



making change happen



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 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. CCP2438
TAS	Registration no. 1
VIC	Registration no. 10214.18
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. It 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

1 Vision Drive
Burwood East Vic 3151

We will acknowledge feedback and give a response.

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 2017 to 30 September 2018 – 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.

We have prepared this Annual Report 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. It also addresses 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.

Cover: Rosemary (left) and her best friend Tassie walk with World Vision staff member Agatha through the fields near their village in Zambia.

Making change happen for the world's most vulnerable children

World Vision Australia works with governments, communities, peer organisations, businesses and individuals to achieve the United Nations Sustainable Development Goals.

The fundamental principle of the Sustainable Development Goals is to “leave no one behind” and to reach those who are furthest behind. This has driven us for 52 years to work with vulnerable children in the world’s most fragile contexts in the expression of our mission, “for every child, life in all its fullness”.



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World Vision

vision

One of many children attending child friendly spaces that World Vision has set up in areas affected by conflict in the Democratic Republic of the Congo.

ion

Resolutely pursuing our vision of life in all its fullness for every child, especially the most vulnerable.

Our Chair and CEO



Shannon Adams

Chair

My first year as Board Chair coincides with the 40th anniversary of the internationalisation of World Vision – an important milestone in our history. This year further great progress has been made in implementing World Vision's Our Promise 2030 global strategy, → launched in 2017. As an international organisation we focus on ensuring we reach the world's most vulnerable children, who now often live in the most fragile contexts and hard to reach places.

There have been many challenges this year, such as the continuing growth of displacement as a major global issue, ongoing conflicts in Syria and South Sudan, and the September earthquake and tsunami in Indonesia (for which we launched a successful appeal to help provide much needed relief). The situation of the Rohingya refugees worsened, with the planned repatriation of some refugees to Myanmar being aborted at the last minute. In the past year we've reached 158,000 people with wells and toilets and provided shelter supplies to around 10,000 of the families currently living in refugee camps in Cox's Bazar, Bangladesh.

This year it's been pleasing to see some stabilisation in our child sponsorship income and growth in grant income from government, philanthropists, institutions and corporates. We've continued to develop strategic relationships with partners who share our commitment to the world's most vulnerable children.

On behalf of the Board I'd like to extend our deep appreciation and gratitude to George Savvides, who retired as Chair in February 2018 after many years of dedicated service to World Vision Australia and World Vision International.

My congratulations to our CEO Claire Rogers for a successful second year at the helm, steering World Vision Australia through organisational transformation and exciting digital innovations giving supporters new ways to interact, such as being able to send greetings to their sponsored children online.

Finally, I would like to thank our supporters for having "the will to make it so", which is our prayer for every heart. Together, we continue to strive towards facilitating life in all its fullness for every child.



Claire Rogers

Chief Executive Officer

My understanding of how World Vision must constantly transform to meet the realities of the world in which we live continues to profoundly shape my leadership as CEO.

From Cox's Bazar in Bangladesh to Timor-Leste, our role in protecting children against violence, illness, malnutrition and disadvantage has been powerful to witness. Seeing how our work has developed young leaders like Meghla, an 18-year-old who escaped child marriage and who is now an advocate in Bangladesh, drives my purpose in growing this wonderful organisation.

In September we responded to the Indonesian earthquake and tsunami with food, clean water and safe spaces. Tragically, five of our 2,000 sponsored children in the area died, but we are thankful that so many survived. Our Chief Advocate Tim Costello's reporting from Sulawesi raised awareness worldwide.

Building on our ARISE program in Sri Lanka, we're continuing to work with VisionFund, and in partnership with the Australian Government, to invest in small and growing businesses across Myanmar and Ghana. The 40 Hour Famine reached new audiences through our interactive chatbot, and our 1000 Girls campaign resulted in 1,567 girls sponsored in only two months!

The international Right Livelihood prize was awarded to our natural resources advisor, Tony Rinaudo, raising the profile of our land restoration program, Farmer Managed Natural Regeneration.

In August I joined other leaders and organisations to launch #KidsOffNauru, a campaign spearheaded by World Vision Australia and supported by World Vision New Zealand. Lauded for its boldness, the campaign shifted public opinion and assisted in getting more than 100 children off Nauru.

Poverty is changing, the way people give is changing and so too is the way we must address these challenges and deliver. In 2018, we grew capability, insight and impact. We continue to be well positioned to bring hope to millions of children around the world well into the future.

The truth is, we couldn't do any of this without you, our supporters. We are so grateful for your generous commitment in giving the gifts of dignity and hope to some of the world's most vulnerable children.

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, which 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 among 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-judgemental manner and we are committed to working with people of all cultures, faiths and genders to achieve transformation.

Our vision

Our vision for every child, life in all its fullness; Our prayer for every heart, the will to make it so.

Our core values

Our core values emphasise our commitment to Jesus Christ and the poor.

We seek to honour and reflect them consistently through our attitudes, decisions, actions and relationships.

We are committed to the poor

We are partners

We value people

We are responsive

We are stewards

We are Christian

Community development

We work within communities and across geographical areas to help individuals and groups improve the wellbeing of children and overcome poverty. We do this through long-term projects that empower communities to sustainably manage their own development.

Tackling injustice through policy change and advocacy

We engage governments, institutions, donors, communities and the public to address the underlying issues that perpetuate poverty. We empower communities to speak up for their rights and influence change, both locally and globally.

Engaging Australia

We seek to inform Australians about the causes of poverty and challenge them to be involved in its alleviation, including making financial and non-financial contributions to our work. We also strive to demonstrate God's love in action for the world's most vulnerable and encourage people to respond.

Humanitarian and emergency relief

We have staff and supplies for food, clean water, shelter and child friendly spaces positioned around the globe to respond to immediate needs. We also work with communities to recover from disasters and reduce the impacts of future events through planning and capacity building.

Working through the World Vision International Partnership

We implement our overseas aid, development and advocacy projects through the World Vision International Partnership. Our Partnership is dedicated to working with children, families and communities to overcome poverty and injustice, with offices operating in more than 90 countries.

Within our Partnership, we are known as a “Support Office” because our principal function is to support the National Offices in countries where World Vision runs projects. Typically, we work with National Offices to support national strategy development. Our programs are designed to address specific challenges facing vulnerable children and communities and improve child wellbeing in alignment with this strategy.

Our project designs reflect a community-led, child-focused and faith-based approach, ensuring ownership and sustainable outcomes long after the project closes. National Offices deliver projects with our support and that of the global Partnership – sometimes together with other global and local aid organisations.

At different points in a project's lifecycle, monitoring and evaluation takes place at a community, National Office and World Vision Australia level. This enables us to assure supporters of quality and efficiently demonstrate impact.

For our projects in Australia, we work directly with communities to implement activities. In this context, our role and function are similar to that of a National Office in our Partnership.

Our fundraising delivers impact which is measured constantly and this informs project improvements.



In Papua New Guinea, World Vision treatment supervisor Ronnie Kirokei supports tuberculosis patients Regina (grey shirt) and her mother Ellis on their road to recovery.



World Vision

In the Indian state of Nagaland, bordering Myanmar, World Vision is working to ensure children like Ongpha, 13, can gain an education.

strat

egy

Shifting where we work and how we allocate resources, so we can deepen our commitment to the world's most vulnerable children.

Our strategy

In 2018, we began operating under the new World Vision Partnership strategy, Our Promise 2030. This global strategy sets the strategic direction for us to achieve the greatest impact for the world's most vulnerable children. The strategy calls out five strategic imperatives.

As a member of the World Vision International Partnership, World Vision Australia's strategy gives expression to the five strategic imperatives within our Australian context. We have identified two critical trends that are most relevant to our work.

