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CARE Australia Annual Report 2005





Vision, mission and core values Chairman's message CEO's message Girls women Bopha Cambodia Hiep Vietnam Phim Laos Jordan Yemen Sudan Tsunami response CARE in Australia Our staff Our donors Our partners Corporate Council Our Board Financial report Frequently asked questions

Mozambique – ©2001 CARE/Brian Atkinson
COVER: Laos – ©2005 CARE/Jonathan Drake

Vision in Sion and Core Values Our vision

We seek a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security.

CARE will be a global force and partner of choice within a worldwide movement dedicated to ending poverty. We will be known everywhere for our unshakable commitment to the dignity of people.

Our mission

CARE's mission is to serve individuals and families in the poorest communities in the world. Drawing strength from our global diversity, resources and experience, we promote innovative solutions and are advocates for global responsibility.

We facilitate lasting change by:

- strengthening capacity for self-help;
- providing economic opportunity;
- delivering relief in emergencies;
- influencing policy decisions at all levels; and
- addressing discrimination in all its forms.

Guided by the aspirations of local communities, we pursue our mission with both excellence and compassion because the people whom we serve deserve nothing less.

Core values

We respect and value diversity.

We respect, value and seek to enhance local capacities.

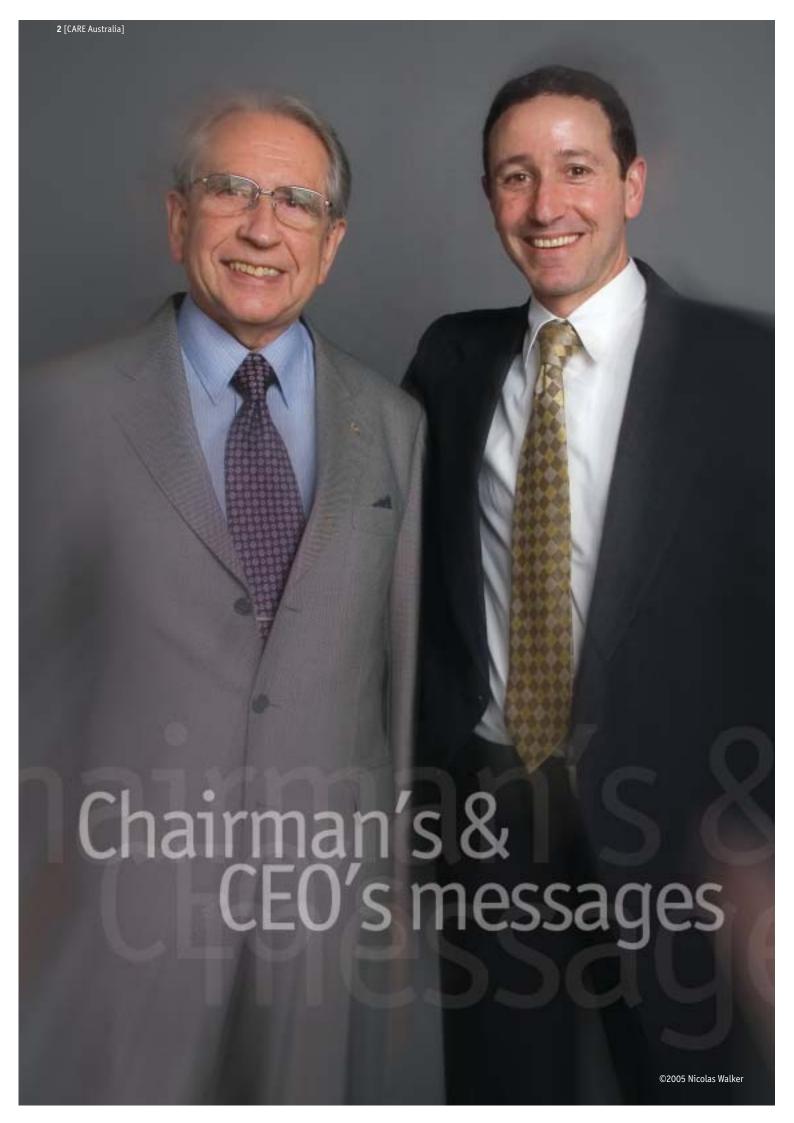
We value and support the central role of women in development.

We recognise and value the professionalism, skills and experience of our staff, and their contribution to institutional learning and development.

We value CARE's dynamism, adaptability and resilience.

We value the support of our donors and programme partners.

We value the operational freedom which stems from being a not-for-profit Australian agency which is independent of any religious or political affiliation and which does not discriminate on the basis of race, gender, ethnicity, age, religion or politics.



