appointed to manage this program nationally.

Merger of Church Partnerships and KIDS HOPE AUS. teams

In 2012, we saw the successful merger of the Church Partnerships program with the KIDS HOPE AUS. team. As we engage with Australian churches, the merged team has enabled the direct sharing of knowledge and a common purpose.

Our collaboration on this year’s KIDS HOPE AUS. conference was a key combined activity.

St John’s Anglican Church, Mona Vale, has partnered with KIDS HOPE AUS. and our Church Partnerships team to facilitate the expansion of the KIDS HOPE program into the Northern Territory. This strategic cooperation has significantly increased our profile in this area.

GOAL 6:

GROW VALUE AND DEEPEN RELATIONSHIPS WITH RESOURCE SECTOR STRATEGIC PARTNERS

Grow value generated from our strategic partnerships

Through our strategic key area of building deeper relationships, World Vision Australia recognises the need to engage and work with others to achieve our goal to impact 20 million children by 2021. We also see an emerging trend of greater collaboration between governments, corporations and civil society that opens up new opportunities for engagement.

This engagement with other organisations is underpinned by the belief that change happens through relationships. We can connect on many levels and recognise the need to tailor our approach according to the needs and opportunities at hand. It is through dialogue and collaboration that we build trust and understanding and find ways to work together that result in mutual benefit and ultimately, benefit for children.

Exploring engagement with the resources sector

Although we already work with organisations from across all sectors of society, we believe there is scope to explore different types of relationships that can positively impact children living in poverty. World Vision Australia realises that our ability to reach poor children directly is limited to the scope of our projects. In order to amplify this impact, we wish to learn from and work with others to ensure their policies and practices make a positive contribution to the lives of children in poor communities. We call this “partnering with purpose”.

We are exploring how we may “partner with purpose” with the resources sector. In many of the countries in which we work, including Australia, there is abundant mining activity that poses both development opportunities and challenges to the wellbeing of children. Over the past year, we have been learning more about these opportunities and challenges for the children and communities we serve.

World Vision Australia encounters very poor communities living in resource-rich countries. We want to ensure that natural resource wealth translates to better lives and futures for them. To do that, we must engage with governments, mining companies and communities to ensure that policies and practices protect and respect the most vulnerable. We must assist all citizens in resource-rich countries to benefit from their land’s wealth.

We recognise there are complexities and challenges in every relationship, particularly with those who are often perceived to have different values to ours. As we explore engagement opportunities in the resources sector, our commitment to communities remains unwavering. We will continue to walk alongside them and work with them while we assess the direct risk to the communities we support. Equally, we will always declare our role, never displace government nor become a voice for, or extension of, another organisation.

GOAL 7:

INFLUENCE POLICY, PRACTICE AND ATTITUDINAL CHANGE IN AUSTRALIA

In this year’s Federal Budget, the Australian Government announced that its commitment to increase Official Development Assistance to 0.5 percent of Gross National Income by 2015-16 has been delayed to 2016-17. Whilst disappointing, this was a far better outcome than could have been the case, due to World Vision Australia and the international NGO sector generally engaging in a coordinated advocacy campaign.

World Vision Australia played a key role in working with our colleagues in the NGO sector to coordinate and implement this campaign, which included:

- arranging public events in support of aid, attended by the local political representative;
- facilitating meetings between community leaders and their local MP;
- sending letters and opinion pieces to the major newspapers; and
- managing integrated social network campaigns.

On Budget night, we kept our supporters updated via social media and became the leading voice in the aid debate online, with our messages becoming central in the conversations between the debaters.

Increased health funding

As part of the Child Health Now Campaign, World Vision Australia is calling on the Australian Government to increase the proportion of overseas development aid that is allocated to health to 20 percent. Due to our lobbying efforts, health expenditure (excluding water and sanitation projects) in the 2012-13 Federal Budget was increased from 15 to 16 percent.

AusAID Civil Society Engagement Framework

AusAID launched its Civil Society Engagement Framework in June 2012. Developing this framework was one of the recommendations of the Independent Review of Aid Effectiveness released in July 2011. We were strongly engaged in the development of this framework through involvement in public consultation forums, active contribution to negotiations led by our peak body, ACFID, and in discussions with AusAID.

As a result, significant improvements were made to the original draft. They included better reflection of the inherent value of civil society; the important role that NGOs play in connecting with communities on the ground; and outlining more clearly how government and NGOs can most effectively work together for the benefit of the communities we seek to serve.

Investing in medical research

In our submission to the Independent Review of Australia’s Aid Program, we called for a greater investment in health research, which was focused on the health needs of people living in developing countries. In August, AusAID released a draft Medical Research Strategy for the first time. It announced an increase in funding to medical research aimed at saving the lives of poor people in the Asia-Pacific region.



In Pakistan, women bring their children for health checks to a World Vision-supported Women and Infant Friendly Space. Photo credit: Muhammad Ali/World Vision

Greater transparency

World Vision Australia has long called for greater transparency in the aid program, including in our submission to the Independent Review of Australia's Aid Program. This recommendation was included in the report from the Independent Review and 2012 saw many positive developments. "New look" country pages on AusAID's website provide a much greater level of detail about AusAID expenditure in specific countries. Information has now been provided to the International Aid Transparency Initiative and subsequently published on its website.

FOCUS FOR 2012-13

Election campaign

The 2013 Federal Election due in the second half of the year will be a central focus of our work. Preparation for the election will involve:

- developing World Vision Australia's policy calls for the election;
- strengthening relationships with representatives from all sides of politics;
- identifying priority areas to target for campaigning; and
- providing government and political advice to our campaigns and church teams, in order to assist them in building the capacity of our supporters to influence candidates.

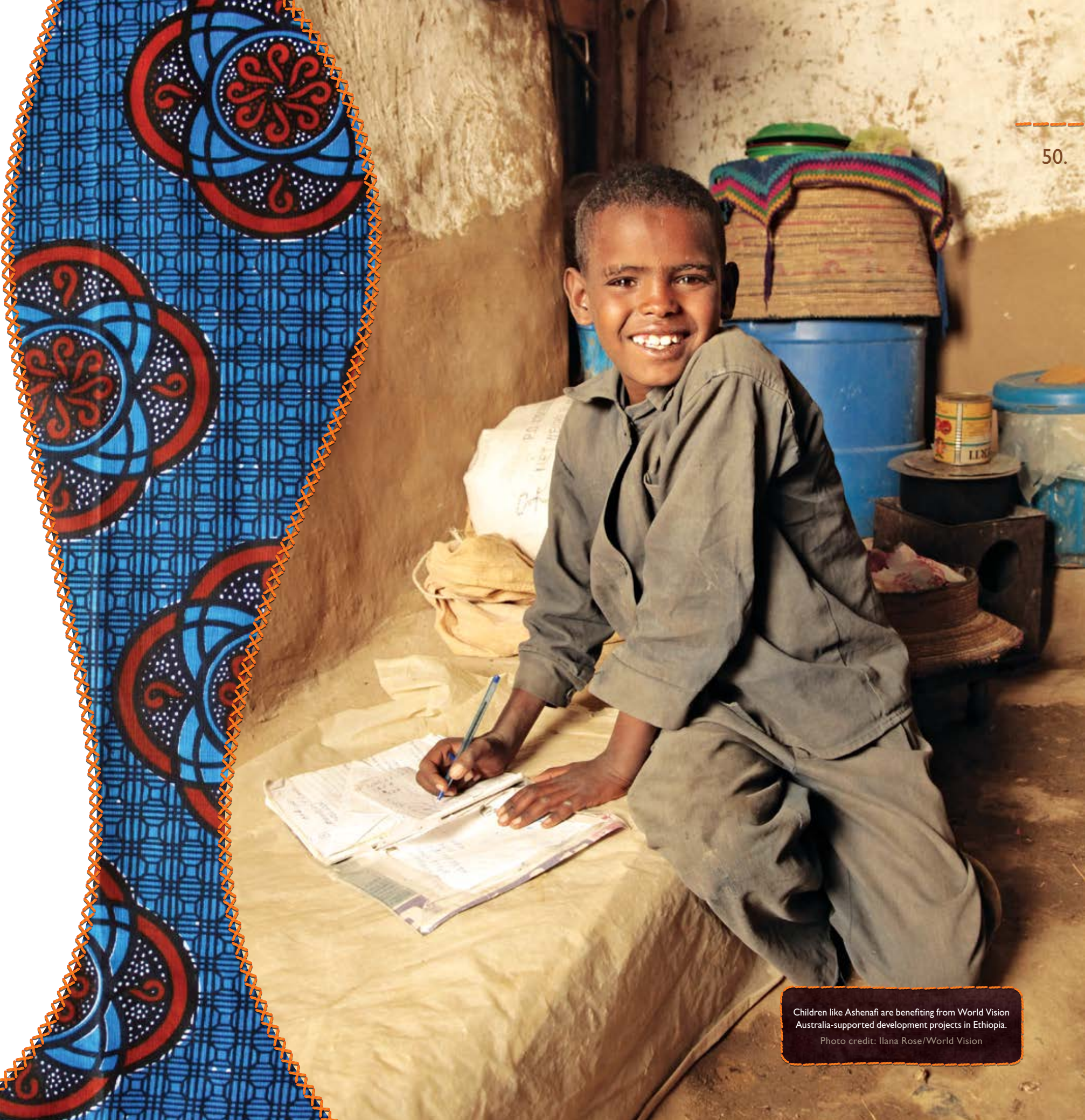
Engaging with the not-for-profit sector and government on the MDG post-2015 agenda

The 15-year timeframe of the Millennium Development Goals expires in 2015. Consultations are progressing on the form and content of their successor. With only two years remaining, World Vision will increase its efforts in 2013 towards influencing the outcome, in partnership with our colleagues in the not-for-profit sector. We aim to ensure an ambitious successor that embraces the needs of the world's children, particularly the most vulnerable. This will require coordinated advocacy, which targets the representatives of the Australian Government in this debate, as well as the UN leaders of this process.

Strengthening our partnership with AusAID

World Vision Australia will be bringing a renewed focus to our engagement with AusAID. This will strengthen our policy dialogue and knowledge exchange along with partnering in the delivery of projects. We will increase the number of visits to AusAID by key World Vision personnel, such as technical specialists and staff visiting from our national offices. By actively seeking out opportunities to engage with government staff members, we are aiming to share what we have learned and how we have approached matters.

By developing an information pack for new staff joining AusAID, we will immediately inform them of our project delivery and strategic opportunities. World Vision will also play an active role in implementing the Civil Society Engagement Framework by engaging with our counterparts in the NGO Section in AusAID. Attention will also be given to assisting our national offices in strengthening ties with AusAID posts overseas.



Children like Ashenafi are benefiting from World Vision Australia-supported development projects in Ethiopia.
Photo credit: Ilana Rose/World Vision

GROW OUR INCOME

“In everything I did, I showed you that by this kind of hard work we must help the weak, remembering the words the Lord Jesus himself said: ‘It is more blessed to give than to receive.’”

Acts 20:35

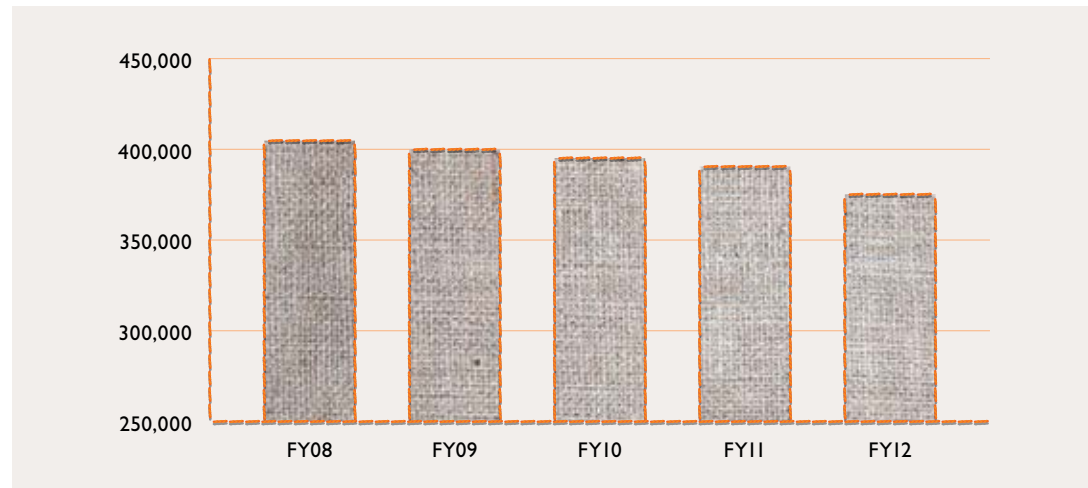
With stewardship and integrity, World Vision Australia brings together government, businesses and individuals to work as agents for change. We facilitate the unique contribution of each to the cause of child poverty, celebrating their commitment to our mission to change lives.

We act as servant to the donor and to the beneficiaries, adding value to each relationship and empowering both communities.



Funds raised in the 2012 40 Hour Famine are being used to help the families of children like Burtukan in Ethiopia to increase food production.

Photo credit: Nicholas Ralph/World Vision

GOAL 8:**REVITALISE CHILD SPONSORSHIP FOR REVENUE GROWTH**

Since 1966, World Vision Australia's child sponsorship program has been the flagship for our organisation. By providing our supporters with a one-to-one link with a child, possibly thousands of kilometres away, we are creating a positive form of engagement. Diverse aspects of their lives are shared over the years through a two-way communication, which encourages learning and a sense of connection. It has become a popular opportunity for families to teach their own children about our "lucky country" and how they might strive to make a difference in the lives of people experiencing poverty well into the future.

We are determined to revitalise this crucial connection between our supporters and the children we assist.

Engagement with the sponsored child not only develops the interpersonal relationship; it also allows us to impact that child's entire community through projects addressing immediate and long-term need.

In 2012, we have focused on addressing the decline in the number of child sponsors. By listening to our supporters and taking the time to understand their decisions, we have gathered insights into why supporters engaged with the organisation initially. Many admitted that their sponsorship had lapsed due to financial difficulties. While this is a reality, we are considering ways to strengthen the donor engagement journey so that our children do not lose that vital contact with their sponsor.

The "Sponsorship means more than you think" campaign was well received by not only supporters, but by the wider community. The campaign took its audience on the journey of child sponsorship – from the initial decision, to the impact on a child's health and education, and finally, to the benefits to the local community. The most important factor was the real relationship, which developed over many miles over that child's developmental years.

In 2012, we experienced a 13 percent increase in new child sponsorships with 34,388 Australians deciding to make a difference in a child's life. Moving forward, our strategy is to provide our supporters with regular information that realistically demonstrates the difference they are making in the lives of the most vulnerable.

Our review of financial processes highlighted opportunities to cost save and improve the supporter experience. Increasing our usage of social media has also improved donor engagement.

CASE STUDY**RWANDA**

One of the greatest opportunities supporters have to understand the depth of the difference they make is when they visit their sponsored child. Alison and Barry, from Victoria, travelled to Rwanda in 2012 to meet 10-year-old Valens.

Alison explained that this life-changing trip left them excited and inspired by what their support through child sponsorship had helped to achieve for Valens' community.

"We'd been told Valens was shy," she said. "We hoped he wouldn't be too scared." The couple's hesitation melted away as soon as they arrived at Valens' house. Seeing Valens and his father standing by the side of the road waiting for them, dressed in their best clothes and wearing huge smiles instantly reassured them.

Alison described the meeting as overwhelming, exciting, as well as humbling. "I wanted to see if he looked the same as he did on the fridge at home," said Alison. "... He was way cuter!"

Despite the language barrier, there was no shortage of warmth between the two families. While they didn't share a common language, Alison and Barry found hugs, smiles and handshakes communicated the bond between them all. Barry is affectionately described by his wife as a "soccer tragic" – a passion shared with Valens. When Barry mentioned some famous soccer players, Valens' eyes lit up, responding with "Christiano Ronaldo!" proving once again that soccer really is the "universal language".

Alison and Barry were also able to visit Valens' school, and were treated to a welcome assembly put on by some 400 students. The assembly included speeches, as well as traditional song and dance – which Barry happily joined in with. The couple immediately felt at home. "To make friends in Rwanda, you just have to smile and share the moment."



Barry Quayle joined in the celebrations when he and his wife Alison visited their sponsored child in Rwanda.

Photo: Alison Quayle/World Vision

Alison is a primary school teacher, so seeing how funds from World Vision, including from child sponsors like themselves, had been pooled to build three new classrooms at Valens' school had special significance for her.

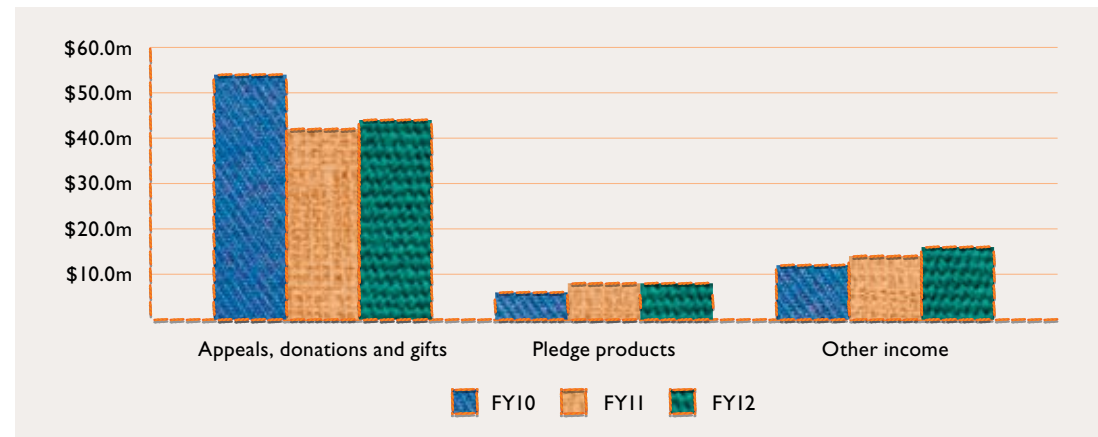
Having previously visited Rwanda a few years earlier and seen the state of many schools, Alison recognised the true value of these new classrooms. Many schools in Rwanda lack vital resources for staff and students, and student-teacher ratios can be as high as 100 students per teacher. The new classrooms at Valens' school represent hope for a better future; to be educated and have a chance at breaking the cycle of generations of poverty.

For Alison and Barry, there could be no better reward than seeing how their contributions, along with those of other child sponsors, had achieved so much for Valens' family and all the other families in the community.

"It's like the story of the loaves and fishes, but in a modern day context," said Alison. "The true value of sponsorship is in the hope, encouragement and opportunity it gives to people who [otherwise] had no way of moving forward."

GOAL 9:

GROW NON-CHILD SPONSORSHIP INCOME FROM THE AUSTRALIAN PUBLIC, MAJOR DONORS AND ENTERPRISES



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 giving options.

2012 was a good year for non-sponsorship income with most campaigns exceeding their target and delivering growth on previous years. New campaign activity was also trialled successfully, contributing to the overall growth.

Supporters can now make a single or regular donation to World Vision's broader work. This has provided an alternative opportunity for Australians to support World Vision's work. This provides us with a flexible source of revenue, enabling us to fund a range of responses to poverty.

40 Hour Famine

Since its commencement in 1975, World Vision Australia's 40 Hour Famine has become one of our nation's largest youth events. It is pivotal in raising community awareness and empowering young Australians to fight global hunger and raise funds. It is estimated that in 2012 over 300,000 people

participated in the 40 Hour Famine held from 17-19 August. Taking part were 330 primary schools, 1,805 secondary schools and 35,000 individuals. Over 500 church communities also supported the event.

The Youth Alive networks in South Australia, Western Australia, Victoria and Queensland were instrumental in providing exposure for the event. Four innovative "famine villages" incorporating churches, schools and local communities collectively took part in the event.

This year's appeal will assist projects in Ethiopia, Timor-Leste, Nepal, India, Laos, Tanzania and Kenya. Funded projects have direct impact – families gain better access to food and clean water. Training and microfinance give people the opportunity to increase their income. Farmers can access proper tools and training to grow more food for themselves and their communities.

Youth Ambassador Program

In January 2013, student leaders taking part in our Youth Ambassador Program will travel overseas on a World Vision Study Tour. This life-changing opportunity will allow participants to meet children and families who live the reality of poverty. They will encounter their daily struggles and take their reactions and observations back to Australia where they will share their experiences at schools, community events and with their peers.

