

World Vision

Our world of change



Annual Report 2016



World Vision Australia

ABN 28 004 778 081

I Vision Drive
Burwood East Victoria 3151

Incorporation and charitable status

Public company limited by guarantee under the Corporations Act from 19 June 1960. 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. →☰ 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:

Supporter Services

I Vision Drive
 Burwood East Vic 3151

Feedback will be acknowledged and a 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. →☰

About this Annual Report

This Annual Report covers our activities and performance for the period 1 October 2015 to 30 September 2016, our financial year.


It 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.

This Annual Report has been prepared to respond to specific legal requirements and the ACFID Code of Conduct. We encourage you to read this Annual Report together with the most recent Accountability Report of the World Vision International Partnership. →☰ 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.

Contents

Vision	04	Impact	023	Progress	039
Our Chair and CEO	05	Case studies		Financial position and performance	039
Our organisation, values and mission	06	Fighting for child rights	024	Our revenue in FY16	040
Change makers	08	Bringing health services closer to communities	025	Disbursements – How funds were used in FY16	041
Meet the change makers	09	Chickens in Chihota	026	Summarised financial report	045
Strategy	012	Investing in the early years	027	Independent Auditor's report	046
Long-term aspirational goals	013	Empowering women for community change	028	Income Statement	048
How we performed to our strategy in 2016	014	Building peace in war torn lives	029	Statement of Financial Position	049
Collaboration	016	Leadership	030	Statement of Changes in Equity	050
Working and funding through the World Vision International Partnership	017	Our Board	031		
Our evaluation approach	018	Governance and management	032		
Our global footprint	019	Corporate governance	033		
		Risk management	034		
		Our people	035		
		Environmental management	037		

 Click to read more when you see this icon.

World Vision

A group of smiling women in traditional African attire dancing outdoors. The women are wearing colorful, patterned skirts and blouses. They are in a line, some with their hands on their hips, and they appear to be in the middle of a dance or celebration. The background shows green trees and a clear blue sky.

Vision

Without a destination, it's easy to get lost. Where are we heading?
Towards a better and fairer world for children.

In Zambia, Esmart and the other members of her savings group celebrate together.

Our Chair and CEO



George Savvides
Chair

During 2016 we streamlined our operating model, reduced costs, maximised our commitment to field programs and provided relief in the ongoing refugee crisis. We thank supporters for partnering with us in this important work.

After 13 years Tim Costello felt it was time for a new leader, and the Board searched for a candidate with the heart and capacity to take the organisation into the future. We appointed Claire Rogers as our new CEO, commencing November 2016.

The former Head of ANZ Australia's Digital Banking, Claire has demonstrated innovative leadership in corporate settings and not-for-profit roles. Claire's expertise, faith, and passion for the world's poor made her an ideal choice to lead World Vision Australia through the next stage of our development including digital transformation.

We're fortunate to retain Tim as Chief Advocate, to continue building stakeholder relationships, visit the field and give his formidable voice to the voiceless.

I am excited that this transition to Claire Rogers' leadership provides a strong foundation for the organisation's future and our work in support of sustainable development in the communities we serve. In closing I would like to thank Tim Costello for his inspiring leadership of the organisation and the way he worked with the Board in the transition arrangements prior to the appointment of our new CEO Claire Rogers. I wish to also thank my fellow Board members including the CEO search committee who have put in many more volunteer hours to a smooth leadership transition.



Claire Rogers
Chief Executive Officer

Upon commencing as CEO of World Vision, "hope" was the word I kept encountering. Hope – for the world's most vulnerable, for growth in both our resources and impact. I've learned that our brand, the cross within the orange triangle, brings hope to children across the globe.

On my trips to Myanmar, Colombia and Sri Lanka, I've witnessed the quality, design and tangible impact of our programs. Most impressive of all is the built-in sustainability of our program model so that when we leave, communities can maintain those changes independent of us. All of this is thanks to our hardworking employees, partners and committed supporters.

Expectations and market demands shift and so our focus must be to keep improving. I am confident that we are continuing to build a community of change makers here in Australia and globally.

Over the course of the past year, World Vision Australia's revenue has continued to increase, from \$424.4 million in 2015 to \$435.1 million in 2016, an increase of 2.5 percent. Our costs decreased by three percent from 2015 to 2016, reflecting the impact of the streamlining of operations implemented to improve the funds remitted to the field. Our cash grant income grew by 3.9 percent to \$86.3 million due to increased opportunity and success in securing numerous grants for both long-term development and relief responses, deepening our focus in a range of areas.

It is my hope that with the support of our partners, donors and supporters we will see our impact strengthen, continue to drive global development excellence, grow and transform digitally and share with you how together we make great change possible.

Our organisation, values and mission

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.

As a Christian organisation, our mission is to attract and engage supporters to eliminate poverty and its causes amongst the children and communities we serve around the world.

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. →





World Vision

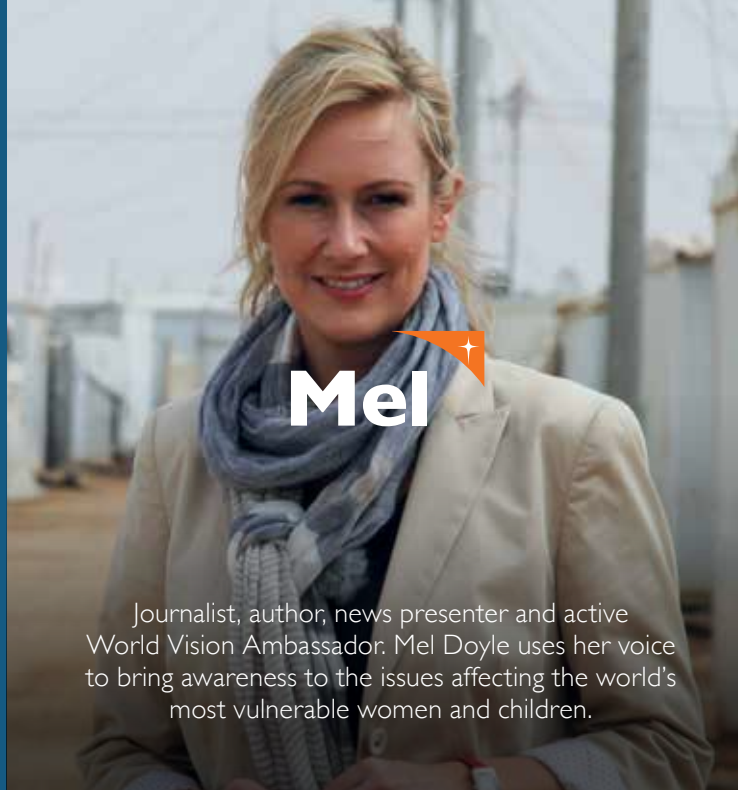
Change makers

Heroes don't always wear capes. But what do they have in common?
They're willing to step up and step out for those in need.

In India, the Udaan Child Protection Committee are leading a movement that's inspiring their community to protect the rights of children and ensuring they can grow up safely.

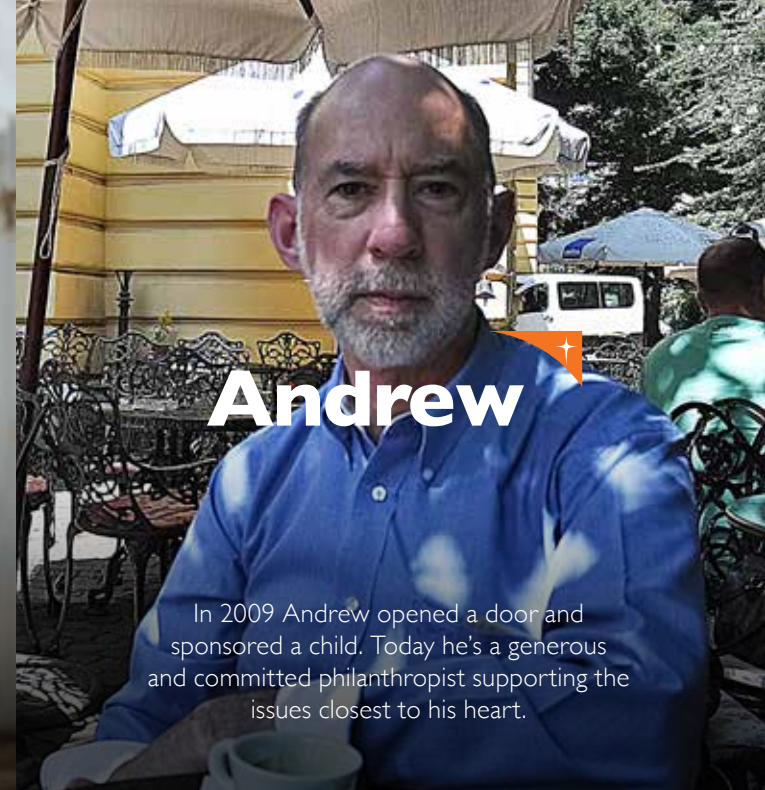
Meet the people who are making it happen.

They're supporters, partners, volunteers, staff, community leaders, kids with a vision. In Australia and around the world, we couldn't do our work without our incredible network of people like this.



