TABLE OF CONTENTS

ABOUT CARE AUSTRALIA

VISION, MISSION AND VALUES 2
ABOUT CARE 3
CARE AUSTRALIA BY THE NUMBERS 4
CHAIR’S MESSAGE 5
CEO’S MESSAGE 6

HOW WE WORK

WORKING WITH OUR SUPPORTERS 23
OUR STAFF 25
OUR GOVERNANCE 27
OUR VALUED SUPPORTERS 29
CARE AUSTRALIA’S BOARD 31

WHAT WE ACHIEVED

CARE AUSTRALIA’S STRATEGIC DIRECTION 7
STRIVING TO ACHIEVE GENDER EQUALITY 9
CARE AND THE MILLENNIUM DEVELOPMENT GOALS 10
WHERE CARE WORKS AND GLOBAL ACHIEVEMENTS 11
PLANNING, PROGRAMMING AND LEARNING 13
PROGRESS IN THE FIGHT AGAINST POVERTY AND INJUSTICE 15
OUR RESPONSE TO EMERGENCIES 19
OUR RESPONSE TO CLIMATE CHANGE 21

FINANCIAL REPORT

FINANCIAL OVERVIEW 32
SUMMARY FINANCIAL REPORT 34
FINANCIAL STATEMENTS 35

CARE Australia was pleased to be recognised as one of 10 finalists in the revenue greater than $30m category in the 2011 PwC Transparency Awards for the quality and transparency of our reporting.
ABOUT CARE

CARE is an international humanitarian aid organisation fighting global poverty, with a special focus on women and girls to bring lasting change to their communities. As a non-religious and non-political organisation, CARE works with communities to help overcome poverty by supporting development and providing emergency relief where it is needed most.

CARE is a confederation composed of 12 national members – Australia, Austria, Canada, Denmark, France, Germany-Luxembourg, Japan, Netherlands, Norway, Thailand, the UK and the USA – forming one of the world’s largest independent, international emergency relief and development assistance organisations. India and Peru are affiliate members of the confederation and will become national members over the next two years. The national agencies operate independently but cooperate closely in the field and work together under the CARE International Board and Secretariat, based in Geneva. For example, in 2011/12, CARE Australia worked closely with CARE International on the development and implementation of Vision 2020, CARE’s global vision for the future. (Refer to page 7.)

Our history
CARE was founded in the USA in 1945. Initially an acronym for ‘Cooperative for American Remittances to Europe’, CARE sent food aid and basic supplies in the form of ‘CARE packages’ to post-war Europe. As the economies of the war-affected nations recovered, focus soon shifted from Europe to the challenges of the developing world.

CARE Australia was established in 1987, and this year celebrates 25 years of fighting global poverty. Former Prime Minister, the Rt Hon. Malcolm Fraser, AC, CH was the founding Chair. CARE Australia grew through the 1990s and developed a reputation for delivering timely and effective disaster assistance and development programs to those in need.

Today, CARE Australia undertakes activities in 26 countries in the Asia-Pacific, Middle East and Africa, as well as responding to humanitarian emergencies.

Our work
CARE works with communities to address the underlying causes of poverty, helping empower them to increase their income, improve health and education services, increase agricultural production, build appropriate water supply and sanitation systems, and address child malnutrition. Our work is performed in cooperation with local partner organisations and government agencies.

Because poverty disproportionately impacts women and girls, CARE is particularly focused on gender equality. We know that supporting women and girls, ensuring their voices are heard and helping to remove barriers that hold them back is the best way to bring lasting change to poor communities.

Funding
We rely on the generous support of the Australian public to fund our work. We build on this support by attracting additional funds from institutional donors such as AusAID and the United Nations.

Accountability and accreditation
To ensure accountability and transparency, CARE Australia retains management and contractual responsibility for the projects we undertake. We are an active member of the Australian Council for International Development (ACFID) and ensure that ACFID Code of Conduct training is offered to all staff and internal procedures and reporting guidelines adhere to current regulatory and legislative requirements. We uphold the highest standards of practice, as demonstrated by our commitment to:
- ACFID Code of Conduct
- Code of Conduct for the International Federation of Red Cross and Red Crescent Movement and NGOs in Disaster Relief
- Sphere Humanitarian Charter and Minimum Standards
- People in Aid Code of Good Practice
- Fundraising Institute of Australia’s Principles & Standards of Fundraising Practice.

CARE Australia holds full accreditation status with AusAID, the Australian Government’s overseas aid agency and was reviewed and re-accredited for a further five years during this financial year. Achieving accreditation entails a rigorous review of CARE’s systems and capacities. It reflects the Government’s confidence in CARE Australia’s professionalism, accountability and effectiveness.

Feedback
We welcome feedback on this report or our operations and conduct. Please send any feedback to Greg Brown, Company Secretary, CARE Australia, GPO Box 2014, Canberra 2601.

In 2011/12, CARE Australia:

- Worked with nearly 2.8 million people across 26 countries through 189 projects
- Employed 998 staff and 95% are nationals of the country they work in
- Responded to 7 humanitarian emergencies
- Increased our number of public donors by 41%
- Started 4 new climate change adaptation projects in

Vietnam
Timor-Leste
Papua New Guinea
Vanuatu

Footnote:
1 Includes staff based in Australia and our Country Offices.
This year is an important milestone for CARE Australia: our 25th anniversary.

Our operations began with founding Chair, the Rt Hon, Malcolm Fraser, AC, CH, establishing CARE Australia as ‘The Australian face of overseas aid. We were developed as an organisation that is directly and operationally responsible for managing all Australian-fundied activities and at the forefront of providing emergency humanitarian assistance in times of disaster.

We joined the global CARE confederation, then consisting of CARE Austria, Britain, Canada, Denmark, France, Germany, Italy, Japan, Norway and the USA, which made up one of the largest secular development agencies in the world. CARE Australia quickly became recognised for its effective responses to humanitarian emergencies - assisting survivors of severe flooding in Bangladesh, famine in Sudan and helping to resettle 370,000 Cambodian refugees who had spent up to 15 years in refugee camps. Our first development programs then consisting of CARE Austria, Britain, Canada, Denmark, France, Germany, Italy, Japan, Norway and the USA, which made up one of the largest secular development agencies in the world.

CARE Australia has always had a particular focus on supporting poor communities in our region, and we developed CARE's operations in Papua New Guinea, Vietnam and Cambodia.

From 25 years of experience, we know that working with women and girls provides the single biggest return on investment in development. We know that each woman who has the opportunity to lift herself out of poverty will help at least four others out of poverty. The advances we have witnessed over the past two decades demonstrate that when women can access their basic rights, they are the most powerful force in the fight against poverty.

In that first year, we contributed to CARE's global efforts to assist over 20 million people. This year, CARE has assisted 122 million people globally. I am incredibly proud to be Chair of CARE Australia and part of an international movement that is helping to eradicate extreme poverty.

In fact, in the time that CARE Australia has been in existence, the world has witnessed dramatic shifts in poverty reduction. In the early 1980s, more than half of all people in developing countries lived in extreme poverty. Today it is less than 16 per cent. However, we are also seeing increases in the frequency and scale of humanitarian emergencies, the impact of climate change and uncertainty in the global economy. We are committed to tackling these new challenges and innovating to achieve sustainable progress.

We recognise that our work is not yet finished, but we celebrate our progress by sincerely thanking the people who share our unshakable commitment to a world where poverty has been overcome and people live with dignity and security.

I thank our previous Chairs: The Rt Hon, Malcolm Fraser, AC, CH; Sir William Deane, AC, KBE; Tanya Eggleton, AO, CVO; and Peter Smerdel for their role in establishing and building CARE Australia to be the organisation we are today.

I also sincerely thank our staff - both past and present. CARE has benefited from their skill and professionalism and, above all, the shared humanity they bring to the communities we work with.

I especially thank our supporters - those who have been involved with CARE Australia since the beginning, and those who have joined us in more recent years. We simply could not achieve so much without your support.

Harold Mitchell, AC
Chair CARE Australia

I look back on 2011/12 with an overwhelming sense of pride. In these 12 months, the CARE Australia community faced many challenges and helped forge new opportunities to overcome global poverty.

When the worst drought in 60 years and conflict merged to create a food crisis in Somalia, Djibouti, Ethiopia and Kenya, the humanitarian impact was severe. Over 13 million people were affected by hunger, disease and a lack of water and security. CARE's response assisted 2.77 million people with the provision of food and water, and long-term support to improve farming practices and increase income opportunities. Our response to large-scale emergencies was tested again at the beginning of the year, when we launched an appeal in response to the emerging food crisis in West Africa. As I write, there are 18 million people in need of assistance and CARE is working in Niger, Chad and Mali, helping bring support to affected communities.

In June, I travelled to Chad where CARE is distributing food, improving access to clean water and providing seeds to vulnerable communities. Despite the enormous challenges facing them, the people I met with had so much strength and dignity - they had faced droughts before and knew they would face them again, but with the right assistance, I know we can help them get through difficult seasons without facing the threat of hunger or disease.

While in Chad, I also took the opportunity to meet with CARE's staff who were working to address family planning needs ahead of the Family Planning Summit in London in July. On average, women in Chad have 6.3 children; 60 per cent of girls are pregnant before the age of 18; and the maternal mortality rate is 1,100 deaths per 100,000 live births. While these figures are alarming, they are not unique to this country, with similar rates seen in Afghanistan, Malawi and Sierra Leone.

In Chad, the impact of CARE's work to improve information and access to family planning gives me great hope for the potential to address this enormous global issue. In the initial four months, the family planning project exceeded expected take-up for the first full year. There was huge and previously unaddressed demand by both men and women to space their children. Good information targeting men, women and community leaders and reliable access to appropriate services proved to be very effective. CARE took these and other messages to world leaders attending the Family Planning Summit, and strongly advocated on behalf of the more than 200 million women in developing countries who want family planning but cannot access it.

During the year, I also had the opportunity to share first-hand experiences of CARE's work with our Women's Empowerment Ambassador, Westpac CEO Gail Kelly. We travelled to Malawi in January to visit CARE's Village Savings and Loans Program, where Gail was able to combine her passion for development, women's rights and finance. We met with women who had set up their own savings groups and saw what they achieved with access to finance, like starting up businesses selling baked goods or increasing their crop yield and selling surplus at the market.

It was significant for me to see the impact this work had on such an accomplished businesswoman and leader, who I know is pleased to be associated with the positive difference CARE is making in poor communities by addressing the needs of women.