1. The world's most vulnerable children are increasingly living in fragile contexts, such as countries experiencing protracted drought or militarised conflict.
2. The competition for charitable funds in Australia has continued to intensify, with increased demand for evidence of impact and the need to keep pace with the way supporters prefer to engage in a fast-changing digital age.

In the face of these trends, we are adapting our operations to focus on the following areas.

Our Promise 2030



Deepening our commitment to the most vulnerable children

Changing from primarily working in places where we are most comfortable and confident: to shifting where we work and how we allocate resources towards the most vulnerable.



Focusing our ministry for greater results

Changing from spreading our resources across a broad agenda to focusing on a limited range of program types and sectors, becoming excellent in each.



Collaborating and advocating for broader impact

Changing from largely working on our own, in our way, to partnerships, joint ventures and advocacy with those who share our goals.



Delivering high quality, sustainable funding

Changing from a funding mix that no longer serves us well, to raising the right funds from the right donors for the right programs in the right places.



Living out our Christian faith and calling with boldness and humility

Changing from an identity and strength not yet fully utilised to living out our Christian faith in all we do in harmony with those of other faiths and none.

Our strategic focus

Rationalising the countries where we work to ensure a more significant presence in fragile countries and contexts.

Adopting program models that can deliver deeper impact and attract more funding sources, including philanthropic giving and grants.

Establishing deeper and wider levels of collaboration with others to ensure we can collectively achieve greater impact, including governments, multilaterals, institutions and corporates.

Ensuring we continue to focus on our engagement with donors and partners, by delivering an experience around the causes they care most about and aligned with the programs we deliver, for example women's empowerment.

Continuing to be a strong voice for justice, as Jesus was, which this year included leading a campaign and coalition of more than 90 organisations to remove all children and their families being held on Nauru.



Community members rejoice after their new borehole strikes water, one of 1,500 boreholes that World Vision has drilled in Mali.

impact

Delivering greater results by focusing our ministry on a limited range of program types and sectors and becoming excellent in each.

Latin America and the Caribbean

12 projects in the region
9 Area Development Programs¹
3 community projects² including
 1 DFAT³, multilateral and other grants

Projects and programs

1 Bolivia
 1 Ecuador
 1 Guatemala
 2 Haiti
 3 Honduras
 1 Nicaragua
 3 Peru

Africa

206 projects in the region
65 Area Development Programs¹
141 community projects² including
 101 DFAT³, multilateral and other grants

Projects and programs

1 Angola	2 Senegal
9 Burundi	18 Somalia
2 Chad	31 South Sudan
20 DR Congo	1 Sudan
17 Ethiopia	1 Swaziland
3 Ghana	7 Tanzania
26 Kenya	20 Uganda
1 Lesotho	10 Zambia
7 Malawi	11 Zimbabwe
1 Mali	1 Regional:
5 Mozambique	Southern Africa
1 Niger	2 Regional:
9 Rwanda	East Africa

Middle East and Eastern Europe

46 projects in the region
3 Area Development Programs¹
43 community projects² including
 33 DFAT³, multilateral and other grants

Projects and programs

11 Afghanistan
 3 Georgia
 9 Iraq
 3 Jerusalem/West Bank/Gaza*
 5 Jordan
 10 Lebanon
 4 Syria
 1 Turkey

* World Vision operations in Gaza, suspended in August 2016, remain on hold pending resolution of issues.

Asia and the Pacific

158 projects in the region
48 Area Development Programs¹
110 community projects² including
 86 DFAT³, multilateral and other grants

Projects and programs

9 Australia	1 Thailand
14 Bangladesh	5 Timor-Leste
10 Cambodia	6 Vanuatu
12 India	5 Vietnam
11 Indonesia	7 Regional: Pacific
10 Laos	Timor-Leste
19 Myanmar	
7 Nepal	
22 Papua New Guinea	
2 Philippines	
5 Solomon Islands	
13 Sri Lanka	

Divestment note:

In 2017, we initiated a process to consolidate our field footprint, which was completed this year. This saw us transition supporters out of a number of communities where we will no longer be working. The World Vision International Partnership continues to work in these countries.

¹ Count for Area Development Programs (ADPs) also includes Community Sponsorship programs.

² Community projects include all projects except ADPs (includes DFAT, multilaterals, other grants and private funding projects).

³ Department of Foreign Affairs and Trade.

Our evaluation approach

All projects and programs funded by World Vision Australia undergo regular monitoring and evaluation to measure progress and results on a range of indicators. World Vision has developed a globalised set of child wellbeing indicators and we use these to monitor program outputs and outcomes. This brings together tried and tested indicators from the sectoral areas of our work, such as health and livelihoods, but also innovative indicators from within World Vision.

By measuring globally and nationally accepted standard indicators at both outcome and output level, we can compare results within and between country programs to encourage learning and accountability. In addition, we use indicators relevant to the design of each program or project and indicators required by donors of grant-funded projects. Our evaluations provide important insights that help us further improve programming and report on progress to our supporters.

In 2018, our Evidence and Learning team focused on evaluation of our program approaches in resilience and livelihoods. Results from an evidence gap analysis completed in 2016 were used to identify our evaluation priorities for these program approaches. The team continued to pay special attention to aspects identified as needing higher quality evidence of results. Across the projects evaluated there have been positive gains, but there is still work to be done. Some examples of main findings from these studies are as follows.

The Drylands Development Programme (DryDev), Ethiopia and Kenya

DryDev is a farmer-led initiative that aims to enable smallholder farmers in dryland areas to transition from subsistence farming and emergency aid to sustainable rural development. This six-year (2013-2019) program had reached 92,973 (48 percent women) farmers by September 2018 and impacted the lives of nearly 97,000 children in the dryland areas of Ethiopia and Kenya. In DryDev implementation sites:

- 84 percent of farmers in Ethiopia are practising soil fertility and water management and 80 percent are practising these disciplines in Kenya.
- 92 percent of farmers in Ethiopia and 42 percent of farmers in Kenya are practising climate smart production.
- In Ethiopia, 85 percent of those who are participating in market-led production have reported an increase in yields and 76 percent reported an increase in sales.
- Average savings per farmer increased from US\$24 in 2016 to US\$56 in 2017 in Ethiopia and from US\$34 in 2016 to US\$97 in 2017 in Kenya.

In Ethiopia, a preliminary impact assessment found that:

- The Minimum Household Dietary Diversity Score increased from 1.89 in 2015 to 5.07 in 2018, indicating an increase in household access to a wider variety of foods.
- The number of hungry months experienced by participating households reduced from 3.41 in 2014 to 1.6 in 2018, indicating increased household food security.
- According to the household hunger scale, 93 percent of participating households reported no household hunger.
- Average household income and expenditure have nearly doubled from 2014 to 2018: income has increased from US\$716 to US\$1,286, and expenditure has increased from US\$470 to US\$1,080.

Nugal Empowerment for Better Livelihood Project in Puntland State, Somalia

This project was implemented between January 2015 and December 2017 with funding from the European Commission. It aimed to provide greater livelihood opportunities and to

support social inclusion for vulnerable families. The project targeted 9,720 individuals and their families including displaced people, refugees and host communities dependent on the informal economy and labour market.

- 82 percent of the 4,611 people who completed livelihoods trainings were women.
- Small business owners reported an increase in their average net profit: from US\$92 to US\$117 per month after they received business facilitation support. The increase was attributed to an increase in knowledge and abilities to manage business activities including marketing, finances, record keeping and building business networks.
- 65 percent of the unemployed youth who completed technical and vocational education and training had gained employment by the end of the project.
- 5,500 children from vulnerable families, including 3,122 girls and 2,378 boys, were registered and issued with birth certificates in close collaboration with the Ministry of Interior.