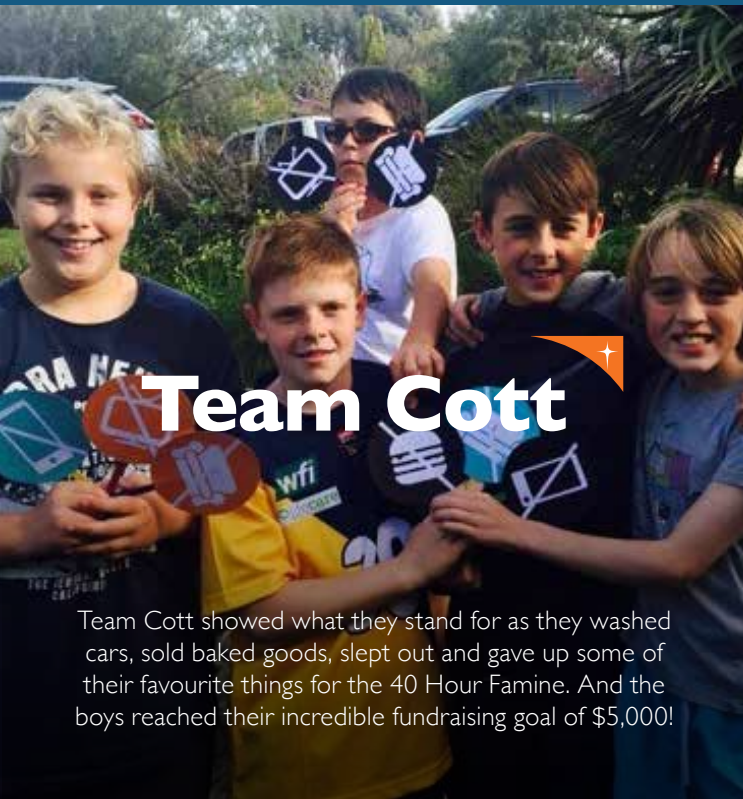
Mel

Journalist, author, news presenter and active World Vision Ambassador. Mel Doyle uses her voice to bring awareness to the issues affecting the world's most vulnerable women and children.



Andrew

In 2009 Andrew opened a door and sponsored a child. Today he's a generous and committed philanthropist supporting the issues closest to his heart.



Team Cott

Team Cott showed what they stand for as they washed cars, sold baked goods, slept out and gave up some of their favourite things for the 40 Hour Famine. And the boys reached their incredible fundraising goal of \$5,000!



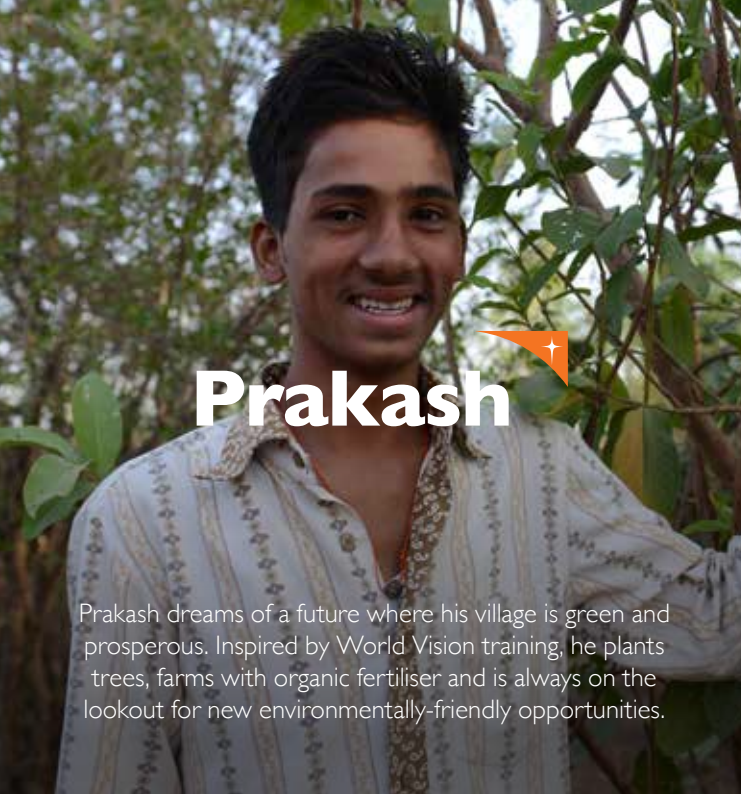
Annila

With her camera and a pen, World Vision communicator Annila documents the joys, challenges and hopes of the people we serve and shares their stories with the world.



Bruderhof

They're constant, generous, deeply engaged with our work. This year our partners in the Bruderhof Christian Community have focused their giving and prayers on investing in the lives of displaced children and families in Syria and Iraq.



Prakash

Prakash dreams of a future where his village is green and prosperous. Inspired by World Vision training, he plants trees, farms with organic fertiliser and is always on the lookout for new environmentally-friendly opportunities.



Janaki

"Knowing that people in my community can earn something and provide for their families makes me very happy." In Sri Lanka, a World Vision loan helped Janaki expand her business and employ 25 local women.



Government and multilaterals

Partners like the Australian Government, European Union, World Food Programme and the Global Fund to Fight AIDS, Tuberculosis and Malaria significantly contribute to our work, providing nearly \$223 million in funding.



Teresa

As the head of a local farmers' group, Teresa takes what she has learned from World Vision and uses it to help people in her community grow better produce and earn a better income.



Wrap with Love

For 12 years, Australian volunteers have been knitting colourful woollen blankets that provide comfort and warmth to children and families around the world.



Jude and Jane

Two incredible Vision Sisters. One Facebook post that sparked an idea. Months of planning and fundraising. One packed-out church hall. The result? Over \$20,000 raised to support mums and babies across the world.



Jetstar

Through the StarKids partnership, Jetstar passengers can donate spare change to help transform their destinations. Since 2007, StarKids has raised more than \$8 million for World Vision projects.



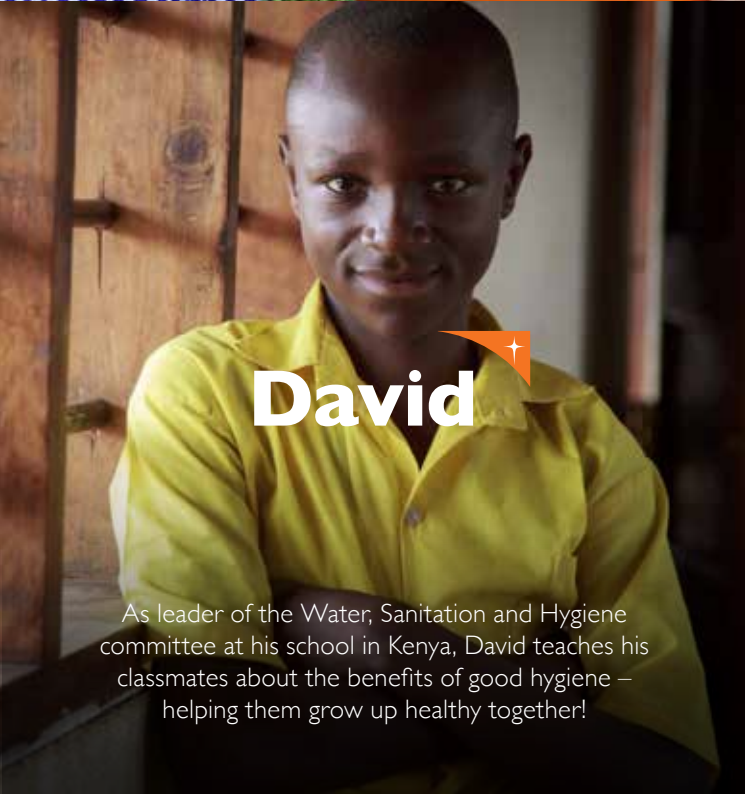
Samantha

In 2016, endurance athlete Samantha Gash ran 3,200km across India to raise funds and awareness in support of children's education – and inspired hundreds of others to take up their own challenge.



Nour

Nour used to teach in Syria before the war. Now she's putting her skills to use in a World Vision project for refugee kids.



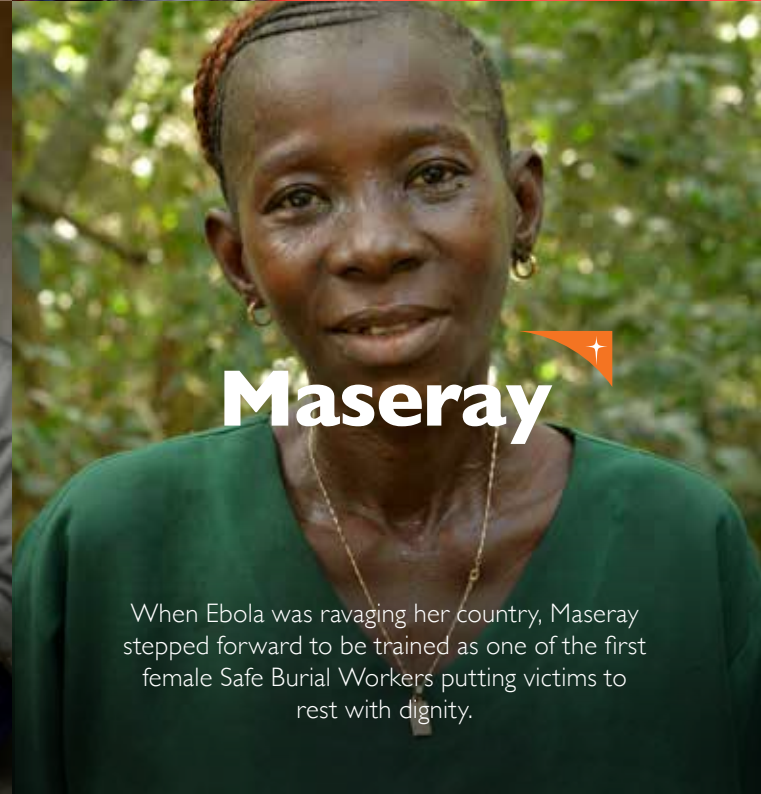
David

As leader of the Water, Sanitation and Hygiene committee at his school in Kenya, David teaches his classmates about the benefits of good hygiene – helping them grow up healthy together!



Platinum Electricians

Platinum Electricians' vision is that as their business grows, so does their impact on the lives of children. Sponsoring over 150 children and raising funds, they're investing in one community to create change that will last for generations.



Maseray

When Ebola was ravaging her country, Maseray stepped forward to be trained as one of the first female Safe Burial Workers putting victims to rest with dignity.

World Vision

A teacher in a white shirt and dark pants stands on the right side of a classroom, pointing at a blackboard. Several children in school uniforms (white shirts and green skirts or shorts) are standing on the left side of the room, looking towards the teacher. The classroom has wooden walls and floors, with several windows in the background. A large orange triangle with a white star is positioned behind the word 'Strategy'.

Strategy

In contexts that are constantly changing, strategy guides our path forward.
It's a clear vision for what long-term success looks like.

A Food for Education program in Myanmar is helping to ensure that Myanin and her classmates have the energy to get the most from their lessons.