I hear from colleagues that it was a difficult year for many charities, with reports of donor fatigue and challenges in meeting fundraising targets. I am pleased that CARE has not experienced this problem. In fact we saw a 6 per cent increase in donations from the Australian public this year.

In unstable economic times it is even more important for CARE to reach funding targets - as economic uncertainty often has a knock-on effect in the countries where we work by increasing poverty levels. My focus is on ensuring we continue to work with communities in these tougher times, and I am thankful that your generous support allows us to continue helping communities access the tools and support they need to lift themselves out of poverty.

In this, CARE Australia's 25th year, we will continue to build on the advances of the past two and a half decades to see our vision of a world without poverty achieved. Every year we are building a stronger and larger evidence base of ways in which we can overcome poverty, and sharing this information directly with community leaders, our colleagues and peers around the world as well as you, our donors. A world without extreme poverty is possible; indeed we can be the generation that makes it happen.

Julia Newton-Howes
Chief Executive

ABOUT CARE AUSTRALIA
WHAT WE ACHIEVED

In 2011/12, CARE Australia’s 25’s years of experience allowed us to help inform the process of review and change in CARE International and we actively participated in several working groups: the Country Presence Review Process, Cost Structure Study and a review of CARE International’s Emergency Strategy.

In 2012/13 CARE Australia will continue working in partnership with poor communities to help address their priorities. We will continue to participate in CARE International groups to improve the quality and impact of our work. We will develop long-term programs working with poor and vulnerable women in Cambodia, regional ethnic groups in Laos, and socially marginalised people in Vietnam.

Poor communities are particularly vulnerable when natural disaster or conflict strikes, and progress made in development can be stalled or lost during an emergency. CARE Australia responded to seven emergencies this year, including large-scale flood events in East and West Africa and flooding in South-East Asia. We also work to reduce long-term vulnerability to disasters and incorporate disaster risk reduction into our programs (refer to page 19).

CARE Australia played an important role in the development and implementation of CARE International’s Vision 2020. The Vision was endorsed by the CARE International Board and aims to ensure our approach to fighting poverty remains relevant and effective into the future.

In 2011/12 we conducted a comprehensive review of our Risk Management Framework including updating our Fraud and Corruption Control Plan in recognition of the broader risks faced by CARE Australia due to the locations in which we work. In addition, we re-introduced our Whistleblower’s Policy to address an issue where a number of CARE members in July 2012. This included streamlining our processes, such as improvements to our financial management practices. These initiatives also had a positive impact on turnover rates, which reduced from 26 per cent in 2011 to 15 per cent in 2012.

Overall revenue from the Australian public grew by 4 per cent to $22,786,327, with significant growth in media coverage, direct conversations with schools, universities, community groups and work places (refer to page 23).

CARE Australia plays a crucial role in helping communities to achieve their goals and in overcoming poverty. CARE Australia reached out to new partners who share our passion for women’s empowerment. This year we reached out to new networks with the assistance of Gail Kelly – our Women’s Empowerment Ambassador, Chrissie Swan – our Walk In Her Shoes Ambassador and through strong relationships with Qantas and The Body Shop (refer to page 23).

In 2012/13, we will continue to strengthen existing relationships with our Ambassadors, corporate and foundation partners in order to share knowledge and take our collective messages to a broader audience. This will include a partnership approach to building knowledge and collective messages to a broader audience.

We experienced a 28 per cent increase in the amount donated online, which is the most cost-effective method of donating and illustrates that CARE is increasingly front of mind for Australians wanting to donate to an international aid agency.

In 2012/13, we will continue to grow our public income through the expansion of the Walk In Her Shoes challenge, the consolidation of our regular giving acquisition program and increase in appeal approaches.

WHAT WE ACHIEVED

31% more regular givers

NEW leadership and mentoring program

We spoke directly to 10,000 Australians
Gender, equality and empowerment defined

- Gender: the socio-cultural constructs, differing somewhat from culture to culture, that dictate the expected behaviours and choices of males and females. Because gender is created by human societies, it can be changed by human societies.
- Gender equality: the equal enjoyment by women and girls, men and boys, of rights, opportunities, resources and rewards. Gender equality is an explicit, internationally recognised human right.
- Women’s empowerment: an essential component of achieving gender equality and it implies a desired goal, an empowered woman.

What does an empowered woman look like?

CARE STRIVING TO ACHIEVE GENDER EQUALITY

In CARE’s fight against injustice, discrimination and poverty, our research, analysis and experience show that poverty and the denial of women’s basic human rights consistently go hand in hand. Women and girls make up the majority of those living in extreme poverty. It means rights denied, opportunities curtailed and voices silenced. CARE works with women and girls, men and boys to achieve gender equality as a fundamental human right. Women’s empowerment is an essential component of gender equality. Empowered women – women with the ability and freedom to identify and choose their life courses – will act in ways that lift themselves, their families and communities out of poverty. Women’s empowerment is more than giving a woman training or a loan and expecting her to do more or to do things differently. Empowerment is derived from the changes needed for a woman to realise her full human rights: the combined effect of changes in her own aspirations and capabilities, the environment that influences or dictates her choices, and the interactions she engages in each day.

CARE’s work on gender equality is about ensuring that women and men, girls and boys are genuinely consulted and their different needs, aspirations and capacities are considered in the design, implementation and evaluation of our development and emergency work. Our programs aim to work with communities to transform gender roles, alter structures that maintain inequality and promote positive change in the relationships between women and men. As husbands, fathers, brothers and community leaders, men are often those who define and keep women within boundaries. CARE engages men and boys to support the role women can play to help their family and community overcome poverty and social injustice.

CARE works with men and boys to support the role women can play to help their family and community overcome poverty and social injustice.

CARE AND THE MILLENNIUM DEVELOPMENT GOALS

As part of our commitment to reducing poverty and empowering women, CARE is proud to be making progress towards achieving the United Nations’ Millennium Development Goals by 2015.

GOAL 1
Eradicate extreme poverty and hunger

In sub-Saharan Africa, 50 million people live on less than $2 a day. Access Africa’s 10-year women-focused village savings and loans program, assisted more than two million households to generate $33.5 million in assets. With improved financial security, women can afford better healthcare, education for their children and play a leadership role in their communities.

GOAL 2
Achieve universal primary education

In Timor-Leste, nearly one in 10 children dies before their fifth birthday. CARE is supporting the Ministry of Health to train staff and volunteers, conduct regular growth monitoring in remote areas and distribute supplementary food to malnourished children under five, as well as pregnant and breastfeeding women. We also support activities that combine nutrition education and access to nutritious foods, such as the establishment of kitchen gardens.

GOAL 3
Promote gender equality and empower women

Women and girls are disproportionately affected by poverty and discrimination, so without addressing their needs and promoting gender equality through the attainment of Goal 3, none of the Millennium Development Goals can be achieved.

In Laos, CARE is working with migrant women in the sex, hospitality, entertainment and garment factory industries. Exploitation and violence towards women in these industries is rife, and women are isolated from the legal system and broader society. CARE supports these women to access health and legal services and improve their understanding of their rights.

GOAL 4
Reduce child mortality

In Vietnam, CARE was one of the first NGOs to respond to the HIV epidemic, through long-established partnerships with communities and local organisations. CARE supports people in changing risk behaviours and adopting protective behaviours.

GOAL 5
Improve maternal health

In Myanmar, around 30 per cent of rural communities do not have access to safe drinking water. CARE is working with communities to establish a water and sanitation program, which concentrates on providing safe drinking water, water for irrigation, sanitation and hygiene promotion. These activities are in some of the most inaccessible and remote parts of the country.

GOAL 6
Combat HIV/AIDS, malaria and other diseases

In Vietnam, CARE was one of the first NGOs to respond to the HIV epidemic, through long-established partnerships with communities and local organisations. CARE supports people in changing risk behaviours and adopting protective behaviours.

GOAL 7
Ensure environmental sustainability

In Timor-Leste, nearly one in 10 children dies before their fifth birthday. CARE is supporting the Ministry of Health to train staff and volunteers, conduct regular growth monitoring in remote areas and distribute supplementary food to malnourished children under five, as well as pregnant and breastfeeding women. We also support activities that combine nutrition education and access to nutritious foods, such as the establishment of kitchen gardens.

GOAL 8
Develop a global partnership for development

CARE Australia is an active member of Make Poverty History, a coalition of more than 70 aid and development organisations and community and faith-based groups who work together to achieve the United Nations Development Goals and halve global poverty by 2015.
In 2011, CARE assisted 122 million people across 84 countries through 1,015 poverty-fighting projects. © Josh Estey/CARE

In 2011, CARE reached 41 million women, men and children with information and services to improve maternal health. © Josh Estey/CARE

In 2011, CARE helped more than 27 million people develop sustainable water management practices and improve hygiene and sanitation practices. © Josh Estey/CARE

**Countries with CARE programming in 2011-12:**

1. Afghanistan
2. Angola
3. Armenia
4. Azerbaijan
5. Bangladesh
6. Benin
7. Bolivia
8. Bosnia and Herzegovina
9. Brazil
10. Burundi
11. Cambodia
12. Cameroon
13. Chad
14. Côte d’Ivoire
15. Croatia
16. Cuba
17. Democratic Republic of Congo
18. Djibouti
19. Ecuador
20. Egypt
21. El Salvador
22. Ethiopia
23. Georgia
24. Ghana
25. Guatemala
26. Haiti
27. Honduras
28. India
29. Indonesia
30. Jordan
31. Kenya
32. Kosovo
33. Laos
34. Lesotho
35. Liberia
36. Madagascar
37. Malawi
38. Mali
39. Montenegro
40. Morocco
41. Mozambique
42. Myanmar
43. Nepal
44. Nicaragua
45. Niger
46. Pakistan
47. Palestinian Territories
48. Papua New Guinea
49. Peru
50. Philippines
51. Romania
52. Rwanda
53. Serbia
54. Sierra Leone
55. Somalia
56. Sri Lanka
57. South Africa
58. South Sudan
59. Sudan
60. Tanzania
61. Thailand
62. Timor-Leste
63. Togo
64. Uganda
65. Vanuatu
66. Vietnam
67. Yemen
68. Zambia
69. Zimbabwe
70. Austria
71. Australia
72. Canada
73. Denmark
74. France
75-76. Germany-Luxembourg
77. Japan
78. Netherlands
79. Norway
80. United Kingdom
81. United States
82. Geneva, Switzerland
83. Brussels, Belgium
84. New York, United States

**CARE International Members:**

- Austria
- Australia
- Canada
- Denmark
- France
- Germany-Luxembourg
- Japan
- Netherlands
- Norway
- United Kingdom
- United States

**CARE International Affiliate Members:**

- India
- Peru

**CARE International Secretariat:**

- 82. Geneva, Switzerland
- 83. Brussels, Belgium
- New York, United States

**Sub-offices:**

- 84. Czech Republic (of CARE Austria)

---

1 Limited presence.
2 CARE Germany-Luxembourg has offices in both Germany and Luxembourg.
3 CARE Thailand is both a Member of CARE International and a country with ongoing programs.
4 CARE India and CARE Peru are Affiliate Members of CARE International and countries with ongoing programs.
As we celebrate CARE Australia’s 25th anniversary, we also draw on over 65 years of experience working in partnership with communities to deliver practical, evidence-based poverty solutions. We monitor and evaluate our activities in consultation with local communities, so we can better understand and measure our impact, and learn how our work can be improved.