In 2012, five Youth Ambassadors from Australia travelled to Ethiopia with their experiences greatly impacting their worldview.

"It was a huge privilege for me to travel to Ethiopia. I've been so excited to visit many different schools and students and share my experiences. Seeing their passion for eradicating poverty is just inspiring and it gives me hope to know that there are so many of us playing our part in the fight," said Youth Ambassador Esther Schroeder.

Global Leaders' Conventions

Our Global Leaders' Conventions bring students together in 12 separate events across Australia. In 2012, over 5,300 students attended nationally. Students learned about the world they share through interactive simulation games, dynamic keynote speakers and engaging multimedia presentations. Many left reporting they felt significantly more equipped to help fight global hunger.



On a 2012 trip to Ethiopia, World Vision Youth Ambassadors including Monique Fraser (pictured here with Burtukan) visited communities supported through the 40 Hour Famine. Photo credit: Suzy Sainovski/World Vision

57. **MAJOR DONORS AND ENTERPRISES**

World Vision Australia seeks to foster partnerships that meet the needs of both our partners and the communities we work with around the world.

We value our supporters and strive to build long-term relationships with them. We aim for those relationships to gradually move from annual donations to a giving legacy throughout and beyond their lives. Partnership options with World Vision Australia include project and campaign support, workplace giving, Goods-in-kind donations, staff volunteering and emergency appeal fundraising.

During 2012, a number of Australian businesses, organisations and individuals partnered with World Vision in a variety of ways.

PricewaterhouseCoopers (PwC)

PwC is one of Australia's leading professional services firms and has supported World Vision for for more than 10 years. Over this time, a highly strategic partnership has evolved in which each organisation supports the other by sharing their talents and resources. PwC helps to fund the Kochore Coffee Revitalisation Project in Ethiopia and also provides significantly reduced-fee business services to our organisation.

PwC Australia's mission is to "help organisations and individuals create the value they're looking for". PwC have created value for World Vision in both Australia and around the world. PwC staff have advised on a diverse range of operational tasks, including grants acquisition and business model development for new project areas. This contribution has improved World Vision's ability to deliver services to some of the world's poorest children and communities.



Staff from PwC travelled to Ethiopia in 2012 to visit communities they are supporting through World Vision. Photo credit: Kate Clark/World Vision

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In 2012, nine PwC staff travelled to Ethiopia to meet with coffee farmers, beekeepers, volunteer health workers and others to see how, with support from World Vision and partners such as PwC, Ethiopian communities are creating a more sustainable future for themselves and their children. PwC's Nikhil de Silva says, "PwC is proud of our relationship with World Vision Australia. We believe the relationship is mutually beneficial – with PwC producing significant outcomes for World Vision Australia's service delivery through reduced-fee work and World Vision Australia creating wonderful opportunities to focus the desire of our staff on making an impact in the community."

Computershare

Best known for its investor services, Computershare is one of the world's leading financial market service and technology providers. Computershare's "Change a Life" initiative has funded development projects that address poverty and empower communities to effect change.

Through its five-year partnership with World Vision Australia, Computershare has supported a Farmer Managed Natural Regeneration project in Chad and a Mobile Eye Clinic project in Ethiopia. Currently, Computershare supports more than 4,700 people in the Kibwezi District of Kenya helping them withstand drought and other natural disasters. The organisation's support has increased the community's annual agricultural production of nutritious crops.

Computershare's support also assists more than 10,000 people across three districts of Kenya to become informed, empowered and healthy through universal and equitable access to quality health and development information at community learning centres.

Computershare staff are looking forward to visiting these projects in 2013 to witness firsthand the positive change their support has made in these communities. CEO and President of the Computershare Group, Stuart Crosby, says, "Computershare has been very happy with the results of the development projects it has worked on with World Vision. We are looking to do more with World Vision, especially following on from our work together on Farmer Managed Natural Regeneration."

Bae Corporation Pty Ltd

Sam Bae is Managing Director of Bae Corporation Pty Ltd, a timber product manufacturer and wholesaler that sponsors 200 children in Kenya, Vietnam, Laos, the Philippines and China. Bae Corporation has sponsored children since 2004 and has also supported World Vision's relief work in North Korea. In 2009, Sam took the opportunity to visit some of his sponsored children in Kenya.

"Supporting children in developing countries through World Vision has been the most gratifying, enriching and rewarding experience of my life," says Sam. "It gives me a greater sense of responsibility and contentment to take part in meeting moral and spiritual obligations through child sponsorship. I consider myself to be blessed to take part in World Vision's mission to provide a better life for every child and meeting our sponsored children in Kenya made us feel connected and overjoyed to be involved."

"Seeing kids at local schools who had to skip meals and their only drinking water was from the rain water tank provided by World Vision, as well as visiting local people suffering from HIV and malaria, made me realise how desperate the people in Kenya are and the need for more sponsors to join," says Sam.

A family partnership

Vivienne and Murray Mountain started sponsoring children through World Vision Australia when their first child was born 45 years ago. Since then, their commitment to World Vision has continued to grow through their support of various aspects of World Vision's work and more recently, our Child Rescue program. When Vivienne's mother passed away recently, it was decided that a portion of the estate should be given to the Child Rescue program.

Vivienne and Murray's Christian faith underpins their giving. "We have always believed in tithing our income. We have supported some local church causes and World Vision gave us an opportunity

to do some wider justice giving," says Vivienne. "Children are important to us – we have five. I have been a teacher and am now also a play therapist – nurture and development are twin themes. This clear vision has been articulated well by World Vision's development and emergency relief."

Fullife Pharmacy Network

Through his Fullife Pharmacy network, Ian Shanks has established the Fullife Foundation, which supports a World Vision food security project and sponsors 85 children in Ethiopia. He has encouraged his customers to support World Vision since he became a supporter in 2012. In August, Ian and his son, Nathan, climbed Mt Kilimanjaro in Tanzania to raise money for World Vision Australia.

"The foundation was born out of a partnership with World Vision and is a vehicle to support those in the developing world. It is something our customers can support and is a way to get the wider community involved," says Ian. "I would like to grow a giving community. I really believe this is the right thing to do and that it can be an influential project that customers will stand behind."

Ian says he supports World Vision because, "It is an authentic faith-based organisation and the reporting is good, which is powerful stuff and important for us to talk to our customers about. World Vision has experience in dealing with the developing world. If we're going to make a difference, it should be with someone who knows what they're doing."

Platinum Electrical Contractors

Platinum Electrical Contractors, a national electrical service and maintenance company, has supported World Vision Australia over the past two years. Through their "One Van One Child" initiative in partnership with World Vision Australia, Platinum Electrical is aiming for every Platinum Electrical van to sponsor a child.

Joshua Nicholls, owner and founder of Platinum Electrical says, "We're really excited about [the partnership]. We believe that in business, not only should you be in business for yourself, but you should also be giving back [to those in need]. This way we can influence a community. Our community that we're working with is in Zambia. My main passion behind sponsoring kids is that we can teach and help them to then change the next generation. With World Vision, we find that they're a good partner and a professional organisation that can help us take this initiative from small beginnings to become something larger, I believe, in the very near future."

Private philanthropic partner

A private philanthropic foundation that supports a wide range of programs over five continents is helping to create life-changing opportunities. The foundation's philosophy is to develop long-term partnerships that deliver real impact to the communities in which they are based.

The foundation's approach to development has allowed World Vision to undertake significant work reaching the poorest of the poor in countries that are often confronted with civil unrest, restriction of movement and unjust reign. In just four years, the organisation's support has reached over 6,000 direct and 38,000 indirect beneficiaries across three countries with relief supplies and improved livelihood opportunities. The value of this particular partner is their commitment to and understanding of the development process, being aware that real change is not always easy or quick.

One of the foundation's Grant Committee members says, "Our objectives were to reach the most marginalised people in communities in remote areas or countries with challenging contexts. We are achieving this through our partnership with World Vision. Their reach and ability to operate in countries with difficult contexts has been challenging, but very rewarding in the long term!"

GOAL 10:

GROW INCOME FROM GRANTS AND GOODS-IN-KIND

World Vision Australia aims to increase organisational capacity to transform lives by increasing the funding received from the Australian Government, corporations and multilateral institutions in the form of grants and goods-in-kind (GIK). Under this objective, we work with the Australian Government with a focus on AusAID, the government agency responsible for delivering the majority of Australia's overseas aid programs. We also work with multilateral agencies, such as the UN World Food Programme and the Global Fund to Fight AIDS, Tuberculosis and Malaria, as well as a range of relief and development projects.

In 2012, we achieved \$52.1 million in income from grants to support our work in communities. This significant achievement represents a 10.8 percent increase compared with 2011. Continued growth in grants will remain a key focus to support our ongoing work in the field to reduce poverty and suffering around the world.

AusAID and other institutional donors

World Vision Australia has full AusAID accreditation and has a long-standing, collaborative relationship with the agency, in particular through the AusAID NGO Cooperation Program (ANCP).

We are one of only eight Australian NGOs that are recognised as partner agencies under the ANCP by AusAID. This agreement seeks to strengthen policy dialogue, enhance collaboration with AusAID, and increase the reach and effectiveness of the Australian aid program whilst providing multi-year funding to support our work to alleviate poverty. AusAID also supports our projects through other schemes, such as cooperation agreements and periodic funding agreements in alignment with AusAID country and regional strategies. We are also an accredited AusAID Humanitarian Partnership Agreement partner agency and eligible to receive AusAID funding to respond to rapid onset humanitarian emergencies.

We actively pursue funding opportunities from other agencies. In 2012, we were successful in securing funding from both the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Renewable Energy and Energy Efficiency Partnership (REEEP). Funding was also received from the Asian Development Bank, the World Bank, the Australian Centre for International Agricultural Research, and the Department for International Development (DFID). This UK Government department is responsible for promoting development and the reduction of poverty.

World Vision's partnership with the United Nations World Food Programme (WFP)

Each year, WFP provides more than 3 million metric tonnes of food and other commodities to an average of 100 million people around the world. World Vision International is the largest distributor of WFP aid. We deploy our field staff to take responsibility for the implementation of food distribution programs funded by WFP. World Vision actively supports WFP by seeking the funds required to cover warehousing, food distribution, staffing, and project monitoring and evaluation.

In 2012, World Vision Australia received \$2.6 million cash grant income to support the distribution of WFP aid. In addition, we provided field offices with financial support through donations to our Multiplying Gift Appeal as well as capacity building and assistance in the design, monitoring and evaluation of food distribution programs.

Goods-in-kind (GIK)

Goods-in-kind, or non-cash resourcing in World Vision projects, complements traditional cash funding by providing niche, high-impact goods that assist in the achievement of project goals.

Building partnerships to source non-cash resources has long been part of our international development approach. It enables us to match the needs of the communities we serve with the resources available from our supporters and partners.

In 2012, World Vision Australia achieved \$28.3 million annual revenue from GIK, exceeding our target by \$3.3 million.

Our Program Resources team continued to focus on delivering a customised service to World Vision national offices. Targeted resources were provided, particularly in the areas of health, education and economic development.

Ethical fundraising

World Vision Australia subscribes to ethical fundraising practices and all of 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 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/childprotection) set out our approach to communications with our supporters and the public.



An AusAID-funded World Vision project in Ethiopia has enabled mango farmers to improve their incomes by creating direct links with commercial buyers and promoting local mango processing activities.
Photo credit: World Vision employee

BUILD A SUSTAINABLE ORGANISATION

“Whatever your hand finds to do, do it with all your might ...”
Ecclesiastes 9:10

It is our challenge and our joy to keep improving the culture and outcomes of our organisation.

By facing our weaknesses and seeking to alter them, we will only increase the possibilities and life opportunities for the children and the families we willingly serve.

Ponlork's mother was able to double her corn and rice yields with support from a child sponsorship-funded project in rural Cambodia.

Photo credit: Albert Yu/World Vision

GOAL II:**ENGAGE AND MOTIVATE EMPLOYEES FOR HIGH PERFORMANCE**

Our employees have experienced great change over the last year. The implementation of a new strategy, the subsequent reorganisation of all divisions and employee redundancies have had some impact on our employees. To report steady employee engagement following this challenging period is, therefore, testament to the dedication of our employees.

World Vision Australia was pleased that our employee engagement measurement has remained consistent with 2011 and industry benchmarks at 54 percent. Other reporting measures indicate that we continue to move forward; for example, our employee turnover is down 50 percent. However, we remain focused and determined to see our employee engagement levels increase in 2013.

As an organisation, we celebrate the commitment and sacrifice of our people as each individual seeks to achieve the highest possible level of change for children and their communities. Employees remain true to our values despite facing the challenges of the global economic downturn, as well as organisational change.

Senior management remains committed to implementing strategies to create a resilient workforce, which remains motivated and empowered in the face of the considerable challenges experienced by the sector.

World Vision thanks its people and volunteers for their diligence and stewardship and will continue to seek ways to further their experience within the organisation.

WHO WE ARE – PEOPLE

	2012	2011	2010
Number of World Vision Australia employees	578	554	588
Number of full-time employees	463	456	474
Number of part-time employees	115	125	119
Employee turnover rate	22.5%	20.2%	20.5%
Number of volunteers	1,064	2,611	3,799
Hours volunteered	36,924	73,897	86,323

	Employees	%
Total employees (excluding casuals & maternity leave)	578	
Males	197	34%
Females	381	66%

	Part-time employees		Full-time employees	
Total employees (excluding casuals & maternity leave)	115		463	
Males	17	15%	195	42%
Females	98	85%	268	58%

Age distribution

Age range	% of employees
<20	0.3%
20 - 24	4.3%
25 - 29	16.7%
30 - 34	21.0%
35 - 39	17.9%
40 - 44	11.9%
45 - 49	11.1%
50 - 54	7.9%
55 - 59	5.0%
60 - 64	3.0%
65 - 70	0.8%

Employee Engagement Survey

The key priority areas from the results of the June 2011 Employee Survey were analysed by the Executive Team and three specific working groups. Agreed actions were communicated to employees in early 2012, with progress updates on their achievement provided throughout the year. World Vision Australia is committed to continuous improvement in our employee engagement and activities in this area will continue to receive a high priority.

Employee wellbeing and safety of our people

Field work environments sometimes expose our people to safety risks. The implementation of International SOS capability and an effective travel tracker system in 2011 has created better understanding of the risks involved with international travel. In 2012, our emphasis turned to employee travel safety education, pre- and post-travel health checks and increased scrutiny of travel to high-risk countries.

People development

Key elements of the Building Success through People Management training and development program have been introduced to all employees. This training, along with a cultural integration program, has established a consistent language for people management across our organisation.

The Link Individual Development Plans framework has been enhanced to increase the emphasis on managers and team members identifying on-the-job, "stretch" activities for personal development. Opportunities to learn from others and formal training are provided to support the core development "stretch" activities.

All of our people have individual performance and career reviews twice a year. Every employee has an individual development plan that focuses primarily on job activities, but is often extended to include career advancement initiatives.

Remuneration

The enormous goodwill shown by our people to the organisation's mission is of substantial and enduring benefit to World Vision. Many employees, along with 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.



World Vision Australia has now achieved a performance-based culture. This commenced in 2009 with the introduction of the "Link" individual performance process. In 2012 – with "Link" now embedded across the organisation – World Vision Australia was able to align "Link" individual performance review ratings with annual salary increases to further strengthen the performance culture.

World Vision Australia pays its employees in accordance with the principles of its Remuneration Policy. This states that salary packages should be positioned at the (bottom) 10th percentile for executives and the (bottom) 25th percentile for employees. The Hay Group "All Industrials" annual salary data report is World Vision's benchmark.

VOLUNTEERS

During the year to September 2012, our 1,064 volunteers have contributed an estimated \$1.8m in people resource cost savings to World Vision Australia. National Volunteer Week was celebrated in May 2012 with a series of morning teas for our volunteers hosted by senior leaders.

Volunteer type	Contribution to cost savings \$'000	Number of volunteers in FY12
Interstate offices	206	435
Head office	595	279
External corporate groups	35	187
Vision Artist promoters	16	52
Vision Generation	384	49
Community fundraising groups	56	35
Ambassadors	380	13
Board members	222	10
Advocacy campaign groups	3	4
TOTAL	\$1.89m	1,064

* International placements with World Vision national offices are no longer included in World Vision Australia volunteer statistics. The placements are coordinated directly with World Vision national offices via an external, international volunteer organisation, Austraining. World Vision Australia can act as a partner organisation for placements upon request by our national office, however the volunteer placement is directly contributing to national office programs.

** The reduction in volunteer contribution in 2012 from 2011 is due to improvements we have made to create accurate volunteer reporting via a new online system implemented in May 2011. Volunteers now complete weekly online timesheets to record their contribution. 2012 is the first complete financial year of tracking this data with greater detail. The breadth of volunteers across our organisational divisions has increased, as have the value of volunteer contributions. This reflects a greater proportion of volunteers who are giving higher value input, thus requiring a smaller number of volunteers to be recruited and managed to deliver this value.

Motivations for volunteering

World Vision Australia greatly appreciates the contribution of its diverse workforce of volunteers. They each have unique motivations for offering their time and skills to our mission. In addition to supporting the cause and acting on their values, our volunteers are also motivated by:

- the opportunity to learn about international development and the NGO sector;
- gaining practical experience in a particular discipline (for example, human resources, information technology, finance, accounting, advocacy, public policy and marketing);

- effective utilisation of their own free time (either ongoing, ie. retirees; or for a certain period, such as in between paid work, a career break, etc); and
- gaining confidence and a "bridge" back into the workforce (eg. after a career break due to family commitments).

A volunteer's motivation drives their engagement with our organisation. Volunteering is mutually beneficial and we focus on gaining a full understanding of the motivations of volunteers so we can determine how we can make their experience fulfilling. For example, if a university student or someone on a career change journey wishes to gain an insight into our operations and acquire practical experience, we can ensure that they achieve this in their volunteer position by providing them the full experience of being immersed in a working team. Frequently this involves mentoring and career coaching from our experienced staff.

Feedback from our volunteers

"My family were refugees who came to Australia to build a better life. I know, first-hand, the life-changing benefits of the work that World Vision does and love to contribute in any way possible.

"I love getting involved in community events and supporting causes that make a positive change to our world."

–Veronica Lopez, Events Team and Office of the Chief Executive

"As a student pursuing a career in development, I am passionate about making a difference in areas of poverty and injustice. I have a strong interest in sustainable development projects, as I recognise the importance of addressing inequalities in developing countries.

"This position is an invaluable opportunity for me to gain practical experience in project management and to further my career goals of working in the development sector."

–Leah Uhe, Social Entrepreneurship and Economic Development Team



Leah Uhe has been able to gain practical experience in project management by volunteering in our International Programs Group. Photo credit: Suzy Sainovski/World Vision

GOAL 12:**DEVELOPING NEW OPERATING MODELS TO BRING COMMUNITIES AND SUPPORTERS CLOSER TOGETHER**

World Vision Australia must remain effective in a rapidly changing environment. We need to build a sustainable organisation that has the resilience to adapt and is fortified with programs that can help the communities we partner create lasting solutions to poverty.

Increasingly globalised technology and information exchange has created challenges for international development organisations.

In response to these challenges, World Vision has laid the groundwork for a new model of collaboration that will benefit our closest neighbours in the Pacific region and build stronger partnerships with our key supporters.

As a nation, Australia has significant ties with its nearest neighbours. For more than 40 years, World Vision Australia has actively developed projects to empower and create change for the people of Vanuatu, Solomon Islands, Fiji and Timor-Leste. These small, but often isolated, island countries are impacted by many challenges such as climate change and economic instability, which they often lack the resources to overcome effectively.

Over the past 18 months, World Vision Australia has been working intensively to create a new model of engagement. This innovative approach will change the delivery model for our programs within the Pacific. As a result, many more children will benefit from increased health and education opportunities.

As this engagement model is developed over the next 12 months, our response will acknowledge the unique challenges that poverty brings to the Pacific. The new model will also contribute to our ongoing effort to make World Vision Australia more effective and more connected.