In 2012, we set ourselves three long-term aspirational 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 aspirational 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 experiences to our supporters that inspire and delight

Grow resources

Retain, engage and develop our people

Demonstrate effective stewardship

How we performed to our strategy in 2016

Contribute to children's wellbeing

We are contributing to the wellbeing of more children than ever before. In our 2015 report, we estimated that we contributed to the wellbeing of approximately 65.5 million children around the world. Our most recent information shows we have contributed to the wellbeing of an estimated 76.7 million children through our programming and advocacy work.

Our goal is to achieve an accurate indication of impact for our long-term programs, with the most effective resource commitment from our field programming while respectfully involving the communities we serve. After careful consideration, we made the decision that a more robust bi-annual evaluation review of our programs would be the best use of resources to maximise impact. The bi-annual evaluation review has taken effect as of 2015, so the next evaluation review will be available in 2017.

World Food Programme

We had another strong year working with the World Food Programme to assist vulnerable children. In 2016 we reached \$86 million support, combined cash and noncash, from the World Food Programme. Through the partnership we distributed food aid in 16 countries – Afghanistan, Burundi, Central African Republic, Democratic Republic of Congo, Iraq, Jordan, Kenya, Lebanon, Malawi, Myanmar, Somalia, South Sudan, Sudan, Timor-Leste, Uganda and Zimbabwe.

Disaster and conflict response

A number of emergencies occurred in 2016 which required humanitarian aid and assistance.

Syrian refugee crisis

Since 2011, World Vision has provided ongoing assistance to the Syrian refugee crisis response. In 2016, World Vision contributed to the wellbeing of 2.3 million people affected by the crisis, helping them access food, water, sanitation and hygiene services, shelter and emergency supplies such as blankets and warm clothing for winter. World Vision also provides child-focused support, such as safe spaces for children to learn, play and receive other forms of support. Over one million children have benefited from these programs in 2016.

Ebola virus response

From 2014 to 2016 World Vision worked with the United Nations World Health Organization and other agencies to help defeat the outbreak of the deadly Ebola virus, which had infected more than 14,000 people in Sierra Leone and claimed the lives of 3,955 victims, including 945 children.

To stop the spread, World Vision diverted its energy away from the normal work carried out in Sierra Leone, and focused on educating and training healthcare workers, and preventing transmission. A planeload of more than five million pieces of protective clothing and equipment was sent to Sierra Leone very early in the response, to be distributed to health workers across the country to protect them and their patients from infection. World Vision trained hundreds of health workers in prevention and control measures, as well as basic care management. In areas where children were staying home from school to minimise potential exposure to Ebola, World Vision provided home schooling via radio and television to make sure there was as little interruption to their education as possible.

Deliver experiences to our supporters that inspire and delight

In 2014, we made the decision to more deliberately place our supporters at the heart of everything we do, to ensure we better understood and engaged with the 400,000+ Australians who are working with us to positively impact the lives of the most vulnerable around the world.

In 2016, we've focused on improving supporter experiences through all our touch points including our website, call centre and retail. We are working to improve the types of content we can provide to our supporters, helping to bring them closer to the field and the work we're able to do through their generous support. We have now adopted a digitally led approach where we can make use of technology to reach more Australians and provide richer experiences, such as access to videos online and new virtual reality experiences in retail. We see digital content and technology as a critical pillar to our ability to enable our supporters to see the work we do and the impact we can make together.

Grow resources

Our income for the year was over \$435 million, representing an increase of \$11 million from the previous year. While we have grown income, we have seen significant change in our income mix. Child sponsorship income declined from \$186 million to \$175 million between 2015 and 2016, along with a 17 percent decline from other sources such as pledges, emergency relief appeals and cash donations. Our non-cash income grew significantly to over \$120 million for FY16, a 34 percent increase over 2015.

Our technical competence in securing grants continues to improve. We were awarded over \$71 million in grants, a six percent increase on last year's results. We have continued to secure the support of the Australian Government on key grants and we acknowledge the trust that the Australian Government and other donors place in us.

We also continued to focus on diversifying our relationship with grant donors and growing and deepening our relationships with key partners such as EuropeAid, the World Agroforestry Centre (ICRAF), UNICEF, the UN Refugee Agency (UNHCR), the UN Food and Agriculture Organization (FAO) and the Gates Foundation.

Demonstrate effective stewardship

In 2016, we were able to commit over \$354 million to our field programs, a moderate increase of \$4 million since 2015. See pages 40-51 for more information about our income and on how funds were used in 2016.

A key measure to determine if we are being effective stewards of donor funds is our cost-to-income ratio. In 2016, we achieved a cost-to-income ratio of 17 percent, which was a significant improvement over 2015 (21 percent).

World Vision

Collaboration

World Vision is a partnership. Part of a bigger picture, a global movement of supporters, staff and valued partners pitching in to get the job done.

World Vision trained Tigist and her team to drill and build wells, to provide clean water for their community.

Working and funding through the World Vision International Partnership

Our place in the Partnership

Our aid, development and advocacy projects overseas are implemented through the World Vision International Partnership. Our Partnership is dedicated to work with children, families and communities to overcome poverty and injustice, with offices operating in more than 100 countries. Within our Partnership, we are referred to as a “Support Office” because our principal function is to provide support to the National Offices located in countries where World Vision conducts projects.

Typically, we receive a proposal from a National Office to provide support for a project or Area Program (AP). APs, funded through child sponsorship, take place in defined geographical areas and consist of projects that address the specific challenges facing children in their communities. You can read all about the sectoral focus of our work in our FY14 and FY15 Annual Reports. → Our Partnership also includes Regional Offices. A Regional Office is involved if the project spans multiple countries in a region.

We assess the proposal and decide whether 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 and fund the project, we work with the relevant National Office and the local community to design the project, and monitor and evaluate it as it progresses. We also manage the fundraising and marketing activities required to generate financial support for the project. We share responsibility with National Offices for meeting promises to communities and donors, using resources efficiently, and 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 our Partnership.

How funds raised in Australia reach communities we serve

The World Vision Australia Treasury and Investment Policy governs the objectives, responsibilities, processes and permitted activities of our investment function. The policy sets out how assets will be invested in accordance with World Vision ethos and core values considering fiduciary requirements, applicable laws and liquidity requirements.

Funding for our projects overseas is susceptible to the fluctuation of foreign exchange rates. As such, we have currency forward contracts in place to minimise our exposure to foreign currency fluctuations. Our funds are transferred by us to the World Vision Partnership Treasury Office via settlement of the currency forward contracts. World Vision's Treasury Office then provides these funds to field projects based on approved plans.

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 at least eight weeks' operating expenditure is retained as a working capital reserve.



Our evaluation approach

Evaluations enable improvement and innovation

All World Vision projects and programs funded by World Vision Australia undergo regular monitoring and evaluation to measure progress and results, helping us to further improve programming and allowing us to report on progress to our supporters. We use a range of indicators, including a globally standardised set of child wellbeing indicators, indicators relevant to the design of the intervention and indicators required by donors of grant funded projects.

In 2016, understanding the impact of our priority program models and identifying evidence gaps related to those models was a priority for our Evidence and Learning Team. As a result, Evidence Gap Analyses were developed for three of our program models: Farmer Managed Natural Regeneration (FMNR), Business Facilitation and Local Value Chain Development (LVCD).

The following four pages showcase the projects World Vision Australia supported in FY16.

Divestment note:

World Vision has initiated a process to consolidate its field footprint over the next two years. This will see us transition supporters out of a number of communities where we will no longer be working. This consolidation is driven by three factors:

Our desire to make sure that we can contribute where the need is greatest.

The increasing cost and demands of the complex environments in which we now work especially the protracted conflicts of places such as Syria and South Sudan.

The challenging times the NGO sector faces in Australia including the ongoing fragmentation of the charitable market.

Leading priority research

In addition, the team provided leadership on research and evaluations in priority countries and sectors, including final evaluations for several projects. Some main findings from these studies are:

Building Resilience to a Changing Climate Environment Evaluation, Indonesia:

- Income from the sale of fruit almost doubled.
- Income from the sale of livestock increased by 60 percent.
- Most significant impact increases recorded for lower income households.
- Burning of forests had reduced by 96 percent as a result of the FMNR component of the project.

ETIP (End of Trafficking) Southeast Asia Regional Evaluation:

- The program saw a 21.9 percent increase in mothers' positive attitudes and behaviours to create a protective environment for children.
- There had been a 17.2 percent reduction in children/youth considered to be at "high risk" to trafficking within communities; from 26.1 percent to 8.9 percent.

Gender impact research on LVCD project in Indonesia:

- The project created new opportunities for women's empowerment. Women gained opportunities to step into leadership roles through the collective marketing groups established and they developed opportunities to participate in group decision making.

Since 2009, World Vision Australia has published an annual synthesis of all program evaluation findings as referenced in previous Annual Reports. In future, these will be published every two years to complement a biennial global report produced by World Vision International.