Increasingly, CARE is designing long-term programs over 10-15 years, which continue to be based on a shared vision with communities of what we can achieve together. Each program may include targeted projects, working within smaller areas and timeframes to help deliver the overall program goal.

We work at three different levels to help communities overcome poverty:

- **Human condition** – ensure people’s basic needs are met and they attain livelihood security with regard to these needs.
- **Social position** – support people’s efforts to take control of their lives and fulfill their rights, responsibilities and aspirations, and support efforts to end inequality and discrimination.
- **Enabling environment** – create a sound enabling environment – public, private, civic and social institutions – that is responsive and inclusive of constituents and fosters just and equitable societies.

### How we work

**Community engagement** is the foundation of our approach to long-term development. Our programs are a response to needs identified by communities and are informed by an understanding of what those communities face.

New projects come about in a variety of ways: via consultations with communities or local partners, non-government organisations (NGOs), government and government agencies, institutional donors or from new opportunities raised through our existing work.

We implement our programs through participatory approaches that enable women and men to help guide the outcomes we achieve together. We also work alongside local organisations with shared values in support of targeted communities. Our partners might include local NGOs, civil society organisations, government agencies, community groups, private sector groups or research institutions.

**Monitoring, evaluating and learning**

CARE is constantly looking for opportunities to learn from our work and make programs more effective. We regularly collect information on program activities to measure progress. We also look to improve the quality and efficiency of our processes to ensure value for money, so each dollar spent creates maximum benefit for the people we aim to reach.

In 2011/12, CARE Australia worked with other CARE members on a major initiative to analyse and report on the impact of CARE’s programming in Asia over a five-year period. The Asia Impact Report 2005–10 explores CARE’s strategies for achieving positive impact by drawing on program evaluations and other assessments. The report includes aggregated impacts in areas such as food security, education and health, as well as positive value for financial assessments of selected projects. The report will be publicly released in late 2012.

### Working with the Australian Government

**AusAID NGO Cooperation Program**

CARE is an active partner in AusAID’s NGO Cooperation Program (ANCP). ANCP supports NGOs that align with AusAID’s priorities.

The program allows flexibility for NGO programming across countries, regions and sectors and gives the NGOs responsibility for project design and delivery, along with monitoring, evaluating and full accounting of funds provided.

In October 2011, CARE increased our engagement with the program through entering into an ANCP Partnership agreement. With the expanded funding available under the partnership, CARE supported activities in 12 countries in the Asia-Pacific and Africa.

**Humanitarian Partnership Agreement**

The Humanitarian Partnership Agreement (HPA) is a three year funding agreement between AusAID and six agencies (CARE, Oxfam, Caritas, Plan, World Vision and Save the Children) created to enable AusAID to respond to emergencies quickly.

So far the HPA has been used to respond to the East and West Africa food crisis and Pakistan floods. As at 30 June 2012, AusAID had channelled $12.5 million through the mechanism, and CARE had successfully received an average of 20 per cent of the funding. In addition to the response funding, each agency also receives $500,000 per year for disaster risk management and disaster risk reduction activities.

### Long term funding partnerships with AusAID

In addition to ANCP and HPA, CARE manages a suite of long-term AusAID partnerships programs. For instance, through these partnerships CARE is delivering community-based education in Afghanistan; rural development in Laos, Myanmar and West Bank Gaza; food security and women’s empowerment in Tanzania, Ethiopia, and Malawi; and community development and HIV/AIDS activities in Papua New Guinea.

AusAID’s Community-based Climate Change Action funding is supporting communities to adapt to the impacts of climate change in Papua New Guinea, Timor-Leste, Vanuatu and Vietnam. CARE works at multiple levels to draw from this grassroots experience to inform and influence national and global agendas on climate change (refer to page 21).

**AusAID Funding under the Civil Society Water, Sanitation and Hygiene Fund**

CARE has worked with communities in the highlands of Ethiopia to improve access to clean water, sanitation and hygiene for over eight years. Locals like Mulugeta form water committees and work with CARE to determine what sort of water source they would like and how to build and manage it together.

The committee contributes to the initial costs for skilled labour and construction of the pump. They manage their money by contributing to a monthly fund. At the account grows, loans can be taken out to allow members to start other initiatives.

Mulugeta explains: ‘I appreciate that the community is involved in all the work constructing this water pump. The local materials and human capacity are used because then CARE provides the materials that can’t be collected. The communities also take care of the schemes and they ensure the stability.’

**CASE STUDY**

Supporting displaced people in Jordan

CARE is working with local organizations in Jordan to help those better support 11,000 heavily and moderately vulnerable people facing displacement in Jordan.

As Secretariat, CARE works with PGPD members to keep them informed of relevant issues. CARE’s work with the PGPD is grounded in, and complements, our global programs with poor and vulnerable women.

**CASE STUDY**

Working with communities to create water systems in Ethiopia

CARE has worked with communities in Jordan and Ethiopia to improve access to clean water, sanitation and hygiene for over eight years. Locals like Mulugeta form water committees and work with CARE to determine what sort of water source they would like and how to build and manage it together.

The committee contributes to the initial costs for skilled labour and construction of the pump. They manage their money by contributing to a monthly fund. At the account grows, loans can be taken out to allow members to start other initiatives.

Mulugeta explains: ‘I appreciate that the community is involved in all the work constructing this water pump. The local materials and human capacity are used because then CARE provides the materials that can’t be collected. The communities also take care of the schemes and they ensure the stability.’
Papua New Guinea (PNG) is home to 6.5 million people, with over 80 per cent living in rural areas – the majority in the highlands region. This group has limited or no access to income, basic services or markets.

Five major studies conducted over 30 years show there is a strong geographic component to extreme poverty in PNG, so it is possible to identify specific remote locations where the poorest of the poor live.

In 2009, CARE’s AusAID-funded Integrated Community Development Program (ICDP) began working in one of the most disadvantaged districts: Obura-Wonenara in the Eastern Highlands Province. The program is now building on the lessons from this work and is expanding to two new districts in the Highlands: Menyampa and Chimbu provinces.

ICDP partners with the most economically, socially and politically marginalised people in PNG to help facilitate sustainable and measurable improvements to their lives. Primarily, it is working to strengthen:

- local organisations and processes that include women’s participation
- formal and non-formal education opportunities
- household food security and income
- social services.

Crucially, the issue of gender inequality is also being addressed through the program by supporting girls to attend school and women to have control over productive assets, as well as a role in community decision-making. A significant indicator of the impact of this work is that Ward Development Committees (WDCs – similar to local governments), that were dormant or non-existent, are now functioning in the program areas and have increased participation from women. For example, in Yelia and Lamari, women’s participation in the 286 member WDC went from zero to 62 in the program period. In addition, four out of 20 magistrates trained by the Village Court Secretariat are now women.

An independent review found that at the midpoint of the program, it had achieved significant positive changes and impact in people’s lives, such as increased access and quality of healthcare, education and livelihood opportunities – areas the communities identified as their own priorities.

The community of Andakombi highlighted high maternal and child mortality rates and lack of income earning opportunities as areas they wanted to address through ICDP. Tina is one of 69 women who has since had Village Birth Attendant (VBA) training. She learnt how to support a safe delivery and has already helped five women in her village give birth. Tina is now equipped to monitor and advise pregnant mothers, refer complicated pregnancies to the health centre and provide advice on family planning. ‘Before, mothers didn’t go to the clinic and some babies died, so I decided to volunteer to become a Village Birth Attendant,’ Tina says.

Stephen and his wife Rona are running a fish farm, which is a new activity for them. CARE helped provide access to information and the initial baby fish to get the farms started. Now, on top of expanding their own fish farm to include a third fish pond, the couple has helped train others and their community has 80 active fish ponds. Accessing markets is very difficult for families in Andakombi and people’s diets are low in fat and protein, so producing and selling protein-rich food locally is a positive activity for the farmers and the community.

‘If you have fish regularly you live longer and healthier. When we have fish to eat then we are happy and the children are happy,’ explains Stephen.

Education creating a brighter future in Timor-Leste

In recent years access to primary education in Timor-Leste increased significantly. However, the rates of access to secondary education, particularly for girls, are still extremely low. In 1995 only 7 per cent of the population over 10 years of age completed junior high school.

Children in Timor-Leste miss out on going to school when periods of food shortages and high food prices compete with the importance of education.

Girls are usually the first to be taken out of school so they can help with household chores or earn an income. Even fewer girls get a chance to attend secondary school, where costs are increased and students are often required to move to a larger village in order to attend.

However, when a girl receives an education, she is more likely to have children later, send her own children to school, have a healthier family and earn a greater income. CARE’s Young Women Young Nation Program (YWYN), which is funded by AusAID’s W2O Cooperation Program (ANCPS) and donations from the Australian public, works with parents to break down barriers to sending their girls to school.

Romana dos Santos is a proud mother of four young girls and she is determined that her daughters will get the education that many girls in her country miss out on. It is not easy for Romana and her husband, but through conversations with CARE staff and community activities, they learnt that educating their daughters is one of the best ways to give them a brighter future.

However, sending girls to school is only half the challenge; the girls must also feel confident to attend. CARE encourages activities at school that the girls enjoy, like sport, music and traditional dance, so they feel comfortable attending and are less likely to leave. Teachers also use books with positive female role models as characters for the girls to aspire to.

Every few months, the community hosts an event for the girls to showcase their new skills. Parents and other community members are invited to celebrate the achievements of their children, and parents are publicly recognised for sending their girls to school.