[CHAIRMAN'S MESSAGE]

The past year, while highly rewarding in terms of the work that we have been able to undertake, has nevertheless been something of a roller-coaster for CARE Australia.

On the one hand, there was the unprecedented public response to the tsunami tragedy. This generous support enabled CARE not only to provide immediate humanitarian assistance to the tsunami survivors, but also to contribute to rebuilding their shattered lives and devastated communities.

It was a remarkable reaction from across Australia, and CARE was moved and exhilarated by the public's warm-hearted eagerness to provide urgent help to their near neighbours.

On the other hand, there was the tragedy of the abduction and apparent murder of the brave and much-loved Margaret Hassan, our Country Director in Iraq. Margaret, who had devoted 30 years of her life to helping the people of Iraq, was mourned throughout the world. Her death was a particular blow to her many colleagues at CARE Australia.

Sadly, the world has become an increasingly dangerous place for aid workers. Humanitarian assistance is no guarantee of safety, and the security of our staff remains a top priority. Despite today's risks, the highly motivated women and men of CARE remain committed to their humanitarian work around the world.

In the past twelve months, apart from our diverse, on-going developmental projects in many areas, we have been providing humanitarian assistance to tens of thousands of people suffering in Sudan (Darfur) and in Niger.

Meanwhile, CARE Australia's plans for the future include even more extensive involvement in our own region of the world.

All this work, of course, depends on the funds that we receive from our donors. We are most grateful to all those individuals and families who support CARE Australia, and we also appreciate the funding from AusAID, from other members of the CARE International 'family', and from international organisations.

Our staff, at home and abroad, have faced a traumatic and demanding year, and have made many personal sacrifices in responding to unanticipated events. Many have contributed far beyond the call of duty. My thanks to them all, and a special word of appreciation for the skilful and professional leadership of CARE Australia's Chief Executive, Robert Glasser.

It is also appropriate that I acknowledge my Deputy Chair, Peter Smedley, and all the members of the CARE Australia Board. I am fortunate to have the backing of such an experienced and strong Board, and also the support of the members of the Advisory Council.

The death during the year of a Board colleague, Helen Handbury, was a sad loss. With her husband, Geoff, she had taken a keen interest in CARE's work, including our field operations, and had been a highly committed member of the Board. Our Melbourne office has been named 'Helen Handbury House'.

Finally, again my thanks to the supporters of CARE. CARE would be unable to do its life-saving without you.

Tony Eggleton

[CEO'S MESSAGE]

Our Chairman, Tony Eggleton, has highlighted in his Chairman's message the various emergencies CARE has confronted over the past year. I would like to acknowledge the huge and selfless efforts of the CARE Australia staff in responding to these crises. They have been tremendous and I am proud to work with them.

No one could have anticipated the level of destruction caused by the Boxing Day tsunami. The devastation I witnessed firsthand when I travelled to Aceh earlier this year was simply overwhelming. It was reminiscent of Hiroshima after the dropping of the atomic bomb. CARE Australia took action almost immediately. Staff at CARE Country Offices in the tsunami-affected countries were on the scene within hours providing life-saving assistance. CARE was the first Australian non-government organisation to launch an appeal as well as the first Australian non-government organisation to organise a shipment of significant relief supplies from Australia to Indonesia.

The huge outpouring of public support for our Southern Asia Appeal demonstrated the public's great generosity and the confidence they place in CARE's work. It was deeply gratifying to all of us at CARE and inspired and energised us in our efforts to respond to this unprecedented natural disaster.

Over the past year, we also began the process of developing a new Strategic Plan for CARE Australia. Across our organisation, including in our Country Offices around the world, we identified significant global and regional humanitarian and development trends and together worked through how CARE Australia should respond to them.

Two of the conclusions we reached in this process deserve particular mention. First, we have observed a significant deterioration in the development prospects of some countries in our immediate region. Poverty and HIV/AIDS are on the increase. Melanesian countries, in particular, face enormous development challenges and there are very few bilateral donors, other than Australia, willing to provide assistance. In response to these concerns, we have decided to greatly strengthen our engagement in our immediate region in the years ahead.