Asia and the Pacific

233

Projects in region

63

Area Development Programs (ADPs)

170

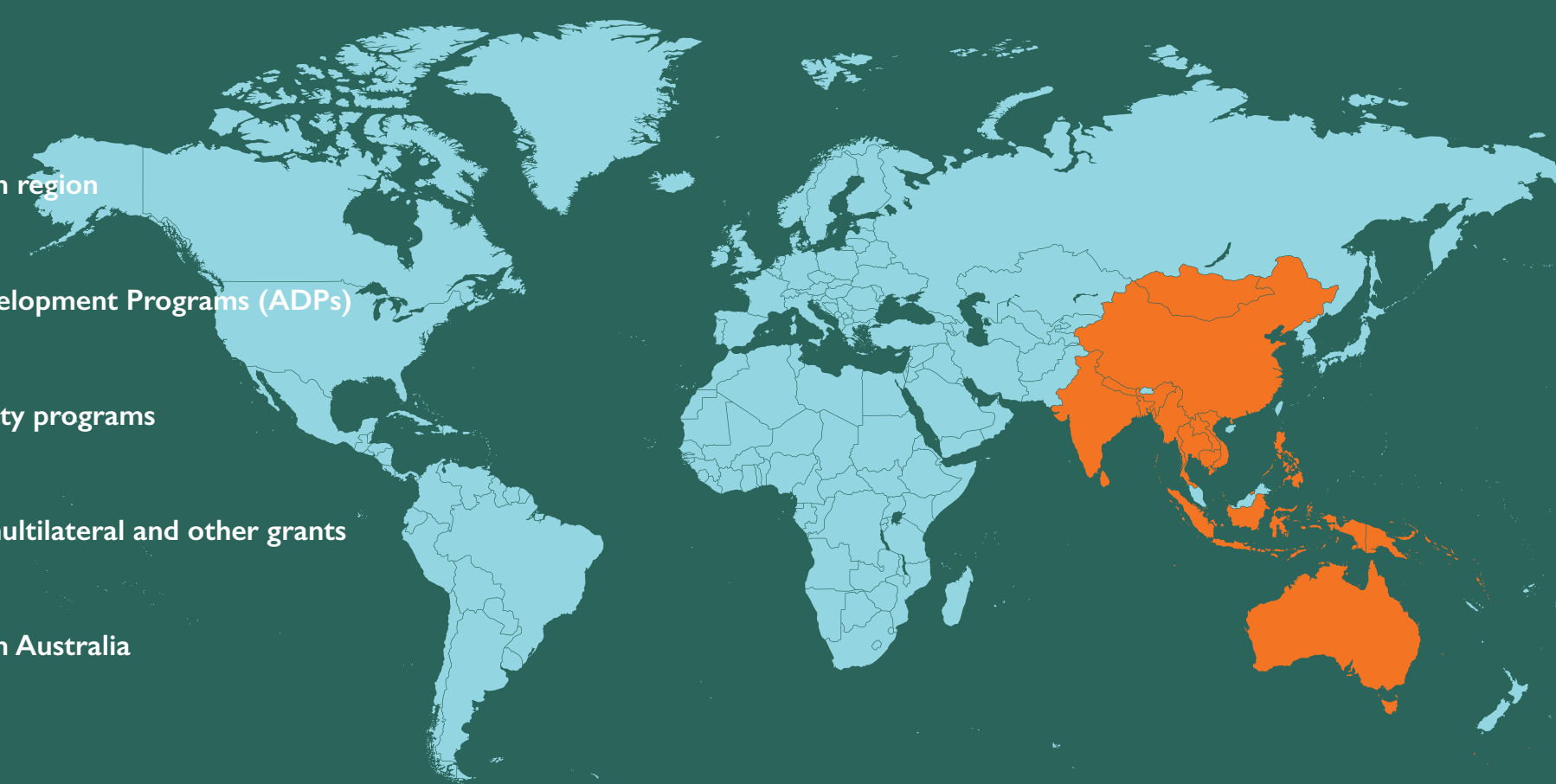
Community programs

106

DFAT*, multilateral and other grants

16

Projects in Australia



Community programs

13	Bangladesh	12	Laos	2	Philippines	4	Vanuatu
23	Cambodia	5	Mongolia	8	Solomon Islands	13	Vietnam
6	China	27	Myanmar	20	Sri Lanka	2	Regional: Pacific Timor-Leste
20	India	5	Nepal	3	Thailand	5	Regional: East Asia
17	Indonesia	20	Papua New Guinea	10	Timor-Leste	2	Regional: South Asia Pacific Region

* Department of Foreign Affairs and Trade

Middle East and Eastern Europe

62

Projects in region

4

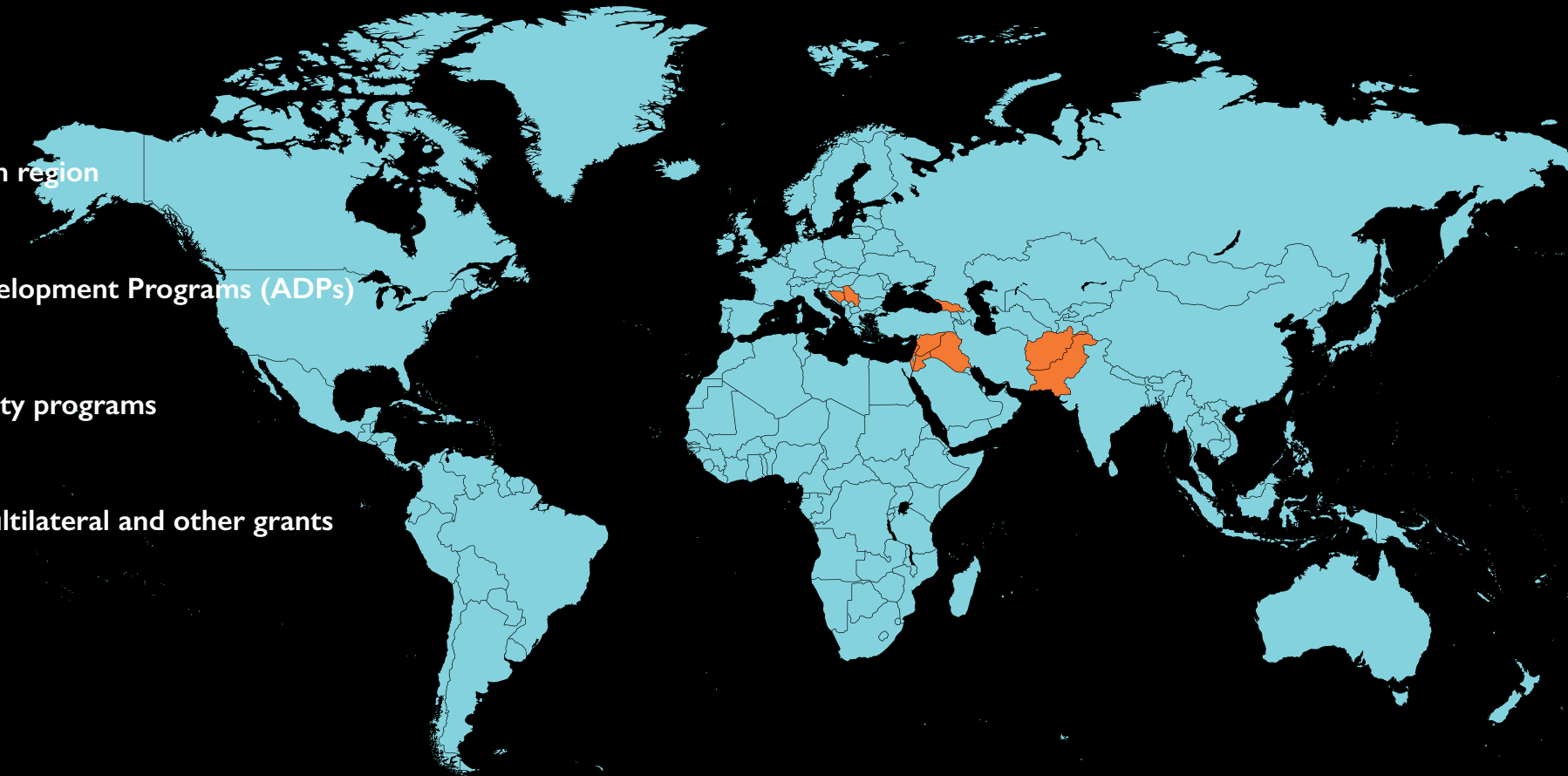
Area Development Programs (ADPs)

58

Community programs

36

DFAT, multilateral and other grants



Community programs

- | | | | |
|----|-------------------------------|----|--------------------------------------|
| 10 | Afghanistan | 17 | Lebanon |
| 3 | Bosnia and Herzegovina | 6 | Pakistan |
| 4 | Georgia | 1 | Serbia and Montenegro |
| 8 | Iraq | 3 | Syria |
| 7 | Jerusalem / West Bank / Gaza* | 2 | Regional: Middle East Eastern Europe |
| 1 | Jordan | | |

* World Vision operations in Gaza, suspended in August 2016 remain on hold pending the outcome of an international audit which to date has found no evidence of diversion of funds.

Latin America and Caribbean

59

Projects in region

45

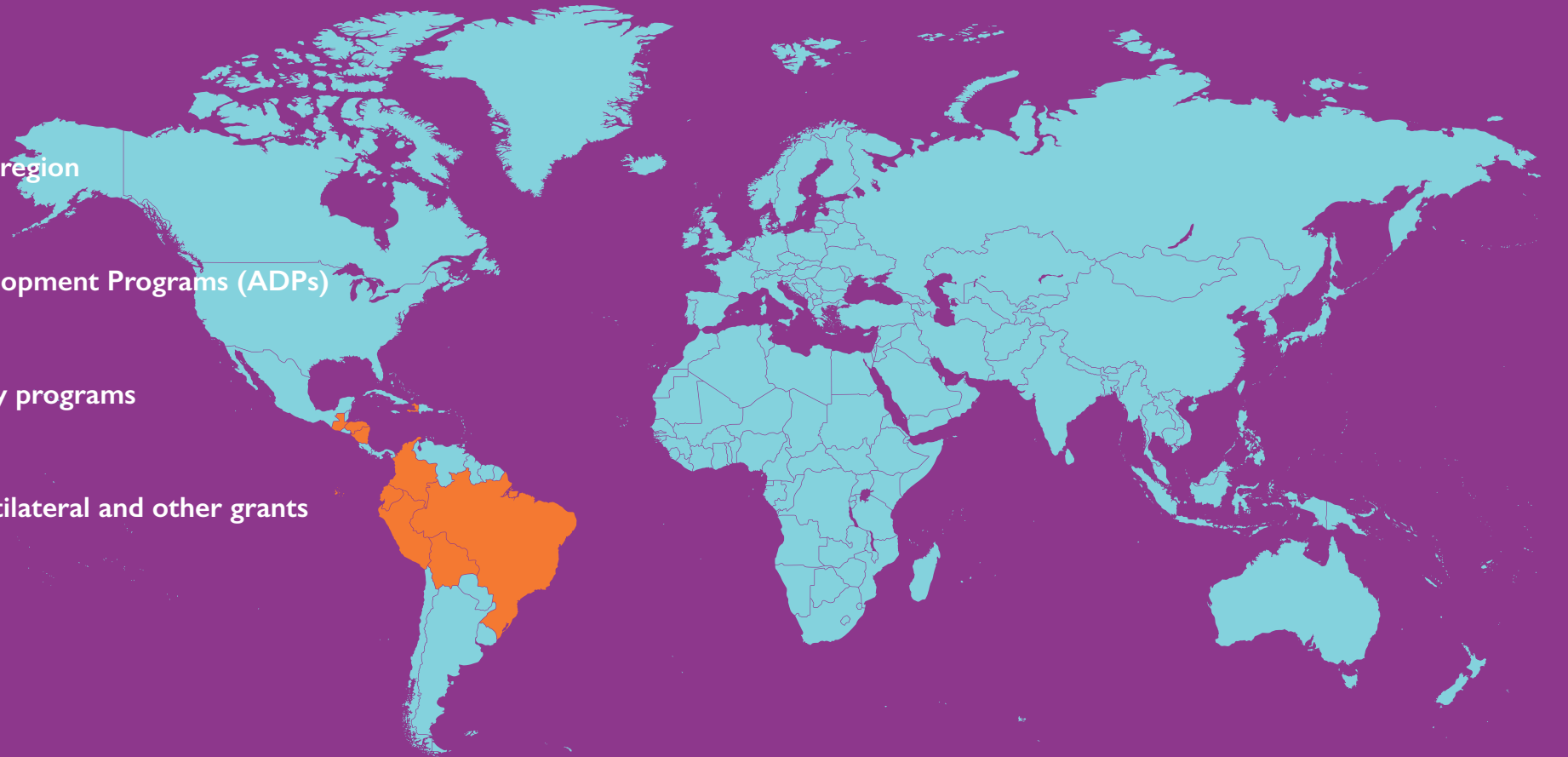
Area Development Programs (ADPs)