The Harold Mitchell Foundation supported the project by funding the renovation of sanitation facilities in three locations. This impacts positively on the attendance of students, particularly girls, who require privacy and functional sanitation facilities. Hygiene education is also provided to all staff and students to minimise the spread of disease.

Since the four-year project’s inception in 2009, pilot schools have shown a reduction in dropout rates compared with other schools in the district.

The success of YWYN is highlighted by the project activities being adopted and replicated in 100 schools in five districts by a new USAID-funded project, the School Dropout Prevention Program.

Women improving resilience, income and food security

In Ethiopia, Malawi and Tanzania, many rural women lack access and control of productive assets, and gender norms restrict them from earning an income and participating in community decision-making. As a result, women and girls are disproportionately affected by poverty, and female-headed households are especially vulnerable.

In Ethiopia, many girls are unable to continue their education due to financial and health reasons. However, when a girl receives an education, she is more likely to have children later, send her own children to school, have a healthier family and earn a greater income. CARE’s Young Women Young Nation Program (YWYN), which is funded by AusAID’s W2O Cooperation Program (ANCPS) and donations from the Australian public, works with parents to break down barriers to sending their girls to school. The success of YWYN is highlighted by the project activities being adopted and replicated in 100 schools in five districts by a new USAID-funded project, the School Dropout Prevention Program.

Women improving resilience, income and food security

In Ethiopia, Malawi and Tanzania, many rural women lack access and control of productive assets, and gender norms restrict them from earning an income and participating in community decision-making. As a result, women and girls are disproportionately affected by poverty, and female-headed households are especially vulnerable.

In Ethiopia, Malawi and Tanzania, many rural women lack access and control of productive assets, and gender norms restrict them from earning an income and participating in community decision-making. As a result, women and girls are disproportionately affected by poverty, and female-headed households are especially vulnerable.
have benefited from goat banks in Laos

12,000 people

Teaching and learning for a healthier future in Zimbabwe

In Zimbabwe, poor water and sanitation provides a constant threat to families. For many communities, the devastating impact of water-borne diseases is a recent memory – a cholera outbreak in 2009 killed over 4,000 people across the country.

Two of the worst affected areas during the cholera outbreak were Gutu and Zaka Districts in the country’s south. CARE’s AusAID-funded Water Sanitation and Hygiene Project is working with communities and schools to address the risks of poor sanitation and hygiene. Local communities developed committees to maintain water sources in the community and health clinics were formed in schools to educate children about the importance of hygiene and sanitation.

At Gutza Primary School, CARE provided the materials and skills that were not locally available to help the community build 20 new toilets for the students and teachers, and they are now proudly maintained by the school.

Mrs Alphoncina Goronga, a grade one teacher, is proud of the improvements he has seen. ‘There is less sickness and greater comfort. We can achieve more.’

A toilet is a new addition at Yvette’s home after she took the knowledge she learnt from school to her family and helped them construct their first toilet out of locally available materials.

At the end of the 18-month project in December 2011, an additional:

- 18,470 students in 40 schools had access to safe water, plus an additional 9,064 individuals living near the schools benefited from the water supply
- 3,620 students and 577 households (3,347 people) had access to sanitation facilities.

The number of women in water point committees has increased from 36 to 57 per cent during the program, effectively putting women in key decision-making positions. Gutza Primary School’s Principal, Mr Chapwiza, is proud of the improvements he has seen. ‘There is a great difference at our school now. There are fewer chances to spread disease, so there is less sickness and greater comfort. We know that a healthy student learns best, they can achieve more.’

Banking on a better future in Laos

In small, remote villages dotted through the mountains of northern Laos, the majority of the rural population survives on what they grow. CARE’s Goat Bank Project in Saysathan District is funded by micro-donations from the Australian public through Footprints Fundraising. The project is part of CARE’s broader Rural Development Program, which aims to develop agriculture and the rural economy to reduce poverty in the remote area.

In Saysathan, villagers of Prai ethnicity have very few or no assets and their day-to-day survival depends almost exclusively on labour intensive agricultural activities. While ownership of livestock is not a new concept here, CARE is supporting communities to use their knowledge and skill to develop livestock businesses that are increasing income and independence. CARE is working with the poorest households, which mostly comprise of widows, the elderly and disabled people with very low labour capacity.

Collective goat banks are established to provide a sustainable source of income for people who cannot work in the fields. The banks provide an area where goats are kept in safe and hygienic conditions with group members responsible for maintaining their health and vaccinations. The goats breed twice a year and offspring are sold with profit shared by the group.

CARE worked with the community of Samet Noi village to establish a goat bank to assist 28 families and helped facilitate improvements to five goat banks in Koa, Houeysalot, Ban Samet Gna, Phouleurn and Kongthieng villages to assist 109 families. This project was completed in early 2012 and supported approximately 10 per cent of the total population of six villages and will indirectly benefit up to 12,000 people.

Project activities included:

- building appropriate livestock pens
- sharing knowledge about animal health and vaccination
- providing goats to the banks
- establishing village fund management committees to manage financial and administrative activities
- assisting participants with the administrative aspects of their new livelihood activities.

The support provided to members included an explanation of the profit distribution model: after the sale of offspring every six months, the deduction of running costs is made and profits are shared between the administrators (5 per cent), animal raisers (50 per cent) and the group of beneficiaries (45 per cent).

The goat bank in Samet Noi generated its first income in mid 2011: 14 goats were sold for $336. After deduction of running costs, the income generated was a total of $23 for the management committee, $141 for the goat raisers and $105 for the group of beneficiaries (Just under $11 for each of the 28 beneficiaries). Other villages made similar sales in June/July 2011. An average annual income for a family in this district is $79 and this additional income is significant.

CARE Australia’s generous CAREgift donors supported similar animal banks in Phongsaly Province.

While the project was completed in 2012, the goat banks will continue and be managed by local goat bank committees together with the goat raisers.

Women take on non-traditional roles in northern Sri Lanka

The 30-year conflict between the Government of Sri Lanka and the Liberation Tigers of Tamil Eelam ended in 2009 with many people displaced from their homes. By the end of 2011, over 420,000 displaced people returned to the northern districts and today they are still in the process of recovering. Returnees are faced with limited access to livelihood opportunities and external markets, a basic lack of infrastructure and fragmented social support networks.

Young people experienced significant challenges during the conflict, including frequent disruption to their education due to displacement, forced recruitment and limited mobility. This led to a lack of skill development and these young people now have few employment opportunities.

Masonry is a non-traditional occupation for young people who have few employment opportunities. However, during the war, many young men either died or moved abroad, and as a consequence a greater number of women (particularly widows) are engaging in skill development to become bread winners of families. As a consequence, the majority of students who enrolled in masonry are women, and they are determined to prove themselves. ‘First of all, we will add something to our house, make flower pots or fence posts – something we can own ourselves,’ a masonry participant told CARE’s staff.

At the end of June 2012, 420 youths were participating in training programs, with more than 200 set to receive training in late 2012. Out of these, 230 youths have already earned an average income of 7,500-10,000 Sri Lankan Rupees ($55-$73) per month. Participants will also have opportunities to join language classes in Sinhala and English. Two computer centers have been established in collaboration with the divisional secretariat to support the students.

CARE has secured additional funding to continue and build on our work in Sri Lanka through 2012/13.
CARE Australia’s new and ongoing emergency responses in 2011/12:

**East Africa food crisis**

In June 2011, CARE scaled up work in East Africa where over 13 million people were at risk of hunger and disease following one of the worst droughts in the region as well as conflict displacing hundreds of thousands of people from Somalia. CARE provided assistance to 2.77 million people in Ethiopia, Somalia, Kenya and Djibouti, and CARE Australia’s funding and programs assisted work in Ethiopia, Somalia and Kenya. We provided water, food and seeds and helped families secure a greater income with access to agricultural training, casual work programs and small farm animals.

The crisis is not over, with the critical rainy season from March-May 2012 arriving very late. CARE is continuing to seek funding so our emergency response can continue to meet the immediate needs of communities as well as providing long-term solutions to help reduce their vulnerability to future droughts.

**South-East Asia flooding**

Heavy monsoon rains caused devastation across South-East Asia at the end of 2011. Over 2 million people were affected in Vietnam and Cambodia. CARE Australia emergency teams worked with communities to provide food, non-food items (such as water containers, mosquito nets and blankets) and promote safe hygiene practices. While the response in Vietnam was completed in March 2012, livelihood recovery activities continue in Cambodia to mitigate the ongoing effects of crop destruction.

**Global Water, Sanitation and Hygiene Team**

The Emergency Water, Sanitation and Hygiene (WASH) Team is a group of seven highly skilled staff who work on behalf of CARE International and the Global WASH Cluster to build emergency preparedness and response capacity. Members of the team provide additional surge support to ensure a high quality response to WASH needs in major emergencies with a consistent focus on meeting the needs of women, girls and their communities. The team is hosted by CARE Australia and led by Jason Snuggs who provides overall leadership in the emergency WASH sector.

In Pakistan, WASH Team members were deployed to assist with the scale up and implementation of the emergency response, helping more than 230,000 people with a broad range of services.

In Kenya, a WASH Team Advisor helped the CARE Country Office respond to a massive influx of Somali refugees in Dadaab refugee camp, where the population increased from 300,000 in January 2011 to over 465,000 by August 2011. The Advisor and WASH Team increased the amount of safe water available to people on a daily basis by more than 80 per cent.

In Chad, WASH Team members worked in the Chad and Niger region to help support affected people in the long term to make them less vulnerable to future disasters.

**West Africa food crisis**

The Sahel region of West Africa faced a severe food crisis for the third time in seven years. As of mid-2012, 38.4 million people were affected in eight countries and more than 1 million children were at risk of starvation.

CARE raised concerns about the situation in 2011/12, scaled up our emergency operations in Chad, Mali and Niger and prepared to support affected people in the long term to make them less vulnerable to future disasters.

**WHAT WE ACHIEVED**

- Conflict in Mali displaced tens of thousands of people, creating a severe humanitarian crisis in the north. CARE provided food, seed and fodder to households in the southern regions and, while seeking access to the northern areas, assisted displaced families with food and essential household and hygiene items.
- In Niger, CARE provided casual employment so families have an income to buy food and assisted Malian and Nigerien returnees with food and basic relief items.
- In Chad, CARE is distributing food, improving access to water and sanitation, and providing seeds and agricultural tools.
- At the same time, CARE’s long-term development programs such as women-led savings groups and cereal banks helped people invest in livestock and small business activities and become more resilient to drought.