"World Vision has helped me in my leadership and especially in helping my community in GBV [gender-based violence] issues," says this chief who's participating in the REACH project.

Respect yourself, respect others



In 2017, the World Vision Partnership launched "It takes a world to end violence against children", a campaign that has ignited movements of people committed to keeping children safe from harm across more than 40 countries.

In Vanuatu, the local name for the campaign is Vanuatu Rispek, and as it suggests, the key theme is respect: respecting yourself and respecting others through good consent practices in relationships.

The campaign has a strong focus on youth. This is in response to national research that showed almost one in three women in Vanuatu is sexually abused before reaching age 15, among the highest rates in the world, and that many of these assaults are perpetrated by boyfriends.

Child protection and consent are relatively new concepts in Vanuatu. So, the campaign has employed a suite of innovative

approaches to communicate the messages that boys and girls have the right to determine what happens with their own bodies and that they need to seek permission before touching someone else.

It has used local sports stars, reggae artists, rap groups, short films and even a video game to reach Vanuatu's youth.

The campaign is also targeting younger children and adults through the Relationship Education about Choices and Healing (REACH) project, supported by the Australian Government and World Vision Australia.

REACH works through churches, faith and community leaders and Sunday schools to help change behaviours and attitudes towards gender relationships and gender-based violence.

Jean and his wife Tovock are among those whose lives have been transformed by taking part in the project's counselling sessions

run by faith leaders for both perpetrators and survivors of violence. Jean used to beat Tovock and make their children go hungry if he wasn't happy with the state of their home.

Now, Jean advocates against violence among his peers who mistreat their wives and children.

"I learnt that no one was created by God to be abused ... I was also taught anger management techniques to help me during conflicts and all of this made me realise what I was putting my family through." – Jean



"I come here because I like to learn," says Yacob (centre) having fun at a World Vision child friendly space in Cox's Bazar, Bangladesh.



Kids from the Jigalong playgroup enjoy having fun together and learning from their parents, grandparents and elders.



"It was a privilege to visit the playgroups in the Kimberley. The children were friendly and confident, proud to show us what they were doing or had made ... The teachers are part of their own community, further enriching the community by providing employment 'on country', keeping families together and facilitating ongoing cultural knowledge. I was so impressed with the impact this program has on the lives in these communities and so happy to be supporting it."

VICKI, WORLD VISION DONOR, NSW

A place to feel normal again

On 25 August 2018, we marked one year since more than 700,000 Rohingya people fled to Cox's Bazar in Bangladesh to escape violence in Myanmar's Rakhine State.

They joined around 200,000 Rohingya refugees who had already been sheltering in the area for years – some for decades. It was a situation that became the fastest-growing refugee crisis in the world.

Now more than one year on, around 900,000 children and adults are still living in limbo in the world's most densely populated refugee camp, hoping that people will see their plight and take action.

We continue to support the World Vision Partnership's response to the crisis, which reached more than 264,000 refugees with protection, food, shelter, and water, sanitation and hygiene services in its first year.

Yacob and Taslima are among more than 2,300 children attending 12 World Vision child friendly spaces in the camp, where children can play, learn and gain a sense of normality. Apart from playing and drawing sessions, children also take part in awareness sessions on personal hygiene and child protection.

"Sending them to the centre helps because they get to learn and play with other children ... It has helped them overcome their worries. They are slowly getting back to feeling normal again."

– Nurankish, Yacob's mother

Parents as children's first educators

Through our early childhood care and development work, we're collaborating with Indigenous Australian communities to deliver supported playgroups for children aged five years and under.

Local Aboriginal women are employed and provided with ongoing training opportunities to develop the skills and expertise to effectively facilitate the culturally strong community playgroups.

The playgroups, attended by children, parents and caregivers, are an important mechanism for improving children's developmental outcomes and wellbeing. Our approach invests in parents to enhance their confidence and capacity to raise happy, healthy children, who are successful at school and in life.

Playgroup bush trips enable "both-ways" learning and bring children, parents, grandparents and elders together on country to instil in children a sense of belonging and strengthening of culture.

During the bush trips children have enjoyed activities such as making damper, swimming, traditional body painting and dance, cooking kangaroo tail and visiting clay pans and rock holes.

The children are learning from their parents and caregivers through first-hand experience, and parents are developing stronger social networks and relationships with other parents.

533 playgroup sessions
attended by 305 children and 226 parents/caregivers in 2017-18.



A voice for refugees

Globally, one person every two seconds is forced to flee their home because of issues such as conflict, persecution and political unrest, natural disasters and climate change. Displacement is a key focus area for World Vision because over half of all refugees are children.

"Safe & Free" → is World Vision Australia's advocacy campaign for refugees. Providing a voice for refugees through advocacy to the Australian Government is just another way that we are making change happen.

While some people are displaced within their own country, others are forced to cross borders as refugees. And it's the poorest countries that are carrying the greatest share of the responsibility to help people in need; they host 85 percent of refugees. That's why World Vision is calling on the Australian Government to do its fair share.

Meet John. He smiles only when experiencing genuine joy or if he finds something truly funny. He only speaks when he has something meaningful to say. John has been living alone in the Bidibidi Refugee Settlement in Uganda since August 2016.

One night, when the fighting hit fever pitch in Torit, South Sudan, his family tried to make a hurried escape. Amidst the chaos, he lost his parents and three siblings.

John jumped on board a bus bound for Uganda. He has no idea if his family survived. John says he tries to keep busy by focusing on school and football. "It's only when I come back to my tent each night ... when I'm alone, that I feel sad and wonder where they are," he says.

When asked about his hopes for the future, John replies with conviction that he will be the President of South Sudan one day. He proceeds to outline his policies for peace and unity, gender equality and increased school attendance.

If we're going to help children like John to achieve their dreams, we need to advocate for proper health and education services in refugee settlements.

Advocacy to the Australian Government

The need to increase Australian aid to assist a growing number and scale of humanitarian emergencies has never been greater, but the government's aid contribution is now at a historic low.

By increasing Australian aid, we can do our fair share to help developing countries to provide safe shelter for refugees. This includes emergency food rations, education, health services and access to sustainable livelihoods, while still providing for the needs of their own population.

Aid is also a proven and effective way of strengthening people's resilience to natural disasters like floods and droughts and of preventing them from having to abandon their homes in the first place.

Australia must also do its part to help refugees to become safe and free by increasing our humanitarian refugee intake. These are people, like John, who are escaping conflict, persecution or disaster and can't return home.

World Vision Australia continues to advocate strongly to the Australian Government to change these crucial policy areas, because everyone has the right to be safe and free.

John has lived alone in the Bidibidi Refugee Settlement in northern Uganda since his family escaped violence in South Sudan in 2016.



Tony Rinaudo, our Principal Natural Resources Advisor, was named a 2018 Right Livelihood Award Laureate for his work with FMNR.

Our “forest maker” wins international award

World Vision Australia’s Tony Rinaudo won the 2018 Right Livelihood Award for his hard work over four decades to restore degraded land through Farmer Managed Natural Regeneration (FMNR).

Dubbed the “alternative Nobel Prize”, the award is given to four Laureates worldwide each year to honour those working on visionary solutions to the root causes of global problems.

Tony was recognised for “demonstrating on a large scale how drylands can be greened at minimal cost, improving the livelihoods of millions of people”.

“Intentionally or not, in that millions of voiceless, marginalised and poor farmers did the actual work of FMNR, the award acknowledges them. Surely the award celebrates and is a testimony to their intelligence, perseverance and dignity.”