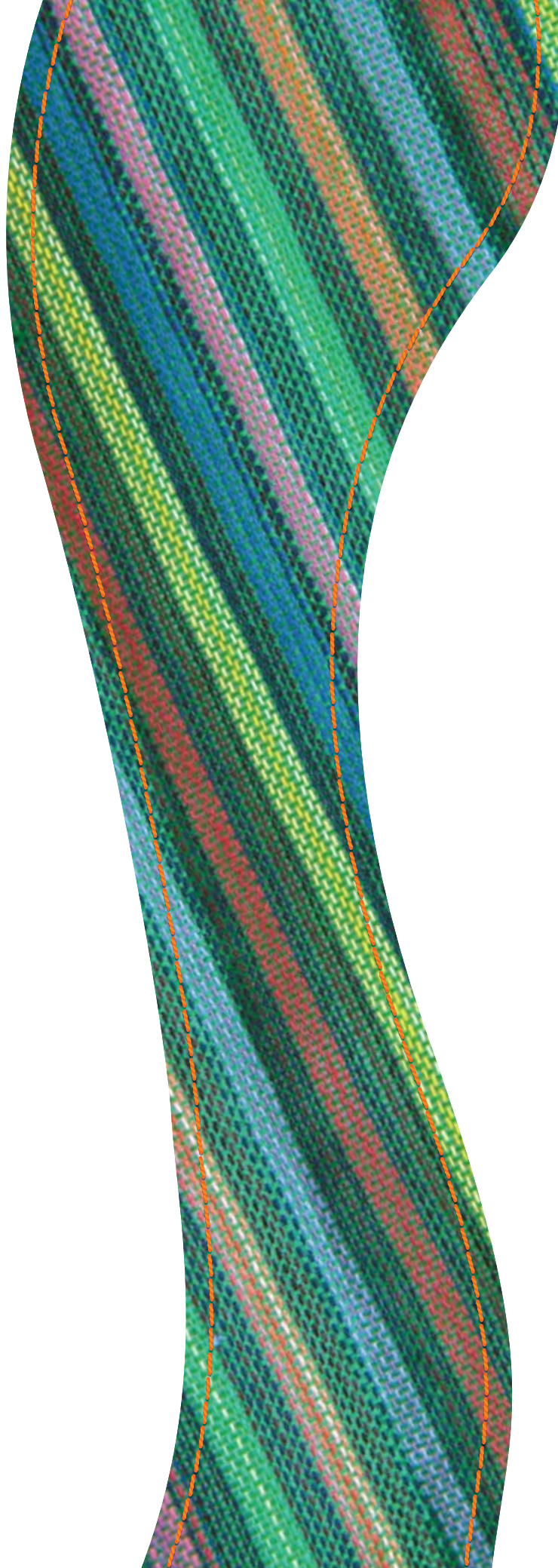
By engaging with all stakeholders to develop shared solutions to the critical issues faced by the people of Pacific nations, we are seeking to set the foundation for the future of World Vision Australia itself.

Environmental impact management

World Vision Australia is committed to improving its environmental performance and reducing its organisational contribution to climate change and environmental degradation.

During 2012, we continued the development and implementation of our Environmental Management System. This management system is based on the continuous improvement principles of the ISO 14001 Standard. It includes an Environmental Aspects and Impacts Assessment Register; a series of environmental improvement programs; as well as operational procedures and education materials, all contributing to the monitoring and improvement of World Vision Australia's environmental performance.

The organisation measures the carbon footprint of its operations using a selection of key indicators (air travel, car fleet, electricity, gas, paper) that have been identified as the most significant environmental impacts of our activities. World Vision Australia has set the target of zero emissions by 2017 for these key indicators. This will be achieved by purchasing carbon offsets where emissions cannot be sufficiently avoided or reduced. In the future, it is expected that as we continue to integrate our carbon reduction strategy with core development programs, we will be able to source carbon offsets from our own field-based mitigation programs.

**Carbon footprint reduction initiative**

	2012	2011	2010
Environmental impact	CO₂-e		
Air travel (fuel only) ^{1,2}	1,491 tonnes	1,927 tonnes	1,728 tonnes
Car fleet ¹	179 tonnes	197 tonnes	199 tonnes
Electricity ¹	2,081 tonnes	2,084 tonnes	2,773 tonnes
Gas ¹	138 tonnes	151 tonnes	130 tonnes
Paper ³	589 tonnes	332 tonnes	793 tonnes
Total emissions –before offsets	4,478 tonnes	4,691 tonnes	5,623 tonnes
BP fuel offsets	—	(51) tonnes	(199) tonnes
Gold Standard offsets purchased	(1,200) tonnes	—	(566) tonnes
Total emissions –after offsets	3,278 tonnes	4,640 tonnes	4,662 tonnes
Target	3,321 tonnes	3,985 tonnes	4,649 tonnes

¹ Australian National Greenhouse Accounts factors changed during the year and the conversion factors published in July 2012 have been used for this report.

² For this financial year, air travel emissions have been calculated using DEFRA/EPA Victoria guidelines due to discontinuance of the GreenFleet web tool. Air travel emissions have excluded non-World Vision Australia staff airfares.

³ EPA Victoria emissions factors used for financial years 2011 and 2012.

An independent auditor has verified the data in this table. The independent verification statement is available at our website.



OUR REGIONAL FOOTPRINT

This section of the report includes regional summaries of our program activities and illustrative case studies.

Champa (left) and Mary are part of a World Vision-supported women's self-help group in India. The women are generating income by tending an orange orchard and raising livestock together.
Photo credit: Jon Warren/World Vision





A World Vision-supported centre for street children in the Cambodian capital Phnom Penh provides children with care, practical support and educational opportunities.
Photo credit: Jon Warren/World Vision

ASIA AND THE PACIFIC

	2012	2011	2010
World Vision activities			
Total projects in region	314	284	324
Number of ADPs supported in region	72	75	81
Number of non-ADP projects in region	142	142	243
Number of AusAID and multilateral projects	100	67	57
Total disbursed in region (cash, food and goods)	\$91.8m	\$86.0m	\$74.7m

ASIA

Number of projects	2012	2011	2010
Country			
Asia (multi-country projects)	12	16	20
Bangladesh	12	11	11
Cambodia	28	25	24
China	10	9	9
India	33	27	39
Indonesia	24	24	25
Japan	1	1	—
Laos	26	20	24
Mongolia	10	11	14
Myanmar	22	23	24
Nepal	7	8	6
Philippines	8	9	12
Sri Lanka	19	19	25
Thailand	10	12	10
Vietnam	23	18	21

Key development challenges in this region

- Access to water, sanitation and hygiene remains low. Among the earth's 884 million people without access to improved sources of drinking water, 63 percent live in Asia and 25 percent in South Asia¹. The poorest 40 percent of people in South Asia have barely benefited from improvements to sanitation².
- While progress in South Asia has been made, two in five children are still malnourished. In India, 69 million children under five years old are underweight and 35 percent of children under five suffer from mild to severe stunting.
- Marginalised groups such as girls and ethnic minority populations are still facing challenges to access quality education. Gender-based violence is a significant issue.
- Very high incidences of child protection issues, including child labour exploitation and abuse are evident, particularly in South Asia, Indonesia and the Philippines. According to the Human Development Index indices, Bangladesh and Nepal are in the Least Developed category, with India, Indonesia, Sri Lanka and the Philippines all in the Developing Country category.

STRATEGIC PRIORITIES

In 2012, World Vision Australia supported programs in Asia focusing on the following priority areas:

Child rights and protection

Child protection programming includes any project designed to “prevent, protect and restore” regarding issues of violence, abuse or exploitation. World Vision Australia is the implementing agency for the Prevention Pillar of Project Childhood, a \$7.5 million AusAID initiative to combat the sexual exploitation of children in tourism in the Mekong sub-region. It brings together the UN Office on Drugs and Crime, Interpol and World Vision to address the serious issue of sexual exploitation of children in travel and tourism.

The project operates in Cambodia, Vietnam, Thailand and Laos and takes a dual prevention and protection approach. By targeting children and their families, community leaders and child protection duty bearers, government, the tourism industry and the broader private sector, we are determined to keep children safe. During 2012, the project advanced key partnerships with government and the private sector; developed a public child-safe tourism campaign; and rolled out training and education activities in communities and the tourism sector.

World Vision Australia, along with World Vision offices in Canada, Japan and Taiwan, continues to support the End Trafficking in Persons (ETIP) program, which focuses on community-based child protection, rehabilitating children and adults who have been rescued from exploitation, and assisting regional governments to strengthen and implement anti-trafficking plans. Countries benefiting from this project are Cambodia, Thailand, Laos, Vietnam, Myanmar and southern China. ETIP is working towards completing a baseline study in partnership with a university to build up the evidence base for the approach undertaken.

We have also commenced supporting the pilot of the Child Protection and Advocacy model in Indonesia, Vietnam, Myanmar and Mongolia. Specific interventions focus on strengthening the child protection system at the community level, thus empowering local communities to protect children from abuse, neglect and exploitation.

Our Community Care for Children project, supported by AusAID and Jetstar, was completed in 2012. Over the last four years, the project has targeted vulnerable rural children who have lost

¹ UNICEF and WHO, JMP Thematic Report on Drinking Water 2011.
² WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation Progress on Drinking Water and Sanitation 2012–Update.



parents to AIDS and live in families where the children and other family members may be HIV-positive. The project has worked to develop income generation opportunities for these families and has established a range of community-based support groups to continue to oversee the children's health and educational needs. Reducing the number of children who drop out of school has been a significant achievement of the project. Though discriminated against and shamed at the start of the project, confident and articulate young leaders of children's clubs have emerged, who will go on to be active citizens in their community.

A project promoting child rights and protection in Sri Lanka is benefiting 42,000 children from 35,000 households. Supported by World Vision Australia, the project aims to reduce child exploitation and abuse through education on child rights to households, schools, government officers and police. By strengthening local protection bodies at community level, we are linking them with district level and national child protection bodies and authorities.

Recognising the need to take a systems approach to child protection in Indonesia, we are also supporting the Child Protection and Advocacy pilot project in its easterly Nusa Tenggara Timur region.

Promoting primary health

Promoting primary healthcare remains a priority across all of World Vision Australia's Area Development Programs (ADPs) in Asia. Our focus has been on promoting best practices through mainstreaming a minimum of seven interventions, targeting pregnant women, mothers and children aged under five – especially children aged under two. Addressing access to water, sanitation and hygiene remains an integral part of our interventions.

For the next three years, we are supporting World Vision India's major initiative focusing on malnutrition in 92 ADPs. This involves redesigning ADPs and budgets to address malnutrition, as well as working alongside government to ensure access and utilisation of healthcare services by families, especially women and children under five. Similarly in Bangladesh, World Vision Australia is supporting a coordinated approach to address the critical issue of malnutrition.



Mothers gather in a Cambodian village to learn how to cook nutritious meals for their children from a World Vision volunteer.
 Photo credit: Sopheak Kong/World Vision

In Nepal, our work to improve maternal and child health provides a significant contribution to improving health in the remote region of Jumla. Our project will benefit 1,564 pregnant and lactating women, 8,693 children aged under five, and about 8,000 parents.

In central Sri Lanka, we are implementing a large water, sanitation and hygiene project with financial support from AusAID. This project has provided access to water and sanitation among tea estate workers and has made a significant contribution to reducing water-related diseases, as well as promoting privacy and dignity for women and girls.

Even though maternal and child health and nutrition status has improved dramatically in the past decade in Indonesia, progress in the Papua region has been minimal. With the high, under-five mortality rate of 64 per 1,000 live births, and a prevalence of 35 percent of Papuan children under five stunted, World Vision Australia recognises the need to invest in maternal and child health and nutrition. Building on the findings from a high impact community outreach project in the mountainous districts of Papua, the Jayawijaya Maternal, Newborn and Child Health and Nutrition Project will integrate across five long-term development programs.

Building community resilience

Our support for a "disability mainstreaming" project in Agent Orange-affected areas of central Vietnam has created positive changes in attitude from communities, government and schools over the past three years. Teachers have been trained to include children with disabilities in their classrooms, consequently increasing student attendance. Families with severely disabled children have been trained in basic rehabilitation that is starting to increase children's mobility. Specific support groups linking disabled adults with income generation initiatives have increased those people's self-esteem and profile within the community.

Several of World Vision Australia's projects in the region have helped people to prepare for and better recover from natural disasters. In Indonesia, several new projects have enabled local communities to adapt to various changes in their physical environment. These projects aim to improve food diversity, increase crop yields, replenish natural plant species and advocate for policy change at the local level.

In Mongolia, we are supporting efforts to improve community resilience to natural disasters caused by *dzud* (a local term for the compounding effects of drought, extreme cold, and heavy snowfall). As the country has faced *dzud* more frequently over recent years, millions of animals have been destroyed – important economic assets for nomadic herders. Targeting 1,500 households, our work aims to improve community, government and household capacity to prepare and respond to such emergencies. This work builds on similar interventions that we have carried out in Vietnam, and most recently, in Myanmar where our initiative benefited 95,694 people, including 48,757 women and girls from 94 villages in four townships. The final evaluation project found that communities were taking steps to prepare themselves through pre-positioning of supplies and were more alert to early warnings.

World Vision Australia has also worked with World Vision India to create a sustainable development project in an ADP in remote Rajasthan with plans to scale up to other ADPs.

A climate change assessment project in Nepal is currently at pilot stage and will work to strengthen our partners', and the government's capacity for data collection and analysis. Through this project, we hope to gain a good understanding of weather patterns based on scientific data, which will help our local partner to design development interventions that are adaptive to climate change.

Securing household livelihoods

World Vision India's project to address malnutrition in 92 ADPs includes eight funded by World Vision Australia. With a focus on improving household livelihoods and income levels, each approach is varied according to the context. In the urban Mumbai West ADP, youth unemployment and underemployment are addressed by providing vocational training and small enterprise support



Parents in this World Vision-supported community in Indonesia received mahogany trees to tend as an investment in their children's education. The trees can be harvested after 10 years to pay for educational expenses. Photo credit: Ilana Rose/World Vision

for youth, often in non-traditional areas, such as taxi driving for women, dance instruction and the establishment of small IT businesses. In rural areas, the focus is on improving crop yields and helping farmers to access good information about market prices.

Our support of World Vision Sri Lanka has improved the livelihoods of communities in Eastern Province through two special projects, which have benefited 1,600 households over 10 districts. These projects in post-conflict areas have adopted a permaculture approach, working with smallholders and poor communities to improve their food security. The evaluation of one project found that 87 percent of households produced more agricultural products than before and sold the surplus to buy other food necessities. Households reported having more food to eat from their gardens and having more money to save.

Asia has experienced rapid urbanisation and we have supported efforts in Cambodia, Indonesia, India and Bangladesh to adapt to this fast-changing context. In Cambodia, our work has focused on addressing land conflict in the urban slums. In Bangladesh, we are identifying new ways of addressing social and complex development issues in urban slums. We continue to support innovative approaches to urban programming with pilot learning sites in Indonesia, Bangladesh and India. These pilots allow national offices to trial new ways of working in urban contexts with their diverse populations and to leverage resources of ADPs and other partners.

On Indonesia's Flores Island, we have empowered local communities to improve their capacity to provide for their children; particularly, to cover the costs of healthcare and education. Using the Local Value Chain Development approach we have supported farmers to improve their production of agricultural products, including cashews, cocoa, coffee, coconut and candlenut, as well as to develop and strengthen relationships with markets.

Advocating for change

An evaluation of our Land Management Education project in northern Cambodia showed that communities were increasingly under threat of losing land to economic land concessions. Communities in Preah Vihear province have become more organised to present their concerns to government at both provincial and national level under our project. Their understanding of their rights under the law has made them more confident to challenge illegal land acquisitions and to push for community-protected areas where deforestation will not occur.

In India, World Vision supports community members to use the Right to Information law to identify commitments that the government has not met, such as building of roads and expenditure on infrastructure.

We continue to assist in strengthening communities, giving them the opportunity to have their voices heard and to monitor local government spending on health and education, using a proven approach called "Citizen Voice and Action". Citizen Voice and Action is a programming approach that improves the dialogue between communities and their governments. Local communities are encouraged to hold their governments accountable to improve the accessibility and quality of public services like healthcare and education.

This same approach is being integrated into our advocacy work in Cambodia and Nepal, as part of our large-scale, Child Health Now support efforts. This campaign aims at improving child health through campaign influencing government to take action to provide improved maternal, newborn and child health services.

The Child Health Now campaign is also advocating for improved health and nutrition policy in Indonesia. Working at the national, provincial and district levels of government, we have contributed to the improved implementation of four policies, including the regulations towards the Golden Standard of Infant Feeding. The Golden Standard includes the promotion and protection of early initiation of breastfeeding, exclusive breastfeeding until six months, and continued breastfeeding until two years.

We were instrumental in establishing the Breastfeeding Advocacy Coalition, which promotes the implementation of government regulations on exclusive breastfeeding.



HUMANITARIAN EMERGENCY ASSISTANCE

We provided funding and technical assistance to World Vision India for the floods in Assam and Assam ethnic conflict responses, and World Vision China for their southeast flood response. Technical assistance was also provided to World Vision Nepal.

We have supported the Asia Pacific Community Resilience Project, which seeks to integrate Disaster Risk Reduction and Climate Change Adaptation into all development and relief projects. AusAID funding was secured for the Asia-Pacific Capacity Building for Resilience to Disasters project. This enhances the capacity of national office staff to prepare for and respond to disasters through learning labs, simulations, coaching and traditional training methods.

Tropical Storm Washi – Philippines (December 2011)

Hundreds of residents, including many children, died in northern Mindanao after flooding following Tropical Storm Washi. Many houses were submerged in the worst disaster to hit the region in years. Other houses were swept into rivers and out to sea.

The cities of Cagayan de Oro and Iligan were the worst-hit with torrents of water and mud sent through villages and down mountainsides. In Cagayan de Oro, our relief teams provided 7,000 families with drinking water, rice, biscuits and canned goods, as well as emergency items like hygiene kits with soap, blankets, sleeping mats, cooking pots and eating utensils. Another 3,000 families in Iligan also received our support. Child Friendly Spaces were created in both cities.

Philippines – Floods (August 2012)

More than 3.4 million people were affected, and nearly one million displaced, by floods in and around the capital Manila. Caused by unabated monsoon rains and typhoons, the floods led World Vision to provide food and relief items to some 50,000 people. Relief packs consisting of water, food, hygiene items, and household items, such as sleeping mats, mosquito nets and blankets were distributed to families in the critical areas of Malabon, Baseco and Taguig.



World Vision distributed relief items including bottled water and ready-to-eat meals to families affected by floods in the Philippines capital Manila in August 2012. Photo credit: Aaron Aspi/World Vision

PACIFIC

Number of projects	2012	2011	2010
Country			
Pacific (multi-country projects)	1	3	2
Papua New Guinea	26	18	20
Solomon Islands	20	15	15
Timor-Leste	13	6	14
Vanuatu	9	9	8

Key development challenges in this region

- Poor maternal, newborn and child health statistics. For example, Papua New Guinea's (PNG) maternal mortality rate, at 733 deaths per 100,000 live births, is one of the highest rates in the Asia-Pacific region.
- Access to safe and regular water supply and clean sanitation is limited, particularly in rural areas, where less than 60 percent of the population have access to safe water and less than 40 percent have access to clean sanitation.
- High population growth rates and increasing urbanisation create strain on education, health and welfare services, and employment across the region.
- Adult literacy remains poor. Less than 70 percent of adults in PNG and less than 80 percent of adults in the Solomon Islands are literate.
- The Pacific region, including Melanesia, is particularly prone to natural disasters. High exposure to climate risks and limited adaptive capacity make Pacific Island countries particularly vulnerable to climate change and sea level rise.
- Health issues, including the prevalence of HIV and AIDS, represent significant threats to individual, community and national wellbeing in the region.

STRATEGIC PRIORITIES

In 2012, World Vision Australia supported programs in the Pacific focusing on the following priority areas:

Improving health and responding to HIV and AIDS

HIV and AIDS and other sexually transmitted diseases challenge development programming in PNG, particularly in urban areas. Extremely poor maternal, newborn and child health and nutrition are significant regional challenges across Melanesia, along with slow progress in accessibility to safe water supply, improved hygiene and sanitation.

World Vision Australia-supported initiatives to address these challenges include:

- The refocused Port Moresby HIV and Health Project (People Living Positively III) to strengthen community-based care in PNG. For the past four years, the Women Are a Priority project has focused on HIV- and gender-based violence and discrimination. This project came to an end in 2012, with an evaluation planned for early 2013. Key findings from this project and the Channels of Hope for Gender project in the Solomon Islands will be used to extend our engagement in Melanesia (and Timor-Leste) under the new, Pacific Timor-Leste office in future years.
- In the Maternal, Newborn and Child Health (MNCH) program, four new MNCH projects have been developed across PNG (Madang), the Solomon Islands (Makira and Malaita) and Vanuatu



(Tanna). A catalogue of comparative data across three Melanesian countries has now been collated, providing analytical information about the impact of our MNCH programs. In addition, we are now supporting another two MNCH projects in Bougainville and Port Moresby. Potential collaboration with World Vision New Zealand on an expansion project in Madang may commence in 2013.