CARE committed to having staff with the right skills to support emergency responses. Our emergency planning activities in South-East Asia and the Pacific brought CARE and our partners together to review possible emergencies; how these affect communities; and to make realistic plans for addressing humanitarian needs. We coordinated with the responsible government authorities ahead of this planning, which involved simulation exercises.

In Australia, we reviewed our ability to support CARE’s emergency response globally, assessing and testing procedures via simulation exercises in July 2011 (repeated annually). This revealed our strengths around rapid deployment of staff and recruitment of personnel with the right skills to support our in-country operations. We subsequently improved our process around the rapid procurement of emergency relief items.
OUR RESPONSE TO CLIMATE CHANGE

Poor communities are already affected by the changing climate. Increasingly unpredictable rainfall patterns cause water shortages and compound food insecurity. The impact of unpredictable natural disasters destroys lives, homes and ecosystems and threatens livelihoods. While climate change is largely due to pollution generated by wealthy countries, people in developing countries bear 75–80 per cent of the cost of the damages. CARE is working with communities in developing countries to help them adapt and become resilient to the changing climate. Because women are central to the food and livelihood security of their families, we place a special emphasis on gender equality and women’s empowerment in our climate change work. We support people to apply new farming techniques, access drought-resistant crops, protect themselves from more frequent and intense disasters, diversify their income and secure rights to valuable natural resources. Last year, CARE’s programs helped six million people mitigate and adapt to climate change effects globally.

CARE actively connects the experiences and needs of the people we work with to national and international policies and institutions. We seek to ensure climate change adaptation and the rights of the poorest and most vulnerable people are considered within international climate change negotiations, in national adaptation plans and in donor programs. We also address our own contribution to climate change.

In 2011/12, we continued to implement our climate change policy, endorsed in 2009, This policy guides our response to climate change, providing a framework for ensuring CARE’s programs and activities are effective, that our advocacy on climate change is targeted and that we take responsibility for emissions from our Australian-based operations.

Our 2011/12 achievements:

• Designed and launched four new community-based adaptation projects
• Appointed a Climate-Resilient Disaster Risk Reduction (DRR) Advisor based in Australia and delivered staff training
• Developed new resources to continue integrating climate change and DRR across our programs
• Supported global advocacy efforts
• Continued reduction of greenhouse gas emissions from our Australian-based operations.

Our advocacy

CARE is committed to influencing decision-makers on climate change issues in the countries where we work. Despite the scope and severity of climate change impact, current efforts to mitigate emissions are not sufficient for keeping global warming below the 2°C threshold deemed safe for avoiding serious climate impacts.

CARE is calling for urgent national and international action to reduce greenhouse gas emissions and ensure that climate finance helps the poorest and most marginalised. CARE is an active member of Climate Action Network Australia and engages with the Australian Government on issues including mitigation ambition, adaptation finance and REDD+.

We are also committed to strengthening action in countries where we work. For example, in Vietnam, CARE chairs the NGO Climate Change Working Group and was instrumental in facilitating a Memorandum of Understanding with the Government. At a global level, CARE was a powerful voice at the United Nations Climate Change Conference in South Africa and the UN Conference on Environment and Development (Rio+20) in Brazil. Although disappointed by the results of these conferences, the conclusions of climate change on the world’s most vulnerable people remain our priority and we continue to press world leaders for a meaningful outcome.

Our programs

CARE launched four new projects to support vulnerable communities in Papua New Guinea, Timor-Leste, Vietnam and Vanuatu (led by OFM) to adapt to the impacts of climate change. Supported by AusAID’s Community-Based Climate Change Action Grants, the projects build the adaptive capacity of communities by supporting climate resilient livelihoods, disaster risk reduction and local capacity development.

Papua New Guinea

CARE is working with communities living in the atoll environment of Nissan District in the Autonomous Bougainville Region, where already food-insecure communities were pushed to the limit by rainfall variability in recent years. CARE is supporting communities to increase food security and income through improved agricultural techniques, homestead gardening and food storage methods. Communities, District Officials and the Autonomous Bougainville Government are supported to plan and prepare for climate change and disaster events. This project follows successful activities to increase access to drinking water on Nissan Island.

Timor-Leste

CARE is working with communities in two highly degraded river catchments in the Liria District, where a high level of deforestation has degraded agricultural soil and reduced water quality. This is exacerbated by erratic rainfall, which has damaged critical infrastructure. CARE, in partnership with WaterAid and a number of local organisations, is working with communities to restore catchments and improve soil quality, increase water and sanitation availability, promote hygienic behaviours, introduce more resilient crops and improve access to markets.

Vietnam

Communities in An Giang and Soc Trang Provinces are on the frontlines of climate change impact. In partnership with the Center for Rural Communities Research and Development, An Duong Community Development Center and the Women’s Unions of An Giang and Soc Trang, CARE will support 5,000 people to climate-proof their livelihoods and reduce their vulnerability to natural disasters. It is expected that over 85,000 people will benefit from adaptation processes and improved understanding of climate change impacts.

Vanuatu

CARE is working with communities on Futuna Island to help increase their knowledge and ability to deal with the impacts of climate change on their livelihoods. As part of a larger consortium led by OFM, we are supporting delivery of climate change initiatives through enhanced collaboration and learning.

Continuing to integrate climate change across our programs

CARE remains committed to ensuring all our programs help communities adapt to climate change and reduce their vulnerability. In 2011/12, we worked with other CARE members on training modules for staff and partners in integrating climate change adaptation and disaster risk reduction. This was subsequently rolled out in Vanuatu and Timor-Leste.

We also supported our Papua New Guinea, Cambodia and Laos Country Offices in developing climate change adaptation and DRR strategies.

Our local operations

In 2011/12, we moved closer to achieving our goal of a 40 per cent reduction in emissions from our Australian operations by 2015. Our net emissions declined by 12 per cent to 411 tonnes, showing we are close to our original target. We were also able to achieve this through reducing energy consumption and flights, and purchasing renewable energy and offsets through the Qantas Group. This year, our offset purchase was 25 per cent of total emissions.

WHAT WE ACHIEVED

CARE Australia emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Emissions</th>
<th>Avoided Building</th>
<th>Building</th>
<th>Waste</th>
<th>Vehicle</th>
<th>Air Travel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/09</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010/11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010/11 net</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011/12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011/12 net</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Our 2012/13 priorities:

> Implement our four new climate change projects and capture lessons for community based adaptation programming globally

> Ensure CARE-led NASH and livelihood programs are resilient to climate change

> Support CARE Country Offices to finalise development of climate change and DRR strategies

> Review CARE Australia Climate Change Policy

> Improve data collection for our greenhouse gas emissions inventory and continue engagement of CARE staff to reduce emissions.

While air travel remains our major emission source, reductions in the number of domestic and international flights and distance travelled contributed to the overall annual emission reduction. Building emissions were reduced by purchase of renewable energy in the Canberra office in November 2011 and continuing 20 per cent renewable energy for the Melbourne office. Vehicle emissions reduced by 43 per cent from the previous financial year.
The generous support of our donors, partners and the Australian public enables CARE to make significant progress in empowering women and girls to lift themselves and their communities out of poverty.

This year CARE shared our vision, passion, work and achievements with Australians through media, events, conversations and the networks of our supporters. Australians responded by engaging with and donating to CARE – making this year one of our most successful yet.

Making an impact at events

Events provide an effective opportunity to highlight CARE’s work overseas to audiences in Australia, raise awareness of the role of women’s empowerment in poverty alleviation and recognise the contribution of our supporters. In the past 12 months, CARE was involved in a range of exciting events from coordinating Make Poverty History photo exhibitions to being the City of Sydney New Year’s Eve charity partner.

The Governor-General, Ms Quentin Bryce, AC, CVO, hosted a luncheon at Admiralty House in October 2011. Attendees heard about our programs in Cambodia and Afghanistan and the importance of education in empowering women and girls. Guest speakers included Stav Zattalis, CARE Cambodia Country Director and Jennifer Howell, Advocacy Advisor from CARE in Afghanistan.

We celebrated International Women’s Day on 8 March with a breakfast generously hosted by Gail Kelly, CARE’s Women’s Empowerment Ambassador and CARE’s Chief Executive, Julia Newton-Howes. Gail spoke about her recent trip to Malawi to visit one of CARE’s projects (read more on page 24). At the breakfast, we released a report illustrating the power of women as agents of change. The report on CARE’s SHEMADO Program in Bangladesh showed women’s empowerment activities literally helped children grow taller because when their mothers were empowered, children were healthier. Coverage of this report appeared in the Sydney Morning Herald.

Remembering CARE through bequests

Bequests allow CARE to help future generations lift themselves out of poverty, these generous donations leave a lasting legacy.

CARE Australia is privileged to have the support of Gail Kelly as our Women’s Empowerment Ambassador. This year, Gail visited CARE projects in Malawi and spent time with local communities learning about CARE’s Village Savings and Loans programs. Gail also met with the CARE Australia Board to engage in our Strategy and Vision.

‘On my visit to CARE programs in Malawi, three things made a lasting impact. Firstly, I was impressed by the high quality of the CARE staff on the ground. The CARE people are very professional and talented and these qualities are reflected in the great outcomes being achieved. Secondly, I was delighted to see that the programs CARE initiates are able to continue and prosper once CARE’s involvement ends. The sustainable nature of CARE’s work is terrific. Finally, this trip reinforced the importance of women’s empowerment in tackling poverty. The women I met in Malawi were capable, confident and proud of what they had achieved. Their hard work and energy has brought lasting change for their families and communities. I truly appreciate now that women’s empowerment is an essential strategy for poverty alleviation.’

– Gail Kelly, CARE Australia Women’s Empowerment Ambassador and Westpac Chief Executive and Managing Director.

Development Awareness Program

CARE reached more than 10,000 Australians through our AusAID-supported Development Awareness Program. These interactions occurred through presentations and conversations with schools, universities, workplaces and even libraries. The program provides the opportunity for CARE to engage with the Australian public on a personal level about issues associated with poverty alleviation and the vital role of women’s empowerment.

Media

CARE achieved sustained media coverage throughout the year and was a consistent voice on issues ranging from the Federal Aid Budget to the status of women in Afghanistan. Highlights included the range of coverage generated on the East Africa food crisis, which explained the challenge and what Australians could do to help, and working with Walk In Her Shoes Ambassador Christine Swan to promote the fundraising challenge to more than 2.4 million Australians through traditional and online media.

Over 2,800 people participated in Walk In Her Shoes

Donations

Overall revenue from the Australian public grew by 6 per cent to $11.9 million in 2011/12 (refer to page 35). Unrestricted donations (those not given for a specific purpose such as an emergency response) increased by 19 per cent this financial year.

