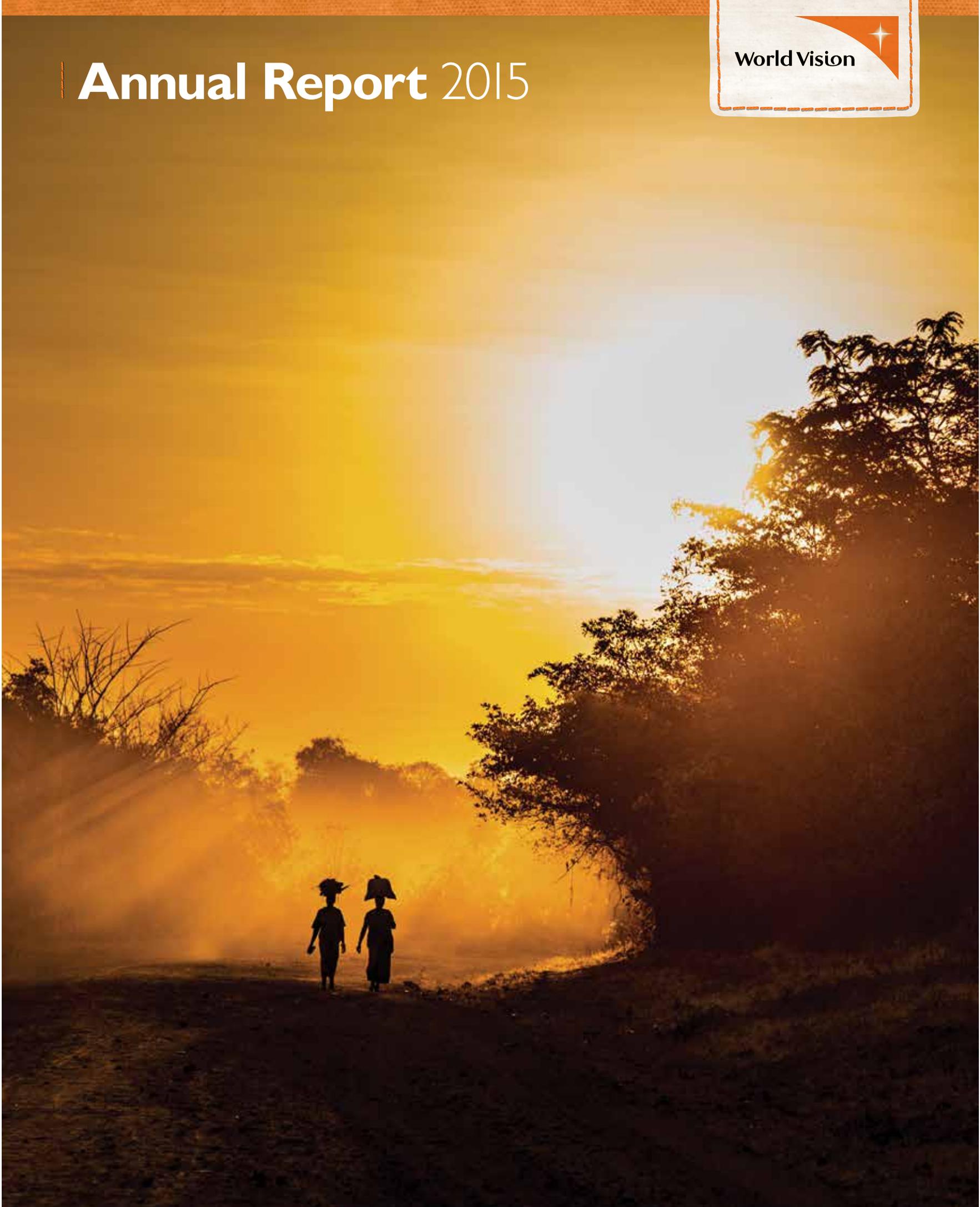


Annual Report 2015

World Vision



| Achieving real change



Through agriculture, World Vision is helping the people of South Sudan get back on their feet.
Photo: Jon Warren/World Vision



World Vision Australia

ABN 28 004 778 081

1 Vision Drive, Burwood East, Victoria, 3151

Incorporation and charitable status

- Public company limited by guarantee under the Corporations Act from 19 June 1969. Members are our current Directors.
- Registered charity with the Australian Charities and Not-for-Profits Commission from 3 December 2012.

Tax concessions and fundraising

- Public Benevolent Institution (PBI) and endorsed by the Australian Taxation Office as:
 - a Deductible Gift Recipient (DGR); and
 - an income tax exempt charity (holding tax concessions and exemptions relating to income, goods and services, and fringe benefits taxes).
- Operates an Overseas Aid Fund and a Necessitous Persons Fund, endorsed as DGRs.
- Fundraises throughout Australia and registered under fundraising legislation as required:

NSW – Registration no. 13579

QLD – Registration no. CH0675

SA – Licence no. CPP605

TAS – Registration no. 1

VIC – Registration no. 10214.15

WA – Licence no. CCI8076

Accreditations

Fully accredited by the Australian Government through its Department of Foreign Affairs and Trade. The accreditation process provides the Australian Government and the Australian public with confidence that they are funding a professional, well-managed, community-based organisation capable of delivering good development outcomes.

Member of the Australian Council for International Development (ACFID) and adherent to the ACFID Code of Conduct (acfid.asn.au/code-of-conduct). The code defines minimum standards of governance, management and accountability for non-government organisations and aims to improve international development outcomes and increase stakeholder trust by enhancing transparency and accountability of signatory organisations.

Feedback and complaints

Feedback on this report and on our operations and conduct more generally can be sent to service@worldvision.com.au or in writing to: Chief of Staff, Office of the CEO, 1 Vision Drive, Burwood East, Vic, 3151.

Feedback will be acknowledged and response will be given.

Complaints relating to a breach of the ACFID Code of Conduct can be made to the ACFID Code of Conduct Committee (wva.me/acfid-complaints).

About this Annual Report

This Annual Report covers our activities and performance for the period 1 October 2014 to 30 September 2015, our financial year.

This Annual Report is one of the ways we seek to satisfy our accountability obligations to all our stakeholders, including our partners and supporters. We believe accountability is crucial for our sustainability and therefore our ability to fulfil our Mission. By holding ourselves accountable, we demonstrate that we are worthy of the trust our stakeholders place in us.

It has been prepared to respond to specific legal requirements and the ACFID Code of Conduct and also with reference to the Global Reporting Initiative's Sustainability Reporting Guidelines and the GRI NGO Sector Supplement. A table showing how the content of this Annual Report responds to the indicators under the GRI framework can be found on our website together with this report.

We encourage you to read this Annual Report together with:

1. Our Annual Evaluation Review 2015, available at worldvision.com.au/annualreports.

This covers reviews undertaken in 2015 of evaluation reports from projects we funded which were completed in 2014.

2. The most recent Accountability Report of the World Vision International Partnership at wvi.org/accountability. This addresses the mechanisms and processes that the Partnership, of which we are a part, has in place to assure quality improvement and ensure integrity, as well as the challenges the Partnership faces as a whole.

This report covers activities we (World Vision Australia) have undertaken or supported. Where we have undertaken or supported an activity with other World Vision offices we describe them as "World Vision" activities.

World Vision Australia was pleased to be recognised as the winner in the revenue greater than \$30m category in the 2009 and 2013 PwC Transparency Awards for the quality and transparency of our reporting for those years. This award is no longer running.

^{PwC}
Transparency
awards



Winner 2013
> \$30m revenue category

Cover photo: The day's work starts early for these women in southern Zambia. Photo: Jon Warren/World Vision



Who we are

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The people who make it possible

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How we work around the world

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Financial position and performance

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Message from our Board Chair



The past year has brought both challenges and opportunities for World Vision Australia, and we have chosen to focus on maximising our commitment to field programs and concentrating our efforts and resources on our core purpose.

Without doubt Australians are affected by complexity and uncertainty in the international economy, and this has created a more challenging environment for the charity sector in general. For international agencies like World Vision, a long-term fall in currency exchange rates puts additional pressure on us in meeting our field commitments.

In this environment we are choosing to pursue a simpler organisational structure and reduced operating costs.

We live in a media culture where our messages must compete with thousands of other messages, but I find Australians are genuinely moved by the importance of what World Vision does. There is an enormous reservoir of goodwill towards the communities we work with.

The world does not stand still, and every year brings new demands and new situations requiring creative and innovative responses.

World Vision's Board, our dedicated staff and volunteers and our many partners and supporters will do all we can to change and adapt to new circumstances. We will keep pursuing innovation in program areas – from child health to peacebuilding, from economic development to gender empowerment.

And we will continue to pursue new sources of funds, new forms of partnership, and inventive ways to engage and communicate with our supporters.

At the same time, we always strive to stay true to the purpose and inspiration that we began with, reflecting our Christian heritage and our hope for every child to enjoy life in all its fullness.

My fellow Board members and I have deeply appreciated the leadership provided by our Chief Executive Tim Costello and his team throughout this challenging year, and the significant organisational changes that will lay a strong foundation for the future.

A handwritten signature in black ink, appearing to read 'George Savvides', written in a cursive style.

George Savvides

Message from our Chief Executive



A while ago I had an unusual opportunity to share some of World Vision's work with a large group of mostly young Australians who happened to be in Africa attending a wedding.

They were astounded at the dramatic impact our programming was having for children and their community in a part of Uganda that had been hit hard not just by poverty but also by a long-running and cruel guerrilla war.

Seeing is believing, and I was impressed by how ready these Australians were to commit to long-term support for this transformative work.

But it was a reminder for me that World Vision ultimately belongs to our supporters, and we need to constantly bring our supporters closer to our work. We need to keep sharing stories of the lives that are changing and the new opportunities opening up because of our supporters.

One message these new supporters gave me was that they were most impressed not by the many material changes they could see in the community, but by the emotional and spiritual transformation.

They met children who were full of hope for the future, and parents who spoke with optimism and pride in their achievements.

Extreme poverty not only stops people from reaching their full potential; it is a blight on the human spirit. It's an unnecessary condition that the world should not tolerate, and the good news is that overall, despite setbacks, great progress is being made.

World Vision plays a vital role in bringing relief in humanitarian emergencies, in walking alongside communities as they transform their world, and in giving voice to the vulnerable for justice and compassion.

Our Australian supporters are achieving extraordinary things, and I am profoundly thankful for the faithfulness they show to the people we serve.

A handwritten signature in black ink, appearing to read 'Tim Costello', with a stylized flourish at the end.

Tim Costello

Our organisation

Mongolian sponsored child Dulamsuren with local staff member Nasanbayar. Support from Dulamsuren's Australian sponsors has helped her family grow their flock of sheep.
Photo: Jon Warren/World Vision

World Vision Australia is an organisation incorporated in Australia. We are one of many World Vision offices, which, through a Covenant of Partnership, together form the World Vision International Partnership that collectively operates in more than 90 countries. In this sense, we are a "twin citizen", operating in Australia but also with international obligations. As a whole, the Partnership is one of the world's largest non-governmental, humanitarian and development agencies. All offices in the Partnership are signatories to the Covenant of Partnership.

You can find out about our history at worldvision.com.au/History and read more information about the Partnership at wvi.org.

Additionally, you will find out more about how we work and fund our projects through the Partnership on pages 34-35.



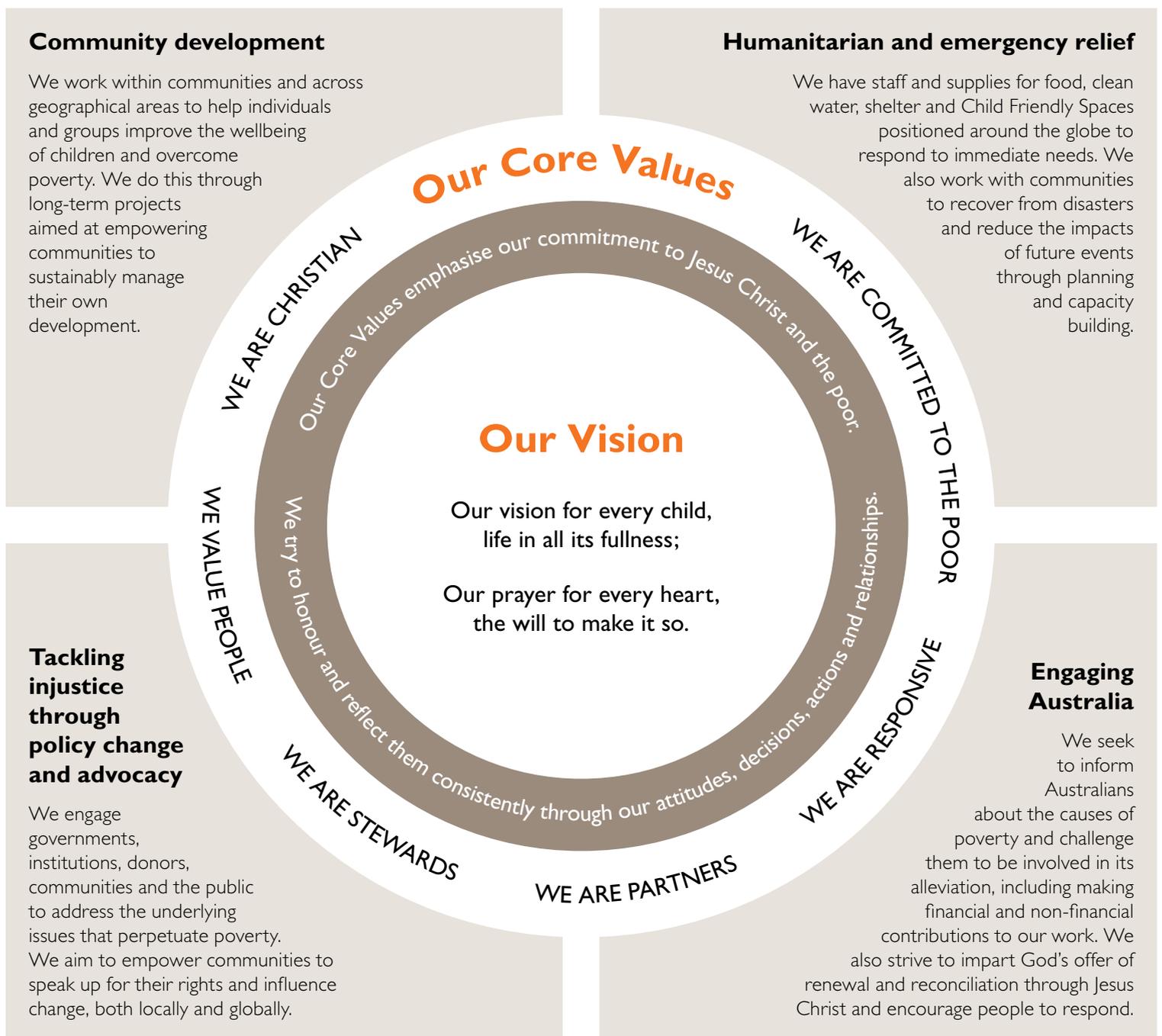
Our Mission

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

Our Christian faith is the foundation for all we do and we strive to follow the teachings of Jesus Christ. We are committed to the poor because we are Christian. We seek to express our

Christian beliefs in an inclusive and non-judgmental manner and we are committed to working with people of all cultures, faiths and genders to achieve transformation. You can find out more about our Christian identity and how our aid and development work is informed by our Christian faith at worldvision.com.au/christianidentity.