– Tony Rinaudo

Since Tony pioneered FMNR back in the 1980s, it has been credited with helping to restore six million hectares of forest in Niger. And with World Vision, Tony is now promoting and supporting FMNR in 24 countries worldwide.

Tony said receiving the award was a great honour and his hope was that this spotlight being shone on FMNR “will result in exponential uptake and increase the spread of it globally”. For World Vision, the award is important recognition of the power of FMNR to sustainably improve child wellbeing.



More than 1,500 Australians answered our call to help prevent harsh realities by sponsoring a girl.

Empowering girls through sponsorship

In the lead up to International Day of the Girl on 11 October, we called on Australians to help change harsh realities by joining a movement to sponsor 1,000 girls.

Whilst we know many boys and girls around the world are vulnerable, girls are disproportionately denied their basic rights – just because they are girls. In many developing countries, girls are kept out of school and instead forced into child labour, marriage or pregnancy.

Through child sponsorship, we’re working with communities to ensure that girls have opportunities to reach their dreams.

This campaign resonated strongly with the public, who helped us not just meet, but eclipse our target. It also contributed to an uplift in the acquisition of child sponsorships, the first in seven years.



1,567 girls sponsored

Sponsorship stories



“We are about to have the 3rd dear [sponsored] girl in our lives ...

Our first was [for] 9 years and we sincerely hope her dreams of being a teacher, nurse or doctor came to fruition ... We became close through letters and were dreadfully sad when all was succeeded and World Vision moved on. However our new little girl came the last few years and again World Vision has succeeded in giving the best to her area of need. Now alas we say goodbye to her but introduce ourselves to another little girl ... It is a wonderful part of our lives to help one little person one month at a time to achieve in life ... us and World Vision a winning combination of care and sincerity.”

– PAULINE AND LEE NUTLEY, CHILD SPONSORS, QUEENSLAND



“I was lucky enough to meet my World Vision Australia sponsor child Anatoria...

I am so privileged to sponsor such a beautiful girl ... and see first-hand the wonderful work that World Vision is doing in these communities. This is an organisation truly living their values and making a significant and measurable impact on the wellbeing of the world's most vulnerable children.”

– SIA PAPAGEORGIOU, CHILD SPONSOR, VICTORIA

Supporting businesses in the “missing middle”

Around the world, small to medium enterprises (SMEs) are the main drivers of growth, innovation and productivity, providing significant employment opportunities within their local economies.

But smaller businesses, particularly in developing countries, are trapped in a credit gap known as the “missing middle”. The loans they need to grow are normally too large for microfinance institutions, yet too small and high risk for banks and larger finance companies to consider.

With support from the Australian Government, we are working with World Vision International's microfinance subsidiary, VisionFund, to help address this credit gap and support SMEs who demonstrate high growth and impact potential.

From 2015-2018, we piloted a small-scale program called ARISE in western Sri Lanka, with impressive results.

Over three years, the ARISE project provided loans of between US\$4,000-\$25,000 to SMEs alongside tailored business coaching and technical support.

A recent evaluation showed that 92 percent of entrepreneurs supported by the project achieved business growth and 82 percent recorded either a moderate or substantial increase in profits.

This project had a strong focus on women's empowerment, with almost half of all businesses supported being led by women entrepreneurs who have found success despite significant social and cultural barriers.

Business owners like Nishanthi have been able to grow their own incomes and the incomes of the many local community members they employ. “I have around 15 staff under me who are the poorest of the poor. Some of them, they really need support for their day to day, so they come here and work,” Nishanthi explained.

Over the next five years, in collaboration with the Australian Government and impact investors, we will scale this SME finance approach to provide over 3,500 businesses across 12 countries with crucial access to finance and support.

We estimate that during this period, US\$20 million of loans will support 21,000 jobs and the creation of US\$200 million in economic value, strengthening local economies through inclusive and sustainable growth.

213 businesses in Sri Lanka gained access to US\$800,000 in loan capital.

850 local people employed by participating SMEs.

6,000 people, including 2,000 children have benefited from the flow-on impact of thriving local businesses.



Business owner Nishanthi, with her son Dimuthu. Her coconut coir business is not only supporting her family but providing much-needed job opportunities in her local community.



Leadership

In Zambia, World Vision's Collins Kaumba teaches a song to children participating in the Moyo Area Development Program.

Growing and developing good leadership at all levels to enable and empower our global community of change makers.

Governance and management

Our Board and committees

Our Board comprises 10 highly qualified individuals who each bring unique expertise and experience relevant to their governance role. George Savvides served as our Board Chair until his retirement in February 2018 when Shannon Adams was appointed as our new Chair.

In 2018, the following committees supported our Board:

- The Audit and Risk Committee, which assists in monitoring and ensuring the integrity of our financial reporting and compliance with legal and regulatory requirements, internal standards (including the code of conduct), policies and expectations of key stakeholders. This committee also assists with monitoring and ensuring the effectiveness of our internal control and risk management framework and of the internal and external audit functions. This committee met six times in 2018. Gordon Allison is Chair of this committee.
- The People, Culture and Governance Committee, which assists our Board to effectively discharge its responsibilities in relation to corporate governance, corporate culture, appointment of our senior leaders and evaluation of our CEO. This committee also assists with respect to Board composition, skills and procedures to maintain a process of continuous improvement. This committee met five times in 2018. Tim McCormack is Chair of this committee.



Children from Fatehpur District in India's Uttar Pradesh state take part in remedial classes that World Vision has set up to address critical education needs.

Our Board



Shannon Adams **Board Chair**

Partner, Piper Alderman
Lawyers
Board member, World
Vision International



Gordon Allison **Chair – Audit and Risk Committee**

Executive Manager, Office of
the Chief Customer Experience
Officer, National Australia Bank



Darryl Gardiner **Member – Audit and Risk Committee**

Board member, World
Vision New Zealand
Anglican priest, youth and
community worker, speaker
and trainer in New Zealand
and internationally



Tim McCormack **Chair – People, Culture and Governance Committee**

Dean, University of
Tasmania Law School and
former Professor of Law,
Melbourne Law School



Fiona Pearse **Member – Audit and Risk Committee**

Experienced financial and
commercial executive and
non-executive director



Claire Rogers **Chief Executive Officer / Director**

Board member of Australian
Council for International
Development (ACFID)
Former Head of ANZ
Australia's Digital Banking



Jon Seeley **Member – Audit and Risk Committee**

Group Managing Director,
Seeley International Pty Ltd



Donna Shepherd **Member – People, Culture and Governance Committee**

Board Chair, Creating
Communities Australia
Pty Ltd
Board Chair, World Vision
International



Wendy Simpson **Member – People, Culture and Governance Committee**

Board Chair, Wengeo Pty
Ltd
Founding Chair of
Springboard Enterprises
Australia Limited



Bessie Vaneris **Member – People, Culture and Governance and Audit and Risk Committees**

Chief People Officer,
World Vision International

More detailed profiles can be found here. →

Our leadership team



Claire Rogers
Chief Executive Officer



Tracey Bannan
Chief Financial Officer



Andrew Binns
*Acting Chief
Private Funding*



Nathan Callaghan
Chief People and Culture



Natalie Hannemann
*Chief Retail and
Supporter Experience*



Simon Kilner
Chief Information Officer



Pam Rebecca
*Chief Strategy,
Innovation and Digital*



Jill Roche
Chief Corporate Affairs



Teresa Sperti
*Chief Marketing, Data
and Product*



Graham Strong
Chief Field Impact

Corporate governance

We are committed to the accountability and transparency that is provided through our corporate governance framework. Our 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 7), 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.