14

Community programs

2

DFAT, multilateral and other grants



Community programs

6	Bolivia	4	Haiti
8	Brazil	6	Honduras
4	Colombia	8	Nicaragua
6	Ecuador	9	Peru
6	Guatemala	2	Regional: Latin America Caribbean

Africa

290

Projects in region

90

Area Development Programs (ADPs)

200

Community programs

112

DFAT, multilateral and other grants



Community programs

8	Burundi	22	Ethiopia	7	Mozambique	4	South Africa	31	Uganda
5	Central African Republic	5	Ghana	14	Rwanda	22	South Sudan	15	Zambia
4	Chad	30	Kenya	10	Senegal	5	Sudan	18	Zimbabwe
17	Democratic Republic of the Congo	10	Lesotho	1	Sierra Leone	9	Swaziland	6	Regional: East Africa
		15	Malawi	11	Somalia	18	Tanzania	3	Regional: South Africa

World Vision



Impact

Change is possible. And it's happening right now. See how Australian support is driving progress in the communities we work with around the world.

World Vision has helped to provide clean water and handwashing facilities to this school in Kenya and the surrounding community.

Fighting for child rights

A child protection program is empowering kids to stand up for their rights in North West Delhi.

World Vision
INDIA



Child protection

After the rape and murder of a local child in December 2014, 20 young people who had been empowered by World Vision's programs came together to organise a mass protest demanding justice. After the successful protest, many community members started approaching the youth group to report other child rights violations. With training and guidance from World Vision, the youth group reorganised itself as a Child Protection Unit that has built close relationships with the police, legal authorities and the community. The police have recognised the group as a partner on child protection and community safety and work with them to develop and facilitate local initiatives.

World Vision, in coordination with the Delhi police, also planned an innovative program to improve child protection, especially the safety of girls and women. Delhi police conducted a self-defence training for girls, aiming to help young women feel safer on the street and improve their ability to respond in threatening situations. The training was hosted outside in public spaces, giving the community visibility and helping to raise awareness of girls' rights and need for safety.

**“Safe city requires collective efforts.
We feel everyone – the police, the community
and the girls – should work together.”**

– Vandana, team leader

1,000
girls and 100 women
have been trained
in 15 day self-defence
courses in collaboration
with Delhi police.

85%
of girls have overcome
their inhibitions
in walking alone
in streets.

59%
of participants
have reported to have
increased confidence in
positive gender relations
with the opposite sex.



Bringing health services closer to communities

Equipping families like Mrs Sophear's with a foundation for a healthier future



Health

World Vision's urban health program in Phnom Penh has recently expanded from a single location to a city-wide approach, targeting over 12 communities where the most vulnerable families and children live.

World Vision staff have worked with local Village Health Support Groups to advocate to local Health Centres to ensure they provide the minimum standard of care, including the provision of 24 hour services which had previously ceased.

Working in partnership with the Municipal Health Department, Health Centres and Village Health Support Groups, our urban team have worked to provide training sessions on ante- and post-natal care, baby community integration, breastfeeding, complementary food nutrition, dengue fever, hygiene and sanitation and diarrhoea prevention and cure. As a result, community members now have greater knowledge about basic healthcare assisting them to improve their overall health.

47-year-old Mrs Sophear says her son Samnang has been gaining weight and getting healthier since she attended a nutrition session.

“I really understood about how the nutrient that helps my child achieve good growth, and become healthy and clever.”

– mother-of-two Mrs Sophear

42%

in the last decade, Cambodia has reduced under-five mortality from 83 child deaths per 1,000 live births to 35

4,126

community members have participated in nutrition training sessions

1,224

mothers have received information and support for breastfeeding



Livelihoods

In the community of Chihota, Zimbabwe, farmer Gibson is checking feed levels and inspecting the readiness of his chickens for the market.

World Vision is supporting Gibson's community economic development by creating new opportunities for business development in livestock farming. For people who have previously relied on subsistence farming, the step to forming business cooperatives is a big one.

Partnerships have been important, and the program has established a link with Irvine's, the biggest chicken producer in Zimbabwe. Irvine's are providing training and support to establish a chicken meat business, including discounts on the cost of day-old chicks and feed inputs for broilers as well as bio-security measures to minimise the risk of disease.

For people like Gibson, training from World Vision in local value chain development has meant a lot.

A new borehole has also been drilled to support the project, with flow on benefits for a nearby school and families. Another partnership with the Pig Industry Board has helped create a successful pig business, and the community is looking for other opportunities to expand. They've also made the decision to ensure that just 30 percent of profits will be returned to group members. The remaining 70 percent will be invested in community needs such as infrastructure, funding for further activity and supporting vulnerable families and orphans.

"I now understand the dynamics of the poultry market and I am able to run a successful business."

– farmer Gibson

13

male and female members in the business activity group

5

cycles of business have been conducted so far

\$2,500+

of profit has been generated with each cycle of activity

Chickens in Chihota

Partnerships providing new opportunities for farmers like Gibson



Investing in the early years

Partnerships with Indigenous Australian communities helping to build better futures



Education

While tourists come to the Gibb River Road in the Kimberley to taste the outback and to tackle one of Australia's greatest four-wheel-drive adventures, few would realise the difficulties small Aboriginal communities dotted along the track encounter. Or just how hard it is just to give their children a good start in life. With the help of individual World Vision supporters, Jetstar, the Collier Charitable Fund and the Australian Government, World Vision is supporting these communities to get organised.

Our experienced development facilitators visit each community fortnightly to support local leaders to form early childhood committees, implement their own playgroups, parent education and nutrition activities and an early childhood training program. This year World Vision hosted a very successful learning circle where participants from each community came together to learn about early brain development and how it affects later learning.

Before the project started young parents had nowhere to learn about child development. Children struggled in the first years of school, and there were few employment opportunities for young people. After just two years things are beginning to change.

The local school principal is also delighted noticing a "very significant increase in the school-readiness of children". For mothers like JB, it's about becoming a more confident parent.

"Before playgroup I didn't really know how to be around kids, like to play or talk to them. Since coming to playgroup I've seen how to do it better and it's a lot easier."

– local mother JB

359
children and
245 parents
and caregivers have
participated in World Vision
supported early learning

67%
of parents
and caregivers
have reported having
more confidence in
their parenting

11
communities in three
remote regions
of Australia have
formed early
childhood committees

Empowering women for community change

Working alongside women and faith leaders in Afghanistan to overcome cultural barriers that restrict women's education, participation and safety



Gender

Leiloma was married at 16 to a 35-year-old man who physically and emotionally abused her. But even after her father secured her divorce, Leiloma endured six years shut away from the community for fear of bringing shame to her family.

In 2015, World Vision, with support from the European Union and the Australian Government, established Community Change groups within her village. The groups offer an opportunity to identify and address key issues that pose barriers to improving livelihoods – including women's participation.

Discussions are mediated through community and religious leaders trained in the United Nations Development Programme's Gender in Islam curriculum, ensuring they remain culturally relevant, can occur safely for women, and can use religious doctrine to support women's empowerment.

The sessions have helped Leiloma and her father learn about harmful traditional practices such as forced marriage and gender based violence, and offer Leiloma and many other women their first opportunity to socialise and be in solidarity with other women. They also provide a collaborative decision making forum alongside men and community leaders to address gendered barriers in their lives.

Today, Leiloma excels as an active Community Change member and participates in literacy classes organised by the groups.

“In eight months I could learn writing and reading. The day that my husband harassed me, I wished to leave this world forever, but today I want to be alive to reach my dreams.”

– Community Change member Leiloma

21

Community Change groups formed and active with 900 male and female members

880

women attending literacy courses to learn to read and write

800

Mullahs trained in gender in Islam curriculum, disseminating messages supporting women's equality and empowerment

Building peace in war torn lives

Child friendly spaces help Syrian refugee children find hope for the future



Emergencies

Sisters Rajaa, 13 and Khadija, 10 are just two of the millions of children who have had their lives turned upside down by conflict in Syria. For the last four years the girls have worked alongside their mother, Fatima. The sisters wanted to help bring in money for their temporary home – a tiny makeshift tent in Akkar, northern Lebanon. Khadija sells bottles of water in the field from six am to two pm. Rajaa, 13, grows tobacco, eggplant and tomatoes.

“We were under the sun all day. During harvesting season, we had to carry the potatoes and they were very heavy. It was painful,” said Rajaa.

World Vision offered the sisters places at a Psychosocial Support Centre jointly funded by World Vision and UNICEF. It’s a safe space for children, helping give them a sense of normality, a chance to play, relax and express their emotions. Initially, their mother Fatima was worried about interference with their work schedule, but with reassurance she accepted.