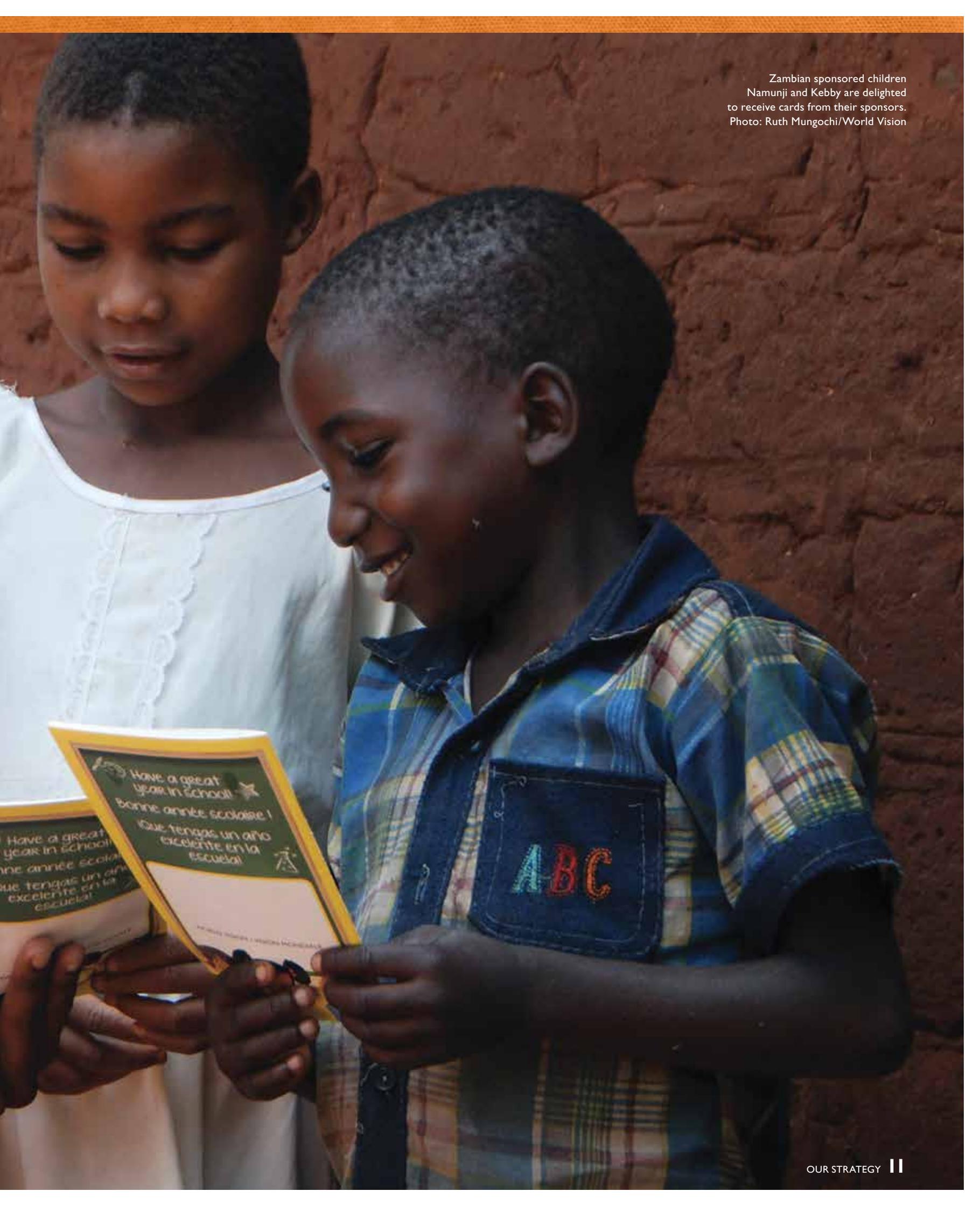
Our Vision, Core Values and the key focus areas of our work:



Real change is about transforming lives together with our supporters and the communities we serve



Zambian sponsored children
Namunji and Kebby are delighted
to receive cards from their sponsors.
Photo: Ruth Mungochi/World Vision



Our people

We celebrate our diverse employees around Australia and the passion and skills they bring to enable lasting change for children and communities.

Our staff work with our supporters and partners across all sectors of society (as illustrated by the examples on the following pages), including multilateral organisations and other NGOs, governments, corporates and churches – among others – to achieve greater impact.

Most importantly, our staff work with the people we serve in Australia and around the world (see also the following pages), partnering with local communities and civil society to ensure child wellbeing is sustained long after we leave.

Read more about our staff and volunteers on pages 66-67.

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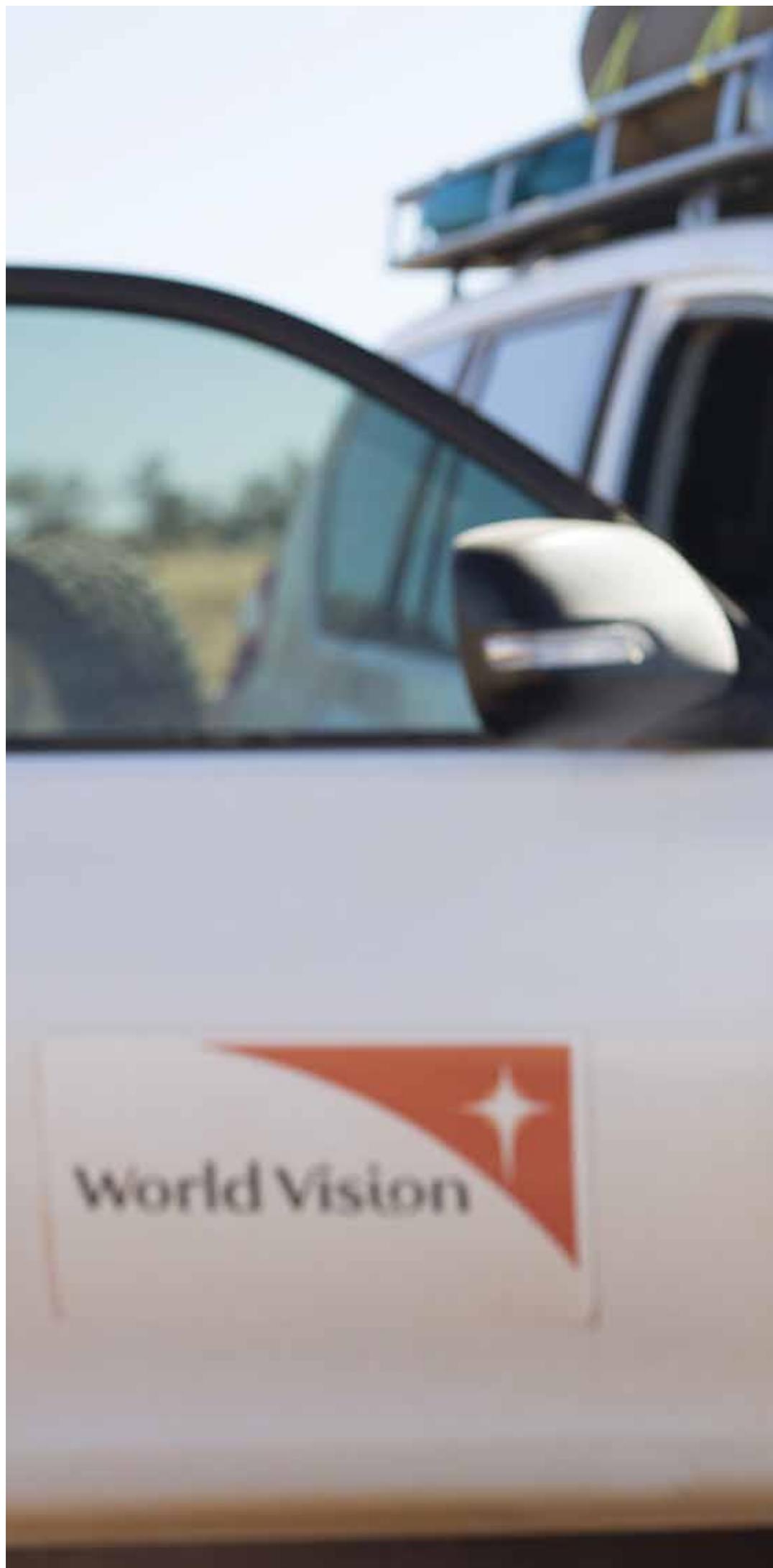
total employees

543

full-time employees

109

part-time employees





Yvonne Mkandara, one of our Australia Program staff, works with Martu communities in the East Pilbara. Photo: Mike Amos/World Vision

Staff profiles



Program Resources team

The team, comprising Phil Smith, Jamie Newton, Matthew Morris, Sarah Williams and Shelby Stapleton, manages donations of non-cash resources to meet critical needs in the field.

Their achievements in FY15 include delivering high quality literary resources in Africa in

alignment with national curriculums, providing wheelchairs for children with disabilities and partnering with churches, supporters and the Birthing Kit Foundation (Australia) to assist 50,428 mothers and babies with safe births. See the story about our partnership with churches and Vision Sisters on page 17.



Nita Anandaraj

Contact Centre Consultant

Nita speaks with our supporters every day. She is passionate about discovering their values and finding the best outcomes for them.

Nita reached her yearly target by only the fifth month of FY15. A top performer, she inspires, supports and coaches others in her team to aim high and achieve their goals.



Mariska Meldrum

Manager, Marketing Communications

Through our Innovation Hub (an internal hub to which all staff are invited to contribute ideas for engaging with our supporters), Mariska pitched her idea for "Vision Sisters" – a movement whereby Australian women can come together to provide practical help for their sisters facing poverty and injustice around the world.

Mariska's passion and tenacity saw this idea through to implementation in a short period of time. Already 95 churches and women's groups have signed up to the first Vision Sisters project, which you can read more about on page 17.



Mark Saliba

Security and Safety Manager

When our staff and supporters travel overseas, Mark is on-call 24 hours a day, seven days a week to monitor risks and ensure their safety.

Mark also proactively minimises operational travel expenses, lowering travel costs this year by 8%. Mark and his team also reduced pre-travel medical check costs by 40%. These efforts directly increase funds available for our work in the field.



Adam Valvasori

Aid Campaign Project Manager

Adam is instrumental in championing the Campaign for Australian Aid – a joint initiative of the Make Poverty History and Micah Challenge coalitions. We are leading the NGO sector through this campaign, which responds to successive cuts to Australia's foreign aid budget by encouraging Australians to come together and celebrate our contributions to international development.

Adam mobilised the 50 diverse organisations involved around a long-term strategy and managed the initial grant for the campaign to maximum effect. Adam's leadership has enabled us to reach over 40,000 people committed to advocating for increased Australian Aid.



Dave Waters

Pastoral Care Manager

Dave plays a vital role in ensuring a strong foundation for organisational success. He unites colleagues around a shared cause and provides counsel through challenges. Dave's support motivates staff to excel and achieve optimal results for our supporters and the children and communities we serve.

Partners and supporters

Advocates

Every year thousands of supporters join us in standing for change in the systems and structures that contribute to poverty and injustice. Among them are members of Vision Generation (VGen), our network of young advocates. In FY15 their activities included running an "Amazing Race" in cities across Australia to help raise funds and awareness in their campaign against child labour.

Through VGen, young people are empowered to take action. Photo: Kristin Stephensen/World Vision



Ambassadors

Prominent Australians who are passionate about issues of global poverty donate their time to support our work.

To mark the 10th anniversary of the Boxing Day tsunami in 2004, television presenter Mel Doyle visited Banda Aceh, Indonesia to see firsthand the continuing rebuilding efforts. 2015 saw the global

release of *Dukale's Dream*, a film exploring the life-changing journey sparked after actors Hugh Jackman and Deborah-Lee Furness met Dukale, an Ethiopian coffee farmer supported through our work. Another highlight was Hi-5's tour of Myanmar to visit our projects, entertain local children and ultimately educate their fans back in Australia about poverty.

Children's entertainment group Hi-5 visit sponsored child Nanda at an education centre in Myanmar. Photo: Khaing Min Htoo/World Vision



Churches

These Melbourne women each led a Vision Sisters team, fundraising for and packing clean birthing kits.
Photo: Lucy Aulich/World Vision

Many churches partner with us to help bring fullness of life to children and families in need around the world. They join us in fighting global hunger through the 40 Hour Famine, supporting communities devastated by emergencies and taking action against human trafficking and slavery, among other causes.

In 2015, over 8,000 women – many from church groups – joined our Vision Sisters movement. More than 100 groups have participated in the first “hands-on” project: supporting women in Uganda by raising funds to train community health workers and packing more than 20,000 clean birthing kits.

Business Advisory Councils

Our Business Advisory Councils in Melbourne and Sydney comprise individuals who draw on their corporate experience and influence to help drive

our organisation forward. They assist us in building professional capacity and also provide advice on engaging Australia’s business community.



Corporates and major donors

Businesses, major donors, trusts and foundations play a vital role in increasing the reach and impact of our work. In 2015 we began partnering with Groupon and PayPal. We also continued enjoying support from Jetstar – primarily through its StarKids programme, which supports nine projects in six Jetstar destinations including Australia.

Jetstar partners with us to support agricultural cooperatives in Cambodia. Photo: Chetra Ten/World Vision



Vivienne and her sponsored child Bilguun share a memorable day together in Mongolia. Photo: World Vision

Child sponsors

In FY15 we received approximately \$183.2 million from our child sponsors. While this is a decline from FY14 (\$191.9 million), child sponsorship remains a highly significant way in which our work is supported.

Vivienne Young, from Victoria, has been a child sponsor for 23 years. She took the opportunity to meet two of her three sponsored children, Bilguun and Erdenbat, while visiting friends in Mongolia in May. Vivienne saw how her sponsorship is improving the two boys' local communities, visiting a children's club and a clinic and rehabilitation centre.

"I have been sponsoring children for many years but now have such a better understanding of what an impact we can make through our donations," she says. "It is an honour and a privilege to be a part of these children's lives through sponsorship."

Supporters and donors

Our supporters and donors generously support our work in many different ways, including helping vulnerable children through Child Rescue, donating to emergency and other appeals, leaving a gift in their Wills, buying World Vision Gifts and joining a community group.

Vision Artists

Many local and international artists offer their time, talents and passion to support our work through our Vision Artists Program. Vision Artists – such as a capella group Naturally 7, who toured Australia in 2015 – are able to connect with audiences and fans on a deep level through their art forms. Their work reflects their own authentic journey of discovering poverty and injustice and they inform their fans about these issues in unique and compelling ways.

In-kind donors

We partner with businesses, organisations and individuals to deliver essential items where they are needed most. In FY15 we received over \$16.5 million in donated goods, including medicines, from Australian corporations and international agencies. We also received close to \$72.6 million in food and food vouchers from international agencies such as the World Food Programme.

In Malawi, Falida (far right) and her friends thank Pacific Brands for donating the cloth used to make their school uniforms. Photo: Charles Andrew Kabena/World Vision





Governments and multilateral organisations

Governments and multilateral organisations help us to deliver projects in more communities in need.

In terms of cash funding, in FY15 we received close to \$44.5 million from the Australian government through the Department of Foreign Affairs and Trade (DFAT). We received these grants principally under the Australian NGO Cooperation Programme and the Humanitarian Partnership Agreement administered by DFAT. You can find out more about these grants at wva.me/DFAT-partner and read an example of what Australian government funding achieves at wva.me/dfat-afghanistan.

We also received close to \$38.4 million from overseas governments and multilateral organisations. These include EuropeAid, the Netherlands Organisation for Scientific Research, the World Bank, the Global Fund to Fight AIDs, Tuberculosis and Malaria, the United Nations Children's Fund (UNICEF) and the United Nations Refugee Agency (UNHCR).

Along with other World Vision offices, we now publish grants we have received on the International Aid Transparency Initiative's registry: wva.me/iatiregistry.

DFAT-funded relief supplies arrive in Myanmar amidst severe flooding in mid-2015. Photo: Khaing Min Htoo/World Vision

Universities and research institutions

We regularly collaborate with universities and research institutions on a range of activities, including research, advocacy, professional knowledge exchange, teaching and learning, professional experience for students and community engagement.

Schools

Our global education resources and our school partnerships help to engage the next generation in issues of poverty and injustice. This year approximately 4,500 students from 650 schools across Australia attended a World Vision Youth Conference, and many of them went on to be among 42,000 participants in the 40 Hour Famine. See pages 44-47 to read more about the impact of students in the fight against global hunger.

The people we serve



Photo: World Vision

“Now we do not have to walk one hour to fetch water in the river. My family [is] able to access clean water close to home.”

Julião and his four children benefit from a well, built as part of our work with their community in Aileu District, East Timor.

“I feel proud to see my child like this. At [one] point I was afraid to lose him. During the session we learned more than cooking. We learned how to take care of our children, the need of boiling water before we drink, to build latrines ... Since then, I have never had cases of diarrhoea in my family.”

Joana’s three-year-old son Admilson previously suffered severe malnutrition from constant diarrhoea. He recovered fully after Joana learned about hygiene and how to cook nutritious meals through a 12-day training program as part of our work with her community in Mozambique.



Photo: António Matimbe/World Vision

“I mobilise [women and girls] to learn vocational skills. If women have some extra income, they can take better care of [their] children’s nutritional and education needs.”

Aliya worked to become financially independent after breaking free from an abusive early marriage. She now trains vulnerable women in embroidery and stitching, supported by our Communities for Improved Child Wellbeing Project in Pakistan, funded by the Australian government.



Photo: Shahzad Ahmad/World Vision

“Growing mushrooms will help us achieve our dream ... The money is useful for education, school materials and to reduce the pressure on my parents.”

Chanthou, 19, and her friend Sokhim are among 13,500 Cambodian youth we assist and encourage to start small businesses and continue studying. This reduces the trend of young people migrating away from home for work, in turn reducing their exposure to risks like human trafficking. Chanthou and Sokhim are both putting proceeds from their thriving business towards their dream of attending university and becoming bankers.



Photo: Um Vanneth/
World Vision



Photo: Annila Harris/World Vision

“I love the centre and the teachers who teach me here. They treat me well.”

In India, sponsored child Badal receives the extra support he needs through our weekly classes for children with special needs. His family reports he is now speaking and understanding more – and feeling more accepted.