The number of people donating to CARE Australia increased by 41 per cent, which indicates an increase in public awareness of CARE and the issues we are working to overcome. New and current donors provided crucial support by giving generously to emergencies and supporting our appeals for food, water, education and livelihood programs. The response to CARE Australia’s East Africa Food Crisis Appeal was overwhelming – with over $2.3 million raised with the assistance of the Australian Government’s dollar matching initiative.

We are also grateful to donors who support CARE through regular monthly donations, which increased by 31 per cent this year, allowing us to plan ahead with confidence. Our CAREgift Catalogue was updated and continued to offer supporters life-changing gifts to share with their loved ones. New gifts this year included mosquito nets, nutritious meals for a child and sending a gift to school. Purchasing clean water for a family, a piglet and schoolbooks continued to be popular choices.

We are grateful for the generosity of our corporate supporters who partnered with us on a range of initiatives this year to help tackle poverty. We convey special thanks to Qantas, AGL, King & Wood Mallesons, Westpac and The Body Shop for their significant support.

Walk In Her Shoes

This year’s Walk In Her Shoes challenge was our biggest yet. Over 2,800 participants took to their streets, parks, offices and homes to walk 10,000 steps a day for a week. The campaign raised over $620,000 to invest in programs that reduce the time women and girls in developing countries spend walking and to help them spend more time in school or earning an income. 2013 promises to be another big year for Walk In Her Shoes and we encourage our supporters to join us again to make this annual event a success.

CARE Australia’s supporters helped raise over $2.3 million with the Australian Government’s dollar matching initiative for the East Africa Food Crisis. This supported activities like emergency food distributions in Ethiopia. ©CARE/Sandra Bulling.
OUR STAFF

Our staff are among the top in their field with a shared vision of helping people live with dignity and equality and bringing compassion and experience to CARE’s work in developing countries.

Staff profile
CARE Australia employs 998 staff: 75 in Australia and 923 in our Country Offices. The number of staff in Australia increased by 10 per cent from last year, primarily to provide technical skills to strengthen our ability to support the growing Australian-funded programs. Staffing numbers in Country Offices reduced by 5 per cent in accordance with program requirements.

Staff* by location

<table>
<thead>
<tr>
<th>Location</th>
<th>Local staff†</th>
<th>Expatriate staff†</th>
<th>Total staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>n/a</td>
<td>n/a</td>
<td>75</td>
</tr>
<tr>
<td>Timor-Leste</td>
<td>189</td>
<td>9</td>
<td>198</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>75</td>
<td>8</td>
<td>83</td>
</tr>
<tr>
<td>Laos</td>
<td>92</td>
<td>7</td>
<td>99</td>
</tr>
<tr>
<td>Cambodia</td>
<td>120</td>
<td>5</td>
<td>125</td>
</tr>
<tr>
<td>Vietnam</td>
<td>100</td>
<td>5</td>
<td>105</td>
</tr>
<tr>
<td>Myanmar</td>
<td>294</td>
<td>5</td>
<td>299</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>8</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Regional (incl. WASH staff)</td>
<td>5</td>
<td>5</td>
<td><strong>5</strong></td>
</tr>
<tr>
<td><strong>SUB TOTAL STAFF</strong></td>
<td><strong>878</strong></td>
<td><strong>45</strong></td>
<td><strong>923</strong></td>
</tr>
<tr>
<td><strong>TOTAL STAFF</strong></td>
<td></td>
<td></td>
<td><strong>998</strong></td>
</tr>
</tbody>
</table>

* Staff numbers include part-time staff. † Local staff are locally-employed staff in CARE Australia-managed Country Offices. ‡ Expatriate staff are international employees posted to a CARE Australia-managed Country Office and staff undertaking Emergency Water, Sanitation and Hygiene (WASH) field-related activities.

Staffing levels

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian-based</td>
<td>613</td>
<td>855</td>
<td>1,089</td>
<td><strong>70%</strong></td>
</tr>
<tr>
<td>Expatriate staff</td>
<td>65</td>
<td>50</td>
<td>49</td>
<td><strong>-5%</strong></td>
</tr>
<tr>
<td>Local staff</td>
<td>1,658</td>
<td>1,980</td>
<td>1,935</td>
<td><strong>-2.3%</strong></td>
</tr>
<tr>
<td>Total staff</td>
<td>2,416</td>
<td>2,535</td>
<td>2,363</td>
<td></td>
</tr>
</tbody>
</table>

Staff survey results indicated that the majority of staff consider that their ability to support the growing Australian-funded programs. Staffing numbers in Country Offices reduced by 5 per cent in accordance with program requirements.

Recruitment and retention
The staff turnover rate for 2011/12 was 15 per cent which continues the downward trend from 36 per cent in 2009/10 and 26 per cent in 2010/11. Improved retention rates demonstrate that the initiatives to address issues relating to remuneration, work processes and leadership over the last two years have been effective.

Performance management
The revised performance management framework was implemented on 1 July 2011 and focused on encouraging strong performances through introducing a four-point rating scale, making processes and forms clearer and linking strong performance with pay progression.

Staff satisfaction
The 2011 staff engagement survey for Australian-contracted employees was conducted in December 2011 with 79 per cent of staff participating. The results showed a significant increase in employee engagement from 48 per cent in 2009 to 65 per cent in 2011. This demonstrates that new initiatives such as leadership and mentoring programs have had a positive impact.

STAFF SNAPSHOTs

Louise Atkins, CARE’s Australian Youth Ambassador for Development (AYAD) in Ghana

Louise completed a seven-month placement with CARE Ghana. She worked on the Gazu civil society and Empowerment project and supported women’s empowerment and youth participation in farming and community development. Volunteering with CARE Ghana was a very fulfilling experience. It allowed me to gain a deeper understanding of the issues on the ground, which drive the organisation’s development work, and to witness the positive changes taking place, especially for women.

Lydia Hanna, Supporter Services Officer, CARE Australia

Lydia has worked for CARE Australia since 2011. She responds to donor queries and public enquiries for information about CARE’s work.

‘I like CARE’s long-term approach to fighting poverty, as well as their focus on including women and girls to create sustainable change. My area of work is always exciting and challenging. My favourite part of the job is being heard back from proud students after their fundraising efforts. One of my favourite stories is about Molly* who asks her friends to buy CAREGifts for her birthday instead of presents every year. She’s only 12 years old, but her support and awareness of the issues facing people in developing countries is really heart warming. I feel privileged to work with a creative and passionate team at CARE.’

* CARE is a child-safe organisation, names of children are changed.

STAFF SNAPSHOTs

Volunteers
This year we hosted 15 volunteers in our Australian offices, 10 in Canberra and five in Melbourne. We also supported 14 volunteers in our Country Offices through our continued participation in Australian Youth Ambassadors for Development (AYAD) and Australian Volunteers for International Development (VIDA).

People Strategy
A People Strategy was implemented to link people management priorities with CARE Australia’s Strategic Framework. It articulates the goals that guide and align people management efforts across the organisation. These goals focus on promoting and integrating gender and diversity, recruitment and retention, internal communication, employee wellbeing, and building capacity and performance. The emphasis and priorities for each goal are reflected in action plans being developed in Australia and our Country Offices. These plans are targeted to staff in each location, to meet their potentially diverse needs and requirements.

Health, safety and wellbeing
During the year, updated Health and Safety Management Arrangements were developed in consultation with staff. The Arrangements establish the framework for managing occupational health and safety within offices and ensure that every practical step is taken for a safe and healthy workplace. They also set the minimum actions for Country Offices to control and manage workplace-related risks and hazards.

Ongoing safety and security mechanisms are in place for all CARE staff and the CARE Australia Board receives monthly safety and security reports. Safety and security for Country Office staff is regularly monitored and procedures are updated accordingly, to mitigate potential risks. For example, in July 2011, a full-time Safety and Security Manager (international staff position) was established in Papua New Guinea due to increasing risks in that location.

CARE Australia Country Office Safety and Security Focal Points and Safety and Security Managers gathered to share ideas and upgrade their safety and security knowledge and skills. This included following up on the priority issues arising from the Country Office Annual Safety and Security Self-Assessments conducted earlier in 2012.
CARE International and stakeholders

CARE International Global Secretariat
Under the leadership of the Secretary General, the Secretariat coordinates and supports the CARE confederation, represents the confederation and leads CARE’s global advocacy. The Secretariat also appears the CARE Emergency Group and CARE International Safety and Security Unit.

Partnerships
By working with local groups and governments, we develop a deeper understanding of the context in which we work and build local capacity and ownership. CARE works with other national and international aid organisations, United Nations agencies and the private sector to maximise the impact of our work. We are an active member of several networks with the goal of alleviating poverty through policy change.

Fourteen confederation members, including CARE Australia
Each member implements programs, advocacy, fundraising and communications activities in its own country and developing countries where CARE has programs. Collectively, members share information and evidence about best practice and collaborate on global humanitarian responses and advocacy.

CARE worked with 122 million people last year. We reach the most vulnerable members of poor communities, who are often women and girls.

Country offices in 69 countries
This is where local staff and partners work side by side with project participants.
CARE Australia manages the Vietnam, Laos, Cambodia, Papua New Guinea, Timor-Leste and Myanmar Country Offices.

The Board of Directors is responsible for ensuring that CARE Australia’s activities towards achieving our vision and fulfilling our mission while living the core values as set out on page 2 of this report.

The Board ensures that its performance, experience and skill base are reviewed and renewed appropriately.

The Board appoints the Chief Executive and delegates to her the operational management of CARE Australia with the powers, authorities and delegations determined by the Board.

Board Committees

The Board appoints Committees to assist in the discharge of its obligations, consider issues referred and delegated by the Board and make recommendations to the Board. The Committees regularly report to the Board and are listed in the organisational structure on the opposite page. More information about their functions is provided on CARE Australia’s website: www.care.org.au/board

Risk management, fraud and corruption control

The Board is responsible for the oversight of material business risk and is assisted in this role by the Finance and Audit Committee and the International Programs and Operations Committee. Management developed and implemented a risk management framework, underpinned by our Risk Management Policy, whereby material operational, financial and compliance risks are regularly assessed, monitored and managed.

For example, the measures in place to minimise risk around a potential safety and security incident occurring in a country where CARE Australia works include:

- current Security Plans in all Country Offices managed by CARE Australia
- monthly safety and security reporting
- security briefings provided to all visiting staff
- safety and security advice
- Manager’s guide to dealing with psychosocial issues during a critical incident.