“I learned how to be happy through making new friends or expressing my sadness by putting sad faces on the wall,” said Rajaa.

“They’ve lost the feeling of fear,” said Fatima, grateful for the 12-week course.

World Vision worker Ghinwa says the girls’ transformation has truly been remarkable.

“It’s about encouraging them to stay hopeful for the future by mapping out steps to achieve their dreams. They are able to handle their emotions and they’re more resilient.”

– Ghinwa

2.3

million people
assisted in Syria Crisis
Response in 2016

1.18

million
of those assisted
in Syria Crisis Response
were children

1,620

children
able to play again
thanks to this Psychosocial
Support Centre in Lebanon

World Vision

Leadership

Strong leadership helps to bring out the best in people – inspiring innovation and fostering a culture of positive excellence.

Members of a World Vision supported tomato growing cooperative in Rwanda learn about tending to their crop.

Our Board



George Savvides
Chair

Former CEO of Medibank Private Ltd
Chairman of Macquarie University Hospital
Chairman of King Group, Director of Ryman Healthcare (Australia) Pty Ltd, Deputy Chairman of Special Broadcasting Service Corporation, Partner of Sodia Pty Ltd and CFMC Consulting Pty Ltd



Louise Baur
Chair – Australia Program Committee

Member - Audit and Risk Committee
Chair of Child and Adolescent Health at The University of Sydney
Head of The Children's Hospital at Westmead Clinical School



Rob Goudswaard
Chair – Audit and Risk Committee

CEO of Credit Union Australia Limited



John Harrower
Deputy Chair, Chair – People, Culture and Remuneration Committee

Bishop assisting the Primate of the Anglican Church of Australia
Former 11th Bishop of Tasmania



Shannon Adams
Member – Audit and Risk Committee

Partner, Piper Alderman, Lawyers
Board member, World Vision International



Judy Barraclough
Member – Audit and Risk Committee

Head of Strategy, large education-based charity



Colin Carter
Member – People, Culture and Remuneration Committee

Senior Advisor with The Boston Consulting Group Pty Ltd



Tim McCormack
Member – Audit and Risk Committee

Professor of Law at the Melbourne Law School, The University of Melbourne
Adjunct Professor at the University of Tasmania Faculty of Law



Fiona Pearse
Member – Audit and Risk Committee

Experienced financial and commercial executive and non-executive director



Donna Shepherd
Member – People, Culture and Remuneration Committee

Director of Creating Communities Australia Pty Ltd
Vice Chair, Board of World Vision International



Wendy Simpson
Member – People, Culture and Remuneration Committee

Chairman of Wengeo Pty Ltd
Chairman of City to City Australia Limited
Founding Chairman of Springboard Enterprises Australia Limited



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.*



Darryl Gardiner
Board Member of World Vision New Zealand

Anglican Priest, Youth and Community worker, speaker and trainer in New Zealand and internationally

Governance and management

Senior leadership team



Tim Costello
Chief Executive Officer
(outgoing)



Leigh Cameron
Chief of People, Strategy
and Governance



Rick de Paiva
Chief of Business
Development



Melanie Gow
Chief of Community
Engagement



Rebecca Glover
Chief Financial Officer



Ross Piper
Chief Operating Officer

Our Board and committees

Our Board comprises 13 highly qualified individuals who each bring unique expertise and experience relevant to their governance role.

Throughout 2016, George Savvides served as our Board Chair. More detailed profiles can be found here. → [☰](#)

In 2016, 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 2016. Rob Goudswaard is Chair of this committee.
- 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 eight times in 2016, with a high priority being given to the recruitment of the next CEO. John Harrower is Chair of this committee.
- The Australia Program committee, responsible for the governance of program quality in our Australia Program work. This committee met two times in 2016.

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 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, 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. Our corporate governance environment is one in which the law, industry codes, the expectations of our stakeholders (supporters and those we serve) and World Vision Partnership requirements interplay.

Formal regulation

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 are registered as a public corporation limited by guarantee under the Corporations Act which means that 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.

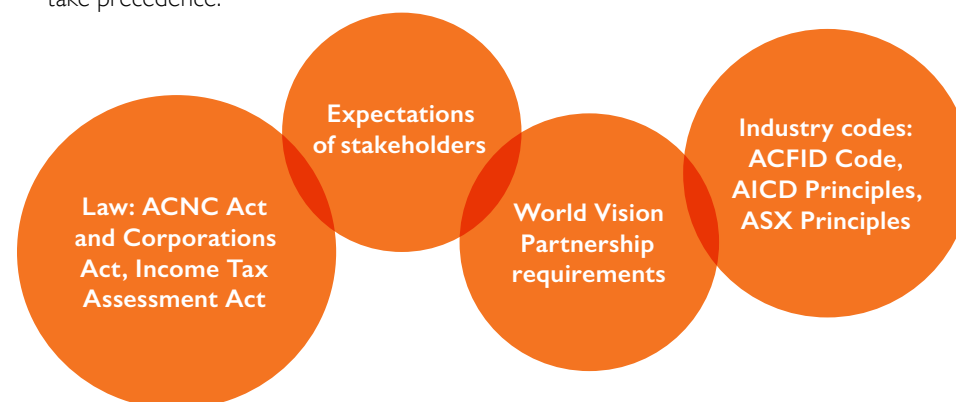
We have voluntarily adopted the Australian Institute of Company Directors' "Good Governance Principles and Guidance for Not for Profit Organisations" (AICD NFP Principles) and the Australian Securities Exchange's Corporate Governance Principles and Recommendations (ASX Principles). We apply these insofar 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.

Partnership policies

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. You can read our full Corporate Governance Statement. →

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

Internal audit

World Vision Australia implements an internal audit function that acts as an independent, objective assurance and consulting activity designed to add value and improve our operations. It helps World Vision Australia accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management control and governance processes.

It does this by providing independent, objective assurance to the Board that the components of internal control are operating effectively and as they are intended. It aims to assist the CEO and Executive Team in effectively discharging their responsibilities to the Board in these areas of risk management and internal control, whilst also supporting improvements to overall business process.

In accordance with professional standards and good corporate governance principles, this internal audit function will be, and will be perceived to be, independent of World Vision Australia activities, processes and staff that it reviews – in order to perform duties and report results objectively. The function reports functionally to the Chair of the Audit and Risk Committee, and then administratively through the Chief of Finance and Corporate Services.

Risk management

World Vision Australia requires all areas of its business to identify key risks, analyse and evaluate and treat those risks in a proactive manner. To ensure a consistent and structured approach is maintained, risk is systematically managed in line with our Risk Management Policy and in response to changes in our internal and external environment. The approach is designed to see cultural and behaviour improvements to the understanding of our risk management, and is fully understood and applied by all levels of management and personnel.

The Risk Framework we deploy for these purposes is in line with World Vision International's Risk Management Framework. This is important as we must also consider managing project and program portfolio risks associated with the projects being implemented by the National Offices in the countries where we perform our development activities.

The strategic intent of the framework is to ensure that we manage the risks of the organisation in a proactive manner, which embraces the identification, treatment, management, reporting and review of risks. We recognise that risks are a part of all operations and therefore the intent of our risk management approach is to provide guidance on the management

of risks – not just in a reactive (negative) way, but also a positive way, where risks can be taken and accepted when duly considered and approved by those with delegated authority. This approach is intended to result in improved decision making, which also considers upside risk (ie, the uncertainty of potential gain, not just potential loss).

Our risk management framework comprises the following structural elements:

- The Australian Standard ISO 31000:2009 Risk Management – Principles and Guidelines
- World Vision Partnership Enterprise Risk Policy and Framework
- Three Lines of Defence model for Corporate Governance

By structuring the framework around standard processes and proven tools, confidence can be gained that our risk and assurance processes will reflect best practice now and into the future.

The main structural elements of the risk management framework

We aim to integrate risk management into our overall management system. Existing risk management policies and practices across World Vision Australia will continually be assessed, and adapted if necessary, for adequacy and effectiveness against the following attributes:

1. Continuous improvement of risk management effectiveness to ensure alignment with, and support of, strategic objectives.
2. Full single-point accountability for risks.
3. Risk based decision making – consideration of risks and effective treatment thereof in all decisions.
4. Continual communication with internal and external stakeholders including frequent reporting of risk management performance.
5. Full integration in the governance structure, recognising that effective risk management is essential for the achievement of organisational objectives.

Our people

Engaging and retaining our employees

Increasing employee engagement remains a priority for us as we work to create a culture of high performance. Our annual survey provided us with a headline employee engagement result of 61 percent in FY16. The survey also provided qualitative data that helped us to identify key drivers of employee engagement unique to our organisation. This along with regular pulse checks enabled us to better lead, support and retain our employees during a year that included significant organisational changes. In FY16 we focused on building the employee and manager relationship, as well as providing more opportunities for employees to leverage their extensive skills through short term placements and secondments.

A community of change makers

Our strong results with the engagement driver of staff care highlighted that the intentional effort we made during the year to provide an environment of care and support for staff was appreciated. Any period of significant change can destabilise and with this in mind, we were deliberate in offering a variety of programs around staff care; with particular focus on resilience training across the organisation, resulting in driving down workplace health and safety issues and claims; managed travel incidents to zero and provided exemplary pastoral care.