- The Water Supply, Sanitation and Hygiene (WASH) program has continued our focus on improving hygiene behaviour across the Pacific. Our focus remains on improving sanitation practices and access to clean water supply across PNG, the Solomon Islands and Vanuatu. Our program's success has been recognised by the Solomon Islands Government, which has appointed World Vision as the preferred provider of community-based water, sanitation and hygiene initiatives.

During 2012, World Vision Australia also provided significant support to World Vision PNG in its work to combat tuberculosis. In 2011, World Vision PNG achieved Primary Recipient Status for funding from the Global Fund to Fight AIDS, Tuberculosis and Malaria. We have provided matched funding and technical support to extend this work, and also supported the AusAID-funded TB project in Western Province, PNG. As the region is Australia's nearest foreign landmass, the project has received much media attention.

Building stronger communities

In 2012, we reinforced our focus on literacy and access to education, combating gender-based violence, youth empowerment and economic development in the Pacific region.

Through three new early childhood education projects started in 2011 in PNG, the Solomon Islands and Vanuatu, World Vision Australia is improving access to education, especially for girls. We are also aiding the successful transition of young children into formal education. AusAID has taken a particular interest in our Makira Girl Child Reading and Rescue project. The key findings from the project were presented to AusAID and other Pacific stakeholders as a precursor to the launch of AusAID's Early Childhood Development fund for the Pacific in 2013.

In PNG, the Port Moresby Children's Community Education Project has continued through collaboration with local NGO, Buk bilong Pikinini. This priority project seeks to establish local libraries in squatter settlements, encourages reading, runs literacy activities for pre-schoolers and their parents, and provides a bridge to reintegrate primary school "dropouts" back into formal education. Working with parents as "first teachers" continues, as do efforts to improve adult literacy – recognising that literate parents are better able to support their children's reading efforts and their wellbeing.

Acknowledging the appalling rates of gender violence in the Pacific region, we have launched a global initiative to adapt World Vision's "Channels of Hope for Gender". Two-thirds of women in the region have experienced direct violence at some time in their lives. The initiative specifically addresses gender-based violence in Melanesia through our Community Vision 4 Change project in Honiara, using Biblical and Christian messages to influence social change in Christian communities. Anecdotal evidence points to its significant impact – whether it's applied to attitudes towards HIV or gender issues – as it directly addresses the values that underlie human behaviour in a faith-based environment.

Local police officers have also been trained in gender-based violence issues. We have also used the Channels of Hope program in a new gender project in Madang, Bungim Famili na Komuniti (Bringing Family and Community Together) to run for the next five years.

The Solomon Islands' urban youth project has entered its second year. Our training activities have resulted in employment for 14 young people and in income-generating activities for two youth groups. In Madang, PNG Harmoni Musik, a project focused on youth empowerment through music, entered its final year in 2012 with a music video finale. In 2012, our youth projects grew to include a street kids project in Port Moresby and the Pikinini Lukaotem Project Vanuatu – a whole of community care program for children in urban areas. While both projects are at an early stage, we believe they are innovative initiatives, which intentionally seek to maximise the influence of local churches to support the increasing youth populations in Pacific capitals.

World Vision Australia continues to support economic development initiatives in the Solomon Islands. Through collaborative programs and joint training, World Vision Australia and World Vision New Zealand have assisted communities to access markets for their produce and understand savings schemes.

Strengthening community resilience

In 2012, we have continued to help strengthen community resilience to natural disasters and build capacity to adapt to climate change impacts. In PNG, the Usino-Bundi/Upper Ramu Community Resilience and Livelihoods Project started in late 2011, introducing Citizen Voice and Action to communities, conducting basic bookkeeping and personal viability training.

Similarly, the Solomon Islands/Malaita Community Resilience and Livelihoods Project assisted communities to mitigate climate change effects on food and livelihood security by improving opportunities for rural populations. In 2012, the project reported some key changes in behaviour, resulting from increased understanding and awareness of risk and disaster risk management. These changes included planning for the longer term risks to livelihoods and food security resulting from climate change.

In Vanuatu, the Community-Based Disaster Risk Management program also assisted communities to manage their preparation for and response to disasters, linking them to the provincial government's emergency response programs. In 2012, the mid-term review indicated that hazard awareness had increased and individuals and communities are implementing ways to mitigate the risks.

Advocating for change

Efforts to improve citizen engagement in civil affairs (Kommuniti Taukaut) continued in 2012 with a rollout of Citizen Voice and Action training to communities in Madang, PNG. Independent research found that the strongest determinant of service delivery was that group action – even the perception of group action – had a direct impact on motivating Members of Parliament to improve services.

Following the release of the joint World Vision Australia, Burnet Institute and Compass report and policy brief, "Improving Maternal, Newborn and Child Health in PNG through Family and Community Health Care", advocacy on maternal, newborn and child health has been increased. The first workshop dedicated to the work of Village Health Volunteers was held in Port Moresby in February 2012. Attended by PNG Department of Health officials, the Minister of Health, AusAID, donors, and the volunteers themselves, one of the key recommendations of the workshop was the need to address policy, budget and resourcing issues of village health volunteers.

Evaluations and learning in the Pacific

Following our commitment of an additional US\$13.5 million in funding to Pacific (PNG, Solomon Islands, and Vanuatu) programming in 2012, World Vision Australia has supported the consequent designs of 14 new projects. Another 14 projects are expected to follow in 2013. In addition, we have supported six end-of-project evaluations in 2012, with their results and "lessons learnt" still being processed.

Some of the key findings of these evaluations point to the ongoing need to: ensure effective community engagement and meaningful participation to secure success; engage with provincial and national decision makers to ensure sustainability; improve data collection and evidence building to drive future planning; and the absolute necessity of flexibility of funding and programming to ensure responsiveness to community changes.

In anticipation of the release of significant funding for WASH in 2012, World Vision Australia supported PNG and Solomon Islands in a WASH workshop in Brisbane in August 2012.



Jennifer washes her baby Gladys with water from a gravity-fed system installed by World Vision in her village in Papua New Guinea.

Photo credit: David duChemin/World Vision



Sabina will no longer have to spend four hours each day collecting water thanks to a soon to be completed World Vision water project near her home in Kenya.
Photo credit: Jon Warren/World Vision

AFRICA

	2012	2011	2010
World Vision activities			
Total projects in region	335	312	351
Number of ADPs supported in region	98	101	95
Number of non-ADP projects in region	151	138	256
Number of AusAID and multilateral projects	86	73	32
Total disbursed in region (cash, food and goods)	\$105.4m	\$97.4m	\$91.3m

Number of projects	2012	2011	2010
Country			
Africa (multi country projects)	7	15	20
East Africa (multi country projects)	10	4	2
Southern Africa (multi country projects)	5	3	2
West Africa (multi country projects)	2	1	3
Angola	—	—	1
Burundi	8	8	4
Chad	7	5	7
Democratic Republic of Congo	11	11	9
Ethiopia	28	30	31
Ghana	6	6	6
Kenya	40	29	29
Lesotho	12	15	17
Malawi	16	15	20
Mali	3	1	1
Mauritania	—	1	1
Mozambique	15	16	21
Niger	—	2	3
Northern Sudan	7	8	13
Rwanda	14	15	16
Senegal	14	12	14

Number of projects	2012	2011	2010
Country			
Somalia	7	5	12
South Africa	10	7	2
Sudan	12	13	10
Swaziland	10	11	16
Tanzania	28	19	17
Uganda	28	27	26
Zambia	17	16	21
Zimbabwe	18	17	24

Key development challenges in this region

- Erratic rainfall, persistent drought, and floods have led to heightened food insecurity in many African countries. This necessitated humanitarian responses in east, west and southern Africa in 2012. World Vision Australia focused on meeting the immediate needs of children and their families, then building household resilience against longer term shocks.
- Africa still experiences some of the world's worst outcomes for maternal and child health. In particular, child malnutrition presents a significant challenge. In Sub-Saharan Africa, 43 percent of children are impacted by stunted growth – the highest rate globally. Detrimental effects include slower cognitive development, lower school achievement, reduced reproductive health of girls and decreased economic productivity in adulthood.
- Despite free primary school education in most African countries, many children face challenges in attending schools. Girls and children with a disability are at a greater disadvantage. A lack of qualified teachers and teaching materials contributes to poor education outcomes.
- Increased mining activity in some African countries, such as Mozambique, presents potential threats to the achievements of development organisations, including World Vision Australia. As land is reclaimed for mineral resources, communities are often separated and resettled.
- Political instability restricts humanitarian opportunities in countries including Somalia, the Democratic Republic of Congo, Sudan and South Sudan. Rapid social changes and responses to them may present further challenges to regional security, particularly in East Africa.

STRATEGIC PRIORITIES

In 2012, World Vision Australia supported programs in Africa focusing on the following priority areas:

Food security and livelihoods

In Lesotho, the Farmer Managed Natural Regeneration Project (FMNR) has focused on the impact that local communities can have on the environment, natural resources and livelihoods. By working with farmers, World Vision has helped them to reconsider how to manage and best utilise shared resources including soil, water, grassland and forests. Communities are increasing household resilience, reversing environmental degradation and facilitating adaptation to climate change.

The Humbo Community Managed Natural Regeneration Project in Ethiopia has restored 2,728 hectares of degraded forestland. The resulting ecological and economic benefits to the community have included fodder for livestock, abundant firewood and new fruit trees. Erosion has also been



In Mali, World Vision is working to improve educational opportunities for children like Korotimi through classroom construction and facilities upgrades. Photo credit: Justin Douglass/World Vision

reduced. Through collaboration with the World Bank, we have ensured that carbon credits can be sold by local projects, creating an additional economic benefit to the community.

By concentrating on market linkages, we are helping farmers to ensure crop value and sustainability long term. In Ethiopia, the Kochore ADP has created a website – yirgacheffeunion.com – to encourage promotion to markets and consumers outside of the region. This website is also linked to others, such as Hugh Jackman's and Laughing Man Coffee. Cooperative members have also featured in a promotion for the International Year of the Co-op.

Improving food security, environmental preservation and improved income for farmers have been the focus of the Beysatol project in the Kaffrine region of Senegal. FMNR has resulted in vegetation covering 39,315 hectares. Soil fertility has improved and agricultural yields have increased. Our support activities, including breeding, market gardening and beekeeping, have also improved the economic power of households, and women in particular.

Our evaluation of the first phase of Muzarabani ADP in Zimbabwe indicates significant success in improving the adoption and production of drought-resistant crops to improve household food security. Households growing sorghum increased from 36 percent in 2007 to 56 percent in 2012. Over the same period, households harvesting between 40-100 50-kilogram bags of cereal increased from 6 percent to 16 percent.

Maternal, newborn and child health

With the assistance of World Vision Australia, World Vision Swaziland continues to support improved health service provision; to raise awareness about immunisation, safe pregnancy and delivery; and to promote breastfeeding, infant and child nutrition and vitamin A supplementation. Our sponsorship activities increased child immunisation coverage in Macudvulwini ADP from 80 percent in 2008 to 95 percent in 2012.

Our ADP in Aboke in northern Uganda has substantially improved maternal and child health outcomes. A project evaluation revealed that the proportion of women accessing essential antenatal services increased from 37 percent at project inception to 89 percent after five years. The number of households with at least one insecticide-treated mosquito net increased from 30 percent to 74 percent, contributing to a reduction in malaria amongst children under five years of age. The prevalence of diarrhoea among children under five in target communities also fell from 35 percent to 19 percent. These positive outcomes were due to successful partnerships between World Vision and local government structures, such as Village Health Teams.

The East Africa Maternal, Newborn and Child Health project, funded by the AusAID, Australia Africa Community Engagement Scheme, is demonstrating positive results in its early stages. Implemented in four countries across East Africa – Kenya, Rwanda, Tanzania and Uganda – the project aims to reduce maternal and under five child mortality rates. The project involves strengthening and educating local health workers, promoting sustainable nutrition and market diversity, and education and training in water supply and sanitation in selected communities. Our achievements have included more consistent drug stocks at clinics in Kilifi District, Kenya, and senior staff mentoring workers from six healthcare centres in antenatal care and delivery in Uganda.

Education

The Pader Improved Health and Education Project in northern Uganda has sought to improve the learning environment in selected schools and to improve the health of youth returning to the area after displacement by internal conflict. Results have revealed that over the three-year project, the teacher-pupil ratio decreased from 1:84 in 2009 to 1:72 in 2012. The number of pupils per classroom also decreased from 95 to 71 over the same period. Along with improved learning environments, we have sought to increase school enrolments and inclusion, with 15 percent of enrolments being children with a disability.

World Vision has supported communities to lobby and advocate for children's rights to access and complete quality education in Nkozi ADP in central Uganda. As a result of community efforts, school



feeding programs have been established in 14 out of 18 government primary schools, contributing in turn to improved performance and retention in primary pupils. Parents, guardians and school management committees empowered through leadership and monitoring skills are more involved in, and supportive of, their children's education.

In Kenya, increased interest in education, improved performance, and improved health and behaviour practices have been generated at our community learning centres. In Kumpa, Maasai farmers – traditionally pastoralists – have now embraced crop farming as a new source of livelihood. The Imejooli men's group are now keeping computer records of their livestock and transactions at the centres. They are even developing a website as part of their marketing strategy.

Child protection

In Ethiopia, a child protection project in Adama and Angolela ADPs has worked to combat child labour and trafficking. Communities are now mindful of the illegality of child trafficking, child labour, and child exploitation and abuse, and have been identifying children who are engaged in excessive child labour. Through child rights clubs and child parliaments in schools, children are now openly discussing their concerns and advocating for others.

Activities promoting child rights and child protection in Muzarabani ADP in Zimbabwe have led to increased willingness of communities to report child abuse cases to relevant authorities. Training facilitated by the Victim Friendly Unit of the Zimbabwe Police Force, as well as campaigns on child protection undertaken in schools, have also educated and empowered communities.

Cross-cutting themes (especially disability, gender and child protection)

The Masibambisane Working Together to End Domestic Violence project in South Africa aims to transform gender relations to prevent domestic violence. Victims are also reintegrated into society as survivors. Implemented alongside the Men As Partners project, we are promoting the active participation of men in addressing gender-based violence by challenging and changing attitudes and behaviours.

HUMANITARIAN EMERGENCY ASSISTANCE

West Africa food crisis

Droughts, soaring food prices, locusts and conflict have left almost 19 million people across five West African countries vulnerable to massive food shortages. With the generosity of donors and funding from governments, we are helping more than 1.1 million people in Niger, Mali, Chad, Mauritania and Senegal. Emergency food, water, sanitation and health are integral to the assistance.

Projects such as home vegetable gardening and the creation of "cereal banks" are part of our Disaster Risk Reduction work to build resilience in communities experiencing an increasing frequency of drought, floods and related food crises.

Our activities in West Africa include:

- child nutrition programs
- digging boreholes
- vaccinating livestock
- food-for-work projects
- cash-for-work projects
- assisting cereal banks
- provision of seeds and tools

A mental health and psychosocial support technical advisor was seconded to UNICEF to support the implementation of psychosocial care for malnourished infants and children in West Africa's food crisis response. The World Vision Australia Humanitarian Protection Adviser supported World Vision Mali in response to the displacement of people due to the West Africa food crisis and conflict.

Positive outcomes

Our partnership with the World Food Programme on Cash-for-Work and Food-for-Work projects in Niger resulted in many community members remaining in their villages to take part.

World Vision was among the first organisations to assist the Government of Niger to address acute malnutrition. Last year, of the 6,330 severely acute malnourished children in Niger, 5,451 have been rehabilitated and 25,162 moderately acute malnourished children were also cared for.

In Chad, we partnered with UNICEF to set up the first Community-Based Management of Acute Malnutrition program in the country.

Communities are better equipped to cope with food crises due to our vegetable garden projects, set up as medium-to longer-term interventions in the face of reoccurring drought.

Horn of Africa drought

During 2011, recurrent drought conditions across East Africa, combined with rising food prices and conflict, created a humanitarian emergency of unimaginable scale. At its peak, over 13 million people were unable to access food on a regular basis. Our 18-month emergency response assisted some 2.5 million people across Kenya, Ethiopia, Somalia and Tanzania. After one year, by July 2012, just over 2 million people had been assisted.

Activities have included:

- food distributions for pregnant and lactating mothers, children, elderly and other vulnerable groups;
- food-for-work projects that benefit the community in exchange for food;
- assessment, monitoring and treatment of malnourished children;
- health checks, immunisations, maternal and child healthcare, mobile health clinics, and health worker training;
- water trucking (short-term), then water borehole drilling;
- construction of water points and toilets;
- installation of water tanks at health clinics and primary schools;
- distribution of fuel-efficient stoves to minimise cutting of trees for fuel;
- distribution of seeds, seedlings and tools to farmers;
- distribution of livestock to pastoralists, de-worming and other veterinarian support to animals;
- small business training for women;
- distribution of relief items, including mosquito nets, cooking sets, hygiene kits and tarpaulins to 30,000 Somali refugees;
- training of child protection officers in communities;
- peace committees and peace promotion meetings reached 100,000 people in Kenya; and
- establishment of Child Friendly Spaces.



In October 2011, the Australian Government announced its "dollar-for-dollar" initiative to encourage Australians to donate to East Africa appeals. During the October-November initiative period, World Vision Australia raised almost \$1.8 million.

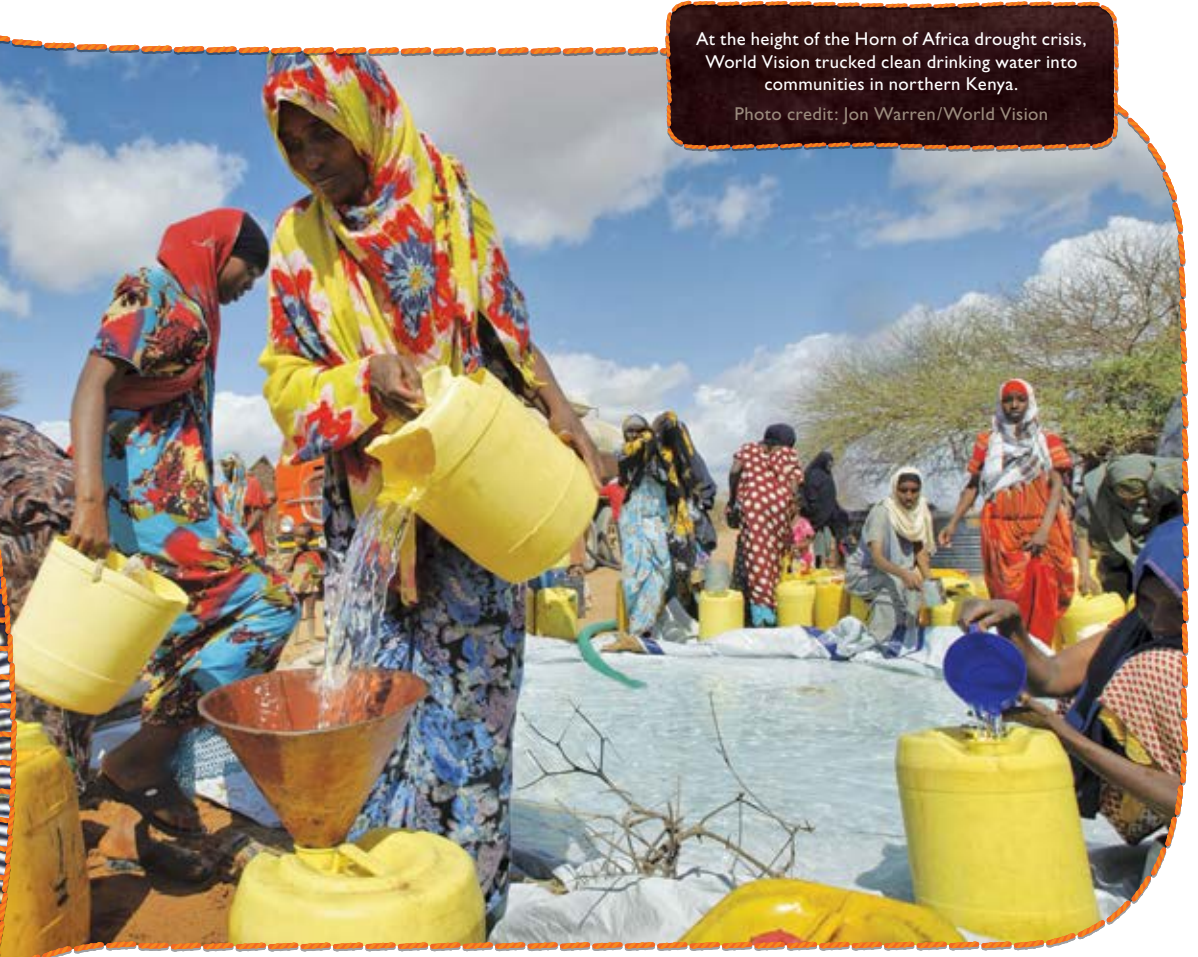
We also received an AusAID grant of \$1.7 million for the response to the drought in Puntland (Somalia). Our assistance reduced morbidity and mortality among drought-affected, internally-displaced, and host communities in Puntland by providing adequate water and health services, strengthening livelihoods and child protection.