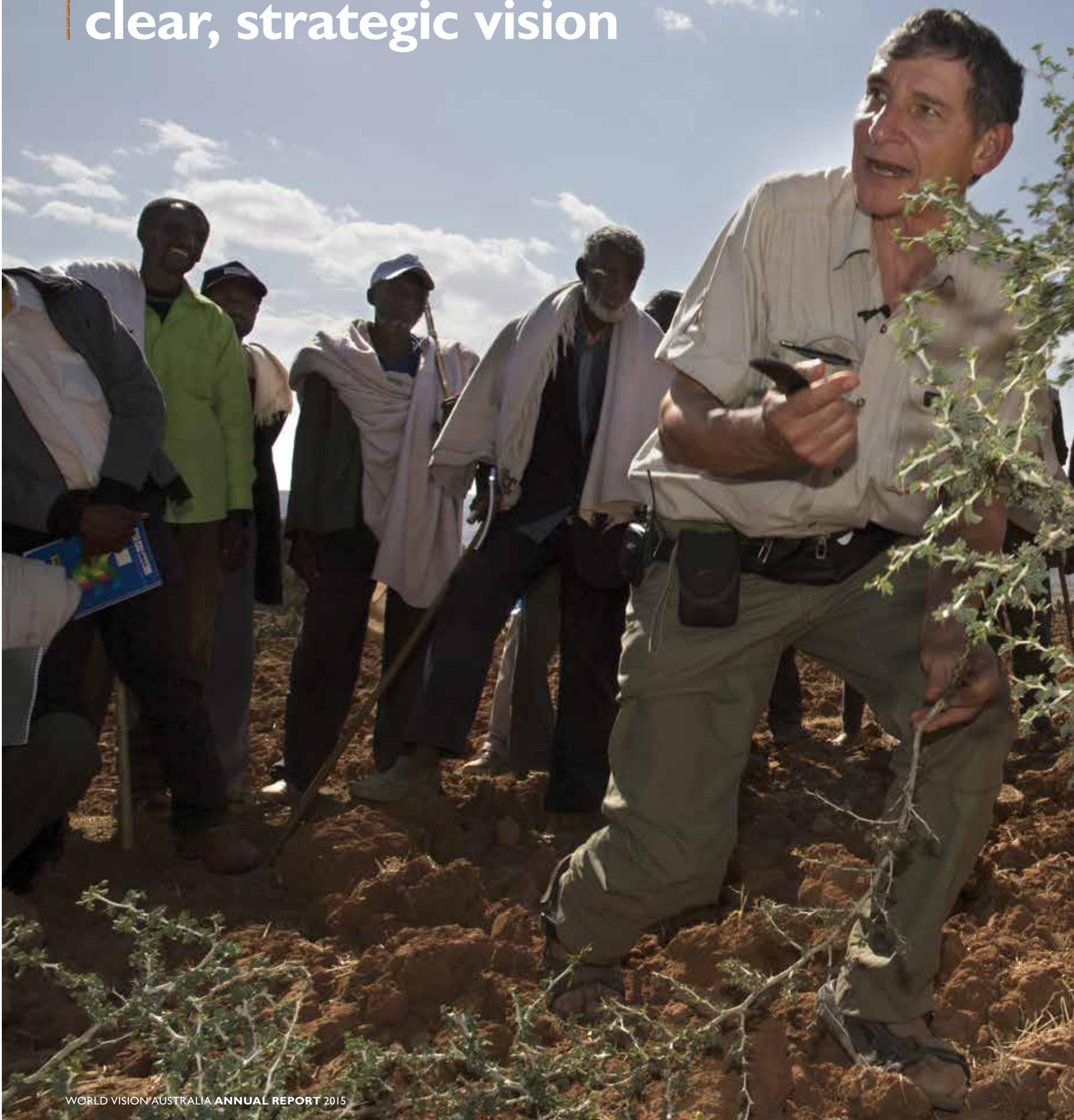
“I can take the certificate with me anywhere I go. If I [go] to another place or another community or town, if I look for work, I could take it with me.”

Janelle and Delvene were supported in completing qualifications in community services as part of our Pilbara Early Childhood Care and Development Project in Western Australia. Through roles at the local primary school and the World Vision-supported playgroup, they now give children in their remote community a head start with their education.



Photo: Mike Amos/World Vision

Real change comes from pursuing long-term goals through clear, strategic vision



Tony Rinaudo, one of our development experts, trains Ethiopian farmers in Farmer Managed Natural Regeneration. This pioneering technique has the power to transform desert plains into productive farmland. Photo: Suzy Sainovski/World Vision



Overview

In 2012, we set ourselves three long-term goals to achieve by 2021:

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

These three long-term goals are aligned with the long-term goals of the World Vision International Partnership. To work effectively towards those goals, we set ourselves five strategic objectives for FY15-FY17:

- contribute to children's wellbeing
- deliver to our supporters experiences that inspire and delight
- grow resources
- retain, engage and develop our people
- demonstrate effective stewardship

The following pages contain further details about our five strategic objectives and how we performed against them in FY15.

How we performed to strategy in FY15

In our previous Annual Report, we introduced our strategic objectives for FY15-FY17. In FY15, consistent with our chosen discipline of putting supporters at the

heart of everything we do (“supporter centricity”), we made nine choices to drive prioritisation and focus on our stated objectives. These are outlined below:

| PERFORMANCE FRAMEWORK | | | |
|---------------------------------|--|--|--|
| Perspective | Strategic objective | Measures | Choices we have made |
| IMPACT PERSPECTIVE | 1. Contribute to children’s wellbeing | <ul style="list-style-type: none"> Number of children reached through direct programming Number of children who experience improved wellbeing from advocacy activities Improvement in Partnership child wellbeing targets and reporting quality | <ol style="list-style-type: none"> Prioritise investment in our focus countries and themes (including Australia Program). Prioritise growth in flexible income (meaning untied funding which can be used across different programs). Optimise return on investment. |
| SUPPORTER PERSPECTIVE | 2. Deliver to our supporters experiences that inspire and delight | <ul style="list-style-type: none"> Supporter satisfaction Net Promoter Score | <ol style="list-style-type: none"> Focus on high value supporters. Focus on retaining high value supporters. |
| RESOURCES PERSPECTIVE | 3. Grow resources | <ul style="list-style-type: none"> Revenue growth across donations from individuals, grants from governments and multilateral organisations and support from corporates, churches and communities New business income | <ol style="list-style-type: none"> Prioritise impact and efficiency. Prioritise investment in digital capabilities. |
| ORGANISATION PERSPECTIVE | <ol style="list-style-type: none"> Retain, engage and develop our people Demonstrate effective stewardship | <ul style="list-style-type: none"> Employee engagement Cost-to-income ratio Net funds to the field | <ol style="list-style-type: none"> Greater clarity and direction from leaders. Integrate our approach to managing change. |

Left: In Rwanda, Ferdinand and his brothers have plenty to eat – now that clean water is nearby and their mother can grow and sell vegetables. Photo: Kelley Lynch/World Vision

How we performed to strategy in FY15 *continued ...*

I. Contribute to children's wellbeing

Child wellbeing

We are improving the lives of more children than ever before. In our 2014 Annual Report, we estimated that we contributed to the wellbeing of approximately 45 million children around the world. Our most recent information shows that our programming and advocacy work has benefited an estimated 65.5 million children.

From the most recent review of evaluations carried out on our projects around the world (see our Annual Evaluation Review 2015), the following achievements can be seen.

| Percentage of projects evaluated demonstrating: | FY14 | FY15 |
|---|------|------|
| increase in community awareness about relevant issues | 100% | 100% |
| increase in communities' capacity to lift themselves out of poverty | 88% | 91% |
| changes in practice and behaviour | 67% | 60% |
| achievement of the highest possible level of change in social, economic, environmental or physical conditions | 29% | 29% |

We've been working hard on evidence-based reporting, collaborating across the World Vision International Partnership to improve our approach to measurement and evaluation. Our goal is to achieve an accurate indication of impact, however our challenges include the resources required to improve accuracy and how to effectively and respectfully involve the communities we serve. Some highlights are listed to the right.

World Food Programme

We had a record year working with the World Food Programme to assist vulnerable children. In 2015 we celebrated reaching over \$87.5 million in support (cash and non-cash) from the World Food Programme, the highest amount received in World Vision Australia's history.

Disaster and conflict response

A number of emergencies occurred in 2015 which required humanitarian aid and assistance. Some of these are detailed below.

Nepal earthquakes: As a result of the devastating earthquakes that hit Nepal in April and May, World Vision launched a large-scale response. Our permanent presence in Nepal meant we played and continue to play an important role in recovery efforts. The support of the Australian public and government was incredible, as we were able to raise nearly \$8 million to fund our relief efforts.

Cyclone Pam: In March, Category Five Cyclone Pam hit Vanuatu and the surrounding islands, causing significant damage to homes, public infrastructure (hospitals and schools), water and sanitation facilities and agricultural resources. Our emergency preparedness in Vanuatu meant we had pre-positioned emergency supplies on three islands. It also meant we could position key personnel and mobilise disaster management committees to warn communities to evacuate to safe shelters and to work with communities during the rebuilding process.

Syrian refugee crisis: Since 2011, World Vision has provided assistance to more than 1.7 million people affected by the crisis, helping them access food, water, sanitation and hygiene services, shelter and emergency supplies such as blankets and warm winter clothing. World Vision also provides child-focused assistance, such as safe spaces for children to learn, play and receive other forms of support.

On 7 September 2015, we launched a public campaign along with Oxfam and Save the Children to call on the Australian Government to increase its intake of refugees, funding for the Syria response and diplomatic efforts towards securing a peace agreement. This achieved a strong policy outcome which included a commitment to an additional 12,000 permanent humanitarian places and \$44 million in additional funding.



All hands to the pump:
World Vision workers help a
Zambian community repair their
borehole. Photo: Jon Warren/
World Vision

How we performed to strategy in FY15 *continued ...*

2. Deliver to our supporters experiences that inspire and delight

In 2014 we chose supporter centricity as a discipline to ensure we better understand and engage with the 400,000+ Australians working with us to positively affect the lives of the most vulnerable around the world.

In 2015, our journey towards supporter centricity continued with the establishment of new processes around supporter experiences to ensure we improve our understanding of supporters' goals and meet, or even exceed, their expectations.

We have launched a "Voice of Supporters" capability which gives our staff the tools and training to listen to supporter needs. From this we translate supporter feedback into actionable insights to guide the work we do, initiate new projects and capability development and actively stop doing things that do not clearly deliver supporter value. In understanding supporter value, we have adopted a new measurement system using metrics specifically designed around supporter satisfaction, including the use of best-practice methods such as Net Promoter Score.

In 2015 our work has built a foundation that will enable us to be more responsive to supporter needs, which in turn will improve our ability to acquire and retain supporters who provide the resources we need to operate and deliver projects in the field.

New digital capabilities

In 2015 we continued to build and launch new digital capabilities to improve supporter experiences. Working with PayPal, we launched new payment capabilities making it easier for supporters to donate, and enabling us to quickly launch new payment methods in the future. We also redeveloped our website to make it easier for people to find the information they need and engage with World Vision in the most relevant way.

40th anniversary of the 40 Hour Famine

2015 marked the 40th anniversary of the 40 Hour Famine. We appreciated the help from the Australian community in sharing our anniversary and sent thank you messages to the millions of Australians who have supported the 40 Hour Famine over its lifetime. Read more about this on pages 44-47.

3. Grow resources

Our income for FY15 was \$424.4 million, representing an increase of over \$44 million from FY14. Child sponsorship income declined from \$194 million to \$186 million between FY14 and FY15, and there was a moderate 4% income growth from other sources such as pledges, emergency relief, appeals and cash donations. Non-cash income grew significantly to over \$89 million for FY15, a 64% increase over FY14.

We were awarded over \$67 million in grants, a strong performance representing an increase of 22% on FY14 results. We have continued to secure the support of the Australian Government for key grants and we acknowledge the trust that the Australian Government and other donors place in us.

The future for grant income remains uncertain given the recent announcements by the Australian Government regarding the aid budget. In 2015 the Australian Government announced their intent to drive an "Aid for Trade" agenda for setting policy, whereby we expect a greater proportion of the aid budget to be redistributed into projects which have more involvement from the private sector.

In 2015, we focused on diversifying our relationship with grant donors and growing and deepening our relationships. We continue to develop key partnerships with EuropeAid, the World Agroforestry Centre, UNICEF, the UN Refugee Agency, the UN Food and Agriculture Organization and the Gates Foundation.

Right: Essential healthcare is available once more in Leyte province in the Philippines, after the reconstruction of this health centre destroyed in 2013 by Typhoon Haiyan. Photo: Klaus Becker/World Vision



THINK SAFETY FIRST

World Vision
KRON 4 RVC TSW

World Vision®
emergency response

World Vision

Report / Administration of Earthquake Center
 Mayor, Marikina, Marikina City
 September 8, 2014
 Division No. 0014
 All Contract Items
 CONTRACT NUMBER: 0014/2014
 CONTRACT CONTRACTOR: ABC CONSTRUCTION, INC.

Logos: Republic of the Philippines, World Vision, CDF

Our strategic objectives

4. Retain, engage and develop our people

World Vision Australia continues to focus on ensuring that our people are engaged and productive in their work. In FY14 employee engagement had increased by 4% to 70% and in FY15 dipped by 1%.

Through the year many new initiatives have been introduced to continue to monitor and improve employee engagement.

We launched a new “Employee Pulse” survey capability to help track employee engagement. This comprises simple surveys running on iPads in our main office from which we can quickly capture staff feedback to further our understanding of how we are performing, learn from what is working well and identify key areas requiring improvement.

We launched a new Innovation Hub platform to empower our staff at all levels to be engaged in innovation and continuous improvement. Telstra has generously donated their Innovation Hub platform for our staff to use to share ideas and crowdsource support.

5. Demonstrate effective stewardship

In FY15, we were able to commit over \$350 million to our field programs, an increase of \$87 million since FY14.

A key measure to determine if we are being effective stewards of donor funds is our cost-to-income ratio. In FY15, we were able to achieve a cost-to-income ratio of 21%, an improvement from 25% in FY14.

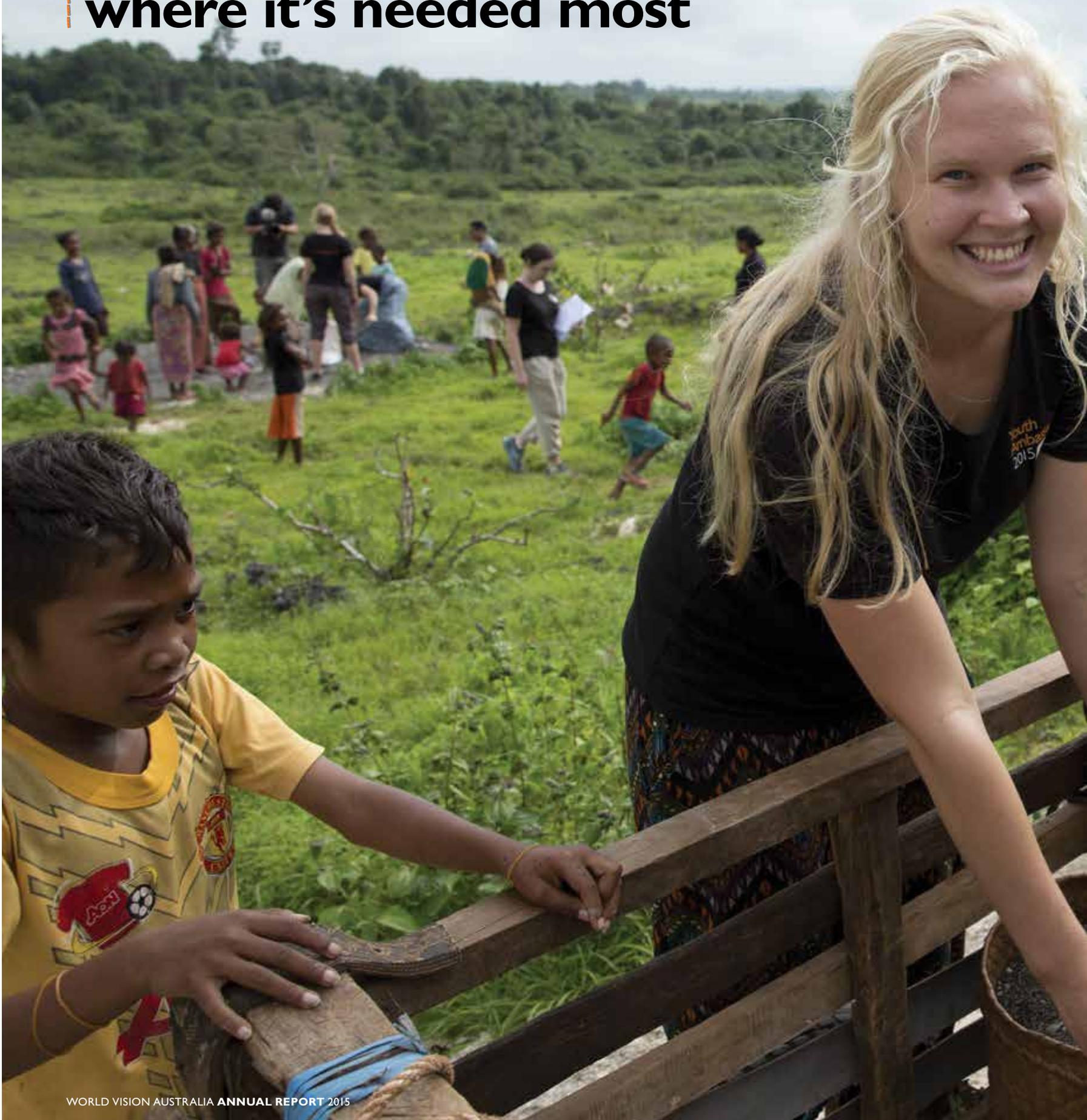
See pages 72-78 for more information about our income and on how funds were used in FY15.

Right: A World Vision drilling team searches for water in this southern Zambian village, where there are no streams or rivers. Photo: Jon Warren/World Vision



World Vision
Building people's lives

Real change results from global collaboration to take action where it's needed most



In Timor-Leste, our 2015 Youth Ambassadors help a community construct a pipeline for a well.
Photo: Lucy Aulich/World Vision



Working and funding through the World Vision International Partnership

Our aid, development and advocacy projects overseas are implemented through the World Vision International Partnership. The Partnership comprises offices operating in more than 90 countries. Within the Partnership, we are referred to as a “Support Office” because our principal function is to provide support (in particular, funding) to the National Offices located in countries where World Vision conducts projects. The Partnership also includes Regional Offices that coordinate projects across specific geographic regions.