Law and industry codes

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 2001, which means that the Corporations Act applies but in a manner modified by the ACNC Act. We also hold tax exemptions and concessions and are therefore also subject to the Income Tax Assessment Act 1997.

As a signatory to the ACFID Code of Conduct we are also subject to the code's governance principles and requirements. The code defines minimum standards of governance, management and accountability for non-government organisations. It 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. This means 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.

World Vision Partnership

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, specific to entities within the Partnership, including ourselves.

→ 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.

Law: ACNC Act and Corporations Act, Income Tax Assessment Act	Expectations of stakeholders	World Vision Partnership requirements	Industry codes: ACFID Code, AICD NFP Principles, ASX Principles
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Risk management

Internal audit

We implement an internal audit function that acts as an independent, objective assurance and consulting activity designed to add value and improve our operations. It helps us accomplish our 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 Leadership Team in effectively discharging their responsibilities to the Board in these areas of risk management and internal control, while also supporting improvements in overall business process.

In accordance with professional standards and good corporate governance principles, this internal audit function is, and will be perceived to be, independent of World Vision Australia activities, processes and staff that it reviews. This ensures objectivity in performing duties and reporting results. The function reports into the Chair of the Audit and Risk Committee and then administratively through the Chief Financial Officer. We have engaged EY (formerly Ernst & Young) as our outsourced internal auditors.

Risk management

We require all areas of our business to identify key risks and to analyse, evaluate and treat those risks in a proactive manner. To ensure a consistent and structured approach, we manage risk systematically in line with our risk management policy and in response to changes in our internal and external environment. We have designed this approach to bring about cultural and behavioural improvements in the understanding of our risk management

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 project and program portfolio risks associated with the projects implemented by the National Offices in countries where we conduct 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 inherent in all operations. The intent of our risk management approach, therefore, is to provide guidance on the management of risks – not just in a reactive way, but also in a positive way, where risks can be

taken when duly considered and approved by those with delegated authority. This approach is intended to result in improved decision making and 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 – business operations, risk/legal and audit

By structuring the framework around standard processes and proven tools, we can gain confidence that our risk and assurance processes 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. We will continually assess, and adapt if necessary, existing risk management policies and practices across World Vision Australia for adequacy and effectiveness against the following attributes.

1. Continuous improvement of risk management effectiveness.
2. Single-point accountability for risks.
3. Risk-based decision making.
4. Timely communication with internal and external stakeholders.
5. Full integration in the governance structure, essential for the achievement of organisational objectives.

Our people

Leading the way

Great change fosters increased responsibility and accountability, and our employees have risen to the challenge of transforming our organisation. This increased energy and vigour have resulted in the emergence of a high performing culture and provided new pathways for innovation, co-creation and collaboration across the organisation, to support and drive our work in the countries and communities we serve.



World Vision Australia staff take part in a brand experience as part of Staff Prayer Day 2018.

Employee engagement

With 29 percent of our 478 staff (as at 30 September) being new in 2018, our intentional work to increase levels of communication and transparency across the organisation has been integral to an increase in our staff engagement score (from 63 percent to 74 percent). Through the launch of our “Leading Others” program, we have set the strategic building blocks in place for investing in our people and developing our leaders, with access to our own world-class online training through Harvard Business Learning.

An internal Equality, Diversity and Inclusion Audit was performed and assisted us to identify further ways to proactively build support, employee synergy and diversity, while striving for improved fairness and inclusion. Work completed on our enhanced remuneration strategy has provided greater performance difference as well as confirming that we have achieved gender equality in the remuneration of our workforce.

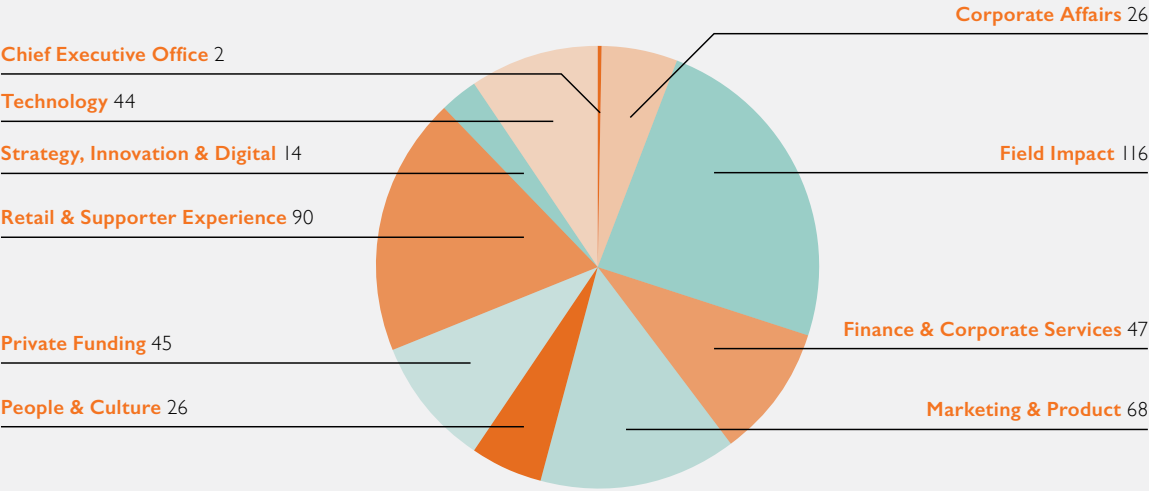
We are listening to our staff and working to upgrade outdated systems and processes (including the introduction of Microsoft SharePoint and Office 365 for communication and information management and the Service Now online system for internal service requests). Our culture program has embedded new ways of operating, enabling greater idea generation and opportunities to test and learn through courageous, collaborative conversations.

We are proud of the depth of talent and commitment of our employees and volunteers and thank them for their contribution and passion for creating life in all its fullness for every child.

	Board members	Total employees	Full-time employees	Part-time employees	Staff turnover
2018	10	478	413	65	19%
2017	11	440	365	75	19%
2016	13	524	440	84	18.70%



By department



“Staff engagement continues its upward trajectory and the most recent pulse survey had shown an exceptional engagement score of 74 percent. I am personally delighted with this 11 percent increase in 12 months. We have initiated and continue to work on multiple activities to continue this trend because our people are the delivery of our mission. We cannot do anything without their commitment.”

CLAIRE ROGERS
- CEO

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 for these key indicators and we have committed to reducing emissions and purchasing carbon offsets where emissions cannot be sufficiently reduced to meet the nil target.

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 verified emission reduction units under the Gold Standard for the Global Goals. The projects are also improving rural livelihoods, increasing resilience to climate change and restoring degraded lands. This year, we were again able to purchase carbon emission offsets from our fuel efficient cookstove project in the Baringo and Nakuru counties within the Rift Valley, Kenya. More information about this project can be found here. →

Results from our carbon footprint reduction initiative

The data in the table on the right 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 2018 financial year compared with the previous year. During the year, total emissions before offsets decreased by 187 tonnes CO₂-e. Our efforts to reduce our carbon footprint include a shift towards digital marketing and carbon neutral paper, as well as reducing the number of offices we have around Australia which reduced electricity, gas and paper usage.

	FY18	FY17
Key activities measured	Tonnes CO ₂ -e	
Electricity ¹	1,695	1,777
Air travel (fuel only) ²	640	598
Paper	69	184
Car fleet	65	60
Gas	172	209
TOTAL emissions before offsets	2,641	2,828
Gold Standard offsets purchased from World Vision programs ³	(2,641)	(2,828)
TOTAL emissions after offsets	-	-
TARGET	-	-

Notes

1. Australian National Greenhouse Accounts factors changed during the year and the conversion factors published in 2018 have been used for this report. FY17 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 changed during FY18 and have been used in this report. FY17 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 (who manage carbon credits on behalf of our reforestation project in Kenya), an accredited independent trader of carbon offsets that are generated from World Vision projects. These VERs have been purchased at market rate to offset 2,641 tonnes CO₂-e. The Gold Standard Foundation has certified the VERs.