We provided funding and technical assistance to World Vision Rwanda, World Vision Uganda, and World Vision Democratic Republic of Congo for relief efforts to assist communities affected by conflict in the regions of North Kivu, South Kivu and Beni.

An AusAID grant of \$455,000 for the response to the Horn of Africa drought focused on provision of life-saving, humanitarian assistance to drought-affected people in the Baringo, Marsabit, Wajir and Ijara districts of northern Kenya.

In the Awdal community in Somalia, World Vision Australia has contributed to improved food security for drought-affected communities by increasing community resilience to drought hazard.

We have also supported the Africa Community Resilience Project, which seeks to integrate Disaster Risk Reduction (DRR) and Climate Change Adaptation into all development and relief projects in three national offices. Our linked Child-Focused DRR project was co-funded by AusAID.



At the height of the Horn of Africa drought crisis, World Vision trucked clean drinking water into communities in northern Kenya.
Photo credit: Jon Warren/World Vision



With World Vision support, farmers like this one in a remote Bolivian community were able to build an irrigation dam to improve their crop production.
Photo credit: Ilana Rose/World Vision



LATIN AMERICA AND THE CARIBBEAN

	2012	2011	2010
World Vision activities			
Total projects in region	119	122	115
Number of ADPs supported in region	58	60	56
Number of non-ADP projects in region	51	46	59 (including AusAID)
Number of AusAID and multilateral projects	10	16	12
Total disbursed in region (cash, food and goods)	\$27.4m	\$35.5m	\$29.8m

Number of projects	2012	2011	2010
Country			
Latin America and Caribbean (multi-country projects)	4	5	5
Bolivia	10	9	7
Brazil	20	18	15
Chile	10	7	8
Colombia	6	7	8
Ecuador	11	10	9
Guatemala	6	7	9
Haiti	6	16	16
Honduras	17	13	12
Nicaragua	10	12	10
Peru	19	18	8

Key development challenges in this region

- Latin America and the Caribbean remains the most unequal region in the world. The richest 10 percent of the population earn 48 percent of total income, while the poorest 10 percent earn only 1.6 percent. Nearly one out of every three Latin Americans is poor and one out of every eight is extremely poor. An estimated 200 million people live in poverty and 70 million are homeless.
- Violence and crime are worsening, making Latin America and the Caribbean one of the most violent regions in the world. Young people, a very high proportion of the region's population, are turning to organised crime in an attempt to overcome poverty. There are also high levels of child abuse and violence against women.
- The region faces the constant prospect of natural disasters, such as earthquakes, floods, droughts and hurricanes. Many countries in the region are increasingly experiencing the effects of climate change.

- Latin America continues to have a high rate of urbanisation. By 2015, it is estimated that 69 percent of the region will be classified as urban. The vast and rapid rural migration to the cities has created massive slum areas where people live in very precarious conditions, often without access to essential services or job opportunities, and are vulnerable to becoming victims of gang violence and crime.

STRATEGIC PRIORITIES

In 2012, World Vision Australia supported programs in Latin America and the Caribbean focusing on the following priority areas:

Child rights and protection

In line with our Field Ministry Strategy and the new Latin America and the Caribbean regional strategy, World Vision Australia has supported child protection and participation projects, aiming to address child wellbeing issues in the region. In 2012, we prioritised regional and individual country projects, which target child protection and participation with a key focus on child rights, good governance, and social accountability.

One project in Nicaragua is gradually reducing the number of children and adolescents doing manual work and advocating their right to education and play. By raising awareness among community leaders about children's rights and the negative effects of child labour, we are helping to return children to education. We focused on 300 children who worked regularly, and received improper or no education, and provided them with reinforcement lessons to help them to return to school. Youth received technical vocational training, greatly improving their chances of finding a proper job. The majority of the 300 children now attend school.

In Brazil, the Youth Monitoring of Public Policies project has helped children, adolescents and youth to develop the independence to engage in the public sphere. Improved access to education, water, sanitation and health services has resulted from 250 young people conducting social audits of public services in their communities. In Rio de Janeiro, we have educated young people to lobby government, thus improving local water supply; while in Ponto dos Volantes, water tanks have now been constructed to irrigate rural properties. Young people are now viewed by local communities as valued and positive agents for change and have a vital role in procuring necessary resources for communities.

World Vision's advocacy project in Bolivia is building the capacity of children and youth networks to engage and influence the development agenda of their local governments. By empowering children and youth to negotiate and articulate their development priorities, we are ensuring the authorities take their voices into account. The project is also concurrently training and supporting municipal authorities to improve their engagement with civil society, particularly the most vulnerable, children and women.

The ongoing civil conflict in Colombia has left many children and adolescents without a sense of belonging. Through projects supported by World Vision Australia, World Vision Colombia facilitates child, adolescent and youth groups; clubs; and networks, which provide participants with a sense of belonging to a community. Currently, over 17,000 young people participate in the Peace Builders network in 10 cities throughout Colombia. As a result of these networks, a number of young people were elected to the municipal youth councils in 2011 and are now key decision makers in their communities. Our projects have further encouraged the young people through their engagement in community activities, including Peace Week, Community Clean Up Days, sports and cultural events.

In addition, World Vision Australia is funding a regional initiative to build capacity and strengthen child protection systems to prevent, protect and respond to abuse, neglect, exploitation and other forms of violence against children in the region. One remaining important focus is the improvement of maternal and child health by reducing malnutrition and infant morbidity.

In Guatemala, World Vision's health projects have increased families' knowledge of health and nutrition, provided access to drinkable water, and improved sanitation conditions. In addition, families have learned agricultural techniques to produce and secure nutritious food. By forging links with local health centres, we are ensuring that children's health is now monitored and immunisation is provided to prevent prevalent diseases. As a result, malnutrition of children in Santiago Chimaltenango – in the northwest



of the country – decreased from 50 percent in 2004 to the present 40 percent. For our sponsored children in communities of Bendicion de Dios – also in the northwest – malnutrition has decreased from 48 percent in 2004 to 20 percent currently.

The Commercialisation of Diversified Production project in Honduras has increased the production of 375 farmers by 25 percent. Severe malnutrition has dropped in Monquecagua area from 4.8 percent to below 1 percent and chronic malnutrition from 86 percent to 69 percent.

World Vision Australia has also supported projects to improve quality of primary and secondary education within ADPs. Our education initiatives have established early learning centres to stimulate children's development and increase their access to primary education. Tutor children have helped peers reinforce reading, writing and maths and now, many children with low academic capacity have significantly improved. In Monquecagua, 334 out of 410 boys and girls (81 percent) from 24 schools have improved their academic performance.

Securing household livelihoods

A livelihoods project in Peru has supported improvements in agriculture with guinea pigs produced for consumption and sale. Our focus on producing more nutritious food, improving technical skills, and linking producers to markets has assisted 200 families to increase their income and receive health benefits, particularly related to nutrition and improved hygiene. In the recent evaluation, participants reported that their additional income has predominantly gone to children's education, diet and reinvestment in their business.

A cocoa project in Ecuador has helped producers improve their cocoa production by training farmers in tree cultivation and sound environmental practices. Cocoa producers have worked in partnership with the local authorities to renew 100 hectares of cocoa and planted 60,000 cocoa plants in community nurseries. Further, 80 families have grown their own cocoa nurseries containing 1,000 plants each. Through the course of the project, we aim for producers to obtain organic and fair trade certification for their farms. Already, 100 farms have been selected for certification and 16 producers trained to support this process. A women's collective will process the cocoa to enhance sustainability of the project, as well as furthering income through the production of cocoa, egg nog and marmalade.

Building stronger communities

Our carbon credit feasibility analysis in Peru has recognised the impact that climate change is having in Latin America and the increase in vulnerability to natural disasters. This project has successfully identified appropriate carbon market mechanisms to support sustainable development for the community and provided climate change resilience to a harsh landscape and changing environmental conditions. In the past two years, over 48,000 trees have been planted, communal nurseries were set up, and agroforestry areas developed. The recent financial assessment of the project demonstrates its viability under current carbon market conditions. Impoverished communities in the Cusco Department of Peru will be helped out of the cycle of poverty through income earned through the carbon market.

In Honduras, our project focusing on risk management has established strong alliances with other organisations to protect children from abuse and reduce their vulnerability to natural disasters. Public and private organisations have worked together to support 127 boys and 119 girls in communities of Choluteca, in the south of the country. Our project has a strong prevention component in both social and natural risks. We are assisting to develop the abilities of community members to prepare for and respond to emergencies, as a result of frequent natural disasters.

HUMANITARIAN EMERGENCY ASSISTANCE

During 2012, we provided funding and technical assistance to World Vision Brazil for the Northeast Drought response and to World Vision Haiti for Tropical Storm Isaac response. Our support for the Latin America Community Resilience Project, integrating Disaster Risk Reduction and Climate Change Adaptation into all development and relief projects in three national offices, was co-funded by AusAID.



Heads of household wait to receive monthly food rations at a World Vision-supported aid distribution for flood-affected communities in Pakistan.
Photo credit: Attaullah Jatoi/World Vision

MIDDLE EAST, EASTERN EUROPE AND CENTRAL ASIA

	2012	2011	2010
World Vision activities			
Total projects in region	84	61	61
Number of ADPs supported in region	4	5	4
Number of non-ADP projects in region	44	38	57 (including AusAID)
Number of AusAID and multilateral projects	36	18	13
Total disbursed in region (cash, food and goods)	\$14.9m	\$13.8m	\$11.7m

Number of projects	2012	2011	2010
Country			
Middle East, Eastern Europe and Central Asia Region (multi-country projects)	8	6	5
Afghanistan	12	8	6
Albania	2	1	3
Armenia	3	3	2
Azerbaijan	5	5	4
Bosnia	3	1	2
Georgia	3	3	2
Jerusalem/West Bank/Gaza	8	5	9
Lebanon	16	15	15
Pakistan	23	14	12
Romania	1	—	—
Uzbekistan	—	—	1

Key development challenges in this region

- For World Vision, the region is a diverse mix of countries, ranging from Pakistan and Afghanistan to the Caucasian region, the Middle East and through to the Balkan countries. It includes diverse contexts with some countries severely affected by conflict and others still trying to emerge from centralised government systems.
- Afghanistan and Pakistan continue to be two of the poorest countries and in terms of the Millennium Development Goals, both continue to be off-track in several key areas, including efforts to eradicate extreme poverty and hunger, gender equality and environmental sustainability. Child and maternal mortality continue at high rates in both countries.

- The Arab Spring and ongoing conflict in many other countries has meant increased conflict and instability across a region with more refugees and internally displaced people than anywhere else. Violence continues to affect the health and wellbeing of children, families and communities and despite increasing needs, a decreasing respect for humanitarian law continues to impact ability to work with some of the most vulnerable communities.
- Given the needs of children in the region, World Vision continues to prioritise the protection of children, advocacy for child wellbeing, food security for the poorest communities, and maternal, newborn and child health.

STRATEGIC PRIORITIES

In 2012, World Vision Australia supported programs in the Middle East, Eastern Europe and Central Asia focusing on the following priority areas:

Food security and livelihoods

In Afghanistan, the Women's Economic Literacy and Livelihoods (WELL) project has been implemented in six villages of Badghis Province in western Afghanistan. The principal objective of the project was to lift women and children out of chronic poverty through educating and empowering women and girls and then enabling them to earn an income to provide for their families. This project targeted female-headed households, one of the most vulnerable groups in Afghanistan's male-dominated society.

During the five years of implementation, WELL established 32 home schools, provided literacy classes to 800 girls and women, delivered carpet making training to 200 women, vocational training to 550 students and assisted in the sale of carpets. This meant the impoverished women gained a livelihood, helping them to look after their children and cope with the effects of poverty on their families.

The AusAID-funded Strengthening Community Resilience in the Gaza Strip project works with 1,180 households in North Gaza to rebuild lives after many years of conflict. This includes efforts to strengthen existing livelihoods, help households to diversify diets for agricultural and fishing activities, as well as home gardens for female-headed households and other vulnerable families.

To date, these families, which used to be able to obtain sufficient food for four days, are reporting that household food production is now providing sufficient food for an average of five days a week and that selling part of the excess production is covering sufficient food for the remaining two days.

Maternal, newborn and child health

In Herat, in western Afghanistan, World Vision's STI/HIV/AIDS Prevention and Education (SHAPE) project has been working on reaching out and providing knowledge, skills and culturally acceptable services to many at-risk groups. This includes a focus on one of the hardest to reach groups, women whose sexual partners undertake high-risk behaviour. By emphasising the cycle of infection, and re-infection if one's primary sexual partner is not also treated, the project is having a major impact by helping ensure women who fall ill seek and receive relevant treatment. Peer education approaches are also beginning to be utilised to further disseminate knowledge and skills.

This project works with the Afghan Ministry of Public Health, the Ministry of Religious Affairs and the provincial leadership, and has developed strong and dynamic relationships with its partners. These relationships represent important foundations for further STI/HIV/AIDS interventions.

In the West Bank, a maternal, newborn and child health project ("JumpStart Initiative") has focused on a method called Timed and Targeted Counselling. This has dramatically changed attitudes and practices towards pregnancy and newborn children by pregnant women and new mothers. Compared to standard behaviours, the mothers of the Bethlehem project are reporting that they are 30 times more likely to exclusively breastfeed their babies compared to mothers of others in the community and 83 percent more likely to introduce food at the correct time (at six months).



World Vision's work in Afghanistan aims to lift women and children out of chronic poverty through education and income opportunities.

Photo credit: Paul Bettings/World Vision

In addition, compared to others, the mothers in training were five times less likely to wrap their newborns and 30 times less likely to apply salt on the babies' skin (which are common practices in Palestine potentially damaging to the health of newborn babies). In regards to recognising danger signs, these mothers have more confidence in being able to respond to them – they are four times more likely to do so than Palestinian mothers without this training. Health professionals in the area have reported that instances of child health issues (diarrhoea and infections) in newborns in Bethlehem are now much lower than in other similar communities in Palestine. This project model is now expected to roll out in other villages and areas of the West Bank.

Child protection

In Azerbaijan, World Vision continues to work in partnership with a local partner, NGO Alliance, on de-institutionalisation to support changes to law to protect children institutionalised under previous regulations. In 2012, this culminated in new Azerbaijani legislation for the Law on Social Services, which will protect 4,308 registered abandoned children, as well as disabled children and adults, and more than 400,000 elderly people for the first time. This legislation also builds an improved social service system, which will enable the community and organisations to take a greater role in providing these services for their communities and build an alternative care system to government institutions.

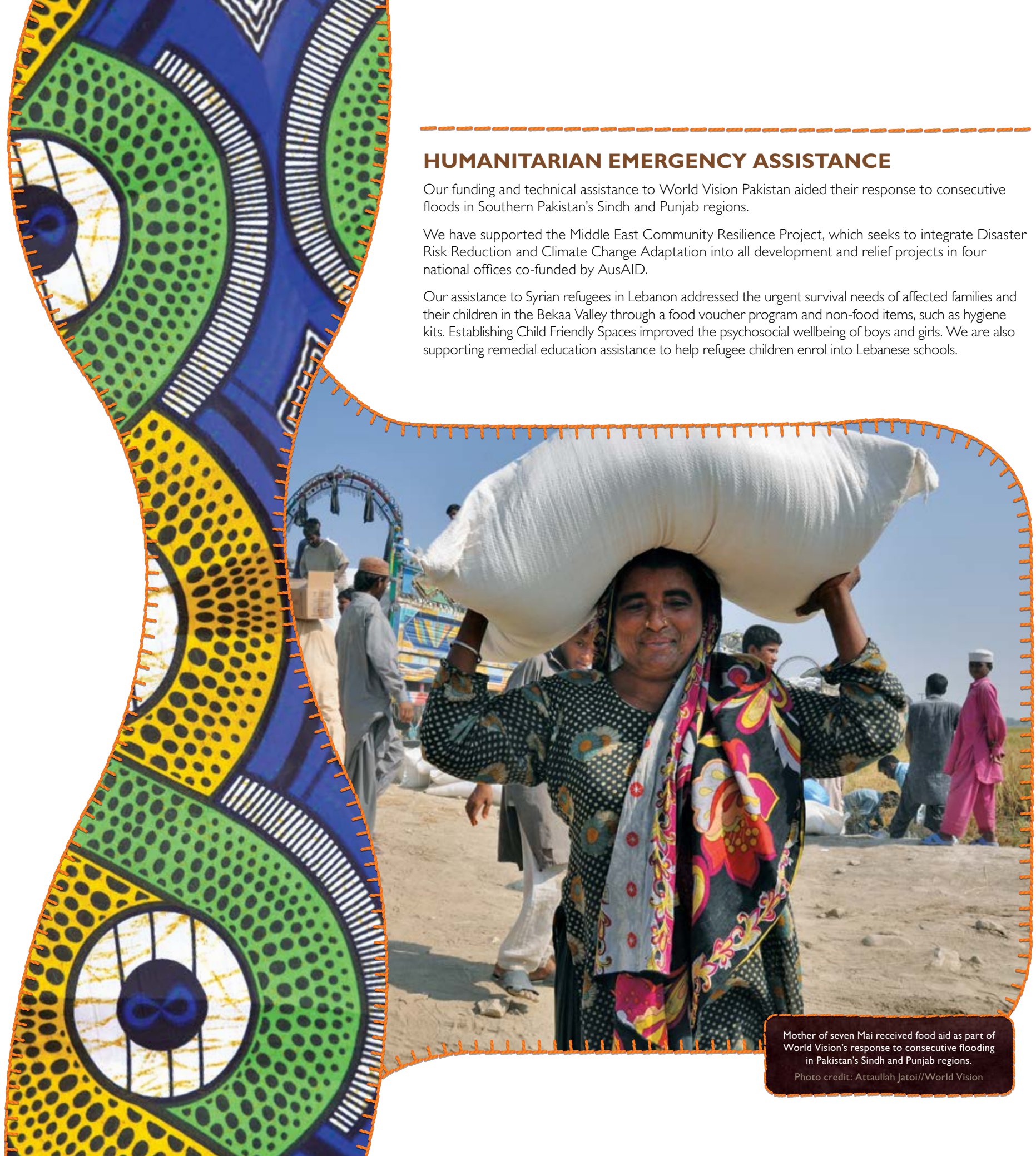
Through these changes, children will be moved from damaging long-term, government-managed institutions to long-term foster care, small group homes and temporary care services. The change in legislation represents the first time that Azerbaijan will train and prepare professional social workers to work with children and provides a legal basis for alternative care of children. It is anticipated that this new law will help achieve an integrated, community-based child protection system, with accountability at a national level.

Whilst many children are enthusiastic about the digital online world, there are also many dangers for children. World Vision is implementing a Keeping Children Safe Online project in Armenia, Georgia, Jerusalem, West Bank, Gaza and Lebanon to help children, partners, governments and others nurture and protect children in this new experience.

In Lebanon, World Vision has mobilised national stakeholders (the Higher Council of Childhood, the local police, the Telecommunication Regulatory Authority and other organisations) and online child safety now is being coordinated collaboratively. Many Lebanese parents and others supporting children are computer-illiterate and unaware of the need for safeguards. A movement to implement a national program that reaches out to Lebanese children, their caregivers and service providers is gaining momentum by helping children and their communities become aware of positive and negative uses of the Internet and child protection practices.