Typically, we receive a proposal from a National Office to provide support for a project or Area Development Program (ADP). ADPs, supported through child sponsorship, take place in defined geographical areas and consist of projects that address the specific challenges facing children in communities. You can read all about the sectoral focus of our work in our FY13 and FY14 Annual Reports available at worldvision.com.au/annualreports.

A Regional Office is involved if the project spans multiple countries in a region. We assess the proposal and decide whether or not to support it. This determination occurs through a structured committee process and is based on criteria such as strategic fit, relevance of the proposed response, organisational capacity and budget requirements. If we agree to support the project and provide funding for it, we work with the relevant National Office to design the project from the outset (involving the community also) and monitor and evaluate it as the project progresses. We also manage the fundraising and marketing activities required to generate financial support for the project. We share mutual accountability with National Offices for meeting promises to communities and donors, using resources efficiently, and for project design, monitoring and evaluation.

Where appropriate, for example in our projects in Australia, we work directly with communities to implement activities. In this context, our role and function is similar to that of a National Office in the Partnership.

On the opposite page, we illustrate how funds raised in Australia reach the communities we work with in projects in overseas countries and in Australia.



Farmers work their harvest in Antsokia Valley, Ethiopia – a region once decimated by drought.
Photo: Alexander Whittle/World Vision

How funds raised in Australia reach communities we serve

Funds raised for all our projects are placed in term deposits with minimum A-rated banks in Australia. At all times an amount equivalent to eight weeks' operating expenditure is retained as a working capital reserve.

Funding for our projects in Australia is provided by us directly to these projects.

Funding for our projects overseas is transferred by us to the World Vision Partnership Treasury Office (managed by World Vision International, the "global centre" of the Partnership*), which holds the funds on our behalf. On our instructions, the Treasury Office transfers funds to the relevant National Offices in the countries where the projects are located.

The above is illustrated in the diagram below.



*More information about World Vision International can be found at wvi.org

Our evaluation approach

In our Annual Reports for FY13 and FY14 we described our development approach and also illustrated the sectoral themes which our projects focus on. Below, we describe the evaluation approach we take.

All our projects undergo monitoring and evaluation to measure progress and performance. We are continually focused on improving the quality and consistency of our evaluations to enhance our confidence in communications and make more effective programming decisions.

To this end, one of our key actions in 2015 was to review seven most strategic evaluations of projects funded by the Australian government through the Australian-NGO Cooperation Programme. This was done to capture the maximum amount of in-depth insight and learning for supporters as well as to ensure the highest possible quality of these evaluations. The projects we focused on were selected considering both donor (in this case, Australian Government) priorities and the need to provide evidence to strengthen specific program models.

We also focused on strengthening the capacity of our staff to better support evaluations undertaken by World Vision National Offices. We developed tools and resources to support the evaluation process and consistently shared clear messages about the vital necessity of reliable evidence of program impact.

To help ensure that the goal of developing quality evaluations is shared and acknowledged across the organisation, we developed an evaluation policy and worked closely with others in the World Vision International Partnership to develop project model indicators to increase consistency in evidence collection across our programming.

Improving evaluation quality is an ongoing task, requiring sustained resourcing and effort. Advocacy efforts were directed to increase evaluation funds when possible towards reaching a benchmark minimum spend of 3% of the project/program budget on evaluation. As a result of these actions, and as demonstrated through our Annual Evaluation Review (worldvision.com.au/annualreports), we can confidently say that considerable gains have been made towards increasing evaluation quality.

In our Annual Evaluation Review, we review evaluation reports of projects which were completed in the previous financial year. This allows us to better understand the reliability of the assessment of impact by systematically assessing the quality of our evaluations.

Our focus on the assessment process has sharpened with the introduction of more indicators of quality and use of the BOND Evidence Principles, an industry standard to assess evidence quality (wva.me/bond-monitoring).

In FY15, 111 projects were eligible for evaluation and 94 evaluation reports were available to be reviewed. Some main findings to highlight are:

- 85% of eligible projects had evaluation reports available for review (up from 21% in FY09).
- 63% of evaluations incorporated comparison to baseline data – a sustained improvement from 38% when the review was first undertaken in FY09.
- 72% of the evaluations reviewed used both qualitative and quantitative research methods – up from 66% in FY09.
- 44% of all evaluations reported on one or more of the World Vision “standard” or “highly recommended” indicators of Child Well-being Outcomes, 31% higher than in FY14.

In spite of these clear improvements, we recognise the need to consistently improve evaluation quality across all projects, and several measures have been taken to this end as outlined in the Annual Evaluation Review (worldvision.com.au/annualreports).

In the following section, we illustrate the impact of our projects.



Myanin with her mother in Myanmar. Each year we partner with the United Nations World Food Programme to distribute food to families like theirs. Photo: Kristin Stephensen/World Vision

Our projects: Asia and the Pacific

267

Total projects
in region

282

Total in 2014

64

Area Development
Programs (ADPs)

68

Total in 2014

203

Other community
programs

214

Total in 2014

101

DFAT, multilateral
and other grants

115

Total in 2014

122,673

Child
sponsorships

95,375

Total in 2014

14

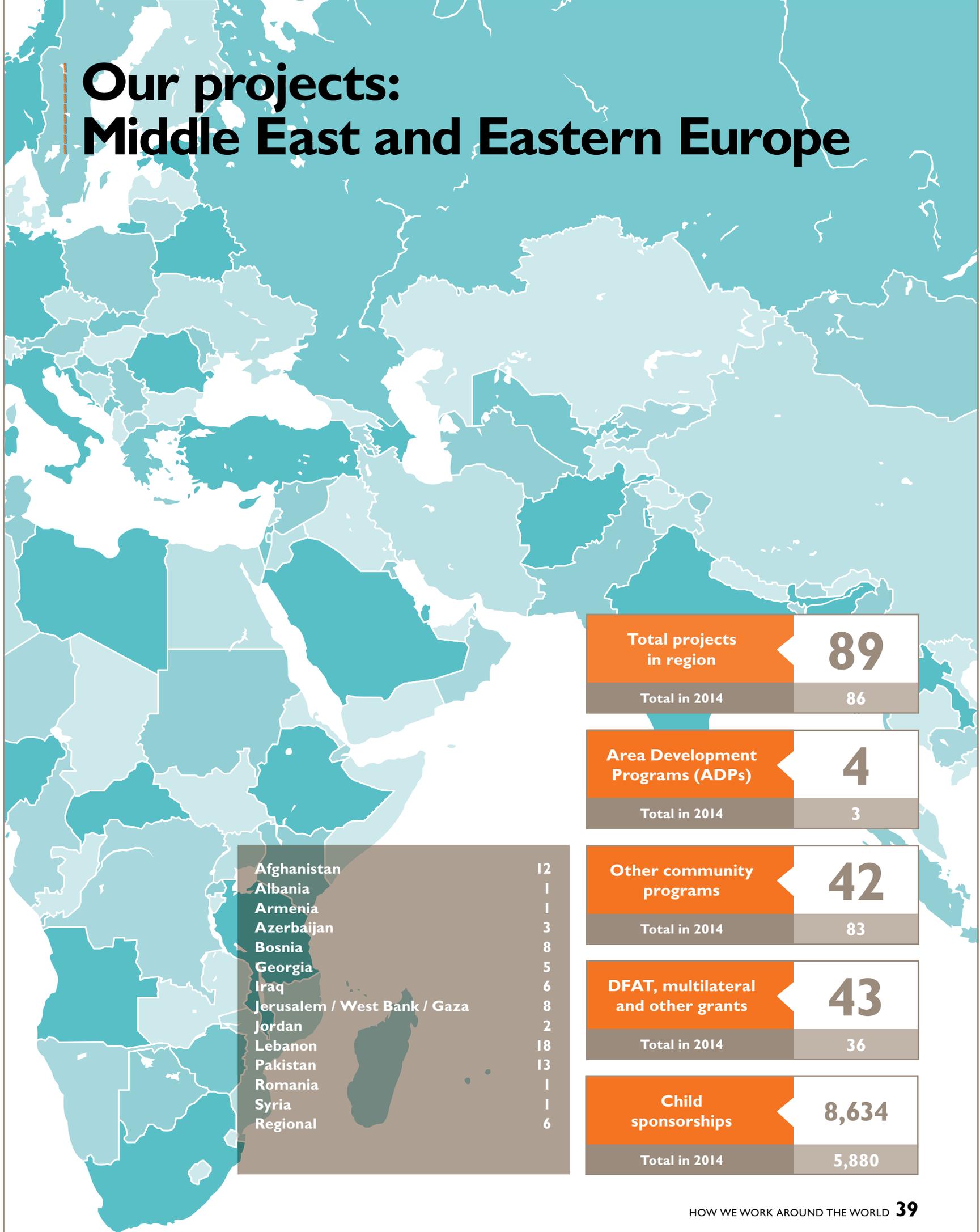
Total projects
in Australia

12

Total in 2014

| | |
|-------------------------------------|----|
| Bangladesh | 3 |
| Cambodia | 17 |
| China | 6 |
| East Timor | 11 |
| India | 17 |
| Indonesia | 13 |
| Laos | 7 |
| Mongolia | 4 |
| Myanmar | 16 |
| Nepal | 11 |
| Papua New Guinea | 17 |
| Philippines | 5 |
| Solomon Islands | 12 |
| Sri Lanka | 12 |
| Thailand | 2 |
| Vanuatu | 6 |
| Vietnam | 8 |
| Regional: Pacific Timor-Leste | 2 |
| Regional: East Asia | 6 |
| Regional: South Asia Pacific Region | 2 |

Our projects: Middle East and Eastern Europe



| | |
|------------------------------|----|
| Afghanistan | 12 |
| Albania | 1 |
| Armenia | 1 |
| Azerbaijan | 3 |
| Bosnia | 8 |
| Georgia | 5 |
| Iraq | 6 |
| Jerusalem / West Bank / Gaza | 8 |
| Jordan | 2 |
| Lebanon | 18 |
| Pakistan | 13 |
| Romania | 1 |
| Syria | 1 |
| Regional | 6 |

| | |
|---------------------------------|-----------|
| Total projects in region | 89 |
| Total in 2014 | 86 |

| | |
|---|----------|
| Area Development Programs (ADPs) | 4 |
| Total in 2014 | 3 |

| | |
|---------------------------------|-----------|
| Other community programs | 42 |
| Total in 2014 | 83 |

| | |
|--|-----------|
| DFAT, multilateral and other grants | 43 |
| Total in 2014 | 36 |

| | |
|---------------------------|--------------|
| Child sponsorships | 8,634 |
| Total in 2014 | 5,880 |

Our projects: Latin America and Caribbean

72

Total projects
in region

84

Total in 2014

46

Area Development
Programs (ADPs)

47

Total in 2014

26

Other community
programs

37

Total in 2014

3

DFAT, multilateral
and other grants

4

Total in 2014

96,116

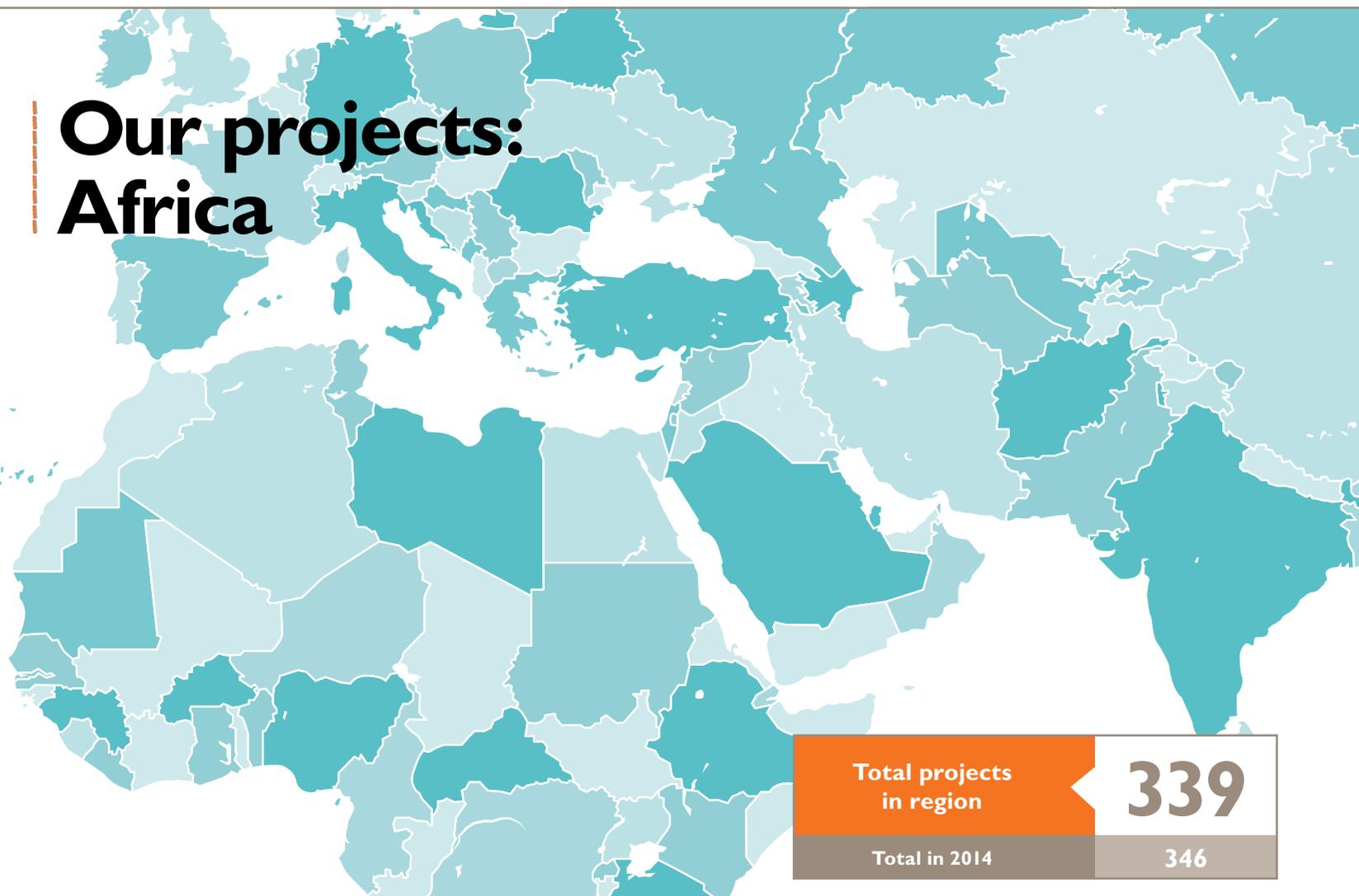
Child
sponsorships

72,039

Total in 2014

| | |
|-----------|---|
| Bolivia | 5 |
| Brazil | 3 |
| Colombia | 1 |
| Ecuador | 1 |
| Guatemala | 1 |
| Haiti | 1 |
| Honduras | 5 |
| Nicaragua | 3 |
| Peru | 4 |
| Regional | 2 |

Our projects: Africa



| | |
|---------------------------|----|
| Burundi | 5 |
| Central African Republic | 5 |
| Chad | 1 |
| DR Congo | 20 |
| Ethiopia | 7 |
| Ghana | 3 |
| Kenya | 25 |
| Lesotho | 8 |
| Malawi | 14 |
| Mali | 5 |
| Mozambique | 9 |
| Rwanda | 9 |
| Senegal | 8 |
| Sierra Leone | 2 |
| Somalia | 10 |
| South Africa | 5 |
| South Sudan | 22 |
| Sudan | 7 |
| Swaziland | 3 |
| Tanzania | 15 |
| Uganda | 21 |
| Zambia | 9 |
| Zimbabwe | 11 |
| Regional: East Africa | 6 |
| Regional: Southern Africa | 6 |
| Regional: West Africa | 1 |

Total projects in region **339**
Total in 2014 346

Area Development Programs (ADPs) **91**
Total in 2014 93

Other community programs **248**
Total in 2014 253

DFAT, multilateral and other grants **128**
Total in 2014 123

Child sponsorships **202,329**
Total in 2014 173,316

Other international **13**
Total in 2014 15

**Real change means
bringing to life inspiring
stories of success**





Ethiopia's Antsokia Valley, hit hard by drought and famine in the 1980s, is now lush and green. To help bring about this dramatic change, World Vision trained farmers in resilience and disaster preparedness. Photo: Alexander Whittle/World Vision



40 years of fighting global hunger

In August, the Melbourne Town Hall and Brisbane Story Bridge were bathed in orange light to commemorate the 40th anniversary of the 40 Hour Famine.

Started in 1975, the 40 Hour Famine has become one of Australia's biggest youth events, giving them what is often their first taste of activism.

Over the years many well-known Australians have been involved, including ex-Prime Ministers

Bob Hawke and Malcolm Fraser, Kylie Minogue, Rebecca Gibney, and the cast of *Neighbours*.

Only Australians and New Zealanders participate for 40 hours; participants in other nations do 30, 24, 20, 12 or 8 hours. While the most popular choice remains giving up food, the event has evolved in recent years to include giving up other things such as technology, furniture, talking or even the use of a limb.