World Vision

Children from Afghanistan's Badghis Province stand in a demonstration plot where World Vision staff teach local farmers new crop production skills.

gress

pro

Managing resources wisely and delivering a healthy mix of high quality, sustainable funding for the right programs in the right places.

Financial position and performance

Snapshot

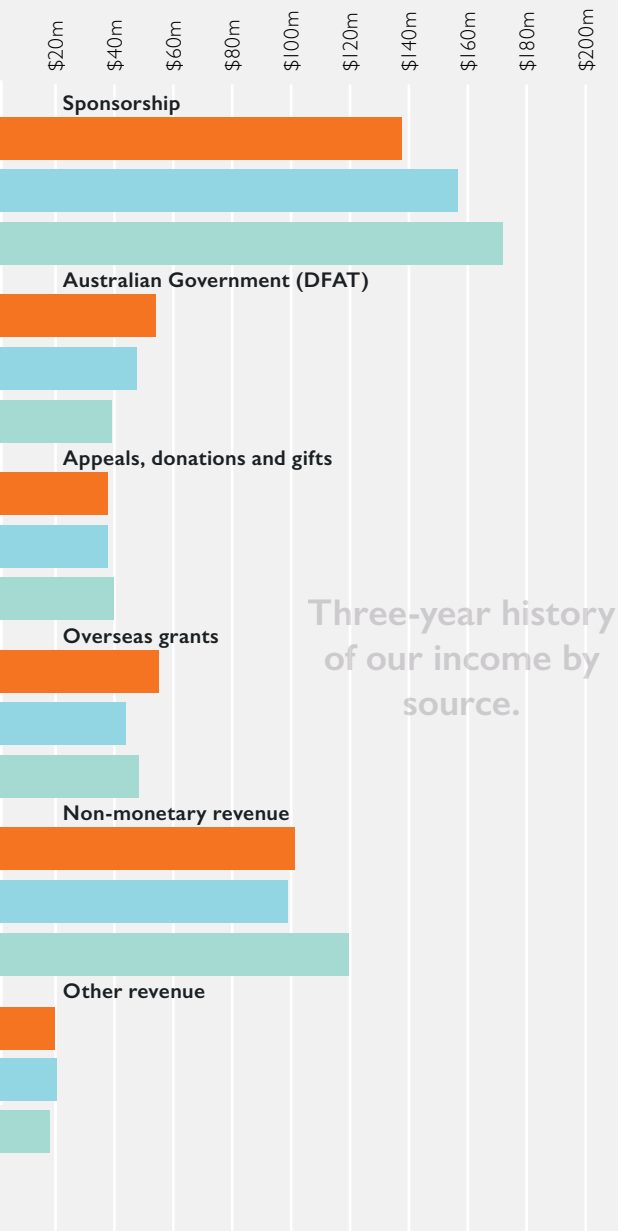
The table opposite is a snapshot of our income and disbursements over FY18 compared to the previous two years. You can find more detail in the extracts from our audited Annual Financial Statements for the year ended 30 September 2018 set out on pages 36-42.

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 2018 Annual Information Statement, which we will lodge with the ACNC and which will be available via the ACNC's Charity Register. →

Income	FY18 \$m	FY17 \$m	FY16 \$m
Sponsorship	137.5	156.8	172.3
Grants – DFAT	53.3	47.5	38.5
Appeals, donations and gifts	32.0	37.1	39.4
Overseas grants	54.4	43.5	47.3
Other revenue	19.4	20.5	16.9
Cash income	296.6	305.4	314.4
Non-monetary donations and gifts	101.5	98.7	120.7
Total income	398.1	404.1	435.1
Disbursements			
Fundraising	43.6	41.4	40.7
Administration and accountability	25.2	25.4	39.0
Overheads	68.8	66.8	79.6
International programs:			
Funds to international programs	209.0	224.4	212.6
Program support costs	5.8	4.9	5.7
Domestic projects	4.4	4.4	5.3
Community education	1.7	2.3	1.6
Program disbursements – cash	220.9	236	225.2
Non-monetary items to international programs	101.1	97.2	125.0
Program disbursements	322.0	333.2	350.2
Total disbursements	390.8	400.0	429.8
Excess of revenue over expenditure	7.3	4.1	5.3
Share of loss of associate	-	0.2	-
Surplus	7.3	3.9	5.3

Figures have been rounded. As such there may be minor discrepancies between financial reports.

Income – Our revenue in FY18



FY18 and FY17 comparisons:

Total revenue for the year was \$398.1m (2017: \$404.1m). Total disbursements to international and domestic programs was \$314.5m (2017: \$325.9m), made up of:

- \$209.0m in monetary funds to international programs (2017: \$224.4m);
- \$4.4m in monetary funds to domestic programs (2017: \$4.4m); and
- \$101.1m in non-monetary expenditure (2017: \$97.2m).

The remaining expenditure was \$76.3m (2017: \$74.2m). We achieved a surplus of \$7.3m (2017: \$3.9m). We have experienced a decline in revenue to \$398.1m for 2018. This decline in revenue is primarily driven by a decline in donations from the mass market.

Sponsorship

As in previous years, there continues to be rapid change in the market condition of the charity sector. Whilst there has been a decline in sponsorship revenue, the number of sponsorships through World Vision Australia during 2018 remains significant at 235,070, enabling children, families and communities to transform their lives.

Australian Government

Income from the Department of Foreign Affairs and Trade (DFAT) increased by 12.2 percent to \$53.3m. This has been driven by an increase in the value of our contracts with DFAT for development and relief grants and also increased success in securing development contracts from commercial contracting partners.

Appeals, donations and gifts

This includes emergency relief and other appeals, cash donations and gifts, and investment income. This revenue declined by 13.7 percent to \$32.0m. This was primarily driven by increased competitiveness in the charity market and declining revenue from supporters giving to us on an ongoing basis.

Overseas grants

This includes non-Australian Government and other grants. Overseas grants increased by 25.1 percent to \$54.4m due to increased opportunity and success in securing numerous multilateral development and relief grants for specific projects overseas. The grant donor mix continues to diversify with opportunities from multilateral and other organisations being a key source of future revenue growth.

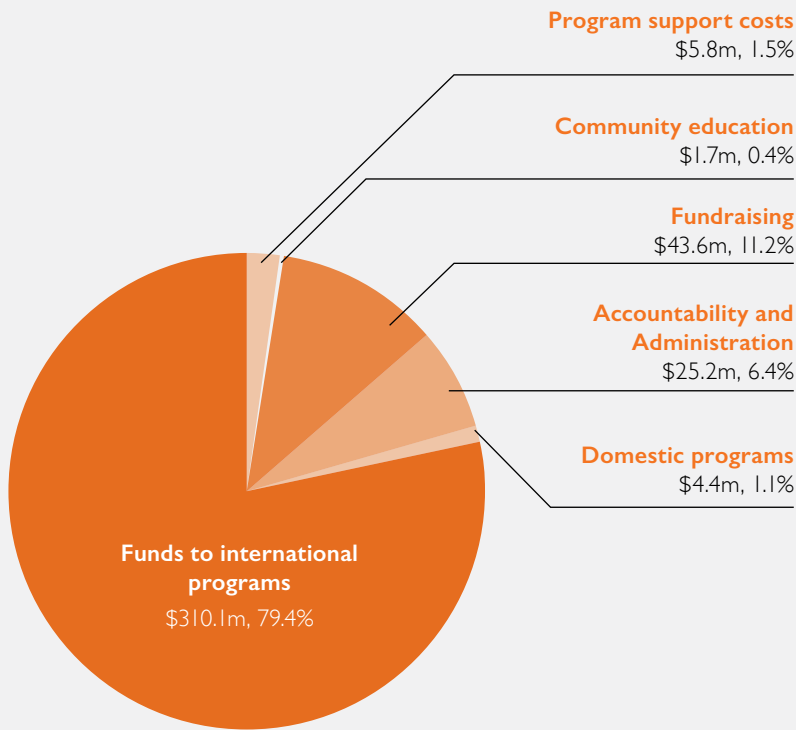
Non-monetary donations and gifts







This includes donated goods from corporations and overseas donor agencies, and any other non-cash income. Donated goods and assets increased by 2.8 percent due to additional Goods-In-Kind (GIK) support provided to our Syria Crisis Response.