CARE’s Board

The Board of Directors is responsible for directing CARE Australia’s activities towards achieving our vision and fulfilling our mission while living the core values as set out on page 2 of this report.

It is responsible for approving CARE Australia’s strategic direction, monitoring its implementation and fulfilling stakeholders’ expectations. It is accountable for CARE Australia’s overall performance, compliance with relevant laws, codes of conduct and ethical standards and for the oversight of its risk management. The Board endeavours to ensure that CARE Australia, its Directors and employees conduct themselves in accordance with the highest ethical standards and consistently with its core values.

It is comprised of 10 independent, non-executive Directors who serve on a voluntary basis and do not receive remuneration, with the exception of reimbursement of reasonable expenses incurred in undertaking Board activities. Directors are drawn from a broad cross-section of the Australian community, with a diversity of experience and skills.

An important component of our risk management framework is our Whistleblower’s Policy. Tell Us: This protects employees, volunteers and contractors who lodge a complaint or grievance, and provides employees with a supportive work environment where they can raise issues of legitimate concern to them and to CARE Australia.

During 2011/12, we conducted a significant review of our Fraud Control Plan. This plan was updated and renamed the Fraud and Corruption Control Plan in recognition of the broader risks faced by CARE Australia due to the locations in which we work. The plan is accompanied by a Fraud and Corruption Control Policy Statement issued by our Chief Executive that clearly sets out CARE’s zero tolerance approach to fraud and corruption. We are committed to maintaining a culture of honesty and opposition to fraud and the plan sets out the steps to ensure that we understand, prevent, detect, investigate and respond to fraud and corruption.

Reserves Policy

Our Reserves Policy specifies that reserves need to be retained to safeguard CARE Australia’s operations. This policy balances the need to protect our financial security while at the same time ensuring flexibility in meeting the development and humanitarian challenges of operating in a dynamic global environment.

Treasury Policy

Our Treasury Policy sets out CARE Australia’s financial risk management framework and addresses operational, liquidity, interest rate and foreign exchange risks. The policy notes that CARE Australia faces a wide range of financial and commercial risks, and outlines those risks and how we will manage them.

CARE Australia takes a conservative approach regarding banking and the investment of our reserves. Myer Family Company manages our investment portfolio in line with the approved investment strategy under the oversight of the Board’s Finance and Audit Committee.

CARE Australia’s organisational structure

Advisory Council

Chair: Harvey Mitchell, AC
Vice Chair: Christine O’Hickey
Treasurer: Bronwyn Morrison
Colin Gabbath, AM
Robert (Bob) Gledhill, OAM
Alan Griffin
William (Bill) Guest
Stephen Hawkes
Dr Peter Sianian
Louise Waldron

Chief Executive Officer

Josh Estey/CARE

CARE Australia Board

Chair: Harvey Mitchell, AC
Vice Chair: Christine O’Hickey
Treasurer: Bronwyn Morrison
Colin Gabbath, AM
Robert (Bob) Gledhill, OAM
Alan Griffin
William (Bill) Guest
Stephen Hawkes
Dr Peter Sianian
Louise Waldron

Board Committees

- Executive Committee
- Finance and Audit Committee
- People Committee
- Fundraising and Communications Committee
- International Programs and Operations Committee
- Governance and Nominations Committee

Corporate Services

Pamela Howes

CARE Australia’s Board

International Operations

Principal Executive
Robert Tucker

International Programs

Principal Executive
Peter Lady

Marketing and Communications

Principal Executive
Keryn Radzinovic

Company Secretary
Pamela Howes

External Relationships

Bronwyn Morrison

CARE Australia’s organisation structure

CARE Australia Board

CARE Australia’s Board

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure

CARE Australia’s organisation structure
**FINANCIAL OVERVIEW**

Operating result
CARE Australia recorded an overall surplus of $0.3 million in 2011/12, reflecting an underlying budget deficit of $0.5 million offset by a net foreign exchange gain of $0.8 million. The budgeted deficit reflects the Board’s strategic decision to continue investments in donor acquisition in order to secure support for future growth in our long-term investment in overseas aid and development programs.

Income and expenditure

**Where the Money Comes From – 5 Year Trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Grants – AusAID</th>
<th>Other Income</th>
<th>Community Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>37%</td>
<td>3%</td>
<td>21%</td>
</tr>
<tr>
<td>2009</td>
<td>39%</td>
<td>3%</td>
<td>21%</td>
</tr>
<tr>
<td>2010</td>
<td>35%</td>
<td>3%</td>
<td>21%</td>
</tr>
<tr>
<td>2011</td>
<td>39%</td>
<td>3%</td>
<td>21%</td>
</tr>
<tr>
<td>2012</td>
<td>35%</td>
<td>3%</td>
<td>21%</td>
</tr>
</tbody>
</table>

**Community support income:** donations, fundraising, legacies and bequests received from the Australian public and corporations.

**Grants – AusAID:** grants received from the Australian Government’s overseas aid program.

**Grants – Other:** includes grants received from CARE International members and other Australian and international organisations and government bodies.

**Other Income:** includes investment income and foreign currency gains.

**Where the Money Goes – 5 Year Trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Program Expenditure</th>
<th>Fundraising Costs</th>
<th>Accountability &amp; Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2009</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2010</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2011</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2012</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Program expenditure:** long-term international development and emergency response work, as well as community education and program support costs.

**Funding costs:** costs associated with developing and securing our donor supporter base in order to attract donations to fund our program and other Australian activity.

**Accountability and administration expenses:** covers administrative and other costs required to efficiently run the organisation; for example, finance, IT, human resources, office maintenance, audit and legal fees, and insurance premiums.

**Analysis**
Our total revenue grew by 17 per cent in 2011/12, largely due to an increase in grant revenue from AusAID and other Australian and overseas institutions. CARE continues to be successful in securing funding from institutional donors such as AusAID due to our solid reputation as an agency that delivers quality projects and programs. Despite the impact of the continuing economic uncertainty, revenue from the Australian public also grew by 6 per cent.

---

**FINANCIAL OVERVIEW**

**Where the Money Goes From**

Year ended 30 June 2012

<table>
<thead>
<tr>
<th>Where the Money Comes From</th>
<th>Other Income</th>
<th>Grants – Other</th>
<th>Community Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees to CARE Australia</td>
<td>100%</td>
<td>39%</td>
<td>21%</td>
</tr>
<tr>
<td>Fundraising Costs</td>
<td>8%</td>
<td>19%</td>
<td>0%</td>
</tr>
<tr>
<td>Program Expenditure</td>
<td>88%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>Accountability &amp; Administration</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Where the Money Comes From – 5 Year Trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Other Income</th>
<th>Grants – Other</th>
<th>Community Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>37%</td>
<td>39%</td>
<td>21%</td>
</tr>
<tr>
<td>2009</td>
<td>39%</td>
<td>37%</td>
<td>21%</td>
</tr>
<tr>
<td>2010</td>
<td>35%</td>
<td>39%</td>
<td>21%</td>
</tr>
<tr>
<td>2011</td>
<td>35%</td>
<td>39%</td>
<td>21%</td>
</tr>
<tr>
<td>2012</td>
<td>35%</td>
<td>39%</td>
<td>21%</td>
</tr>
</tbody>
</table>

---

**FINANCIAL OVERVIEW**

**Operating result**
CARE Australia recorded an overall surplus of $0.3 million in 2011/12, reflecting an underlying budget deficit of $0.5 million offset by a net foreign exchange gain of $0.8 million. The budgeted deficit reflects the Board’s strategic decision to continue investments in donor acquisition in order to secure support for future growth in our long-term investment in overseas aid and development programs.

Income and expenditure

**Where the Money Comes From – 5 Year Trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Community Support</th>
<th>Other Income</th>
<th>Grants – Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>21%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>2009</td>
<td>21%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>2010</td>
<td>21%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>2011</td>
<td>21%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>2012</td>
<td>21%</td>
<td>39%</td>
<td>37%</td>
</tr>
</tbody>
</table>

**Community support income:** donations, fundraising, legacies and bequests received from the Australian public and corporations.

**Grants – AusAID:** grants received from the Australian Government’s overseas aid program.

**Grants – Other:** includes grants received from CARE International members and other Australian and international organisations and government bodies.

**Other Income:** includes investment income and foreign currency gains.

**Where the Money Goes – 5 Year Trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Program Expenditure</th>
<th>Fundraising Costs</th>
<th>Accountability &amp; Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2009</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2010</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2011</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2012</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Program expenditure:** long-term international development and emergency response work, as well as community education and program support costs.

**Funding costs:** costs associated with developing and securing our donor supporter base in order to attract donations to fund our program and other Australian activity.

**Accountability and administration expenses:** covers administrative and other costs required to efficiently run the organisation; for example, finance, IT, human resources, office maintenance, audit and legal fees, and insurance premiums.

**Analysis**
Our total revenue grew by 17 per cent in 2011/12, largely due to an increase in grant revenue from AusAID and other Australian and overseas institutions. CARE continues to be successful in securing funding from institutional donors such as AusAID due to our solid reputation as an agency that delivers quality projects and programs. Despite the impact of the continuing economic uncertainty, revenue from the Australian public also grew by 6 per cent.

---

**FINANCIAL OVERVIEW**

**Operating result**
CARE Australia recorded an overall surplus of $0.3 million in 2011/12, reflecting an underlying budget deficit of $0.5 million offset by a net foreign exchange gain of $0.8 million. The budgeted deficit reflects the Board’s strategic decision to continue investments in donor acquisition in order to secure support for future growth in our long-term investment in overseas aid and development programs.

Income and expenditure

**Where the Money Comes From – 5 Year Trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Community Support</th>
<th>Other Income</th>
<th>Grants – Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>21%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>2009</td>
<td>21%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>2010</td>
<td>21%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>2011</td>
<td>21%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>2012</td>
<td>21%</td>
<td>39%</td>
<td>37%</td>
</tr>
</tbody>
</table>

**Community support income:** donations, fundraising, legacies and bequests received from the Australian public and corporations.

**Grants – AusAID:** grants received from the Australian Government’s overseas aid program.

**Grants – Other:** includes grants received from CARE International members and other Australian and international organisations and government bodies.

**Other Income:** includes investment income and foreign currency gains.

**Where the Money Goes – 5 Year Trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Program Expenditure</th>
<th>Fundraising Costs</th>
<th>Accountability &amp; Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2009</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2010</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2011</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2012</td>
<td>88%</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Program expenditure:** long-term international development and emergency response work, as well as community education and program support costs.