Grace's amazing fundraising

As a Year 7 student in 2014, Grace Jenman joined her first 40 Hour Famine. By writing letters to over 140 people, she raised \$20,800.

This year, Grace doubled her target in recognition of the 40th anniversary – to \$40,000.

She gained fresh inspiration at a World Vision Youth Conference, hearing the story of Tamin – a girl close to her own age in Bangladesh – whose mum received training in a World Vision program to breed chickens. The income the family earns from eggs means they can afford plenty of nutritious food, as well as Tamin's schooling.

"It was so good to see exactly how money from the 40 Hour Famine can help kids," Grace says.

She then wrote over 400 letters to friends, family and her parents' contacts, describing Tamin's story and her own desire to help children who "should be able to have what we have".

Some days she wrote 20 letters. She wrote so much that her hand became sore and blistered. Grace raised \$44,357.

"Keep working hard because the end result will be worth it," she says.

400,000
participants

across 20 countries
now take part each year

Millions
of Australians

have taken part
or donated

Over half
of all Australian
schools

have been involved



ወቅር ጥምረት ልምግጥ ፕሮግራም ሞዴል
በሓገዝ መንግስቲ አውስትራልያ
ፕሮጀክት ውሕስና ምግብ

40 HOUR FAMINE → 40 መሳልቲ ልምግጥ!

World Vision
ETHIOPIA

Amate and her two children, in Ethiopia, are among the millions of people who have benefited from the 40 Hour Famine. Photo: Suzy Sainovski/World Vision



40 years of impact on global hunger

Through the 40 Hour Famine, our supporters have helped communities in Afghanistan, Angola, Bangladesh, Cambodia, Chile, China, East Timor, Ethiopia, India, Kenya, Laos, Malawi, Niger, Somalia, Sri Lanka, Sudan, Thailand and Zimbabwe, among many others.

Hunger and malnutrition remain the world's number one health risk, but considerable progress has been made. Globally, the number of people living in extreme poverty has declined by more than half, from 1.9 billion in 1990 to 836 million in 2015. The number of children dying under five has also fallen by more than half.

\$200 million
has been raised

for programs in
developing countries

26 countries
have benefited

from 40 Hour Famine funds in
the past eight years alone

Over 2 million
people have
benefited

from food assistance
in the past 7 years alone

Clea sees 40 Hour Famine funds in action

East Timor is only a 45-minute flight from Australia. Yet as Clea Denham found, traveling as one of our 2015 Youth Ambassadors, it seems a world apart.

"Forty-five minutes to me is driving to [university] in bad traffic ... And it is 45 minutes that decides whether or not a person has access to fresh water, shelter, education and healthcare," Clea reflects. "There is poverty right on our doorstep."

But the ambassadors also saw important progress. For Clea, one of the most memorable experiences was their visit to a health post, supported by 40 Hour Famine funds, which helps to give children a healthy start in life.

"Extraordinarily, since World Vision has worked with the health post infant mortality has dropped by 40%," Clea reports.

Miranda, a World Vision volunteer, plays a key part in its success. She runs a weekly Mothers' Club on nutrition, and every week she walks to every pregnant mother or young family in the village to offer malnutrition checks and support.

"On the particular day we were fortunate to walk with Miranda it was raining, making for a very muddy walk," Clea shares. "Miranda's dedication to her community is unwavering."

The 40 Hour Famine, which in East Timor also supports our work to improve farming and incomes, helps to reduce the gap between Australia and our global neighbours. For Clea, this is the ultimate goal: "We are all equals ... Let us not live comfortably within the borders of our own innocent worlds."

Photo of Clea overleaf ...



Youth Ambassador Clea Denham with local children on her eye-opening trip in East Timor. Photo: Lucy Aulich/World Vision

Life-saving healthcare

Melbourne pharmacist Ian Shanks firmly believes that access to healthcare is a basic human right, and he's always wanted to help people in developing countries who are suffering without it.

In a quiet moment alone on the beach during a family holiday in Queensland, Ian had the perfect idea: beyond making personal donations, he could make a bigger impact through his business, Fullife Pharmacies.

That moment led to the creation of the Fullife Foundation, a World Vision partner (read about this partnership's beginnings in our 2012 Annual Report). With donation boxes in Fullife's four pharmacies – in Victoria, Tasmania and Queensland – Ian encourages customers to support our work in Samre, Ethiopia through child sponsorship.

Starting with 50 children, today the foundation sponsors over 200 – making it our largest child sponsor. This supports thousands of people in Samre with better access to nutrition, education, and life-saving healthcare.

Ian saw the impact when he travelled there in 2014. "I was surprised that so much had been done in a relatively short space of time ...," he says. "In the previous year there had been 262 mothers die due to lack of maternal support ... And because of the development in that area, for the first quarter of that year up until we saw them, there'd been zero deaths."

Hundreds of local health workers have been trained and almost the entire population can now access essential health services.

"We felt very privileged to be part of that process," Ian says, "to know that the money that we'd given had been so widely and so effectively used."

Inspired to do even more, in June 2015 Ian committed to supporting the construction of waiting rooms at two health centres in Samre. These will encourage expectant mothers to come in for safe births, and will be partly funded by around 50 Pharmacy Alliance partner pharmacies who have signed on to support the Fullife Foundation.

204
children sponsored

through Fullife Pharmacy
customer donations

95%
of people in Samre

can now access essential health
services, reducing preventable
diseases like polio and malaria

873
local health workers

have been trained, enabling
more mothers to deliver with
help from a skilled health worker

"To meet the mothers that are so thrilled that their lives were saved through an intervention and their child's life was saved then the whole thing becomes real ... You think that this is the most important thing on Earth."

– IAN SHANKS, PHARMACIST AND PHILANTHROPIST

Ian Shanks (far left) celebrates helping to lay the corner stone for waiting rooms that will help expectant mothers in Samre, Ethiopia. Photo: Mike Amos/World Vision



Extraordinary growth in crops and incomes

Over only a few years, farmers in the Nzega district of Tanzania have turned their livelihoods around. No longer struggling to feed their families, they're harvesting more and better crops and improving their knowledge, business skills and incomes.

They've achieved this transformation through our local value chain development project, started in 2012.

Before, farmers operated in isolation. They grew and sold the same crops at the same time, flooding the market. Buyers underpaid them because they didn't know what their crops were worth and didn't work together to negotiate. They weren't practising effective techniques or sharing the knowledge needed to overcome long dry seasons. Many farmed at a loss.

Through the project, thousands of farmers have joined producer groups and received training in modern techniques. They now know about matching crops to local soils, digging dams to harvest rainwater, spacing and weeding to optimise growth, and adding value before sale. A mobile SMS service updates them on fair market prices, and they store and sell the right crops at the right time.

Shija, aged 45, is one of many participants who've experienced a dramatic increase in yields – and income. As well as maize he now grows higher-priced vegetables, and he times the market well: "During dry season I grow vegetables because they pick high prices."

Shija's farm is so successful he's one of 10 farmers in the district running demonstration plots. By sharing his knowledge, he's helping other families to improve their nutrition and future. "There's enough food for my family and I can as well cater for my children's education; they are all in school and a school fee is no longer a problem," he says with pride.

49%
increase

in the price farmers
receive for onions

Up to 830%
increase

in crop yields

7,000
farmers

have joined
152 producer groups

"There was never enough for me to feed my family. I would barely get three bags of maize an acre. Now I get 25 bags of maize in one acre ... It is like a dream come true."

– SHIJA, FARMER AND FATHER OF SEVEN



Right: Shija shows off his bountiful crops.
Photo: World Vision

In Tanzania, economic development projects have helped farmers like Nagenjwa to dramatically improve their yields. Photo: Jon Warren/World Vision



A little knowhow goes a long way

Every day at Ma Hnin's small roadside restaurant, satisfied customers sit on wooden benches eating their lunch. Delicious aromas of noodles and fried snacks fill the air.

Before Ma Hnin started this business, she couldn't afford food, healthcare or school fees for her three daughters, Than Dar, aged 10, May Thuw, aged nine, and three-year-old Zu Zu. A widow, Ma Hnin was trapped in a cycle of debt.

Like many families in her small town in Myanmar, Ma Hnin borrowed from a local moneylender who charged an extremely high interest rate – up to 15% per month – which she struggled to repay. But through a World Vision community savings group, Ma Hnin received financial training to save money and a low-interest loan to help open her noodle business.

She now earns a regular income and can better provide for her children. Than Dar and May Thuw are thriving in school, and little Zu Zu already knows the alphabet.

Through savings groups, we help many communities like Ma Hnin's to improve their incomes by saving regularly and accessing credit services. Members put small amounts of money in a joint savings fund and take turns to borrow if needed, with the credit service earning other members additional income through interest.

Ma Hnin's savings group has proudly used \$1,500 of their savings to help vulnerable people in their community. "[We helped] a kindergarten [receive] nutritious food ... We managed to buy school books and we [helped] so a child could have healthcare," Ma Hnin says.

This budding entrepreneur is "very happy" that she can now pay it forward. And her community is better off with the financial knowhow to support each other for many years to come.

151

savings groups

with 1,579 members
have saved over \$160,000
in Ma Hnin's community

\$1,500

has been given

by savings groups in Ma Hnin's
community to help vulnerable
people with food and medical costs

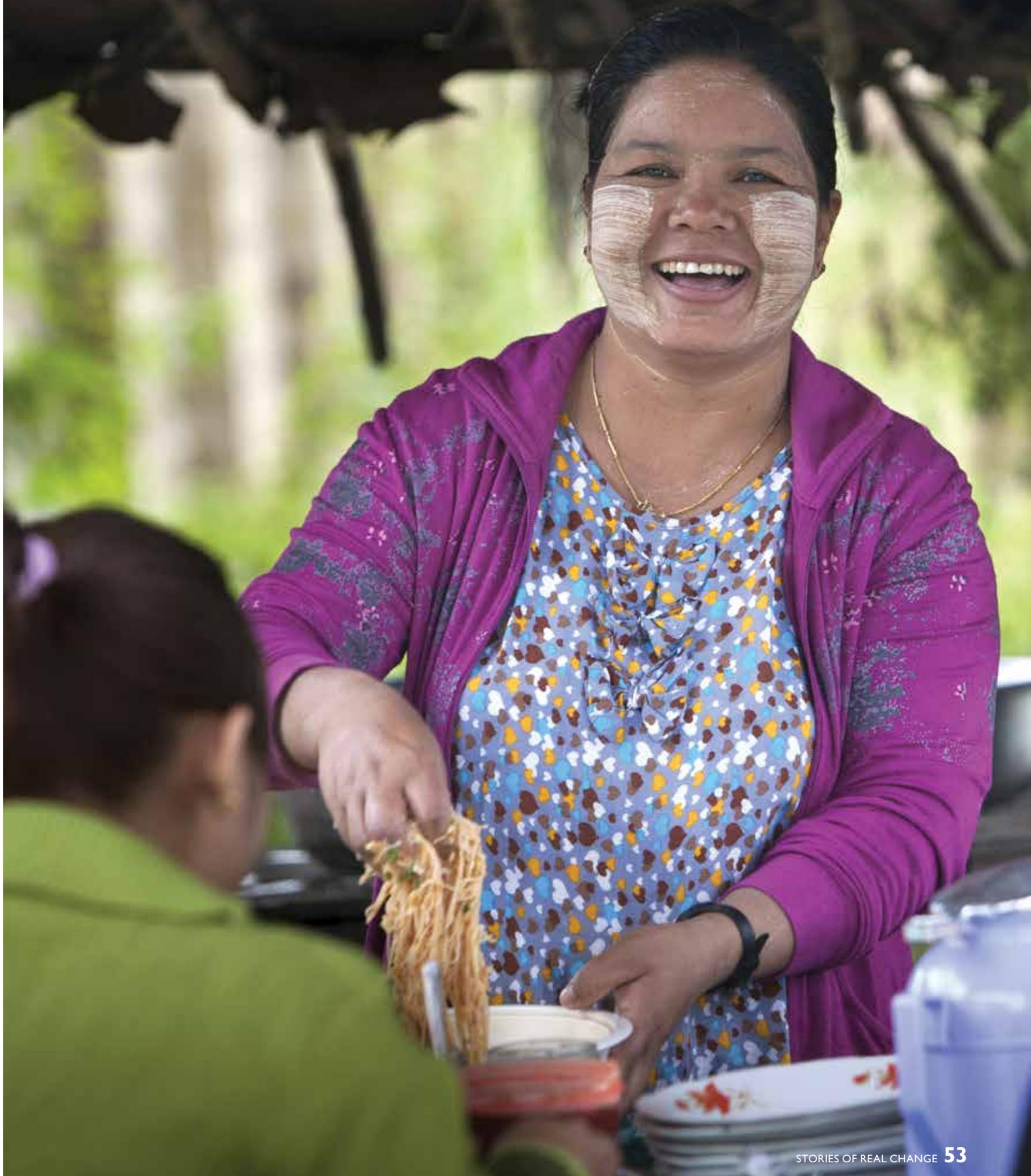
161,000
people

across 20 countries participate in
World Vision savings groups and
have saved over \$4.5 million

"We can rely on each other. I am happy because of this [savings] group ... [My] family is a lot better, we don't have any difficulty. It's very easy to pay [the loan] back."

– MA HNIN HAS BEEN PART OF HER SAVINGS GROUP FOR SEVEN YEARS

With support from her savings group, Ma Hnin is securing her children's future and improving her community. Photo: Khaing Min Htoo/World Vision



Helping Nepal recover and rebuild

In 2015 Nepal was devastated by two powerful earthquakes. The first, measuring 7.8, struck near Kathmandu on 25 April, killing over 8,000 people and injuring more than 22,000. Then on 12 May, a major aftershock with a magnitude of 7.4 killed more than 200 and injured more than 2,500.

Millions lost their homes or livelihoods, or were affected by the destruction of crops and agriculture. Water supply lines were severely damaged, leaving people without clean drinking water and at risk of deadly diseases like cholera, typhoid and dysentery.

Building on our well-established operations in Nepal, we were able to respond immediately and rapidly scale-up activities. In recognition of these capabilities, we were the lead agency among five other Australian agencies to receive \$4 million in emergency relief funds from the Australian Government.

With this grant, and the generosity of our supporters, we have reached over 200,000 people with life-saving assistance.

We have also been working with communities to meet long-term needs and ensure greater resilience to future disasters. This has included:

- training families to build sustainable winter shelters;
- supporting the reconstruction of schools and health facilities;
- rebuilding water systems and household toilets;
- providing hygiene training; and
- improving incomes by rehabilitating irrigation systems, supporting community vegetable gardens and forming savings groups.

Over
\$7 million
raised

by our generous supporters

Over 10,000
children

provided with safe spaces
and temporary learning
centres across the country

100,000
people

provided with clean drinking
water through the construction or
restoration of 22 water systems

“I’m so happy to be back at school. It’s nice to see all my teachers and classmates again.”

– NABINA AND HER SCHOOLMATES HAVE BEEN ABLE TO CONTINUE THEIR EDUCATION AT A TEMPORARY LEARNING CENTRE

Nine-year-old Nabina, left, dreams of becoming an engineer when she grows up so she can build schools and houses. Photo: Crislyn Felisilda/World Vision



Real change is the achievement
of long-term, sustainable value



Community members in Mbeza, Zambia put the finishing touches on their new borehole – part of a World Vision project which has also provided training in hygiene and sanitation. Photo: Collins Kaumba/World Vision



Governance and management

Our Board

Our Board comprises 12 highly qualified individuals who each bring unique expertise and experience relevant to their governance role. Barry Pipella retired in November 2014 after nine years on the Board.

Throughout 2015, George Savvides served as our Board Chair. Short profiles of our Directors in 2015 appear below. More detailed profiles can be found at worldvision.com.au/board. Seak-King Huang continued to serve as Company Secretary throughout 2015.

On the pages following, we provide:

- a summary of our Board's governing principles and our Board Committees (page 60), which outlines how our Board operates;
- an overview of the roles and responsibilities held by each member of our senior leadership team through FY15 (page 61);
- a description of our corporate governance approach (page 63); and
- a description of how we undertake risk management (pages 64-65), covering our enterprise risk management framework, occupational health, safety, security and wellbeing, and our internal audit approaches.



George Savvides

Chair

Managing Director of Medibank Private Limited



Louise Baur

Chair – Australia Program Committee

Member – Audit Committee

Chair of Paediatrics and Child Health, University of Sydney

Associate Dean, The Children's Hospital at Westmead Clinical School, Sydney



Rob Goudswaard

Chair – Audit Committee

CEO, Credit Union Australia Limited



John Harrower

Chair – People, Culture and Remuneration Committee

11th Bishop of Tasmania until September 2015, now Bishop assisting the Primate of the Anglican Church of Australia



Shannon Adams

**Deputy Chair,
Member – Audit
Committee**

Partner, Hunt & Hunt
Lawyers

Board member, World
Vision International



Judy Barraclough

**Member – Audit
Committee**

Head of Strategy,
large education-based
charity



Colin Carter

**Member
– People,
Culture and
Remuneration
Committee**

Adviser with
The Boston
Consulting Group



Tim McCormack

**Member – Audit
Committee**

Professor of Law at the
Melbourne Law School

Adjunct Professor of
Law at the University
of Tasmania Law School

On leave of absence
from September 2015



Fiona Pearse

**Member
– Audit
Committee**

Experienced financial
and commercial
executive and non-
executive director



Donna Shepherd

**Member
– People,
Culture and
Remuneration
Committee**

Director of Creating
Communities Australia

Vice Chairman of
World Vision
International Board



Wendy Simpson

**Member – People,
Culture and
Remuneration
Committee**

Chairman of
Wengeo Group

Chairman of
City to City Australia

Founding Chairman of
Springboard Enterprises
Australia



Bonnie Wurzbacher

**Partnership
Director***

Chief Resource
Development
Officer, World Vision
International

*Primary purpose
is to ensure good
communication and
alignment between us
and the World Vision
International Partnership.