Our Income Statement (extracted from our audited Annual Financial Statements for the year ended 30 September 2018) is set out on page 39.

Disbursements – How funds were used in FY18

Set out below is an illustration of how funds were used in FY18:



Fundraising	Accountability and Administration	Funds to international programs	Domestic programs	Community education	Program support costs	Total \$m
\$43.6m	\$25.2m	\$310.1m	\$4.4m	\$1.7m	\$5.8m	\$390.8m
\$41.4m	\$25.4m	\$321.6m	\$4.4m	\$2.3m	\$4.9m	\$400.0m
\$40.7m	\$39.0m	\$337.5m	\$5.3m	\$1.6m	\$5.7m	\$429.8m
						
FY18	FY17	FY16				

FY18 and FY17 comparisons:

Fundraising

This includes our marketing and supporter facing costs. Fundraising costs increased from 10.3 percent of revenue to 11 percent due to investment in digital supporter experiences and sales and marketing expertise. We expect these investments to deliver efficiencies in subsequent years.

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 23 for more information.) Accountability and administration costs decreased by 0.8 percent compared to 2017 driven by continued expense management offset by investment in technology projects.

Domestic programs

This includes our disbursements for work in Australia on Indigenous development programs. Funds to domestic programs remained consistent at \$4.4m as we specifically focused on domestic programs where we are best placed to have maximum impact.

Community education

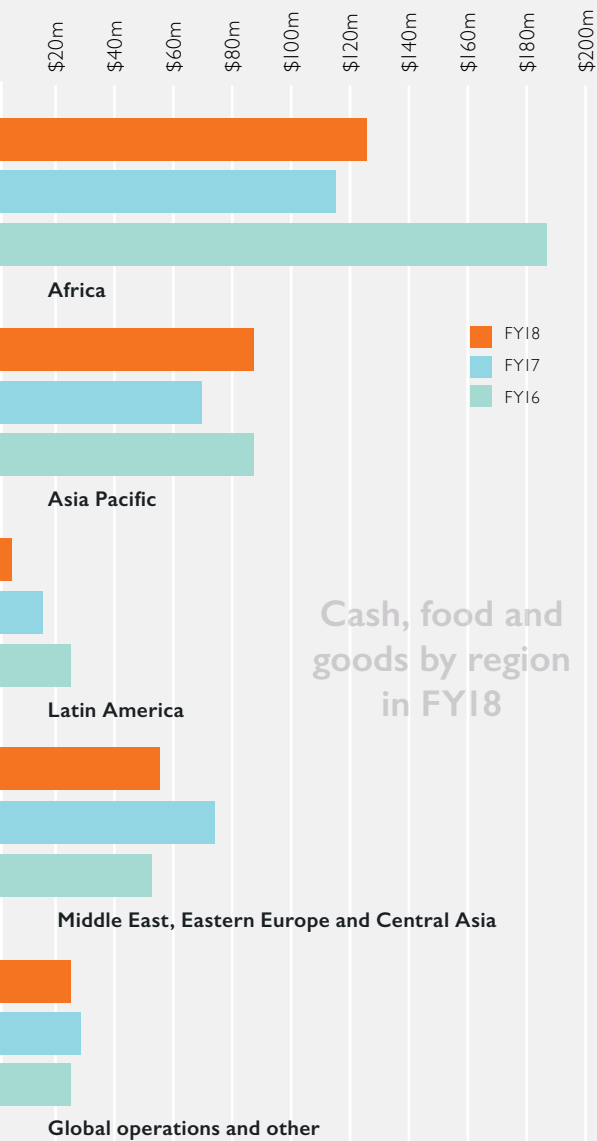
This includes the costs associated with public awareness campaigns in Australia and advocacy activities which seek to bring about change in government and institutional policies. In FY18, community education expenses decreased by 26.1 percent to \$1.7m due to the conclusion of an advocacy grant in FY17.

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 programs we support, to ensure maximum impact. Program support costs have increased by 18.4 percent to \$5.8m due to an increase in costs in Australia to manage the growing portfolio and a more accurate alignment of cost categories to the activities.

Funds to international programs

This includes all cash, food (including World Food Programme contracts) and goods designated for our international programs. It also includes funds transferred to the Global Centre operating costs and 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 declined by 3.6 percent relative to the prior year due to minor variations in contract scale/timing. You can find out more about how funds reach communities on page 35.



Information on the amounts disbursed to countries within each of the regions can be found at note five from page 31 of our audited Annual Financial Statements for the year ended 30 September 2018, available on our website. →☰

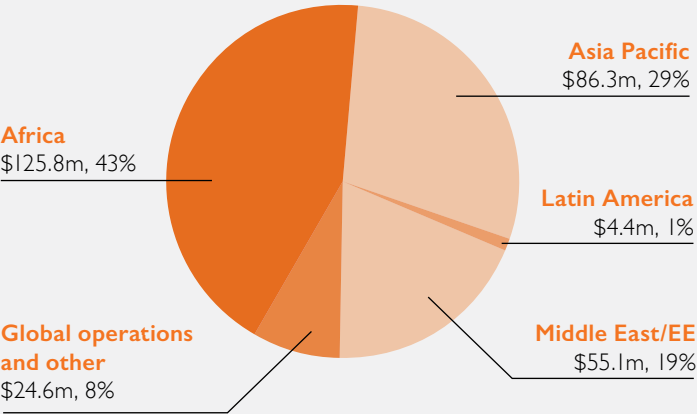
We have also included in the chart disbursements towards “Global operations and other”. These disbursements are for global management and expertise for the World Vision International Partnership and also for the Partnership’s international advocacy activities on issues such as ending violence against children, child rights, Sustainable Development Goals, peacebuilding, and fragile and conflict-affected contexts. As explained on page 8, 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, strategies 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 FY18 was \$398.1m (FY17: \$404.1m). Total cash funds to international and domestic programs was \$213.4m (FY17: \$228.8m) and other expenditure was \$177.4m (FY17: \$171.4m), resulting in a surplus in FY18 of \$7.3m (FY17: \$3.9m).

Disbursements by region in FY18



Ensuring our ability to meet our field program financial commitments

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 we will invest assets in accordance with World Vision ethos and core values, considering fiduciary requirements, applicable laws and liquidity requirements.

We place funds raised for all our projects 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. 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. We transfer our funds to the World Vision Partnership Treasury Office, which then provides these funds to field projects based on approved plans.

As part of the Partnership's global planning process, we make funding commitments to relief and development programs (international or domestic) based on income forecasts approximately three to six months before the start of the next financial year. This process helps to provide the requisite level of certainty around funding streams for local World Vision offices implementing our programs. This enables them to plan appropriately and allocate resources.