Volunteers

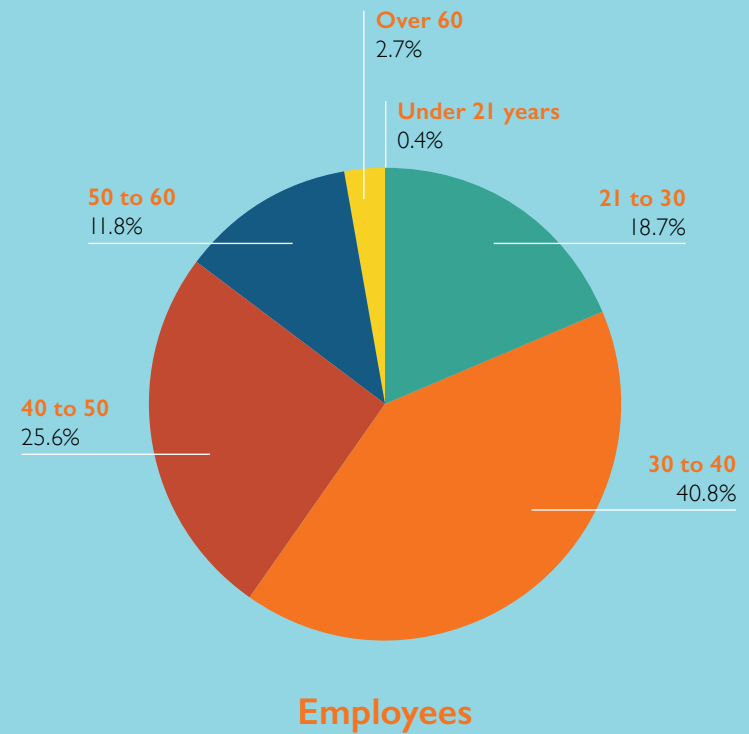
Our volunteers are a golden seam of support running through the fabric of the organisation. We value their commitment to our work and their tireless service across the business as:

- 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
- Board members

FY16 workforce data

Board members	Total employees	Full-time employees	Part-time employees	Staff turnover	Hours volunteered
13	524	440	84	18.70%	N/A
12	652	543	109	15.90%	N/A
13	628	515	113	17.04%	65,964
7		185	10		
					Male
6		255	74		
					Female

■ FY16
■ FY15
■ FY14



Environmental management

Reducing our environmental impact

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.

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 targets. Since 2011, we have kept our carbon footprint to below 5,200 tonnes CO₂-e (carbon dioxide equivalent) per annum before purchasing carbon offsets.

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 which incorporate carbon emission reductions that form the basis of certifiable emission reduction units under the Clean Development Mechanism of the Kyoto Protocol. The projects are also improving rural livelihoods, increasing resilience to climate change and restoring degraded lands. Read more information about this project. →☰

Results from our carbon footprint reduction initiative

The data in the table has been independently reviewed by PricewaterhouseCoopers. The independent review statement is available on our website. →☰

The table shows the number of tonnes of CO₂-e emitted under each key activity during the 2016 financial year compared with the previous two years.

During the year, we streamlined operations in a major transformation aimed at greater supporter engagement and more efficient use of resources in response to changing market conditions. Total emissions before offsets decreased by 629 tonnes CO₂-e because of reductions in headcount, rent and occupancy expenditure. The car fleet was reduced by 12 cars resulting in a reduction in petrol expenditure. Paper consumption decreased because of a move towards digital marketing.

Notes

1. Australian National Greenhouse Accounts factors changed during the year and the conversion factors published in August 2016 have been used for this report. FY15 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 FY16 and have been used in this report. FY15 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 2,513 tonnes CO₂-e. The Gold Standard Foundation has certified the VERs.

Key activities measured	FY16	FY15
	Tonnes CO ₂ -e	
Electricity ¹	1,935	2,072
Paper	246	281
Air travel (fuel only) ²	710	1,111
Gas	196	192
Car fleet	90	151
Total emissions before offsets	3,177	3,806
Offsets		
Gold Standard offsets purchased		
Gold Standard offsets purchased from World Vision programs ³	(2,513)	(1,350)
Credit for FY14 Overstatement		(1,128)
Total emissions after offsets	664	1,328
Target	664	1,328

World Vision

Progress

We owe it to our supporters – and the people we serve – to manage resources wisely.
See how we're investing in sustainable solutions for lasting impact.

Parent awareness workshops helped teach Shanti's mother Subodhni about the importance of supporting her children's education. Now they read and study together at home.

Financial position and performance

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 2016 Annual Information Statement, which we will lodge with the ACNC and which will be available via the ACNC's Charity Register: →

Snapshot

The table opposite is a snapshot of our income and disbursements over FY16 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 2016 set out on pages 46-51.

Income	FY16 \$m	FY15 \$m	FY14 \$m
Child sponsorship	172.3	183.2	192.0
Grants - DFAT	38.5	44.5	42.3
Appeals, donations and gifts	39.4	54.2	50.2
Overseas grants	47.3	38.4	24.9
Other revenue	16.9	14.9	16.2
Cash income	314.4	335.2	325.6
Non-monetary donations and gifts	120.7	89.2	54.4
Total Income	435.1	424.4	380.0
Disbursements			
Fundraising	40.7	60.4	57.0
Administration and accountability	39.0	31.2	33.1
Overheads	79.6	91.6	90.1
International programs:			
Funds to international programs	212.6	251.5	204.2
Program support costs	5.7	7.7	7.2
Domestic projects	5.3	4.8	5.1
Community education	1.6	0.8	1.3
Program disbursements – cash	225.2	264.9	217.8
Non-monetary items to international programs	125.0	86.6	51.1
Program disbursements	350.2	351.5	268.9
Total Disbursements	429.8	443.1	359.0
Surplus/(deficit)	5.3	(18.7)	21.0

Our revenue in FY16

FY16 and FY15 comparisons:

We experienced growth of 2.5 percent from FY15 to achieve revenue of \$435.1 million. This growth in revenue needs to be considered in the context of the opposite left revenue streams, as described opposite right.

Child sponsorship

As became evident in the prior year there continues to be rapid change in the market conditions of the charity sector. This is reflected in supporter trends. Whilst there has been a decline in child sponsorship revenue, the number of children sponsored through World Vision Australia's Child Sponsorship program during 2016 remains significant at 297,054, enabling these children, their families and their communities to benefit.

Australian Government (DFAT)

Income from the Department of Foreign Affairs and Trade declined by 13.5 percent to \$38.5 million. This has been driven by the fact that FY15 funding spiked with the acquisition of the Nepal Earthquake response grant.

Appeals, donations and gifts

This includes emergency relief appeals, other appeals, cash donations and gifts, and investment income. This revenue declined by 27.4 percent to \$39.4 million. In 2016, there was a lower number of Emergency Relief Appeals whereas in 2015 appeals were raised for Nepal, Cyclone Pam and Syria.

Overseas grants

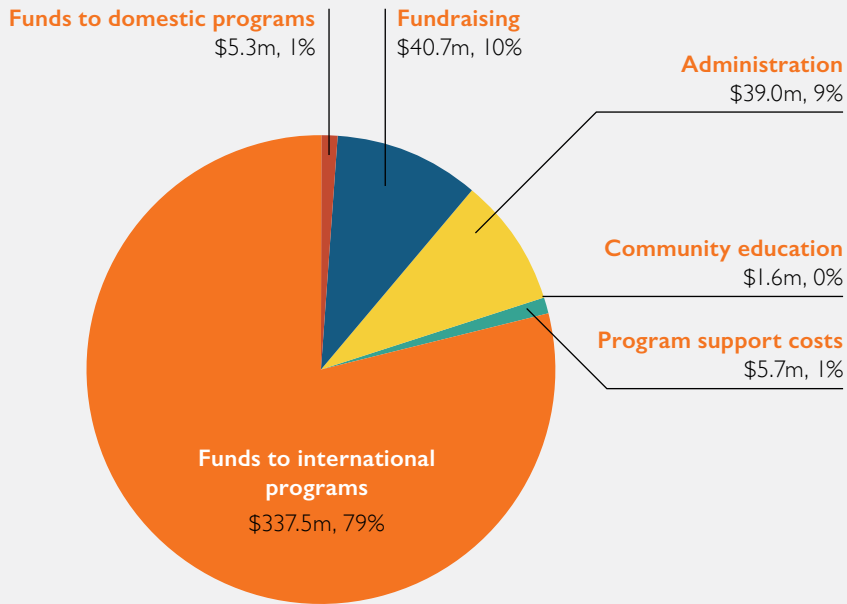
This includes non-Australian Government and other grants. Overseas grants grew by 23.2 percent to \$47.3 million due to increased opportunity and success in securing numerous Multilateral Development and Relief Grants for specific projects overseas. The grants donor mix continues to diversify with opportunities from multilateral and other organisations being a key source of revenue growth.

Non-monetary donations and gifts

This includes donated goods from corporations and overseas donor agencies, and any other non-cash income. Donated goods and assets increased by \$31.6 million, an increase of 35.4 percent, due mainly to \$46.4 million (2015: \$10.1 million) of pharmaceutical goods received during the year deployed to Burundi and Ethiopia.

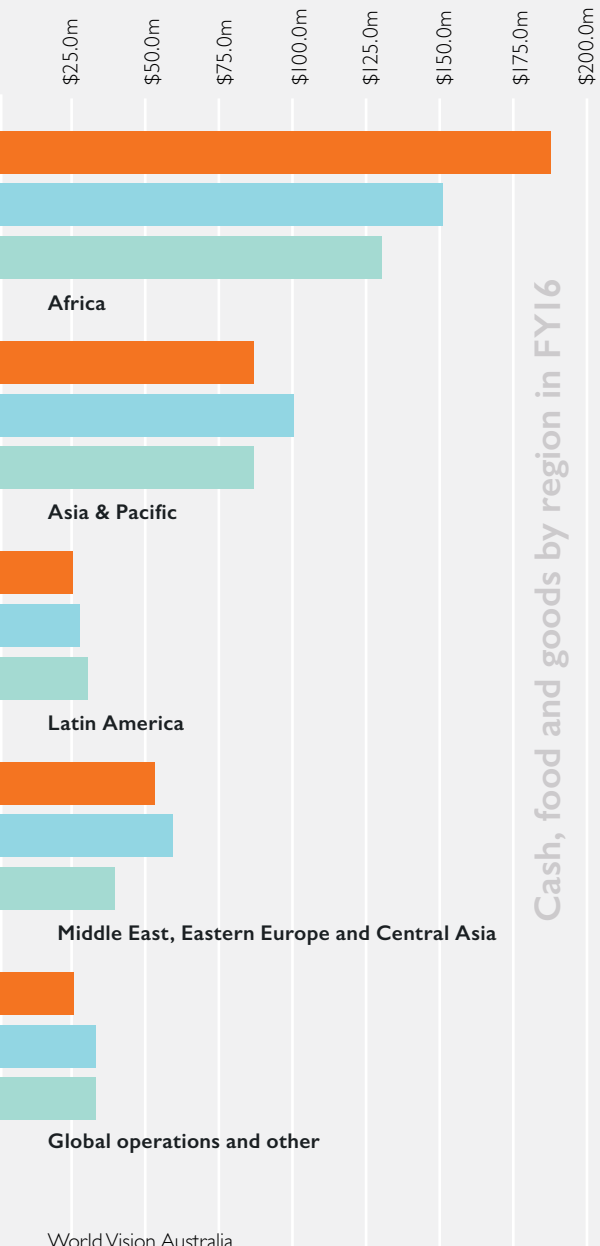
Our Income Statement (extracted from our audited Annual Financial Statements for the year ended 30 September 2016) is set out on pages 46-51.