Governance and management *continued ...*

Governing principles

Our Board's Policy Manual sets out the principles as to how our Board conducts its work. The following statement on our Board's governing style details how its roles and responsibilities are discharged:

"The Board will approach its task proactively, rather than reactively, with a style that emphasises longer-term policy, outward vision, encouragement of diversity in viewpoints and strategic leadership. The Board acknowledges and will respect the clear distinction between its role and the role of management, recognising that administrative and operational details are generally management responsibilities. In this spirit, the Board will:

- *enforce upon itself and its members the discipline needed to govern with excellence. Discipline will apply to matters such as attendance, respect for roles, speaking with one board voice and self-policing of any tendency to stray from governance ...*

- *be accountable for competent, conscientious and effective accomplishment of its obligations as the governing body ... It will allow no officer, individual or committee of the Board to usurp this role or hinder this commitment.*
- *monitor and regularly discuss the Board's own process and performance, seeking to ensure the continuity of its governance effectiveness by the selection of capable directors, orientation of directors both before and after election, board training and continuing professional development and education and peer and self-evaluation.*
- *be responsible for its own performance, but seek and encourage assistance from the CEO (and other ... personnel, as relevant), in the Board's pursuit of excellence.*
- *be available to assist in areas where there are individual competencies without usurping the role of management."*

World Vision Australia
Board members.
Photo: Ilana Rose/
World Vision



Board committees

In 2015, our Board was supported by the following Board committees:

- The Audit and Risk Committee, which assists our Board in monitoring and ensuring the integrity of our financial reporting, compliance with legal and regulatory requirements, internal standards (including the code of conduct), policies and expectations of key stakeholders, effectiveness of our internal control and risk management framework, and the effectiveness of the internal and external audit functions. This committee met six times in FY15. Rob Goudswaard was re-appointed Chair of this committee in February 2015.
- The People, Culture and Remuneration Committee, which assists our Board to effectively discharge its responsibilities for monitoring human resources and corporate culture, appointment of our senior leaders and evaluation of our CEO. This committee also assists our Board with respect to Board composition, skills and procedures to maintain a process of continuous improvement. This committee met five times in FY15. John Harrower was re-appointed as Chair of this committee in February 2015.
- The Australia Program Committee, responsible for the governance of program quality in our Australia Program work. This committee met two times in FY15.

You can read more about the work of our Board Committees in our full Corporate Governance Statement at worldvision.com.au/board.

Our senior leadership team

Our senior leaders throughout most of 2015 comprised Tim Costello (Chief Executive Officer) and his direct reports:

- Leigh Cameron (Chief of Staff and Strategy)
- Melanie Gow (Chief Supporter Officer)
- Rebecca Glover (Chief Financial Officer)
- Jenny Ward (Executive Officer)

The functions for which they are responsible are set out opposite.

Jenny Ward resigned in August 2015 and Ross Piper commenced in September 2015 as our Chief Operating Officer.



Tim Costello

Chief Executive Officer



Leigh Cameron

Chief of Staff & Strategy

- Internal Communications
- Corporate Strategy



Rick de Paiva

Chief of Business Development

- Good4Business



Melanie Gow

Chief Supporter Officer

- Supporter Insights & Design
- Church, Corporate & Community
- Government & Multilaterals
- Individual Supporters
- Channels
- Group Portfolio Planning



Rebecca Glover

Chief Financial Officer

- Business Planning & Improvement
- Business Performance
- Financial Operations
- Legal & Governance
- Internal Audit
- Risk
- Procurement



Jenny Ward

Executive Officer

- Field Partnerships (International Programs)
- Australia Program
- Media & Communications
- People & Culture
- Technology & Shared Services
- Group Portfolio Planning
- Property

Dylan Bosco Fernandes was a maths professor before becoming one of our fundraising promoters – a role he describes as “dynamic and exciting”. Photo: Ilana Rose/World Vision



Corporate governance

We understand 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 corporate governance aim is to create long-term, sustainable value for our supporters and other stakeholders, especially those who we serve.

Our Board recognises its role in overseeing the determination and implementation of policies and processes that reflect good corporate governance and understands that these must, like our Core Values (see page 9), inform and guide the attitudes, decisions and actions that make up the fabric of our life and work. We also recognise that this is another area in which we must continuously make improvements by considering, reviewing, testing and changing processes.

The diagram below illustrates our corporate governance environment as one in which the law, industry codes, the expectations of our stakeholders (supporters and those we serve) and Partnership requirements interplay.

We are regulated in the main by the Australian Charities and Not for Profits Commission as a registered charity under the Australian Charities and Not for Profits Commission Act 2012 (ACNC Act). We have continued to be registered as a public corporation limited by guarantee under the Corporations Act. The Corporations Act applies but in a manner modified by the ACNC Act. We also hold tax endorsements and concessions and are therefore also subject to the Income Tax Assessment Act.

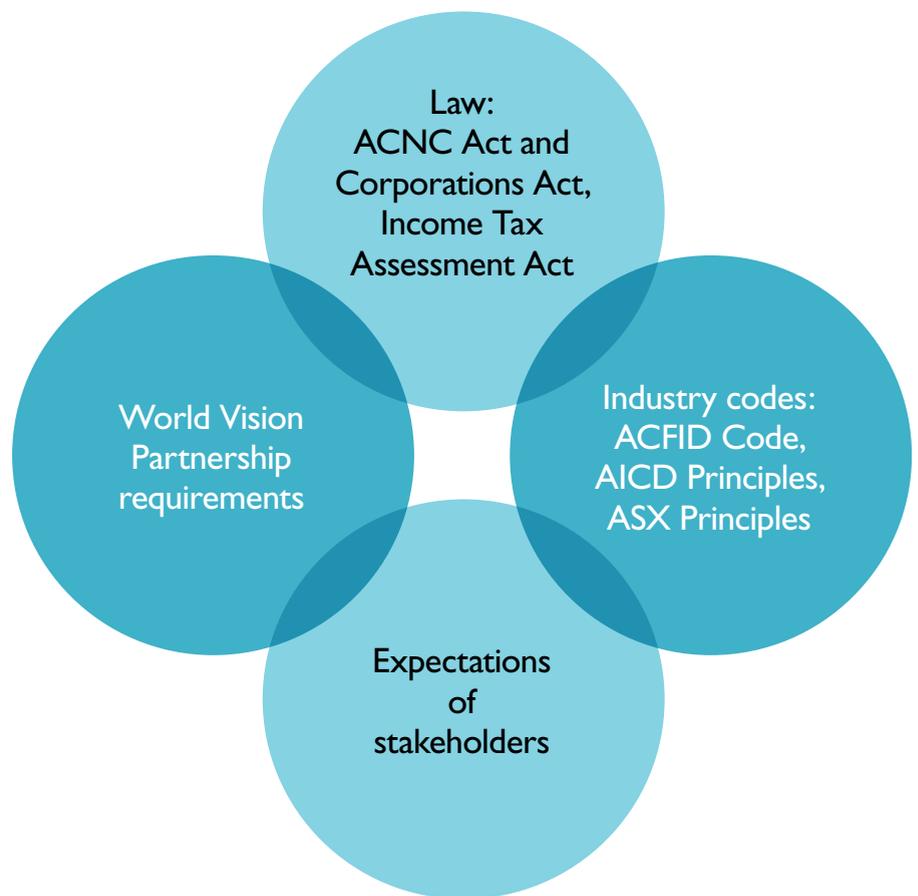
As a signatory to the ACFID Code of Conduct, we are also subject to this code's governance principles and requirements. The code defines minimum standards of governance, management and accountability for non-government organisations and aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations.

We have adopted the Australian Institute of Company Directors' (AICD) "Good Governance Principles and Guidance for Not for Profit Organisations" and the Australian Securities Exchange's Corporate Governance Principles and Recommendations (ASX Principles), applying these insofar as it is sensible and realistic to do so even though we are not a listed entity, taking into account our position as a large, not-for-profit organisation

and with due regard to the scope of our operations and level of donor and public interest. The AICD NFP Principles and the ASX Principles are not incompatible and both apply to us, but the AICD NFP Principles, being focused on not-for-profit organisations, take precedence.

As a member of the World Vision International Partnership, we are also subject to Partnership policies, insofar as they are appropriate under Australian laws. In relation to corporate governance specifically, the Partnership's Corporate Governance Guidelines apply. These guidelines are, by their nature, more specific to entities within the Partnership, including ourselves.

In 2014, we reviewed our Corporate Governance Statement and made changes to recognise the role of the Partnership Director. You can read our full Corporate Governance Statement at worldvision.com.au/board. The statement addresses in detail how we respond to the requirements and principles under relevant laws, industry codes and our own policies as they relate to corporate governance.



Risk management

Enterprise Risk Management

We apply the principles and guidelines of AS/NZS ISO 31000:2009 Standard for Risk Management to our policies and practices. This assists us to integrate risk management into our overall management system. Our existing risk management policies and practices are assessed, and adapted where necessary, for adequacy and effectiveness against the standard.

During 2014, we strengthened our Enterprise Risk Management capability. This involved the establishment of a Senior Management Risk Committee which reports to our Board's Audit and Risk Committee, appointment of a dedicated Risk Management specialist and alignment with the recently updated Enterprise Risk Management Policy and Framework of the World Vision International Partnership. In FY15, we have continued with the implementation of this framework.

Occupational health, safety, security and wellbeing

We operate in a variety of working environments including offices, retail shopping centres, local neighbourhoods, remote Australian communities and communities around the world. All these contexts expose staff (including volunteers) to a unique range of occupational risks.

In 2015 we strove to broaden our existing occupational health and safety program to make it less process-driven and more relevant and responsive to the needs of our staff. This is our journey towards a proactive safety culture, moving beyond basic legal compliance and bringing occupational health and safety into an authentic context of staff care. This change of focus allowed us to engage both leadership and employees in safety initiatives and to share accountability for managing the risks associated with the important work we perform.

The first step was to work with senior leadership to develop a clear vision for safety:

With this guiding vision in mind, we developed an ambitious plan of works and managed to achieve the following aims:

- prepare a campaign to increase safety awareness, visibility and engagement;
- update hazard profile and activate risk management process;
- develop an induction program aligned with the new vision and incorporating main hazards;
- address overlap and ownership between safety and property regarding safety matters;
- develop metrics to be reported to the Board and senior leadership team;
- define safety roles and responsibilities for various levels of the organisation;
- develop a strategic plan to address work-related stress; and
- continue to develop and streamline the medfit program to ensure that employees are fit for deployment.

Safety vision:

Shared accountability for managing risks, looking after each other and ourselves so that safety is embedded in the fabric of how we work.

A safe and engaging workplace where we are valued, protected and supported to maintain health and wellbeing so that we can achieve our primary mission of alleviating poverty and its causes.

Internal Audit

Our Internal Audit function operates under a charter mandated by our Board's Audit and Risk Committee.

Its purpose is to:

- provide independent objective assurance to our Board that the components of internal control are operating effectively and as they are intended; and
- assist our CEO and senior leadership team in effectively discharging their responsibilities to our Board in the areas of risk management and internal control while supporting improvements to overall business process.

The function operates with independence, authority and accountability as determined by our Board's Audit and Risk Committee.

- It complies with professional standards and good corporate governance principles. It is independent of our other activities and processes, as well as the staff that it reviews, in order to perform its duties and report results objectively.
- It reports functionally to the Chair of our Board's Audit and Risk Committee and administratively through our CFO. It has no direct authority or responsibility over any activities that could be subject to audit.

A fuller explanation of our risk management approach can be found in our full Corporate Governance statement available at worldvision.com.au/board.

Our staff and volunteers

Employee engagement and retention

We aspire to offer employees a great employment experience. We believe this is created when employees feel a connection to our cause, have an opportunity to learn and do something with it and can contribute to real impact for the children and communities we serve around the world.

To monitor our “employment experience” we use an employee engagement survey. This is also used throughout the Partnership, to understand staff satisfaction and develop initiatives to ensure we have a workplace where employees want to stay and where they will strive to do their best for our supporters and the people we serve. Over FY15 our employee engagement levels and employee turnover levels have remained flat (69% engagement) while voluntary turnover is reducing (from over 19% in 2013 to 15.9% in 2015).

We use our engagement survey, pulse checks and individual performance and development plans, as well as employees’ regular one-on-one discussions with their manager, to proactively manage positive employee and manager relationships, as well as retention. We encourage a cross-skilled workforce where employees can gain experience and skills within the organisation through secondment and short-term opportunities. We encourage ideas through our Innovation Hub and other programs designed to challenge the status quo.

Ways of working

One of the key areas of focus for management during FY15 was to improve collaboration across teams and departments in order to deliver outcomes. Over the past three years we have increasingly been using Agile Project Management ways of working. In 2015 the Transformation Program Office was also established to enable more collaboration, connection and consistency for major projects currently in progress. This has resulted in better communication between project leaders, more effective leveraging of resources and better project outcomes and decision making.

In mid-November 2015, we announced a streamlining of our operations in a major transformation aimed at greater supporter engagement and more efficient use of resources in response to changing market conditions. As part of the first phase of the transformation process, we reduced staff numbers by 89.

| | 2015 | 2014 | 2013 |
|---------------------|-------|--------|--------|
| Board members | 12 | 13 | 12 |
| Total employees | 652 | 628 | 609 |
| Full-time employees | 543 | 515 | 494 |
| Part-time employees | 109 | 113 | 115 |
| Staff turnover rate | 15.9% | 17.04% | 19.38% |
| Hours volunteered | - | 65,964 | 58,375 |

| | Male | Female |
|------------------|------|--------|
| Board members | 6 | 6 |
| Employees | | |
| Full time | 231 | 312 |
| Part time | 12 | 97 |

| | Percentage of employees |
|----------------|-------------------------|
| Under 21 years | 0% |
| 21 to 30 years | 19.48% |
| 30 to 40 years | 40.49% |
| 40 to 50 years | 25.15% |
| 50 to 60 years | 12.42% |
| over 60 years | 2.45% |

Volunteers

We greatly value the contribution of our volunteers in FY15. The range of volunteering roles continues to be spread right across the organisation, including:

- office-based volunteers across all our offices
- corporate partner volunteers (through their employer annual community/volunteer day)
- pro-bono consultants
- event and campaign volunteers
- advocacy volunteers (VGen and Vision Artist programs)
- community fundraising group volunteers
- Youth Ambassadors

Verna Scott, one of our dedicated and long-serving volunteers. Photo: Ilana Rose/World Vision



Environmental management

We are committed to improving our environmental performance and reducing our contribution to climate change and environmental degradation.

Since 2008, we have considered the extent of our carbon footprint by measuring a selection of key activities and consumption items which have the most significant environmental impact: electricity, air travel (fuel only), paper, car fleet and gas.

We have set a target of zero emissions by 2017 for these key indicators and committed to reducing emissions and purchasing carbon offsets where emissions cannot be sufficiently reduced to meet our yearly reduction target. In 2007, we expected to be able to reduce our carbon footprint to below 5,200 tonnes CO₂e (carbon dioxide equivalent) per annum before purchasing carbon offsets, which we have achieved consistently since 2011.

We continue to integrate our carbon reduction strategy with our core development programs. We have a reforestation project and an energy-efficient stoves project in Africa, both of which incorporate carbon emission reductions that form the basis of certifiable emission reduction units under the Clean Development Mechanism of the Kyoto Protocol. This year, we were again able to purchase carbon emission offsets from our reforestation project in Soddo, Ethiopia. More information about this project can be found at worldvision.com.au/environmentalregistry.

Results from our carbon footprint reduction initiative

The data in the table below has been independently verified by PricewaterhouseCoopers. The independent verification statement is available on our website at worldvision.com.au/carbon-footprint-2015.

The table shows the number of tonnes of CO₂e emitted under each key activity during the 2015 financial year compared with the previous two years.