In Kasur, Pakistan, World Vision has been establishing and strengthening a network of children's drop-in centres that provide a safe, friendly and educational environment for children and combat high rates of child labour. Within these centres, children are educated about good health and hygiene and receive preparatory schooling depending on the individual child's needs. Out-of-school youth (16 years and above) and adults are also provided with vocational training, in order to provide for their families, especially where economic pressure is otherwise a strong push factor driving child labour.

The establishment of a drop-in centre has provided a safe, stable environment for children where they are supported and enabled in their endeavours to better their futures. These centres have also been effective in educating the broader community as knowledge (especially in health and hygiene) filters down from the children to their families, peers and employers. To date, World Vision has provided 1,200 vulnerable children with improved education and knowledge regarding health. Through this intervention, 300 families have reported improved economic status and critically, are now supporting a return to education for their children and promoting alternative options to child labour.



HUMANITARIAN EMERGENCY ASSISTANCE

Our funding and technical assistance to World Vision Pakistan aided their response to consecutive floods in Southern Pakistan's Sindh and Punjab regions.

We have supported the Middle East Community Resilience Project, which seeks to integrate Disaster Risk Reduction and Climate Change Adaptation into all development and relief projects in four national offices co-funded by AusAID.

Our assistance to Syrian refugees in Lebanon addressed the urgent survival needs of affected families and their children in the Bekaa Valley through a food voucher program and non-food items, such as hygiene kits. Establishing Child Friendly Spaces improved the psychosocial wellbeing of boys and girls. We are also supporting remedial education assistance to help refugee children enrol into Lebanese schools.

Mother of seven Mai received food aid as part of World Vision's response to consecutive flooding in Pakistan's Sindh and Punjab regions.

Photo credit: Attaullah Jatoui/World Vision



CORPORATE GOVERNANCE

In Bolivia, World Vision is helping to promote child rights by enabling children and youth to broadcast messages to their peers and the wider community via local radio.

Photo credit: Jon Warren/World Vision

World Vision Australia understands "corporate governance" to be the framework of systems and processes, rules and relationships within and by which authority in an organisation is exercised and the organisation as a whole is directed and controlled. Our aim of corporate governance is to create long-term, sustainable value for World Vision Australia supporters and stakeholders, especially those whom we serve.

Our Board recognises its role in overseeing the determination and implementation of processes that reflect good corporate governance and understands that these processes must be embedded into our daily operations so that we have the best opportunity to achieve our Mission. We recognise that this is another area in which we must continuously make improvements by considering, reviewing, testing and changing processes.

Although we are not a listed entity we support the Australian Securities Exchange's Corporate Governance Principles and Recommendations. We apply the principles 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 our operations and level of donor and public interest. Our Board applies the principles in the ways set out below.

I. LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Our Board's primary role

Our Board's primary role is to direct our activities towards living out our Vision and achieving our Mission and goals.

Our Directors have duties and obligations imposed by law. Their specific responsibilities also include:

- setting our strategic direction, assessing progress towards strategic objectives and approving policies to work towards those objectives;
- appointing and evaluating the performance as well as the remuneration and conditions of service of our Chief Executive and approving the appointment and remuneration of executives who report directly to our Chief Executive;
- approving and monitoring our 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; and
- appointing Board Committees to assist in effective governance.

Chief Executive and delegation to management

Our CEO has overall responsibility for the achievement of organisational and operational plans (as approved by our Board) and the organisational implementation of policies. Our Board regularly reviews and ensures that all necessary and appropriate delegations are in place to enable the CEO and World Vision Australia management to meet this responsibility.

With the approval of our Board, the Chief Executive has appointed a "Strategic Executive Team" comprising our Executive Officer, our Chief Financial Officer and our Chief Strategy Officer (who is also the Chief of Staff to our CEO). Our Executive Officer leads an "Operational Executive Team" and, is with this team, responsible for various operational divisions of World Vision Australia. Our Chief Executive has sub-delegated various authorities accordingly.

The Strategic Executives act collectively to advise the Chief Executive on matters where a collective process will improve organisational results. The Executive Team meets on a regular basis, with additional operational and off-site workshop-style meetings scheduled periodically.

2. STRUCTURING THE BOARD TO ADD VALUE

Board composition

Our 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 good corporate governance.

On a regular basis, the Board Development (Nominations) Committee conducts reviews of the combined skills of existing Directors taking into account the challenges facing the organisation, the strategic goals of the organisation and any impending Directors' retirements. Our Board seeks out, liaises with and assesses suitability of potential Directors.

Newly appointed Directors are given a thorough induction program to assist them to more quickly become effective in their role.

Directors are initially appointed for a term of three years with the possibility of two additional terms. In limited situations a Director may be appointed for an additional term (for example, the Director has also been on the Board of World Vision International). Prior to re-appointment for each new term, Directors currently undergo a Peer Review interview with two or three fellow Directors. This interview is designed to review and assess the individual's performance as a Director and his/her continued commitment to the Mission of the organisation.

The Chair and Deputy Chair of our Board and the Chair of each Board committee are elected annually.

Our Constitution does not permit any of our employees, including our Chief Executive, to be a Director.

Board Chair

The Board Chair's primary responsibility is to ensure the integrity of our Board's processes. The Chair maintains the relationship between Directors and our Chief Executive and Executives to ensure productive cooperation. George Savvides was elected Chair in February 2012, commencing in July 2012.

Board meetings and Board committees

Our 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.

Working and advisory groups, such as our Business Advisory Councils and Indigenous Working Group, provide opportunities for Directors to further engage in strategic and other important issues. Opportunities are created for Directors to receive and discuss information about our activities on both a formal and informal basis.

Our Board conducts an annual strategic planning conference during which complex and/or weightier issues that require lengthier deliberation and that cannot be effectively handled during a regular Board meeting are discussed in detail.

Our Chief Executive and Executives, particularly the Strategic Executives, participate in Board meetings. Agenda-setting is a collaborative process that is coordinated by the Company Secretary; guided by a formal calendar of activities; administered with input from the Board Chair, Committee Chairs, the Chief Executive and Strategic Executives; and finally, approved by the Board Chair.

Our Board does not delegate major decisions to committees, but charges various committees with the responsibility to consider detailed issues and to make appropriate recommendations. The committees help our Board operate more effectively and efficiently. They normally speak "to the Board" and not "for the Board", except when formally given such authority.

At each Board meeting, the chairman of each standing committee provides an update to the full Board. Annually, each standing committee provides our Board with a review of its performance against the expectations contained in the charter of the committee.

Audit Committee

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

People Culture & Remuneration Committee

The role of this committee is to assist our Board to effectively discharge its responsibilities for:

- appointment (including terms of appointment and remuneration) of our Chief Executive and Executives, evaluation of the Chief Executive's performance; and
- monitoring the human resource policies and their application and corporate culture.

Board Development (Nominations) Committee

The role of this committee is to assist our Board to effectively discharge its responsibility with respect to Board composition, skills and procedures to maintain a process of continuous improvement.

Other committees

Our Board may also establish ad hoc committees for the purpose of considering and advising on specific, generally short-term matters. Three such committees were established during the year, each of which reported to our Board during the course of normal Board meetings.

Conflicts of interest

Each Director is required to fully disclose actual or potential conflict of interest to our Board. Our Board has adopted a comprehensive Conflict of Interest Policy designed to ensure that any potential conflicts are disclosed, considered and handled appropriately.

Annually, all Directors must complete a Declaration Form in which they declare any interests they (or their relatives) may have in any other organisation. Additionally, declaration of conflict of interest is a standard item at the start of the agenda of our Board meetings, thus serving as a reminder to all of our Directors of the need to be vigilant in this area.

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.

3. PROMOTING ETHICAL AND RESPONSIBLE DECISION MAKING**Conduct and ethics**

Our Board expects the organisation as a whole – every Director and employee – to conduct themselves with the highest ethical standards. We have a Code of Conduct which outlines these expectations and enables Directors and employees to share a common understanding regarding how to conduct themselves in a manner that upholds and maintains our Core Values.

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

We have a Whistle-blower Policy designed to reinforce a culture in which honesty, integrity and business ethics are part of our everyday behaviour. The policy applies to Directors, employees, volunteers, contractors and the general public in relation to reports concerning improper conduct. We are 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

Using our Core Values and Code of Conduct as the guiding framework, we aim to place decision making authority and the related accountability as close to those affected by the decision as possible. The Board or the Chief Executive, following the appropriate consultative and informative process, make decisions on matters involving the highest risk and broadest scope.

Our Board oversees our compliance with laws through its Audit Committee and also, through direct reports from our General Counsel, who is also the Company Secretary. On an annual basis, our General Counsel provides our Board with a legal compliance report, which includes information about our compliance with a range of regulations to which we are subject. Some of those include: governing our fundraising activities, including those relating to registration for fundraising and conduct in promotions and advertising; our tax status and endorsements; counter-terrorism; and our status as a corporation under the Corporations Act generally.

We are also committed to the principles set out in the ACFID Code of Conduct which set out standards in three principal areas:

- effectiveness in aid and development activities, human rights and working with partner agencies;
- ethics and transparency in marketing, fundraising and reporting; and
- good governance, management, financial controls, treatment of staff and volunteers, complaints handling processes and compliance with legal requirements.

Our Board has endorsed the ACFID Code of Conduct.

Our everyday practices include:

- Review and vetting of promotional and fundraising materials including advocacy publications by our Sales and Marketing and Advocacy teams and also by staff from our International Programs Group and the Legal team. The review and vetting is aimed at ensuring accurate portrayal (for example, of child poverty needs), compliance with laws and applicable codes as well as alignment with our Core Values.
- Screening and due diligence of prospective major partners and suppliers as appropriate under the guidance of our Procurement function and documentation through contracts and memoranda of understanding of the relationships. The screening and due diligence cover a range of matters including:
 - capacity and expertise;
 - viability;
 - legal risk and compliance; and
 - values alignment and corporate social responsibility, including evidence of their policies and practices in relation to reduction or minimisation of environmental damage, employee relations and labour practices (for example, equal opportunity policies, exploitative pay, inadequate or unsafe working conditions, excessive working hours and bonded or child labour).

4. SAFEGUARDING INTEGRITY IN FINANCIAL REPORTING**Audit Committee**

The role of this committee is to assist the Board to review and assess:

- the integrity of World Vision Australia's financial reporting;
- compliance with legal and regulatory requirements, all relevant policies (including the Code of Conduct) and expectations of key stakeholders including World Vision Australia personnel and the Australian public;

- the effectiveness of World Vision Australia's internal control and risk management framework;
- the effectiveness of the 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 us, the services they supply to us and monitoring the employment of such persons in senior management positions by us and their appointment as our Directors. The Audit Committee reviews any proposed appointment of former partners or employees of the external auditor to any executive role.

The committee has an appropriate number of members with formal qualifications to assist it to discharge the technical aspects of these responsibilities.

5. MAKING TIMELY AND BALANCED DISCLOSURE

Disclosure is inextricably linked with accountability to stakeholders. World Vision Australia and the broader World Vision International Partnership are committed to continually improving the mechanisms by which we gather information internally and how we report to the stakeholders on our use of the resources entrusted to us, as well as our progress towards delivery on our commitments. We prepare and make available a variety of reports, each aimed at providing the information necessary to improve accountability and transparency.

While our supporters or beneficiaries do not nominate our Directors, all of our Directors were already supporters before joining our Board. We actively seek to develop increased understanding of issues in the developing world and therewith encourage active engagement of the Australian public and donors.

In recent years we have sought to enhance the transparency of our public reports (Annual Reports, Program Reviews, Annual Evaluation Reviews) by providing additional information about our performance, governance arrangements and the challenges and complexities involved in doing good development and humanitarian work. We benchmark our reporting against indicators of the Global Reporting Initiative and the NGO Sector Supplement and publish a summary of our reporting against these indicators. We also keep supporters up-to-date through our website, a quarterly supporter magazine (World Vision News) and a monthly e-newsletter (World Vision News Online).

In order to respond to supporter inquiries, staff in our call centre field queries and requests almost every day of the year. The "Supporter Feedback" page on our website provides a direct way for supporters to make any comments or lodge complaints. Queries and requests, which are relevant to our Board, are referred to our Company Secretary.

Employees and Directors attend regular events (usually run in each state) where supporters are invited to hear guest speakers, learn about the work of World Vision Australia and have the opportunity to ask questions and meet with staff and Directors.

6. RECOGNISING AND MANAGING RISK

We are committed to an organisational culture that enables us to achieve strategic objectives through appropriate management of risk.

Our Board has approved a Risk Management Policy and Guidelines, which together with sound risk management practices, help us to take advantage of opportunities while also mitigating threats to our objectives and operations. The process used by us to identify, analyse, prioritise and treat risk is consistent with the AS/NZSISO 3100:2009 Risk Management Standard.

Commitment from all levels of the organisation is required to demonstrate behaviours that are consistent with a risk-conscious culture. All employees have a role to play – and are made aware of that role – in achieving our strategic objectives.

Our Board is responsible for considering and approving strategies and policies to ensure appropriate risk management, and monitors compliance of the Risk Management policy and Guidelines. Oversight of the Risk Management Policy, including review of the effectiveness of our internal control framework and risk management processes, has been delegated to the Audit Committee.

Management is responsible for designing, implementing, reviewing and providing assurance, with regards to the effectiveness of the policy. Risk assessments are conducted and risks across the organisation are identified for analysis, treatment and/or monitoring. They are then rated and assigned to members of the Executive Teams, where "risk owners" are responsible for management and approval of an appropriate risk treatment plan. Risk treatment plans include measures such as periodic audits and internal reviews of processes and policies.

We focus on enterprise/organisation-wide risk to inform our internal audit plan. Internal audits are completed on areas identified and assessed as "highest risk". These include: financial controls (for example, treasury, payroll, procurement and payments); child protection; donor promise; and compliance with regulators and government. While the financial control/financial assurance aspect of internal audit (and other areas mentioned) retains its importance, the audit plan is balanced to ensure coverage of broader risks in the organisation such as marketing initiatives and programming controls. It also recognises that there are some areas that need regular monitoring such as occupational health and safety.

In addition to the internal audit program, ongoing risk management is applied to new and existing business processes. Management is also required to annually self-assess its compliance with our policies and procedures (see the section "World Vision Australia Risk Register" below).

7. REMUNERATING FAIRLY AND RESPONSIBLY

Policy

Our Remuneration Policy strives to reach an appropriate balance between the need to recruit and retain appropriately motivated, skilled and experienced staff, who can carry out the strategic objectives of the organisation with our Christian Mission, not-for-profit status and reliance on donated funds. World Vision Australia pays its employees in accordance with the principles of its Remuneration Policy. This states that salary packages should be positioned at the (bottom) 10th percentile for Executives and the (bottom) 25th percentile for employees. The Hay Group "All Industrials" annual salary data report is World Vision's benchmark.

Directors

No fees are paid for serving as a Director of World Vision Australia. World Vision Australia reimburses reasonable expenses incurred by Directors in the course of their role on our Board. These can include travel and accommodation expenses related to attendance at Board meetings and training and development costs. Every effort is made to keep all costs within very modest budgets.

WORLD VISION AUSTRALIA RISK REGISTER

World Vision Australia's framework for managing risk is aligned with the relevant standard, ISO 31000:2009 Risk Management – Principles and Guidelines. ISO 31000 defines Risk as "the effect of uncertainty on objectives". Risk thus presents opportunities as well as threats. World Vision Australia's risk management framework is an essential governance tool that supports the achievement of its mission and objectives.

A key output of risk management activity is the generation of a register of organisational risks that guides mitigating responses and enhances the ability of World Vision Australia to deliver its mission. The register reports a range of risks that are listed below grouped into broad standard categories:

People: Human capital is World Vision Australia's most important asset. A stable and capable workforce is an essential factor in organisational performance. The workforce risks to be managed include:

- attraction, recruitment, training, development and retention of capable and competent staff; and
- managing individual performance and engagement with World Vision Australia's Mission.

Stakeholders: World Vision Australia strives to achieve effective dual citizenship and therefore needs to manage risks in order to maintain effective stakeholder relationships including:

- engagement with World Vision Australia supporters and the Australian community;
- government relations and partner organisations; and
- beneficiaries.

Organisational effectiveness: One of World Vision Australia's key values is the stewardship of the resources entrusted to the organisation. Good stewardship requires the effective management of organisational uncertainties, including:

- clarity of purpose and alignment of goals and priorities;
- project management; and
- management of change.

Financial: World Vision Australia has long-term goals of which the delivery requires sustainable funding. The risks to financial sustainability include:

- long-term financial planning;
- revenue generation;
- grants; and
- effective stewardship.

Information: World Vision Australia needs reliable and accurate data and information for sound decision making and delivering operational excellence. There are several risks in the area of management information including:

- management information and reporting systems;
- fit for purpose technology; and
- use of social and digital media.

Compliance: World Vision Australia strives to operate to the highest standards of community expectation and regulatory compliance. To do so risks in the following areas must be managed:

- compliance with applicable laws and regulations; and
- reputational impacts.

DIRECTORS

The following Directors held office during the financial year to 30 September 2012:



The World Vision Australia Board.
 Back row (L-R): Fiona Pearse, John Harrower, Colin Carter, Rob Goudswaard, Barry Pipella, Louise Baur.
 Front row (L-R): Donna Shepherd, George Savvides, Shannon Adams. Absent: Michael Prince
 Photo credit: Lucy Aulich/World Vision

GEORGE SAVVIDES (BOARD CHAIR July – September 2012)

BE (Hons) (UNSW), MBA (UTS), FAICD

George Savvides was appointed Chairman of World Vision Australia in July 2012. He has previously served 12 years on the World Vision Australia Board as a Director and concurrently, 10 years on the World Vision International Board, completing both terms in 2010. George is the Managing Director of Medibank Private Ltd. He was appointed in early 2002 and he has over 20 years of CEO experience in the healthcare industry. He is Vice President of the International Federation of Health Plans and also a Member of the Business Council of Australia. George currently serves as the Chairman of Arrow Marketplace Connections Australia. His previous roles include: CEO of Sigma Co Ltd, CEO of Smith & Nephew, General Manager of CIG Healthcare Australia and Chairman of Medicines Partnership of Australia.

Special Responsibilities: People, Culture & Remuneration Committee and Audit Committee

ANNE ROBINSON (BOARD CHAIR October 2011 – July 2012)

BA LLB (Hons), FAICD, TEP

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 graduated BA LLB with first class honours in international trade law and has published papers on international law, ecclesiastical law and religious freedom. She has been involved in governance of a number of Christian ministry organisations for over 30 years. Anne is also Chair of the Australian Charity Law Association and has been involved in much of the current charity law reform agenda in various capacities, including as Deputy Chair of the Not-For-Profit Sector Reform Council.

Special Responsibilities: Audit Committee; People, Culture & Remuneration Committee

SHANNON ADAMS (DEPUTY CHAIR)

LLB, FAICD

Shannon Adams joined the Board in 2005. Shannon is a lawyer who has advised financial institutions and insurers for over 30 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.

Special Responsibilities: Audit Committee (Chair)

ROB GOUDSWAARD

B.EC, GRAD DIP CORP FIN, F FIN, FAICD

Rob Goudswaard joined the Board in 2008. He is currently the CEO and a Director of Rural Finance Corporation based in Bendigo and Chairman of Young Farmers Finance Council. Prior to this, Rob had 30 years' experience with Australia and New Zealand Banking Group Limited in various roles including Chief Risk Officer Institutional, Managing Director Regional, Rural & Small Business Banking, General Manager of Personal Banking Asia and Pacific and Chief Operating Officer with ANZ Small to Medium Business. He is a Fellow of the Williamson Leadership Community Program and an Alumni of Melbourne Business School, London Business School, and Wharton/RAM University of Pennsylvania. Rob has a Bachelor of Economics from La Trobe University and a Postgraduate degree in Corporate Finance from RMIT.

Special Responsibilities: People, Culture & Remuneration Committee (Chair)

DR LOUISE BAUR

AM BSC (MED), MB, BS (Hons), FRACP, PHD

Louise Baur joined the Board in 2007. Louise is Professor in both the Discipline of Paediatrics & Child Health and the Sydney School of Public Health at the University of Sydney. She is a consultant paediatrician at The Children's Hospital at Westmead, the main paediatric institution in Sydney. She has long-standing expertise in various aspects of child health and public health. In 2010, Louise was made a Member of the Order of Australia "for service to medicine, particularly in the field of paediatric obesity as a researcher and academic, and to the community through support for a range of children's charities".