Disbursements – How funds were used in FY16



	Fundraising	Accountability and administration*	Funds to international programs*	Domestic programs	Community education	Program support costs	Total \$m
FY16	\$40.7	\$39.0	\$337.5	\$5.3	\$1.6	\$5.7	\$429.8
FY15	\$60.4	\$31.2	\$338.2	\$4.8	\$0.8	\$7.7	\$443.1
FY14	\$57.0	\$33.1	\$255.3	\$5.1	\$1.3	\$7.2	\$359.0

* Global Operations – Administration costs have been reclassified from funds to international programs to accountability and administration costs in FY16, FY15 and FY14. Please refer to page 44 of our annual financial statements for further details.



FY16 and FY15 comparisons:

Fundraising

Costs decreased by net 3.0 percent in the year 2016. One of two major components in our cost base, fundraising costs decreased by 32.7 percent, from 14.2 percent of revenue to 9.4 percent reflecting the impact of the streamlining of the operations that were implemented during the year. This pleasing result is also indicative of the focus of the organisation to engage in more effective fundraising activities.

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 34 for more information). Accountability and administration costs (excluding the impact of redundancy costs and impairment costs) remained relatively stable with an increase of 0.1 percent compared to FY15.

Funds to domestic programs

This includes our disbursements for work in Australia on Indigenous development programs. Funds to domestic programs have increased by 12.2 percent to \$5.3 million due to expansion of activity, largely funded by new grants and private donors.

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 FY16, community education expenses increased by 93.6 percent to \$1.6 million due to reclassification of an advocacy campaign which is funded by a private foundation.

Program support costs

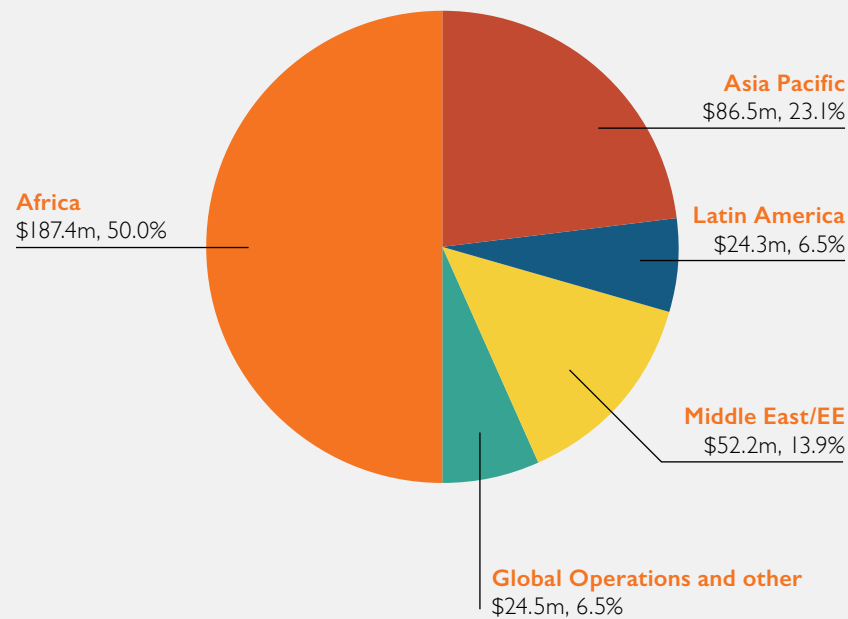
This includes costs associated with quality advisors and sector specialists, who are engaged by us in Australia to assist with the design, monitoring and evaluation of the programs we support to ensure maximum impact. Program support costs have declined by \$2 million to \$5.7 million. Between FY15 and FY16 we transitioned a domestic ministry to a third party resulting in reduced costs as well as continued efficiency gains in remaining functions.

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. The provision of resources to the field has remained consistent year on year with minimal net movement in total disbursements to international and domestic programs. The mix between monetary and non-monetary has shifted in line with the organisation's ability to source appropriate resources to support our fieldwork.

You can find out more about how funds reach communities on page 17.

Disbursements by region in FY16



Disbursements by regions

Information on the amounts disbursed to countries within each of the regions can be found at note five on page 32 onwards in our audited Annual Financial Statements for the year ended 30 September 2016, available on our website. →☰

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 17, 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 FY16 was \$435.1 million (FY15: \$424.4 million), total cash funds to international and domestic programs was \$217.9 million (FY15: \$256.3 million) and other expenditure was \$211.9 million (FY15: \$186.8 million) resulting in a surplus in FY16 of \$5.3 million (FY15: deficit of \$18.7 million).

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:

- geo-political issues prevent the use of funds;
- security of staff is jeopardised so that we are forced to withdraw from the project area;
- in rare cases, where a specific community no longer wants World Vision to be present; 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. This policy for the redirection of funds is explained to donors in appeal communications. Where there are significant changes to the allocation of donor contributions, those affected will be appropriately informed.

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. →☰

Summarised financial report

Extracts from our audited Annual Financial Statements

Set out on the following pages are extracts from our Annual Financial Statements for the year ended 30 September 2016:

Declaration by Directors	Page 46
Independent Auditor's Report	Page 47
Income Statement	Page 49
Statement of Financial Position	Page 50
Statement of Changes in Equity	Page 51

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 2016 on our website. → This will also be lodged with ACNC and ACFID.

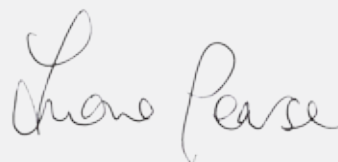
Declaration by Directors

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 2016 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.



Chair



Director

Melbourne, November 2016

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 2016, 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 which 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 Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion, the financial report of World Vision Australia is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- a. giving a true and fair view of the Company's financial position as at 30 September 2016 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.

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 2016, 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 19(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 2016 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 2016. I was responsible for the execution of the audit and delivery of our firm's audit report.

Grant Thornton Audit Pty Ltd
Chartered Accountants

Eric Passaris
Partner – Audit & Assurance

Melbourne, 25 November 2016

Income Statement

for the year ended 30 September 2016

	FY16	FY15
	\$'000	\$'000
Revenue		
Donations and gifts		
<i>Monetary</i>		
- Pledge programs	182,389	191,998
- Appeals, donations and gifts	39,359	54,242
<i>Non-monetary</i>		
- Donated goods and assets	49,021	16,544
- Grants (multilateral)	71,647	72,596
	342,416	335,380
Bequests and legacies	5,266	3,521
Grants		
- DFAT	38,466	44,483
- Other Australian	587	202
- Other overseas	47,285	38,394
	86,338	83,079
Investment income	567	1,059
Other income	477	1,328
Total revenue	435,064	424,367

	FY16	FY15
	\$'000	\$'000
Expenditure		
International aid and development programs expenditure		
<i>International programs</i>		
- Funds to international programs	212,562	251,548
- Program support costs	5,674	7,705
	218,236	259,253
Community education	1,611	832
Fundraising costs		
- Public	38,385	58,277
- Government, multilateral and private	2,289	2,123
Accountability and administration	38,958	31,163
Non-monetary expenditure	124,984	86,637
Total international aid and development programs expenditure	424,463	438,285
Domestic programs expenditure	5,349	4,768
Total expenditure	429,812	443,053
Excess /(shortfall) of revenue over expenditure	5,252	(18,686)
Share of loss of associate	(28)	
Net excess /(shortfall) of revenue over expenditure	5,224	(18,686)

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 2016 on our website →

Note: For the purposes of the ACFID Code of Conduct, at the end of 30 September 2016 World Vision Australia had no transactions in the following categories: revenue for international political or religious proselytisation programs and expenditure for international political or religious proselytisation programs.

Statement of Financial Position

as at 30 September 2016

	FY16	FY15
	\$'000	\$'000
Assets		
Current assets		
Cash and investments	37,254	25,004
Receivables	1,551	2,278
Financial assets	596	60
Inventories	203	66
Donated goods	1,117	6,031
Unrealised currency hedge receivable	-	14,130
Total Current Assets	40,721	47,569
Non-current assets		
Investment in Associate	272	-
Property, computer hardware and equipment	19,805	20,521
Intangibles	2,164	5,086
Total non-current assets	22,241	25,607
Total Assets	62,962	73,176

	FY16	FY15
	\$'000	\$'000
Current liabilities		
Accounts payable	5,382	4,825
Provisions	5,590	7,021
Unrealised Currency Hedge Payable	4,510	-
Total current liabilities	15,482	11,846
Non-current liabilities		
Provisions	849	1,283
Total non-current liabilities	849	1,283
Total liabilities	16,331	13,129
Net assets	46,631	60,047
Equity		
Reserves	(4,510)	14,130
Retained earnings	51,141	45,917
Total Equity	46,631	60,047

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 2016 on our website. →

Statement of Changes in Equity

for the year ended 30 September 2016

	Reserves \$ '000	Retained earnings \$ '000	Total \$ '000
Balance at 1 October 2014	5,810	64,603	70,413
Excess of revenue over expenditure	-	(18,686)	(18,686)
Other comprehensive loss for the year	8,320	-	8,320
Total comprehensive income /(loss) for the year	8,320	(18,686)	(10,366)
Balance at 30 September 2015	14,130	45,917	60,047
Shortfall of expenditure over revenue	-	5,224	5,224
Other comprehensive income/(loss) for the year	(18,640)	-	(18,640)
Total comprehensive income /(loss) for the year	(18,640)	5,224	(13,416)
Balance as at 30 September 2016	4,510	51,141	46,631

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 2016 on our website. →

World Vision Australia

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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.