Total emissions before offsets decreased by 567 tonnes CO₂e. Gas consumption decreased as a result of head office boilers no longer being required to operate at full capacity. The car fleet reduction resulted in a decrease in petrol consumption. Electricity consumption decreased due to Burwood head office reducing facility operation hours.

| Key activities measured (tonnes CO ₂ e) | FY15 | Restated ⁴ FY14 | FY13 |
|---|--------------|-------------------------------|--------------|
| Electricity ¹ | 2,074 | 2,301 | 2,238 |
| Paper | 243 | 382 | 405 |
| Air travel (fuel only) ² | 1,111 | 1,270 | 1,382 |
| Gas | 192 | 215 | 128 |
| Car fleet | 151 | 170 | 161 |
| Total emissions before offsets | 3,771 | 4,338 | 4,314 |
| Offsets | FY15 | Restated ⁴ FY14 | FY13 |
| Gold Standard offsets purchased | | | |
| Gold Standard offsets purchased from World Vision programs ³ | (1,315) | (3,473) | (1,657) |
| FY14 overstatement | 0 | 1,128 | - |
| Credit for FY14 overstatement ⁴ | (1,128) | - | - |
| Total emissions after offsets | 1,328 | 1,993 | 2,657 |
| Target | 1,328 | 1,993 | 2,657 |

Notes:

1. Australian National Greenhouse Accounts factors changed during the year and the conversion factors published in August 2015 have been used for this report. FY13 and FY14 results have not been recalculated.
2. The Environment Protection Agency (Victoria) and Department for Environment, Food and Rural Affairs (UK) factors for each particular cabin class increased during FY15 and have been used in this report. FY13 and FY14 results have not been recalculated. Air travel emissions calculations exclude airfares purchased and reimbursed for non-World Vision Australia staff where they have been readily identified.
3. Voluntary Emissions Reductions (VERs) have been purchased from the Forest Finance Group, an accredited independent trader of carbon offsets that are generated from World Vision projects. These VERs have been purchased at market rate to offset 1,315 tonnes CO₂e. The Gold Standard Foundation has certified the VERs.
4. The restatement of the FY14 tonnes of CO₂e associated with paper consumption was due to an error in the source documents provided by the supplier. This resulted in these tonnes of CO₂e being overstated by 1,128. Effects of the error being restated are as follows:

| Key activities measured | Tonnes CO ₂ e | Tonnes CO ₂ e | Tonnes CO ₂ e |
|--|--------------------------|--------------------------|--------------------------|
| Electricity | 2,301 | 2,301 | - |
| Paper | 382 | 1,510 | (1,128) |
| Air travel (fuel only) | 1,270 | 1,270 | - |
| Gas | 215 | 215 | - |
| Car fleet | 170 | 170 | - |
| Total emissions before offsets | 4,338 | 5,466 | (1,128) |
| Offsets | | | - |
| Gold Standard offsets purchased | | | - |
| Gold Standard offsets purchased from World Vision programs | (3,473) | (3,473) | - |
| Total emissions after offsets | 1,128 | 1,993 | (1,128) |
| Target | 1,993 | 1,993 | (1,128) |

We have offset this amount against the FY15 carbon emissions.

**Real change comes through
managing resources carefully
for maximum impact**





Mongolian farmer Munkhjargal works alongside staff member Nasaa in a World Vision greenhouse. Photo: Jon Warren/World Vision

Financial position and performance

Snapshot

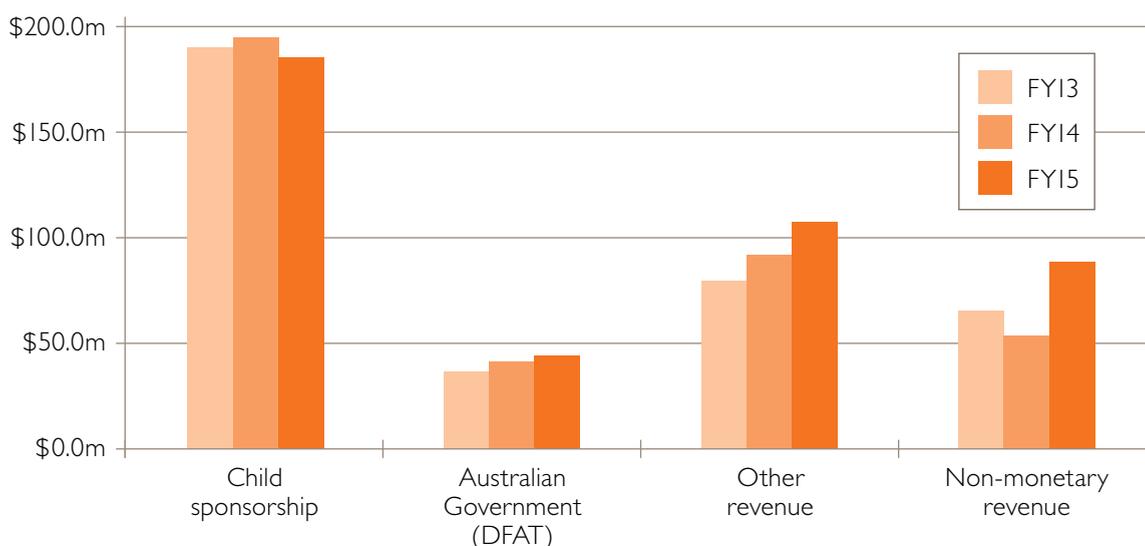
The table below is a snapshot of our income and disbursements over FY15 compared to the previous two years. You can find more details in the extracts from our audited Annual Financial Statements for the year ended 30 September 2015 set out on pages 80-87.

These extracts are set out in the manner required under the ACFID Code of Conduct, to which we are a signatory. Additionally, we are registered with the Australian Charities and Not-for-Profits Commission (ACNC) as a "large charity" and we will be disclosing our financial performance in the 2015 Annual Information Statement, which we will lodge with the ACNC and which will be available via the ACNC's Charity Register (acnc.gov.au).

| Income | FY15 | FY14 | FY13 |
|--|--------------|--------------|--------------|
| | \$m | \$m | \$m |
| Child sponsorship | 183.2 | 192.0 | 189.0 |
| Grants – DFAT | 44.5 | 42.3 | 37.6 |
| Other revenue | 107.5 | 91.3 | 79.3 |
| Cash income | 335.2 | 325.6 | 305.9 |
| Non-monetary donations and gifts | 89.1 | 54.4 | 64.4 |
| TOTAL INCOME | 424.4 | 380.0 | 370.3 |
| Disbursements | FY15 | FY14 | FY13 |
| | \$m | \$m | \$m |
| Fundraising | 60.4 | 57.0 | 50.7 |
| Administration and accountability | 21.8 | 25.4 | 25.3 |
| Overheads | 82.2 | 82.4 | 76.0 |
| International programs: | | | |
| Funds to international programs | 260.9 | 211.9 | 216.8 |
| Program support costs | 7.7 | 7.2 | 8.3 |
| Domestic projects | 4.8 | 5.1 | 4.3 |
| Community education | 0.8 | 1.3 | 3.3 |
| Program disbursements – cash | 274.2 | 225.5 | 232.7 |
| Non-monetary items to international programs | 86.6 | 51.1 | 63.0 |
| Program disbursements | 360.8 | 276.6 | 295.7 |
| TOTAL DISBURSEMENTS | 443.1 | 359.0 | 371.7 |
| SURPLUS/(DEFICIT) | (18.7) | 21.0 | (1.4) |

Income – Our revenue in FY15

The graph below illustrates the three-year history of our income by source.



FY15 and FY14 comparisons:

We experienced growth of 11.7% from FY14 to achieve revenue of \$424.4 million. This growth in revenue needs to be considered in the context of the change to the mix of revenue streams achieved.

Child Sponsorship: It has become evident that there has been a shift in supporter trends, with supporters increasingly looking for more relevant ways of contributing to our work. This has resulted in a 4.6% decline to \$183.2 million in child sponsorship, which has been offset by growth of 17.8% in other revenue (refer below). Whilst there has been a decline in child sponsorship revenue, the number of children sponsored through World Vision Australia's Child Sponsorship program during FY15 remains significant at 323,956, enabling these children, their families and their communities to benefit.

Australian Government (DFAT): Income from Department of Foreign Affairs and Trade grew by 5.2% to \$44.5 million. There has been a shift in the mix of the DFAT grant income earned during the year, with increases in funding for emergency relief work.

Other revenue: This includes non-government grants, emergency relief appeals, other appeals, cash donations and gifts, and investment income. Other revenue increased by 17.8% to \$107.5 million. This is primarily due to increased grants from outside Australia with growth of \$13.5 million (54.2%) to \$38.4 million, coupled with 8.0% growth in appeals, donations and gifts and a strong response to the Nepal Earthquake Appeal.

Non-monetary donations and gifts: This includes donated goods from corporations and overseas donor agencies, and any other non-cash income. In FY15, this category of revenue reached \$89.1 million, an increase of 63.8%. This was primarily due to a marked increase in the receipt of food from the World Food Programme for distribution in emergency and fragile contexts, in turn due to an increasing need to respond to people fleeing from war and conflict zones.

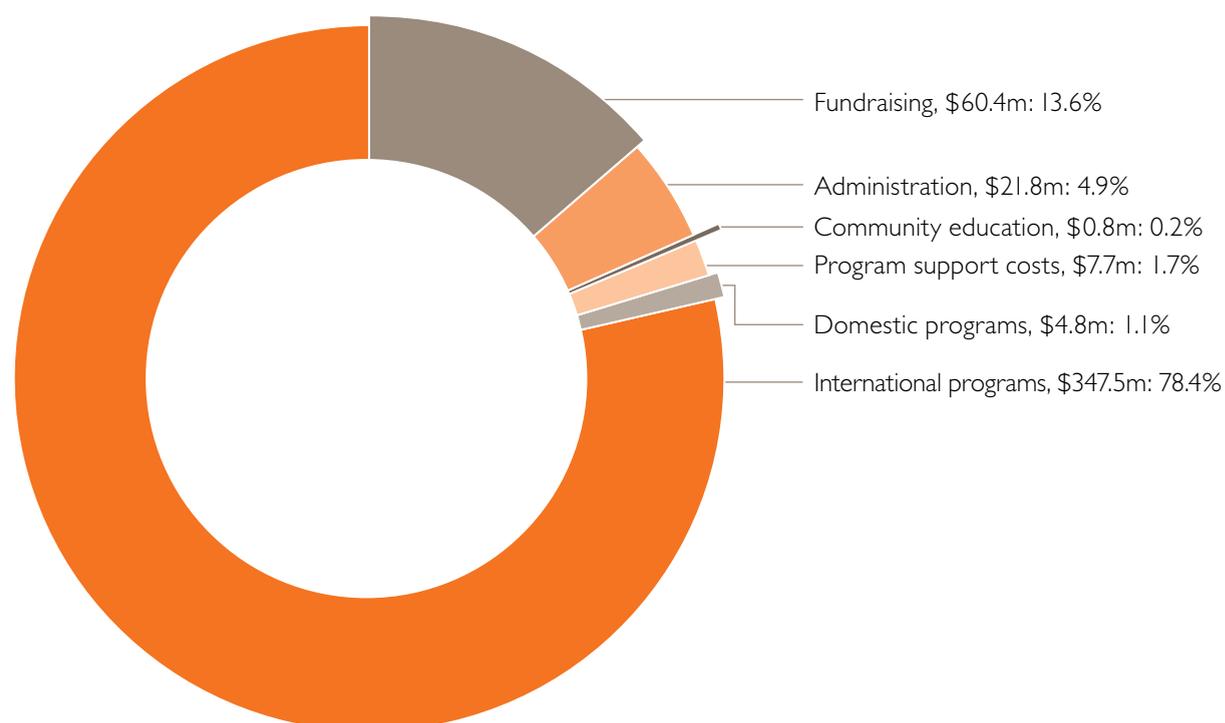
Our Income Statement (extracted from our audited Annual Financial Statements for the year ended 30 September 2015) is set out on page 80-87.

Financial position and performance

continued ...

Disbursements – How funds were used in FY15

Set out below is an illustration of how funds were used in FY15:



And the following show use of funds over FY13, FY14 and FY15:

| | FY15 | FY14 | FY13 |
|-----------------------------------|-----------------|-----------------|-----------------|
| Fundraising | \$60.4m | \$57.0m | \$50.7m |
| Accountability and administration | \$21.8m | \$25.4m | \$25.3m |
| International programs | \$347.5m | \$263.0m | \$279.8m |
| Domestic programs | \$4.8m | \$5.1m | \$4.3m |
| Community education | \$0.8m | \$1.3m | \$3.3m |
| Program support costs | \$7.7m | \$7.2m | \$8.3m |
| Total | \$443.1m | \$359.0m | \$371.6m |



Clean water has made school much more enjoyable for these Ethiopian children. Photo: Aklilu Kassaye/World Vision

Financial position and performance

continued ...

FY15 and FY14 comparisons:

Fundraising: This includes the costs of marketing, creative services and publishing to attract new supporters for our poverty alleviation activities. Fundraising costs decreased from 15% of revenue to 14.2%, reflecting the benefits of the investment made in the year prior into building supporter relationships and tailoring giving solutions that are relevant, meaningful and transformational.

Accountability and administration: This includes the costs of information technology, finance and accounting, human resources, and legal and risk management functions, as well as our CEO and management teams (see page 61 for more information). Tight control of accountability and administration costs ensured a decrease of 14.1% when compared to FY14.

Domestic programs: This includes our disbursements for work in Australia on Indigenous development programs. Funds to domestic programs have decreased by 5.9% to \$4.8 million. We continue to focus on building sustainable economies and improving governance and leadership competencies.

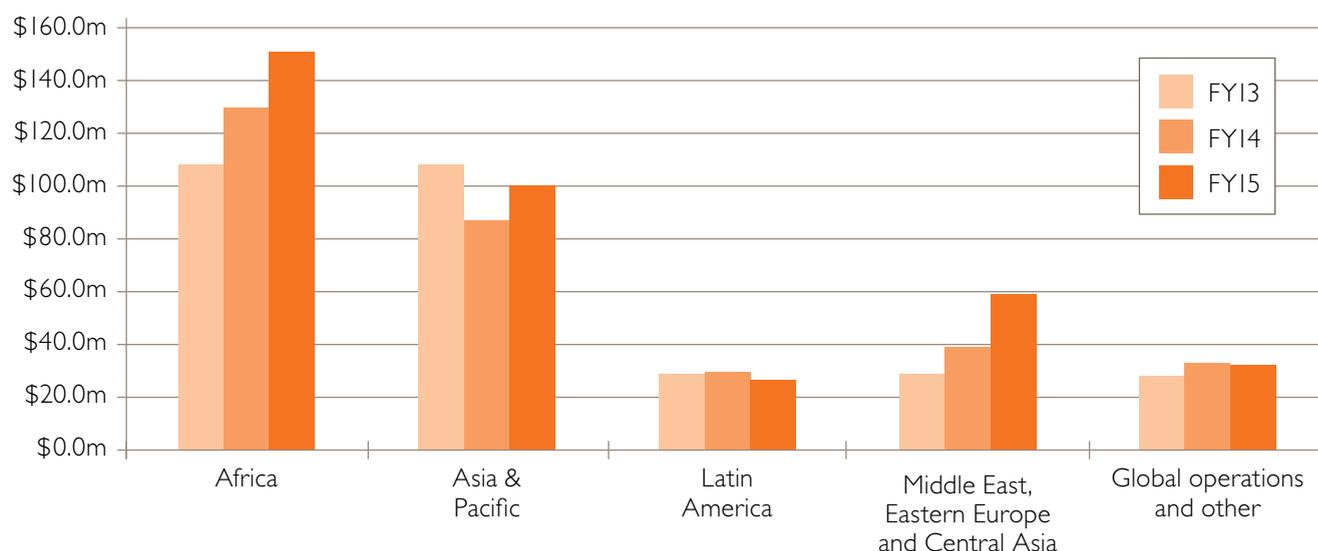
Community education: This includes the costs associated with public awareness campaigns in Australia, and advocacy activities which seek to bring about change in government and institutional policies. In FY15, community education expenses decreased by 38.4% to \$0.8 million. This is due to the continued effort to align our fundraising activities with building supporter relationships and providing context for a broader understanding of poverty and its alleviation.

Program support costs: This includes costs associated with quality advisors and sector specialists, who are engaged by us in Australia to assist with the design, monitoring and evaluation of the programs we support to ensure maximum impact. A small investment of 6.9% has been made in this area.