Special Responsibilities: People, Culture & Remuneration Committee

COLIN CARTER

B.COM, MBA

Colin Carter joined our Board in 2008. Colin has over 30 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 an adviser to that firm. He currently serves on the boards of Wesfarmers Ltd, Seek Ltd, and is President of the Geelong Football Club. He is a director of The Ladder Project, which is the AFL Players' initiative on youth homelessness, and in 2010 was appointed to a role by the Federal Government to encourage companies to employ Indigenous people.

Special Responsibilities: People, Culture & Remuneration Committee

BISHOP JOHN HARROWER

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

Bishop John Harrower joined our Board in 2006. John worked as a petroleum engineer and was Director of the Industries Assistance Commission in Melbourne prior to missionary training. With his family, he experienced Argentina's "Dirty War", serving nine years as a university chaplain, publisher and church planter/priest. Returning to Melbourne, he engaged in youth and interfaith issues – in particular, Islam – while Vicar of Glen Waverley Anglican Church. In 2000, John was awarded the Medal of the Order of Australia for service to the community through the Anglican Church and as a

missionary. In the same year, he became the 11th Bishop of Tasmania. His vision is to build "a healthy church ... transforming life". John has degrees in engineering, economics and political science, and theology and missiology. He is committed to discipleship, citizenship, and a just and caring society.

Special Responsibilities: Audit Committee

FIONA PEARSE

B.EC, CPA, GAICD

Fiona Pearse joined the Board in 2011. She is an accountant with extensive corporate and financial experience accumulated during 19 years with Australian blue chip companies. She held various roles during 14 years at BHP Billiton, including in financial accounting and corporate tax. Fiona also worked in corporate tax for several years at BlueScope Steel, managing income tax and fringe benefits tax for multiple different legal entities, including tax due diligence and integration of new acquisitions. She also brings tax experience in the charity sector through managing the tax and legal establishment of a new charity. She is a director of Presbyterian Ladies' College, a leading Melbourne girls' school, and is also a director of a scholarships investment trust. Fiona has a Bachelor of Economics, majoring in Accounting, is a CPA, and is a Graduate from the Australian Institute of Company Directors.

Special Responsibilities: Audit Committee

BARRY PIPELLA

FAICD

Barry Pipella joined the Board in 2005. Barry was appointed to the role of Executive Director, Strategic Sales, Telstra Enterprise & Government (TE&G) in October 2010, and more recently (November 2011) appointed to the role of Executive Director, Solutions and Business Development. This team has primary responsibility for executing sales across all of TE&G's industry and government segments and providing customers with market leading solutions. Prior to joining Telstra in 2010, Barry worked at IBM for 14 years, holding many senior leadership roles including Vice President for Asia Pacific Financial Services Sector and Vice President for Sectors and Sales, IBM Global Technology Services ANZ. Before IBM, Barry had 10 years in sales leadership in the financial services sector with Digital Equipment Corporation. Barry is a board member for Business for Millennium Development.

Special Responsibilities: Audit Committee

MICHAEL PRINCE

BA (Hons), MASTER OF CHRISTIAN STUDIES, DIP PROF COACHING

Michael Prince joined the Board in 2006. Michael is a director of The Winding Staircase, a consultancy group offering services in coaching, coach training and leadership development. He brings significant experience in International Development in Asia and the Pacific. 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.

Special Responsibilities: People, Culture & Remuneration Committee

DONNA SHEPHERD

BA, MIIM, GAICD

Donna Shepherd joined the World Vision Australia Board in 2008 and the World Vision International Board in 2010. Donna also serves on the Audit Committee and Indigenous Advisory Group with World Vision in Australia and the People Committee for World Vision International. Donna is the Managing Director of Creating Communities Australia, a community and economic development consultancy. Donna holds a Masters in International Administration from the School for International Training in Vermont, USA. She has worked in the USA, Tunisia, Ecuador and Australia and has extensive experience in social planning, strategic planning, community engagement, communications and training. Donna was also recently a Judge for the World Petroleum Conference (WPC) in Qatar, specifically the WPC Excellence Awards in Social

Responsibility Evaluation. She has previously served on the Urban Development Institute of Australia's WA EnviroDevelopment Board and the boards of The University of Western Australia Extension, Southern Arc, Ausdance WA, Chrissie Parrot Dance Collective and the Independent Filmmakers Association.

Special Responsibilities: Audit Committee

SEAK-KING HUANG

Company Secretary

BA LLB (Hons)

Seak-King Huang joined World Vision Australia in June 2006. Prior to this, Seak-King was a partner with Clayton Utz and has over 20 years of experience as a lawyer. She is also General Counsel of World Vision Australia. She is on the boards of Kilvington Grammar School and Light Melbourne Inc.

MANAGEMENT



TIM COSTELLO

Chief Executive Officer

B JURIS LLB, DIP ED, BDIV, MTHEOL

Tim Costello is one of Australia's most sought after voices on issues of social justice, leadership and ethics. Trained in economics, law, education and theology, Tim has practised law, served as a Baptist minister, and has been active in church and community leadership, local government and national affairs. 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.

JENNY WARD

Executive Officer

BA, B.EC (HONS), POST GRAD DIP (JAPANESE), MBA

Jenny joined World Vision in November 2009 as the Director of People and Culture after a career in both business economics and strategic human resource management with organisations including BHP Billiton, WMC Resources and Comalco/CRA. She has extensive global experience having lived and worked in countries as diverse as Papua New Guinea, Uzbekistan, the USA and China. During 2010, Jenny became the Director of Organisation Effectiveness and in December 2011, she was appointed as the Executive Officer for World Vision Australia reporting directly to the Chief Executive. In this role, she is responsible for leading the operational activities of World Vision Australia to ensure effectiveness, efficiency and alignment with World Vision Australia and World Vision Partnership goals.

Jenny is a Japanese speaker, has post-graduate qualifications in Economics and a Master of Business Administration from the Melbourne Business School.

MELANIE GOW

Chief Strategy Officer and Chief of Staff (Office of CEO)

BA (HONS), MA (DEV), LLM

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 is a member of the Advisory Board of Researchers for Asylum Seekers at the University of Melbourne. Melanie has held several senior roles in World Vision Australia including Head of Advocacy, Program Effectiveness and Learning and Deputy CEO before taking up her current role in late 2011. Melanie is a Board member of B4MD and Hagar International and was recently elected to the ACFID Executive Committee.

STEPHEN HUGHES

Chief Financial Officer

BA HONS, ACA, MBA

Stephen joined World Vision Australia in April 2011 as Chief Financial Officer, his role subsequently being expanded to encompass Procurement, Audit and Risk, Property Management and Legal. He began his career at Ernst and Young, before moving to the ANZ Bank where he held senior management roles across Finance and Personal Banking. Subsequently at Sensis his roles included marketing and international strategy, including mergers and acquisitions. As General Manager of the Trading Post he led the migration of that business to digital channels. His experience also includes a founding role in a successful social media start-up. Stephen is a Chartered Accountant in both the UK and Australia and has an MBA from the Australian Graduate School of Management (UNSW).

Executive remuneration

The remuneration of the Chief Executive and the Executive Team is reviewed and approved on an annual basis by the Board. Details of remuneration of the Chief Executive and Executive Team in 2012 are included under "Remuneration of Key Management Personnel" at note 22 (page 38) of our Audited Financial Statements and Accounts (worldvision.com.au/financialstatements)

FINANCIAL POSITION AND PERFORMANCE

Ruth solves a maths equation in her fourth grade class in rural Mali.
Photo credit: Justin Douglass/World Vision



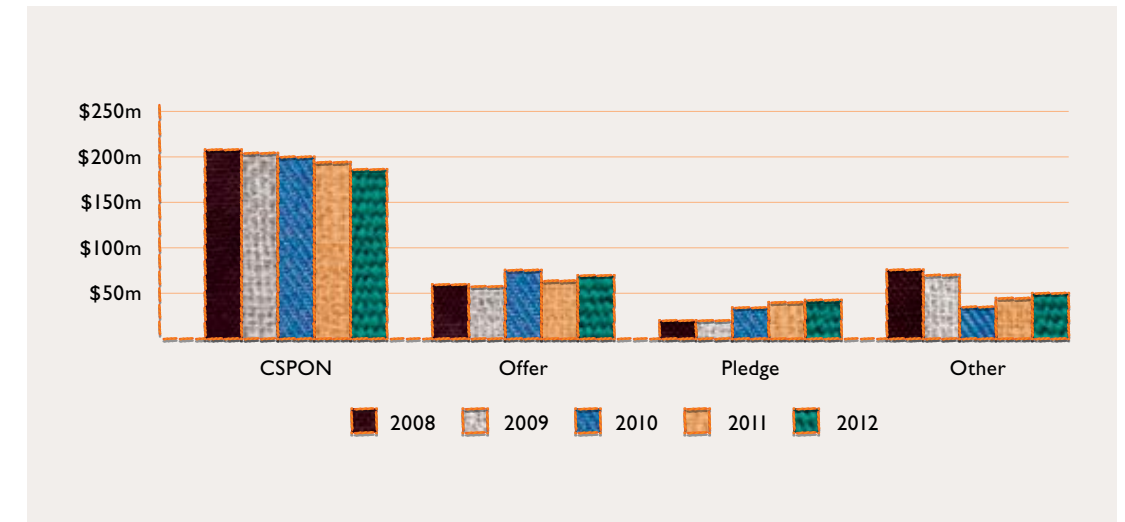
RESULTS AT A GLANCE

	2012	2011	2010
	\$m	\$m	\$m
Child sponsorship	186.2	194.5	200.8
Other revenue	68.0	63.7	74.7
AusAID	41.5	41.2	35.6
Cash income	295.7	299.4	311.1
Non-monetary items	48.2	45.7	35.6
TOTAL INCOME	343.9	345.1	346.7
Fundraising	39.4	38.4	38.7
Administration and accountability	33.2	27.4	29.9
Overheads	72.6	65.8	68.6
International programs:			
Funds to international programs	204.8	220.7	223.4
Program support costs	8.8	8.6	8.2
Domestic projects	3.8	3.3	3.0
Community education	4.8	4.3	3.8
Program disbursements - cash	222.2	236.9	238.4
Non-monetary items to international programs	47.7	45.6	36.4
Program disbursements	269.9	282.5	274.8
TOTAL DISBURSEMENTS	342.5	348.3	343.4
SURPLUS/(DEFICIT)	1.4	(3.2)	3.3

INCOME IN 2012

- Cash income declined \$3.7 million to \$295.7 million.
- Cash income from child sponsorship fell by \$8.3 million or 4.3% to \$186.2 million.
- The Australian public donated \$3.7 million towards emergency appeals, including \$2.6 million for the East Africa Emergency Appeal (Horn of Africa Appeal) and \$1.0 million for the West Africa food crisis.
- The value of grants received from AusAID, the Australian Government's overseas aid agency, increased by 0.6% to \$41.5 million.
- Income from donated goods increased in 2012 by \$3.7 million or 15.2% to \$28.3 million.
- Food donated by international agencies fell by \$1.3 million or 6.1% to \$19.8 million.

INCOME – FIVE-YEAR HISTORY

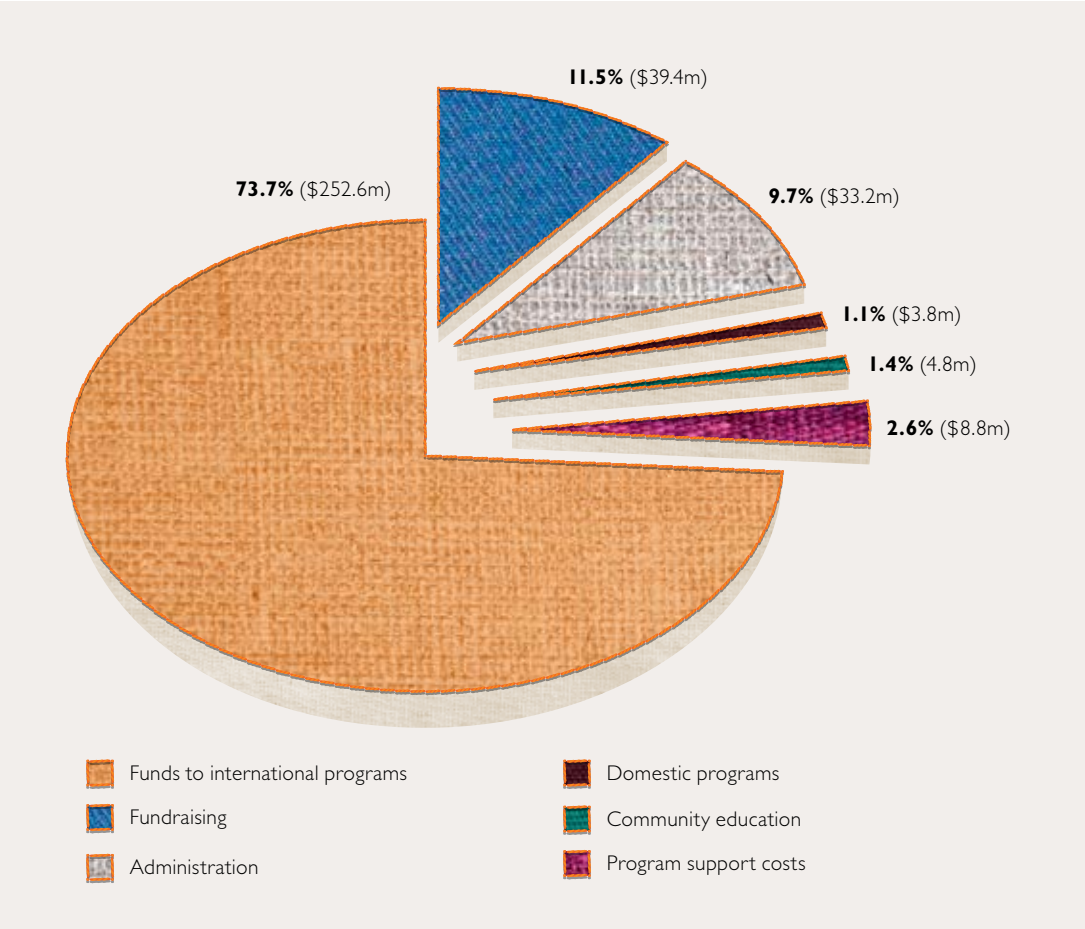


HOW FUNDS WERE USED IN 2012

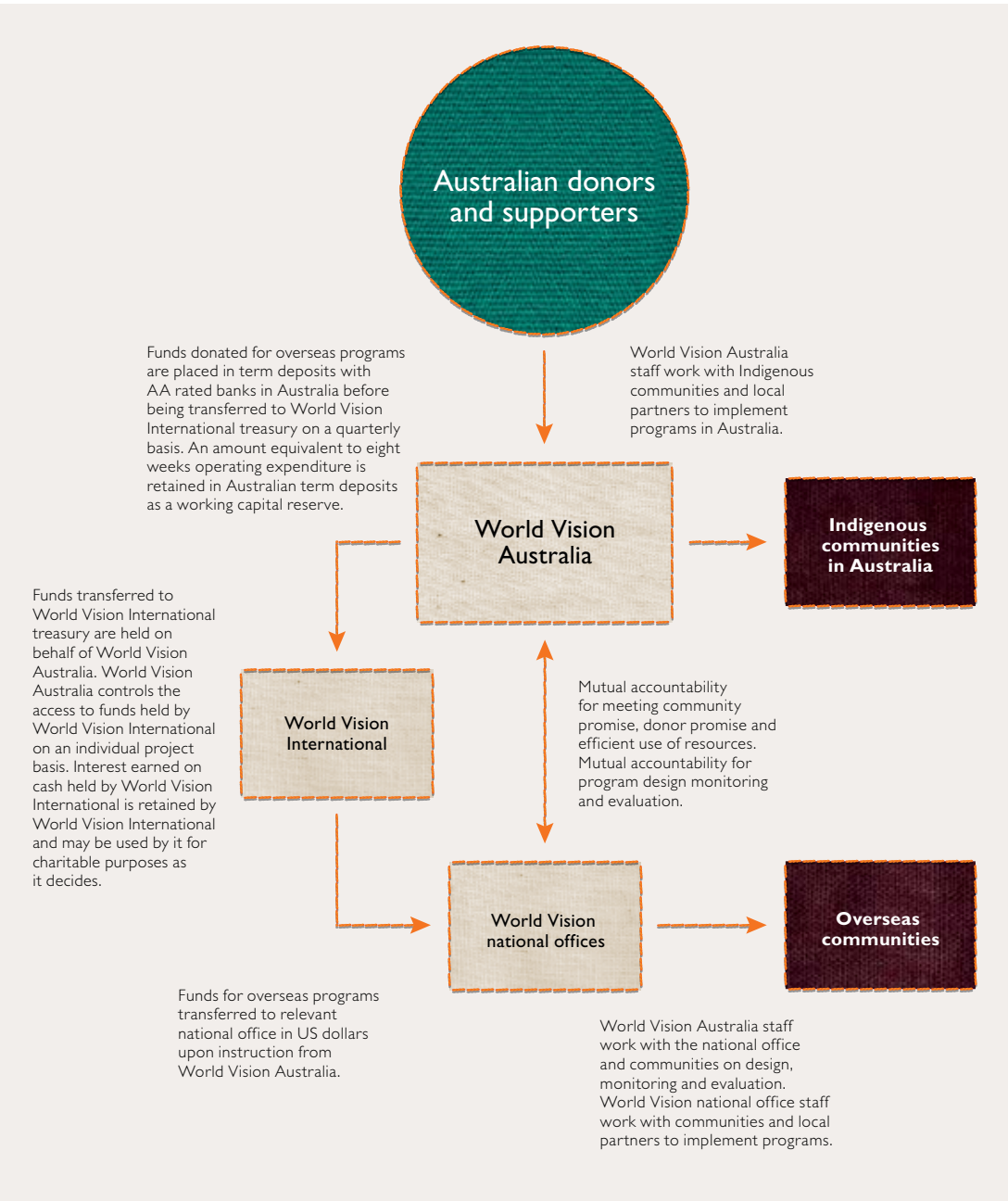
Program (field ministry) costs 78.8%	
<p>Resources designated for international programs (73.7%)</p> <p>Includes all funds, food (including WFP contracts) and goods (including medicines) designated to international programs. Also includes funds transferred to World Vision International that are designated for field programs which have not yet been committed to a specific project. These funds will be allocated to projects in future years.</p>	<p>In total, funds to international programs fell \$13.8m (5.2%) to \$252.5m.</p> <p>Cash designated for international programs decreased \$15.7m (7.2%) to \$204.8m. Income from donated goods increased in 2012 by \$3.4m (15.2%) to \$27.9m. Food donated by international agencies fell by \$1.3m (6.1%) to \$19.8m.</p>
<p>Program support costs (2.6%)</p> <p>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.</p>	<p>Program support costs increased by \$0.2m (2.0%) to \$8.8m.</p>
<p>Domestic programs (1.1%)</p> <p>Includes our program work here in Australia on Indigenous development programs.</p>	<p>Domestic programs expenditure increased by \$0.5m (17.9%) to \$3.8m</p>
<p>Community education (1.4%)</p> <p>Includes the costs associated with public awareness campaigns in Australia and advocacy activities, which seek to bring about change in government and institutional policies.</p>	<p>Expenses on community education and advocacy increased by \$0.5m (11.4%) to \$4.8m.</p>

Overhead costs 21.2%	
Fundraising (11.5%) Includes the cost of marketing, creative services and publishing to attract new supporters for our poverty alleviation activities.	Fundraising costs increased by \$1.0m (21.2%) to \$39.4m.
Administration and accountability (9.7%) Includes the costs of our call centre, information technology, finance and accounting functions, human resources, legal and risk management and the Chief Executive and management teams. Also includes World Vision Australia's contribution to the operating costs of World Vision International.	Administration and accountability costs increased by \$5.8m (21.2%) to \$33.2m.