**Funding costs:** costs associated with developing and securing our donor supporter base in order to attract donations to fund our program and other Australian activity.

**Accountability and administration expenses:** covers administrative and other costs required to efficiently run the organisation; for example, finance, IT, human resources, office maintenance, audit and legal fees, and insurance premiums.

**Analysis**
Our total revenue grew by 17 per cent in 2011/12, largely due to an increase in grant revenue from AusAID and other Australian and overseas institutions. CARE continues to be successful in securing funding from institutional donors such as AusAID due to our solid reputation as an agency that delivers quality projects and programs. Despite the impact of the continuing economic uncertainty, revenue from the Australian public also grew by 6 per cent.
**Directors’ Declaration**

In accordance with a resolution of the Directors of CARE Australia, we state that:

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

(b) the Summary Financial Report is in accordance with the requirements set out in the ACFID Code of Conduct and has been derived from and is consistent with the full financial statements for the financial year ended 30 June 2012;

(c) the full financial statements and notes are in accordance with the Corporations Act 2001 and:

(i) comply with Australian Accounting Standards, International Financial Reporting Standards and the Corporations Regulations 2001; and

(ii) give a true and fair view of the financial position and performance of the Company for the financial year ended 30 June 2012.

On behalf of the Board.

Harold Mitchell, AC  |  Chair  
Melbourne, 19 October 2012

Bryony Morris  |  Treasurer  
Melbourne, 19 October 2012

---

**Accountability measures**

<table>
<thead>
<tr>
<th>Program Expenditure Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>2008</td>
</tr>
</tbody>
</table>

Program expenditure ratio is the total amount spent on our overseas programs, including program support costs and community education campaigns, expressed as a percentage of total expenditure.

**Analysis**

Our program expenditure ratio remained at a high level, with a three-year average of 89 per cent. The year saw the continuation of aid delivery in South Asia and South-East Asia, the Middle East, the Pacific, and Africa. Emergency assistance was provided to those affected by natural disasters and conflict in South Asia (Pakistan), the Middle East (Jordan), South-East Asia (Myanmar, Cambodia, Vietnam) and Africa (Ethiopia, Kenya, Djibouti, Somalia, Niger and Mali). Emergency programs responding to the Haiti Earthquake and the Pakistan floods also continued during this financial year. Further support for reconstruction and development is still ongoing and will continue into the future for East Africa.

<table>
<thead>
<tr>
<th>Cost of Fundraising Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>2008</td>
</tr>
</tbody>
</table>

Cost of fundraising ratio is the total amount spent on public fundraising expressed as a percentage of total revenue from the Australian public, rather than total revenue. It excludes funding and associated costs related to grant funding from AusAID and other organisations.

**Analysis**

The increased cost of fundraising ratio in 2011 and 2012 is due to a strategic decision, taken in 2010, to invest in donor acquisition. This enables CARE Australia to have greater funds available in the future for our important international aid and development work. Major fundraising appeals were also launched this financial year to support affected populations across East Africa due to food insecurity, particularly Somalia, Ethiopia and Kenya, as well as the Sahel.

<table>
<thead>
<tr>
<th>Cost of Administration Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>2008</td>
</tr>
</tbody>
</table>

Cost of administration ratio is the total amount spent on administration and accountability expressed as a percentage of total expenditure.

**Analysis**

Our administration costs remain low, with a three-year average of 4.5 per cent.
**FINANCIAL STATEMENTS**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and gifts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monetary</td>
<td>11,239,560</td>
<td>10,295,726</td>
</tr>
<tr>
<td>Non-monetary</td>
<td>49,160</td>
<td>57,008</td>
</tr>
<tr>
<td>Bequests and Legacies</td>
<td>564,824</td>
<td>784,237</td>
</tr>
<tr>
<td>Total revenue from Australian public</td>
<td>11,853,544</td>
<td>11,136,971</td>
</tr>
<tr>
<td>Grants and contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AusAID</td>
<td>21,184,489</td>
<td>18,204,532</td>
</tr>
<tr>
<td>Other Australian</td>
<td>3,152,452</td>
<td>998,831</td>
</tr>
<tr>
<td>Other overseas</td>
<td>19,633,875</td>
<td>17,993,150</td>
</tr>
<tr>
<td>Investment income</td>
<td>730,125</td>
<td>769,324</td>
</tr>
<tr>
<td>Other income</td>
<td>1,239,588</td>
<td>319,586</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>57,794,073</td>
<td>49,422,194</td>
</tr>
</tbody>
</table>

**EXPENDITURE**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Aid and Development Programs expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds to international programs</td>
<td>47,346,201</td>
<td>42,475,292</td>
</tr>
<tr>
<td>Non-monetary expenditure – overseas projects</td>
<td>-</td>
<td>469,083</td>
</tr>
<tr>
<td>Other program costs</td>
<td>2,256,452</td>
<td>1,863,279</td>
</tr>
<tr>
<td><strong>Total overseas projects</strong></td>
<td>49,602,653</td>
<td>44,308,564</td>
</tr>
<tr>
<td>Community education</td>
<td>1,269,977</td>
<td>398,245</td>
</tr>
<tr>
<td>Fundraising costs - Public</td>
<td>3,589,579</td>
<td>3,541,650</td>
</tr>
<tr>
<td>Fundraising costs - government and multilateral agencies</td>
<td>380,810</td>
<td>391,409</td>
</tr>
<tr>
<td>Accountability and administration</td>
<td>2,604,503</td>
<td>2,776,828</td>
</tr>
<tr>
<td>Non-monetary expenditure</td>
<td>49,160</td>
<td>57,007</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURE</strong></td>
<td>57,496,682</td>
<td>51,972,793</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess/(Shortfall) of revenue over expenses</td>
<td>297,391</td>
<td>(2,550,399)</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>297,391</td>
<td>(2,550,399)</td>
</tr>
</tbody>
</table>

During the financial year, CARE Australia had no transactions in the Evangelistic, Political or Religious Proselytisation and Domestic Programs categories.

This summary financial information was extracted from the statutory financial statements. It is consistent, in substance, with these statements notwithstanding the less technical language and content. The statutory financial statements were audited and are available on CARE Australia’s website. [www.care.org.au/annual-reports](http://www.care.org.au/annual-reports)

**BALANCE SHEET AS AT 30 JUNE 2012**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>24,506,052</td>
<td>23,367,452</td>
</tr>
<tr>
<td>Held to maturity investments</td>
<td>5,741,625</td>
<td>1,371,630</td>
</tr>
<tr>
<td>Prepayments</td>
<td>512,599</td>
<td>757,731</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>8,299,044</td>
<td>3,691,719</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>997,735</td>
<td>1,047,109</td>
</tr>
<tr>
<td>Investments at fair value</td>
<td>4,365,517</td>
<td>4,365,517</td>
</tr>
<tr>
<td>Other investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>44,223,119</td>
<td>34,601,159</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>2,079,981</td>
<td>1,689,144</td>
</tr>
<tr>
<td>Provisions</td>
<td>2,482,233</td>
<td>1,967,757</td>
</tr>
<tr>
<td>Unexpended project funds</td>
<td>3,152,452</td>
<td>21,407,970</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>34,389,440</td>
<td>25,064,871</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>9,833,679</td>
<td>9,536,288</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>9,833,679</td>
<td>9,536,288</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>9,833,679</td>
<td>9,536,288</td>
</tr>
</tbody>
</table>

At the end of the financial year CARE Australia has no balances in Current inventories, Current assets held for sale, Current and non-current other financial assets, Non-current trade and other receivables, Non-current investment property, Non-current intangibles, Other non-current assets, Current and non-current borrowings, Current tax liabilities, Current and non-current other financial liabilities, Current and non-current other liabilities categories, and Non-current provisions.

This summary financial information was extracted from the statutory financial statements. It is consistent, in substance, with these statements notwithstanding the less technical language and content. The statutory financial statements were audited and are available on CARE Australia’s website. [www.care.org.au/annual-reports](http://www.care.org.au/annual-reports)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

<table>
<thead>
<tr>
<th></th>
<th>Retained Earnings $</th>
<th>Reserves $</th>
<th>Other $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as 30 June 2011</td>
<td>9,536,288</td>
<td>-</td>
<td>-</td>
<td>9,536,288</td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>297,391</td>
<td>-</td>
<td>-</td>
<td>297,391</td>
</tr>
<tr>
<td>Amount transferred (to) from reserves</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as 30 June 2012 (year end balance)</td>
<td>9,833,679</td>
<td>-</td>
<td>-</td>
<td>9,833,679</td>
</tr>
</tbody>
</table>

During the financial year, there were no adjustments or changes in equity due to the adoption of new accounting standards.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>General public donations</td>
<td>11,804,384</td>
<td>11,079,964</td>
</tr>
<tr>
<td>Grants and contract income (inclusive of GST)</td>
<td>40,394,085</td>
<td>39,115,175</td>
</tr>
<tr>
<td>Interest income</td>
<td>730,125</td>
<td>769,324</td>
</tr>
<tr>
<td>Other income</td>
<td>310,882</td>
<td>193,150</td>
</tr>
<tr>
<td>Payments to suppliers and employees (inclusive of GST)</td>
<td>(48,221,498)</td>
<td>(54,279,727)</td>
</tr>
<tr>
<td>Net cash flows from/(used in) operating activities</td>
<td>5,017,978</td>
<td>(3,122,114)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flow from investing activities</th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td>(462,189)</td>
<td>(576,891)</td>
</tr>
<tr>
<td>Proceeds from sale of equipment</td>
<td>124,608</td>
<td>165,259</td>
</tr>
<tr>
<td>Redemption of investments</td>
<td>(5,646,102)</td>
<td>(4,029,125)</td>
</tr>
<tr>
<td>Net cash flows from/(used in) investing activities</td>
<td>(4,704,031)</td>
<td>(3,500,885)</td>
</tr>
</tbody>
</table>

| Net increase in cash held           | 313,947  | 378,744 |
| Net foreign exchange differences    | 824,653  | (3,560,413) |
| Cash at the beginning of the year   | 23,367,452 | 26,549,121 |
| Cash at the end of the year         | 24,506,052 | 24,506,052 |

NOTE 1 Accounting Policies

This summary financial information was extracted from the statutory financial statements. It is consistent, in substance, with these statements notwithstanding the less technical language and content. The statutory financial statements were audited and are available on CARE Australia's website, www.care.org.au/annual-reports.