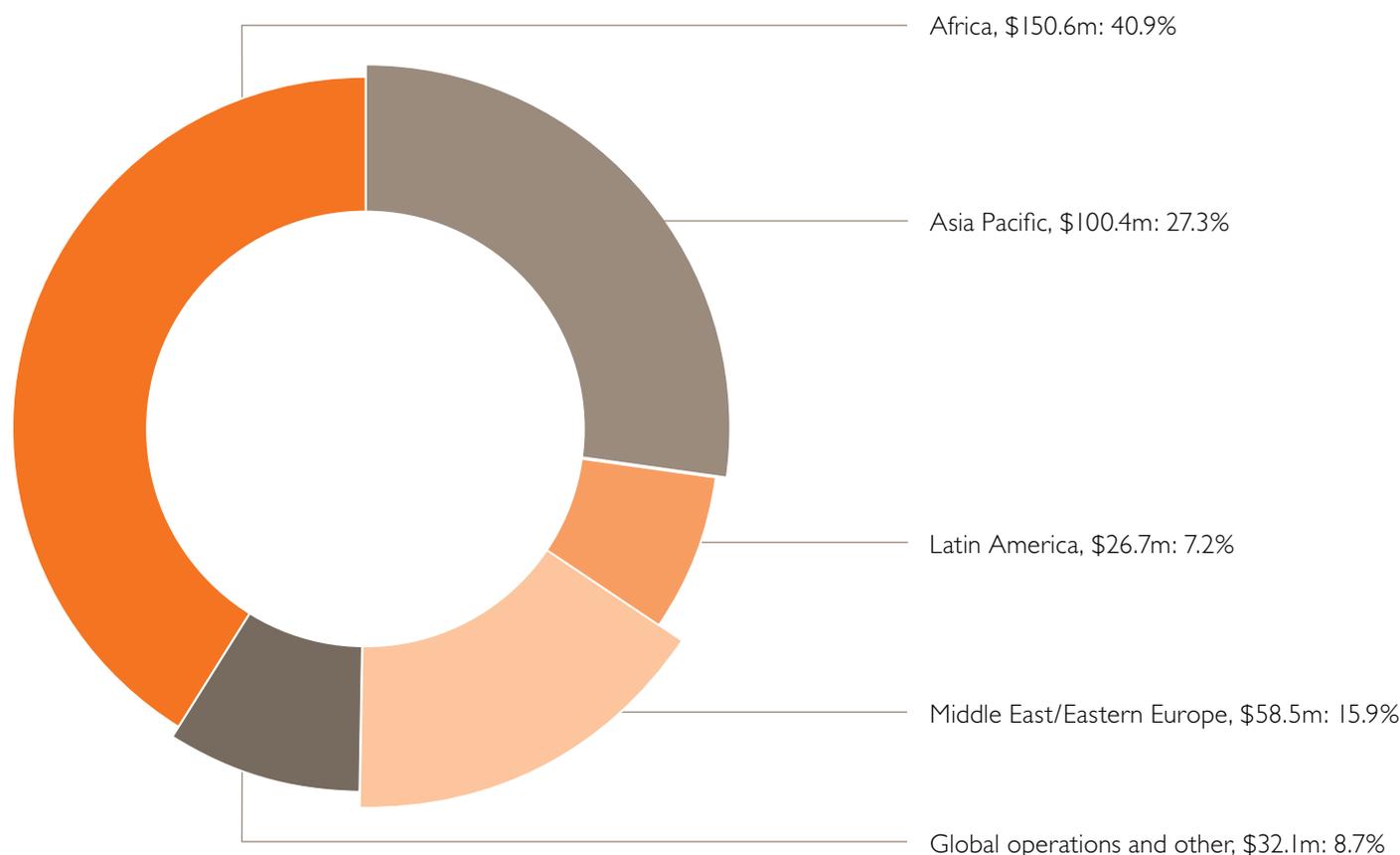
Funds to international programs: This includes all cash, food (including World Food Programme contracts) and goods (including medicines) designated for our international programs. It also includes funds transferred to the Partnership's Treasury Office and designated for field programs which have not yet been committed to a specific project but will be allocated to projects in future years. Through the generosity of our supporters, we were able to grow our commitment to the field in FY15. Monetary contributions to our mission through overseas projects increased by 23.1% to \$260.9 million, enabling us to meet our commitments to the field in FY15 despite the challenges presented by a weaker Australian dollar. Non-monetary contributions also increased by 69.4% to \$86.6 million due to an increased distribution of food through the World Food Programme in emergency and fragile contexts and distribution of pharmaceutical donations. You can find out more about how funds reach communities on page 35.

Disbursements by regions:

The graph below shows disbursements of cash, food and goods by region in FY15 compared with the previous two years.



This chart shows disbursements by region in FY15.



Information on the amounts disbursed to countries within each of the regions can be found at note five on page 30 onwards in our audited Annual Financial Statements for the year ended 30 September 2015, available on our website (worldvision.com.au/audited-financial-statements-2015).

We have also included in the chart disbursements towards "Global operations and other". These disbursements are for global management and expertise of the World Vision International Partnership and also for the Partnership's international advocacy activities on issues such as debt relief, HIV and AIDs and child rights. As explained on page 34, our programs are implemented via a network of National Offices under the oversight of the Partnership which coordinates activities such as the transfer of funds and strategic operations. Technical experts, strategists and global leaders in the Partnership provide global strategy and specialty expertise. Utilising this expertise and experience enables us to improve our efficiency and maximise economies of scale.

Excess of Expenditure over Revenue:

Overall, total revenue for FY15 was \$424.4 million (FY14: \$380 million), total funds to international and domestic programs was \$265.7 million (FY14: \$217.0 million) and other expenditure was \$177.4 million (FY14: \$142.0 million) resulting in a deficit in FY15 of \$18.7 million (FY14: surplus of \$21.0 million). The deficit in FY15 should be considered in conjunction with the surplus achieved in FY14. As highlighted in our FY14 audited Annual Financial Statements, the \$21m surplus achieved in FY14 was prepositioned by us for field projects to occur in FY15.

Financial position and performance *continued ...*

Ensuring our ability to meet our field program financial commitments

Communities must be able to trust that the time and energy they invest participating in programs will not be wasted because we fail to meet the commitments we have made.

As part of the Partnership's global planning process, we make funding commitments to relief and development programs we will support (international or domestic) approximately three to six months before the start of the next financial year. All funds proposed to be allocated or committed are considered and approved by our Field Allocations Committee, which comprises key employees with responsibility for oversight of the use of funds in all our programs and is delegated authority for this by our Board. Funding decisions are based on criteria such as strategic fit, organisational capacity and budget requirements. Operational audits ensure that our overseas and local partners adhere to our project management standards. This process helps to provide the requisite level of certainty around funding streams for local World Vision offices implementing our programs to enable them to plan appropriately and allocate resources.

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

All overseas projects we support are funded in US dollars. World Vision International enters into foreign exchange purchase contracts on behalf of and following instructions from us to hedge against currency exchange risks.

We are committed to ensuring that funds donated to us are used for the purposes for which they were raised. The only exception to this occurs when circumstances 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 we are forced to withdraw from the project area;
- the relevant community has asked us to leave; or
- we lose confidence that our field partner has capacity to implement projects and account for funds.

When we are unable to use funds donated to us for the purposes for which they were raised, the funds are allocated to areas of similar need. We generally inform our donors of this in general communications about each appeal. Where specific communication is required, the method of communicating will depend on the number of donors affected.

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. In addition to a rigorous internal audit system, our accounts are audited by Grant Thornton Audit Pty Ltd. Our audited Annual Financial Statements are lodged annually with ACNC and ACFID and are available on our website (worldvision.com.au/audited-financial-statements-2015).

Right: Samuel, a Ghanaian father of six, proudly practises Farmer Managed Natural Regeneration. "With World Vision's intervention in my community we get good crop yield ... which we sell to support ourselves," he says. Photo: Nick Ralph/World Vision



Summarised financial report

Extracts from our audited Annual Financial Statements

Set out on the following pages are the following extracted from our Annual Financial Statements for the year ended 30 September 2015:

| | |
|---------------------------------|-------------|
| Declaration by Directors | Page 80 |
| Independent Auditor's Report | Pages 81-83 |
| Income Statement | Pages 84-85 |
| Statement of Financial Position | Page 86 |
| Statement of Changes in Equity | Page 87 |

All amounts are presented in Australian dollars.

You can find a full version of our audited Annual Financial Statements for the year ended 30 September 2015 on our website (worldvision.com.au/audited-financial-statements-2015). This will also be lodged with ACNC and ACFID.

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 fall due; and
- (b) The financial statements and notes set out on pages 11 to 48 have been prepared in accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 September 2015 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 Australian Charities and Not-for-profits Commission Regulation 2013.



Chairman



Director

Melbourne
November 2015

Independent Auditor's report

To the Members of World Vision Australia

We have audited the accompanying financial report of World Vision Australia (the "Company"), which comprises the statement of financial position as at 30 September 2015, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

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 Australian Charities and Not-for profits Commission Act 2012. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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. Those standards require us to 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 Company's preparation of the financial report that gives a true and fair view 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 Company'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion:

- a the financial report of World Vision Australia is in accordance with the Australian Charities and Not-for profits Commission Act 2012, including:
 - i giving a true and fair view of the Company's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.



Six-year-old Chania, from Burundi. With support from our sponsorship program, and a goat from the World Vision Gifts catalogue, Chania's family has plenty of reason for hope. Photo: Robert Coronado/World Vision

Summarised financial report *continued ...*

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 2015, and the income statement, statement of comprehensive income, statement of changes in equity and table of cash movement for designated purposes as disclosed in Note 18(c) for the year ended on the 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 the 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 2015 complies with section C.2.2 of the *Australian Council for International Development (ACFID) Code of Conduct*.

I, Eric Passaris, am currently a member of the Institute of Chartered Accountants in Australia and my membership number is 78720.

Grant Thornton Audit Pty Ltd was the audit firm appointed to undertake the audit of World Vision Australia for the year ended 30 September 2015. I was responsible for the execution of the audit and delivery of our firm's audit report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 26 November 2015

Summarised financial report *continued ...*

Income Statement for the year ended 30 September 2015

| | FY15 | FY14 |
|--------------------------------|----------------|----------------|
| REVENUE | \$'000 | \$'000 |
| Donations and gifts | | |
| Monetary | | |
| - Pledge programs | 191,998 | 201,182 |
| - Appeals, donations and gifts | 54,242 | 50,238 |
| Non-monetary | | |
| - Donated goods and assets | 16,544 | 9,790 |
| - Grants (multilateral) | 72,596 | 44,615 |
| | 335,380 | 305,825 |
| Bequests and legacies | 3,521 | 4,107 |
| Grants | | |
| - DFAT | 44,483 | 42,340 |
| - Other Australian | 202 | 688 |
| - Other overseas | 38,394 | 24,900 |
| | 83,079 | 67,928 |
| Investment income | 1,059 | 1,417 |
| Other income | 1,328 | 728 |
| TOTAL REVENUE | 424,367 | 380,005 |

| | FY15 | FY14 |
|---|-----------------|----------------|
| EXPENDITURE | \$'000 | \$'000 |
| International aid and development programs expenditure | | |
| <i>International programs</i> | | |
| - Funds to international programs | 260,866 | 211,895 |
| - Program support costs | 7,705 | 7,191 |
| | 268,571 | 219,086 |
| Community education | 832 | 1,348 |
| Fundraising costs | | |
| - Public | 58,277 | 55,609 |
| - Government, multilateral and private | 2,123 | 1,404 |
| Accountability and administration | 21,845 | 25,421 |
| Non-monetary expenditure | 86,637 | 51,063 |
| Total international aid and development programs expenditure | 438,285 | 353,931 |
| Domestic programs expenditure | 4,768 | 5,071 |
| TOTAL EXPENDITURE | 443,053 | 359,002 |
| Excess/(shortfall) of revenue over expenditure | (18,686) | 21,003 |

The adjacent Income Statement should be read in conjunction with the accompanying notes which can be found in the full version of our audited Annual Financial Statements for the year ended 30 September 2015 on our website (worldvision.com.au/audited-financial-statements-2015).

Note: For the purposes of the ACFID Code of Conduct, at the end of 30 September 2015 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.

Summarised financial report *continued ...*

Statement of Financial Position as at 30 September 2015

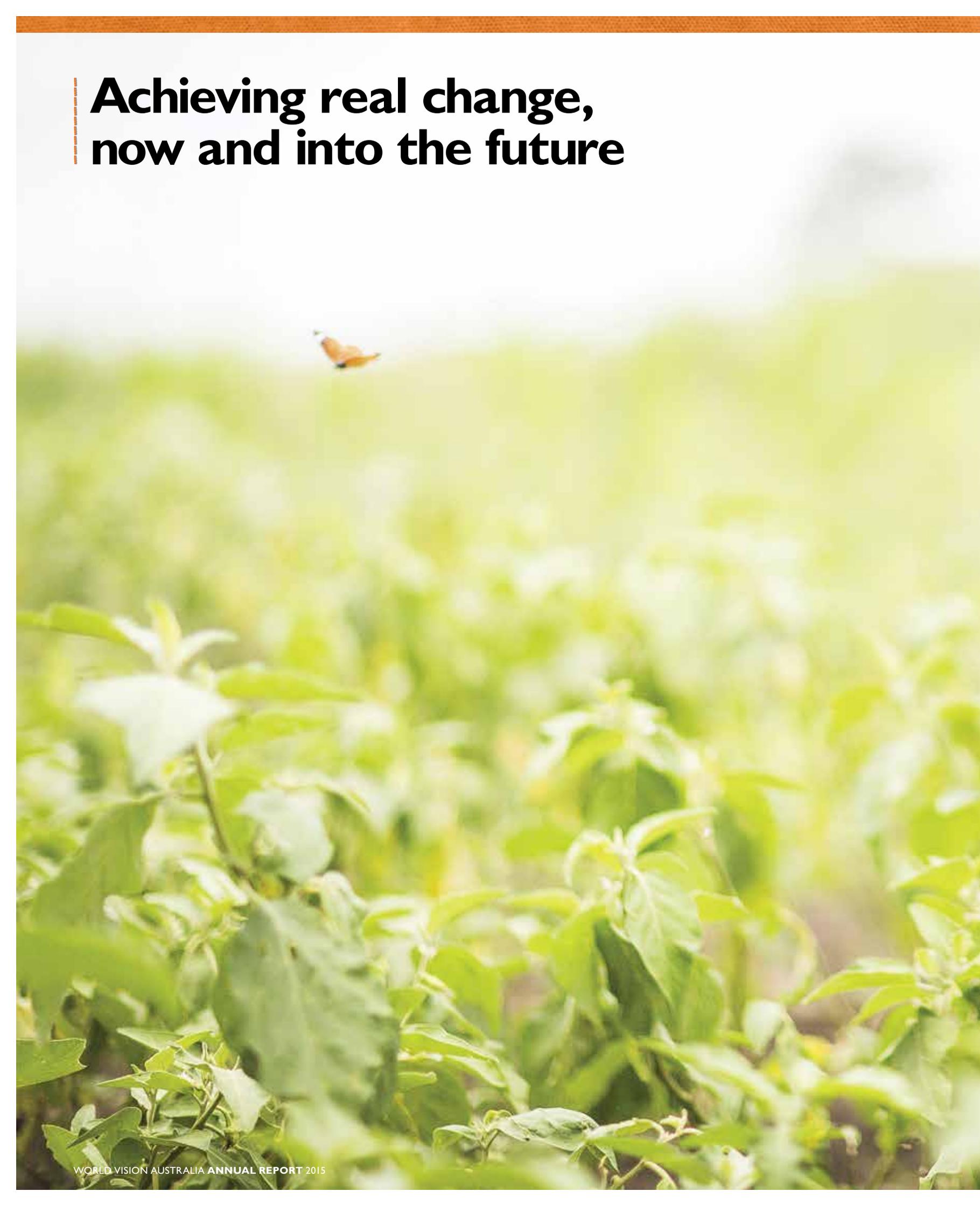
| | FY15 | FY14 |
|---|---------------|---------------|
| REVENUE | \$'000 | \$'000 |
| ASSETS | | |
| Current assets | | |
| Cash and investments | 25,004 | 47,973 |
| Receivables | 2,278 | 2,310 |
| Financial assets | 60 | 62 |
| Inventories | 66 | 16 |
| Donated goods | 6,031 | 3,672 |
| Unrealised currency hedge receivable | 14,130 | 5,810 |
| Total current assets | 47,569 | 59,843 |
| Non-current assets | | |
| Property, computer hardware and equipment | 20,521 | 21,505 |
| Intangibles | 5,086 | 3,419 |
| Total non-current assets | 25,607 | 24,924 |
| TOTAL ASSETS | 73,176 | 84,767 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 4,825 | 6,888 |
| Provisions | 7,021 | 6,260 |
| Total current liabilities | 11,846 | 13,148 |
| Non-current liabilities | | |
| Provisions | 1,283 | 1,206 |
| Total non-current liabilities | 1,283 | 1,206 |
| TOTAL LIABILITIES | 13,129 | 14,354 |
| NET ASSETS | 60,047 | 70,413 |
| EQUITY | | |
| Reserves | 14,130 | 5,810 |
| Retained earnings | 45,917 | 64,603 |
| TOTAL EQUITY | 60,047 | 70,413 |

The adjacent Statement of Financial Position should be read in conjunction with the accompanying notes which can be found in the full version of our audited Annual Financial Statements for the year ended 30 September 2015 on our website (worldvision.com.au/audited-financial-statements-2015).

Statement of Changes in Equity for the year ended 30 September 2015

| | Reserves | Retained earnings | Total |
|---|----------------|-------------------|-----------------|
| | \$'000 | \$'000 | \$'000 |
| Balance at 1 October 2013 | 6,996 | 43,600 | 50,596 |
| Excess of revenue over expenditure | - | 21,003 | 21,003 |
| Other comprehensive loss for the year | (1,186) | - | (1,186) |
| Total comprehensive income/(loss) for the year | (1,186) | 21,003 | 19,817 |
| Balance at 30 September 2014 | 5,810 | 64,603 | 70,413 |
| Shortfall of expenditure over revenue | - | (18,686) | (18,686) |
| Other comprehensive income/(loss) for the year | 8,320 | - | 8,320 |
| Total comprehensive income/(loss) for the year | 8,320 | (18,686) | (10,366) |
| Balance as at 30 September 2015 | 14,130 | 45,917 | 60,047 |

The adjacent Statement of Changes in Equity should be read in conjunction with the accompanying notes which can be found in the full version of our audited Annual Financial Statements for the year ended 30 September 2015 on our website (worldvision.com.au/audited-financial-statements-2015).

A photograph of a lush green field with a butterfly in flight. The butterfly is orange and black, flying in the upper left quadrant of the image. The field is filled with green plants, and the background is a soft, out-of-focus green. The overall scene is bright and natural.

Achieving real change, now and into the future



Irene and her one-year-old grandson Hector benefit from World Vision's work in Zambia to improve health, nutrition and education for generations to come. Photo: Alexander Whittle/World Vision

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South Australia Office

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Adelaide SA 5000
Telephone: (08) 8238 4600

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we're for
Australian Aid

The Campaign for Australian Aid is a joint initiative of the Make Poverty History and Micah Challenge coalitions, for all Australians who believe we can and should do more as a nation to end extreme poverty around the world.