HOW FUNDS WERE SPENT



HOW DONATIONS TO WORLD VISION AUSTRALIA REACH COMMUNITIES

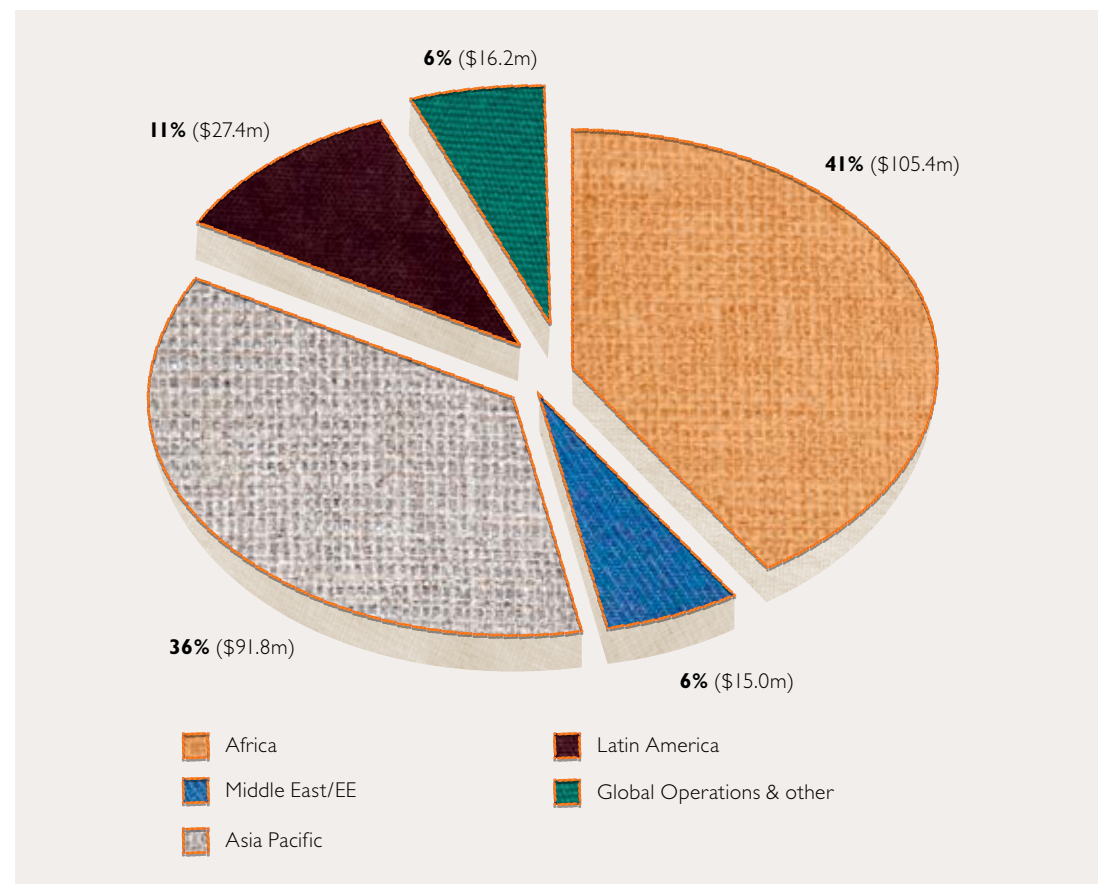


Notes:

- World Vision International (WVI) is incorporated under California law as a not-for-profit corporation with its registered office located in Monrovia, California, USA. WVI sets the high level strategic direction and policies for the WVI Partnership, which World Vision national offices apply in accordance with their local context and within the spirit of the Covenant of Partnership. WVI is also responsible for:
- Global Centre office: The Global Centre plays an important role in ensuring good governance of Partnership processes including operational audits and the Peer Review. It also performs a treasury function and acts as a service link between World Vision offices, coordinating activities such as the transfer of funds from the countries where they are raised to the countries where they are spent. WVI technical experts provide specialty expertise and assistance to World Vision national offices as required, assisting to maintain the quality of World Vision's programs.

- 3. Regional offices: These offices coordinate our work across specific continents or regions. World Vision regional offices are located in Nicosia (Middle East and Eastern Europe), Nairobi /Dakar/ Johannesburg (Africa), Bangkok (Asia and the Pacific) and San Jose (Latin America and the Caribbean).
- 4. Global Capitals offices: WVI engages in global advocacy activities on behalf of the WVI Partnership, especially with multilateral agencies such as the United Nations. WVI has established liaison offices in Geneva, New York and Brussels to strengthen our presence in the places where the UN and other international institutions are located and where decision making on key humanitarian issues takes place.
- 5. WVI is funded by contributions from World Vision offices located in Australia, Austria, Canada, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, the Netherlands, New Zealand, South Korea, Singapore, Spain, Switzerland, Taiwan, the United Kingdom and the United States.
- 6. Additional information on the World Vision International Partnership (including key governance arrangements) is provided in the World Vision International Accountability Report available at wvi.org

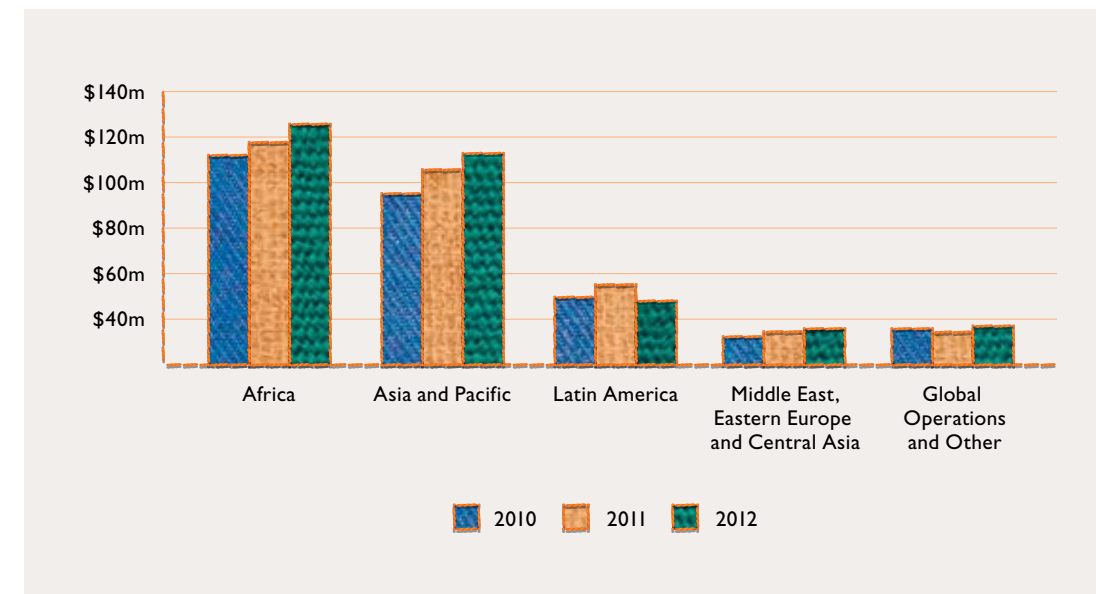
CASH, FOOD AND GOODS FOR INTERNATIONAL PROGRAMS IN 2012



Notes:

- 1. The total disbursement of funds remitted to overseas projects during the financial year may be less than or more than the income received in the current financial year. Any disbursements in excess of current year income will be funded from prior year reserves and reduce the amount held in the Partnership Treasury Office. Any disbursements less than the current year income will increase the funds at the Partnership Treasury Office pending future disbursement to projects.
- 2. Global operations and other international projects: Amounts allocated under this heading cover costs associated with World Vision International Partnership technical experts. 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 under the oversight of the World Vision International Partnership which coordinates activities such as the transfer of funds and strategic operations. The World Vision International Partnership also engages in international advocacy activities on issues such as debt relief, HIV and AIDS and child rights.

CASH, FOOD AND GOODS FOR INTERNATIONAL PROGRAMS – THREE-YEAR HISTORY



ENSURING THAT WORLD VISION AUSTRALIA IS ABLE TO MEET THE FUNDING COMMITMENTS IT MAKES TO FIELD PROGRAMS

Communities must be able to trust that the time and energy they invest in program participation will not be wasted because World Vision has failed to fulfill its commitments.

As part of the World Vision Partnership's global planning process, World Vision Australia makes funding commitments to the programs it will support, approximately three to six months before the start of the next financial year. This process helps to provide a requisite level of funding certainty for World Vision national offices implementing programs to know that they can plan appropriately and allocate the necessary resources.

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 exchange purchase contracts on behalf of and following instructions from World Vision Australia to hedge risk exposure to currency movements. This is done within the parameters of our Treasury and Investment Policy which outlines a conservative approach to the management of World Vision Australia's foreign currency risk.

In accordance with the policy, World Vision Australia purchases 80 percent of its estimated program commitments in US dollars on a rolling quarterly basis for the subsequent 12 months (ie. in order to provide the appropriate level of certainty that we will be able to meet the field program commitments we make, we enter into forward contracts to purchase 80 percent of the US dollar value of our estimated program commitments prior to the start of the financial year). The remaining component of the field program commitments is purchased at spot rates during the course of the financial year in accordance with the parameters set out in the Treasury and Investment Policy.

ENSURING DONATED FUNDS ARE USED APPROPRIATELY

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 available on our website.

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; and
- 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 will receive notice of such action. The method of communicating this change in funding allocation depends on the number of donors involved.

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. Funding decisions are made based on criteria such as strategic fit, organisational capacity and budget requirements. 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.

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

SUMMARISED FINANCIAL REPORT

Prepared in accordance with the ACFID Code of Conduct

	Page
Independent Auditor's Report	126
Declaration by Directors	128
Income Statement	128
Statement of Financial Position	130
Statement of Changes in Equity	131
Table of Cash Movements for Designated Purposes	131

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

Detailed notes to the Financial Statements are included in our Annual Statements and Accounts filed with ASIC and available on our website.

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 statement of financial position as at 30 September 2012, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements* that the financial statements comply with *International Financial Reporting Standards*.

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.

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:

- (a) 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 2012 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; and
- (b) the company's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Australian Council for International Development ('ACFID') Code of Conduct Summary Financial Report (the 'Report')

We have audited the Report of the company, which comprises the statement of financial position as at 30 September 2012, and the income statement, statement of changes in equity and table of cash movement for designated purpose as disclosed in Note 18c for the year ended on that date and the directors' declaration. The directors of the company are responsible for the preparation and presentation of the Report in accordance with section C.2.2 of the Australian Council for International Development (ACFID) Code of Conduct. Our responsibility is to express an opinion on the Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Australian Council for International Development (ACFID) Code of Conduct Summary Financial Report of World Vision Australia for the year ended 30 September 2012 complies with section C.2.2 of the Australian Council for International Development (ACFID) Code of Conduct.

I, Charles Christie, am currently a member of the Institute of Chartered Accountants in Australia and my membership number is 77665.

PricewaterhouseCoopers was the audit firm appointed to undertake the audit of World Vision Australia for the year ended 30 September 2012. I was responsible for the execution of the audit and delivery of our firm's auditors' report.

PricewaterhouseCoopers

Charles Christie
Partner

Melbourne
23 November 2012

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 10 to 39 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 2012 and of its performance for the year ended on that date;
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 200; and
 - (iii) Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

On behalf of the Board

Chairman

Director

Melbourne
23 November 2012

INCOME STATEMENT

For the year ended 30 September 2012	2012	2011
Revenue	\$'000	\$'000
Donations and Gifts		
Monetary		
Pledge programs	195,124	202,587
Appeals, donations & gifts	43,459	42,819
Non-monetary		
Donated goods	28,329	24,596
Grants (multilateral)	19,847	21,130
	286,759	291,132
Bequests and legacies	2,470	3,188

Grants		
AusAID	41,468	41,202
	2012	2011
Other Australian	2,408	2,403
Other overseas	8,214	3,366
	52,090	46,971
Investment income	1,887	2,605
Other income	706	1,198
TOTAL REVENUE	343,912	345,094
Expenditure		
	\$'000	\$'000
International aid and development programs expenditure		
International programs		
Funds to international programs	204,860	220,720
Program support costs	8,750	8,581
	213,610	229,301
Community education	4,786	4,296
Fundraising costs		
Public	37,515	35,967
Government, multilateral and private	1,887	2,406
Accountability and administration	33,228	27,410
Non-monetary expenditure	47,710	45,628
Total international aid and development programs expenditure	338,736	345,008
Domestic programs expenditure	3,800	3,222
Domestic non-monetary expenditure	-	88
TOTAL EXPENDITURE	342,536	348,318
Excess/(shortfall) of revenue over expenditure	1,376	(3,224)

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

For the purposes of the Australian Council for International Development Code of Conduct, at the end of 30 September 2012, World Vision Australia had no transactions in the following categories; Revenue for International political or religious proselytisation programs and Expenditure for International political or religious proselytisation programs.

STATEMENT OF FINANCIAL POSITION

As at 30 September 2012	2012	2011
Assets	\$'000	\$'000
Current assets		
Cash & cash equivalents	35,194	28,812
Receivables	1,184	1,454
Financial assets	46	38
Inventories	58	59
Donated goods	979	513
Unrealised currency hedge receivable	-	8,311
Total current assets	37,461	39,187
Non-current assets		
Investment property	288	296
Property, computer hardware & equipment	23,172	22,878
Total non-current assets	23,460	23,174
TOTAL ASSETS	60,921	62,361
Liabilities	\$'000	\$'000
Current liabilities		
Accounts payable	9,715	5,170
Provisions	5,065	4,292
Unrealised currency hedge payable	2,759	-
Total current liabilities	17,539	9,462
Non-current liabilities		
Provisions	1,169	992
Total non-current liabilities	1,169	992
TOTAL LIABILITIES	18,708	10,454
NET ASSETS	42,213	51,907
Equity		
Reserves	(2,759)	8,311
Retained earnings	44,972	43,596
TOTAL EQUITY	42,213	51,907

Note: For the purposes of the Australian Council for International Development Code of Conduct, at the end of 30 September 2012, World Vision Australia had no transactions in the following categories: Assets held for sale, Current & non-current other financial assets, Non-current trade & other receivables, Non-current financial assets, Intangibles, Other non-current assets, Other current liabilities, Current & non-current Borrowings, Current tax liabilities, Other current & non-current financial liabilities, and Other non-current liabilities.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2012	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 October 2010	(13,648)	46,820	33,172
Shortfall of revenue over expenditure	-	(3,224)	(3,224)
Other comprehensive income for the year	21,959	-	21,959
Balance at 30 September 2011	8,311	43,596	51,907
Excess of revenue over expenditure	-	1,376	1,376
Other comprehensive income for the year	(11,070)	-	(11,070)
Balance at 30 September 2012	(2,759)	44,972	42,213

TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

For the year ended 30 September 2012	Cash available at 1 October 2011	Cash raised during year	Cash disbursed during year	Cash available at 30 September 2012
	\$'000	\$'000	\$'000	\$'000
Asian Tsunami Appeal	92	-	(92)	-
Other purposes	28,556	294,648	(288,183)	35,021
Total	28,648	294,648	(288,275)	35,021

Note: Cash available as at 30 September 2012 differs to cash and cash equivalents shown in Statement of Financial Position by \$173m as it excludes cash held on behalf of donors, repayable on demand.

GRI INDEX

GLOBAL REPORTING INITIATIVE NGO SECTOR SUPPLEMENT COMPLIANCE TABLE

This table has been prepared using the G3 reporting framework of the Global Reporting Initiative (GRI) and the NGO Sector Supplement: globalreporting.org

One of the objectives of the GRI 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.

We have assessed our GRI application level as C (self-declared). Level C disclosure is the entry level for reporting organisations. It includes disclosure of economic, environmental and social performance indicators.

World Vision Australia's 2012 Annual Report is available at: worldvision.com.au/annualreports

GRI INDICATOR	REFERENCE (Page references to World Vision Australia Annual Report 2012 unless specified)
1. Strategy and Analysis	
1.1 Statement from the most senior decision maker of the organisation	Pages 11 and 12
2. Organisational Profile	
2.1 Name of the organisation	World Vision Australia
2.2 Primary activities (eg. advocacy, social marketing, research, service provision, capacity building, humanitarian assistance, etc). Indicate how these activities relate to the organisation's mission and primary strategic goals (eg on poverty reduction, environment, human rights, etc).	Page 8 (What we do)
2.3 Operational structure of the organisation, including National Offices, sections, branches, field offices, main divisions, operating companies, subsidiaries, and joint ventures	Pages 9, 105
2.4 Location of organisation's headquarters	1 Vision Drive, Burwood East, Victoria
2.5 Number of countries where the organisation operates	60
2.6 Details and current status of not-for-profit registration	Page 2
2.7 Target audience and affected stakeholders	While we pay special attention to our accountability to the children and communities we work with around the world, the target audience for this report, and other affected stakeholders who may find it of particular interest, are partner organisations, donors and supporters, and the governments, institutions and organisations that we seek to involve.
2.8 Scale of the reporting organization	Pages 13-14
2.9 Significant changes during the reporting period regarding size, structure, or ownership	None

3. Report Parameters

Report Profile

3.1 Reporting period	1 October 2011 to 30 September 2012
3.2 Date of most recent previous report	30 September 2011
3.3 Reporting cycle	Annual
3.4 Contact point for questions regarding the report or its contents	Jenny Ward, Executive Officer, World Vision Australia Email: jenny.ward@worldvision.com.au

Report Scope and Boundary

3.5 Process for defining report content	Page 13
3.6 Boundary of the report (eg countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	All information in the report relates to World Vision Australia, and not to any other entity, which is a member of the World Vision International Partnership.
3.7 State any specific limitations on the scope or boundary of the report.	None
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable
3.10 Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statement (eg mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	None
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	None

4. Governance

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Pages 104 -116
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement). Describe the division of responsibility between the highest governance body and the management and/or executives.	Page 106
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Pages 112-115

4.4 Mechanisms for internal stakeholders (eg members), shareholders and employees to provide recommendations or direction to the highest governance body.	Not included
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Page 107
4.7 Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Page 106

Stakeholder Engagement

4.14 List of stakeholder groups engaged by the organisation	Different groups are engaged in different ways. Stakeholder groups include the children and communities with whom we work, partner organisations, donors, staff and volunteers, and the governments, institutions and organisations that we seek to influence.
4.15 Basis for identification and selection of stakeholders with whom to engage.	Not reported

DATA ON PERFORMANCE

Program Effectiveness

NGO1 Involvement of affected stakeholder groups in the design, implementation, monitoring and evaluation of policies and programs.	See our LEAP (worldvision.com.au/leap) standards and World Vision International Accountability Report (worldvision.com.au/accountabilityreport)
NGO2 Mechanisms for feedback and complaints in relation to programs and policies and for determining actions to take in response to breaches of policies.	As above
NGO3 System for program monitoring, evaluation and learning, (including measuring program effectiveness and impact), resulting changes to programs and how they are communicated.	As above and Evaluation reviews (worldvision.com.au/annualreports)
NGO4 Measures to integrate gender and diversity into program design, implementation, and the monitoring, evaluation and learning cycle.	As above
NGO5 Processes to formulate, communicate, implement and change advocacy positions and public awareness campaigns. Identify how the organization ensures consistency, fairness and accuracy.	World Vision's One Voice Public Policy Development System – document available upon request. See also Attachment I
NGO6 Processes to take into account and coordinate with the activities of other actors. How do you ensure that your organization is not duplicating efforts?	Page 9

Economic	
NGO7 Resource allocation.	Pages 119-125
NGO8 Sources of funding by category and five largest donors and monetary value of their contribution.	Pages 53-61 Income statement page 128-129
Environmental	
ENI6 Total direct and indirect greenhouse gas emissions by weight. As a minimum, report on indirect greenhouse gas emissions related to buying gas, electricity or steam. You may also report on business travel related greenhouse gas emissions.	Environmental management page 69
ENI8 Initiatives to reduce greenhouse gas emissions and reductions achieved. What are you doing to reduce and how much have you reduced?	As above
Labour	
LA1 Total workforce, including volunteers, by type, contract, and region.	Page 65
LA10 Average hours of training per year per employee-by-employee category. If you can't report on average hours of training, report on training programs in place.	Not reported
LA12 Percentage of employees receiving regular performance and career development reviews.	Page 66
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Not reported
Human Rights	
HRI Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns or that have undergone human rights screening.	Partially reported page 107
Product Responsibility	
PR6 Programs for adherence to laws, standards, and voluntary codes related to ethical fundraising and marketing communications, including advertising, promotion and sponsorship.	Accreditation page 2 Ethical fundraising page 61

GRI Index Attachment I

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;
- Failure 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 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 to merely 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; and
- Advocacy will have careful regard for its risk to life and its impact on ministry in all countries where World Vision has a presence.



In Mozambique, Delfina (right) and her friends sleep safe and sound under insecticide-treated mosquito nets.
Photo credit: Jon Warren/World Vision