Our Field Allocations Committee considers and approves funds proposed for allocation. The committee comprises key employees with responsibility and delegated authority from our Board for overseeing the use of funds in all our programs. We base funding decisions on criteria such as strategic fit, organisational capacity and donor requirements.

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 manner promised. Such circumstances may include instances where:

- geopolitical issues prevent the use of funds;
- staff security 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, we allocate the funds to areas of similar need. We inform our donors of this in general communications about each appeal. Where specific communication is required, the method of communicating depends 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. These procedures are subject to periodic internal audits. In addition to our internal audit process, our accounts are audited annually by our external auditor, Grant Thornton. We lodge our audited Annual Financial Statements with ACNC and ACFID and make them available on our website. →

Our staff visit our projects periodically and perform quality monitoring in the areas of sustainability, impact, development approach and financial risk monitoring. Regular operational audits ensure that our overseas and local partners adhere to agreed project management standards.



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 2018:

Declaration by Directors	Page 36
Independent Auditor's Report	Page 37
Income Statement	Page 39
Statement of Comprehensive Income	Page 40
Statement of Financial Position	Page 41
Statement of Changes in Equity	Page 42

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 2018 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 all of its debts as and when they become due and payable.
- (b) The financial statements and notes set out on pages 11 to 50 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 2018 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*.
- (c) The financial statements and associated records of the Company have been properly kept during the year end 30 September 2018 in accordance with the provisions of the *NSW Charitable Fundraising Act 1991*, the regulations under this Act and the conditions attached to organisation's authority. The internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Chair



Director

Melbourne, 30 November 2018

Independent Auditor's Report

To the Members of World Vision Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of World Vision Australia (the "Company"), which comprises the statement of financial position as at 30 September 2018, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of World Vision Australia has been prepared in accordance with Division 60 of 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 2018 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 September 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website. → This description forms part of our auditor's report.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015 and the requirements of the WA Charitable Collections Act 1946 and the WA Charitable Collections Regulation 1947 (as amended)

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act 1946*. Our procedures include obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act 1946* and the *WA Charitable Collections Regulation 1947 (as amended)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Auditor's Opinion

In our opinion:

- a) The financial report of World Vision Australia has been properly drawn up and associated records have been properly kept during the financial year ended 30 September 2018, in all material respects, in accordance with:
 - i. sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii. sections 10(6) and 11 of the *NSW Charitable Fundraising Regulations 2015*;
 - iii. the *WA Charitable Collections Act (1946)*; and
 - iv. the *WA Charitable Collections Regulations 1947 (as amended)*.
- b) The money received as a result of fundraising appeals conducted by the Company during the financial year ended 30 September 2018 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.

I, Eric Passaris, am currently a member of Chartered Accountants Australia and New Zealand 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 2018. I am responsible for the execution of the audit and delivery of our firm's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Eric W Passaris

E W Passaris
Partner – Audit & Assurance

Melbourne, 30 November 2018

Income Statement

for the year ended 30 September 2018

	FY18	FY17
Revenue	\$'000	\$'000
Donations and gifts		
Monetary		
- Pledge programs	146,854	166,491
- Appeals, donations and gifts	32,034	37,058
Non-monetary		
- Donated goods and assets	4,213	4,215
- Grants (Multilateral)	97,291	94,466
	280,392	302,230
Bequests and legacies	4,453	7,055
Grants		
- DFAT	53,274	47,465
- Other Australian	1,969	1,632
- Other overseas	54,428	43,472
	109,671	92,569
Investment income	1,028	798
Other income	2,593	1,464
Total revenue	398,137	404,116

	FY18	FY17
Expenditure	\$'000	\$'000
International aid and development programs expenditure		
International programs		
- Funds to international programs	209,064	224,362
- Program support costs	5,800	4,938
	214,864	229,300
Community education	1,658	2,327
Fundraising costs		
- Public	40,714	37,017
- Government, multilateral and private	2,900	4,443
Accountability and administration	25,201	25,386
Non-monetary expenditure	101,107	97,163
Total international aid and development programs expenditure	386,444	395,636
Domestic programs expenditure	4,399	4,416
Total expenditure	390,843	400,052
Excess of revenue over expenditure	7,294	4,064
Share of loss of associate	-	(202)
Net excess of revenue over expenditure	7,294	3,862

The above Income Statement should be read in conjunction with the accompanying notes which can be found on our website in the full version of our audited Annual Financial Statements for the year ended 30 September 2018. →

Note: For the purposes of the ACFID Code of Conduct, at the end of 30 September 2018 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.

Figures have been rounded. As such there may be minor discrepancies between financial reports.

Statement of Comprehensive Income

for the year ended 30 September 2018

	FY18	FY17
	\$'000	\$'000
Excess of revenue over expenditure	7,294	3,862
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to the income statement		
- Changes in the fair value of cash flow hedges	15,144	(2,042)
Other comprehensive income/(loss) for the year	15,144	(2,042)
Total comprehensive income for the year	22,438	1,820

Figures have been rounded. As such there may be minor discrepancies between financial reports.

Statement of Financial Position

as at 30 September 2018

	FY18 \$'000	FY17 \$'000
Assets		
Current assets		
Cash and investments	48,623	42,600
Receivables	1,347	1,567
Financial assets	317	62
Inventories	124	198
Donated goods	2,668	2,629
Unrealised currency hedge receivable	8,592	-
Total current assets	61,671	47,056
Non-current assets		
Investment in Associate	-	70
Property, computer hardware and equipment	19,193	19,300
Intangibles	1,411	1,234
Total non-current assets	20,604	20,604
Total assets	82,275	67,660

	FY18 \$'000	FY17 \$'000
Liabilities		
Current liabilities		
Accounts payable	5,696	6,413
Provisions	4,993	5,315
Unrealised currency hedge payable	-	6,552
Total current liabilities	10,689	18,280
Non-current liabilities		
Provisions	697	929
Total non-current liabilities	697	929
Total liabilities	11,386	19,209
Net assets	70,889	48,451
Equity		
Reserves	8,592	(6,552)
Retained earnings	62,297	55,003
Total equity	70,889	48,451

The above Statement of Financial Position should be read in conjunction with the accompanying notes which can be found on our website in the full version of our audited Annual Financial Statements for the year ended 30 September 2018. →

Figures have been rounded. As such there may be minor discrepancies between financial reports.

Statement of Changes in Equity

for the year ended 30 September 2018

	Reserves	Retained earnings	Total
	\$ '000	\$ '000	\$ '000
Balance at 1 October 2016	(4,510)	51,141	46,631
Excess of revenue over expenditure	-	3,862	3,862
Other comprehensive loss for the year	(2,042)	-	(2,042)
Total comprehensive income for the year	(2,042)	3,862	1,820
Balance at 30 September 2017	(6,552)	55,003	48,451
Excess of revenue over expenditure	-	7,294	7,294
Other comprehensive income for the year	15,144	-	15,144
Total comprehensive income for the year	15,144	7,294	22,438
Balance as at 30 September 2018	8,592	62,297	70,889

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes which can be found on our website in the full version of our audited Annual Financial Statements for the year ended 30 September 2018. →

Figures have been rounded. As such there may be minor discrepancies between financial reports.



National Office

1 Vision Drive
Burwood East VIC 3151
Telephone: (03) 9287 2233
Fax: (03) 9287 2427
Email: service@worldvision.com.au
worldvision.com.au

New South Wales Office

Level 3, 134 William Street
Potts Point NSW 2011
Telephone: (02) 9806 6300

Canberra Office

WOTSO WorkSpace
Ground Floor
490 Northbourne Avenue
Dickson ACT 2602
Telephone: (02) 6102 5502



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