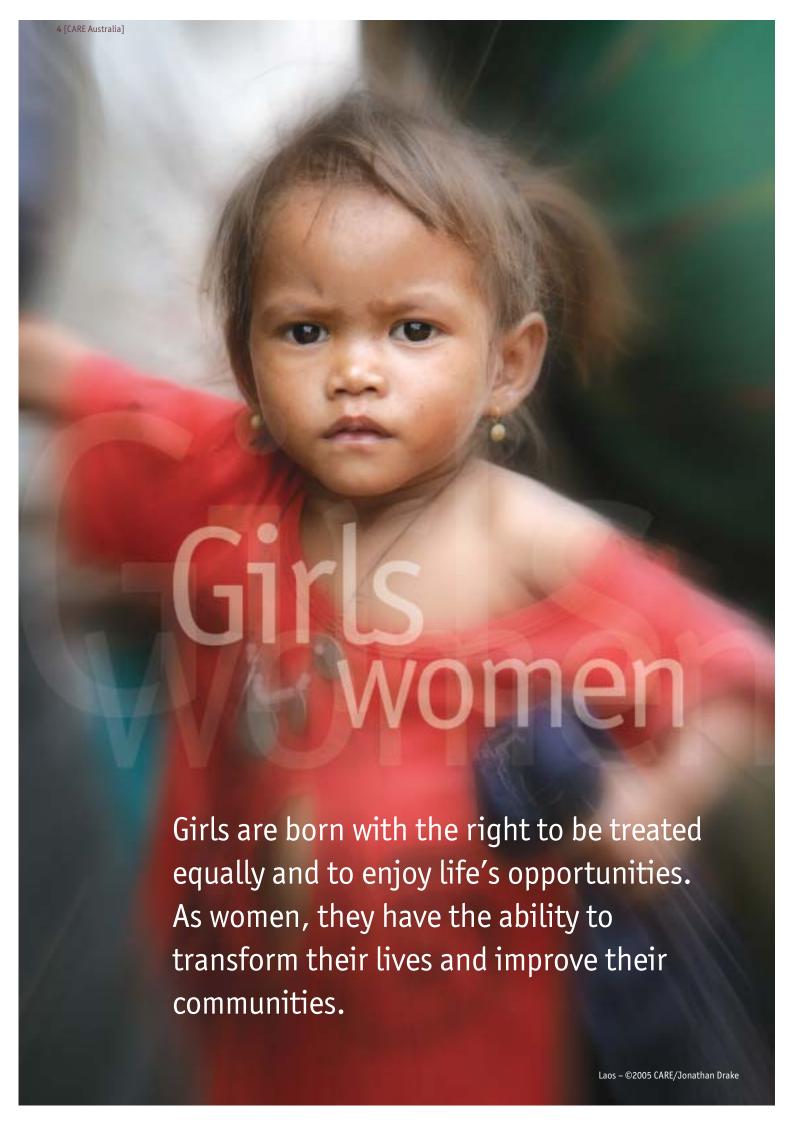
Second, the evidence suggests that the frequency and severity of natural disasters are increasing. The world's poor are overwhelmingly the ones most at risk. This suggests an even greater need in future to mobilise CARE's world-class emergency response capacity. With this in mind we intend to build further our ability to respond to humanitarian disasters.

Of particular concern is a little-appreciated humanitarian disaster in the making: avian influenza. There is a significant risk that the avian influenza virus, which currently affects poultry primarily in Asia, will soon acquire the ability to spread between people. If it does, it could cause a global pandemic with devastating results. Experts predict that over 100 million people could die in a matter of weeks; most of these deaths would be in poor countries. This is roughly equal to the number of people killed in World Wars I and II combined and would set back development prospects for decades. CARE Australia is working hard to raise the profile of this threat in Australia as well as to respond with aid projects in developing countries.

I want to conclude by thanking our Chairman, Tony Eggleton, and the members of our outstanding CARE Australia Board for their support, encouragement and commitment over the past year. I also want to thank you, our supporters in Australia, for the trust you have placed in CARE and for your commitment to helping our fellow human beings around the world.

Robert Glasser

Robert Masser









FAR LEFT: India – ©2001 CARE/Anne Heslop

Rwanda – ©2002 CARE Jason Sangster

BELOW LEFT:

Sudan – ©2004 CARE/Evelyn Hockstein

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Sudan – ©2004 CARE/Evelyn Hockstein



et, girls and women are regularly denied the rights that allow them to make lasting changes in their lives and the lives of others. The denial of women's and girl's basic human rights is a major cause of poverty – women make up the majority of the 1.3 billion people worldwide who are living on less than US\$1 dollar a day.

Poverty goes beyond simple monetary needs. It includes the denial of opportunities and choices, such as work or study, and resources including credit, land, inheritance, education and support services. Women's labour often goes unrewarded and unrecognised and their participation in decision-making at home and in the community is minimal.

CARE works alongside women in developing countries. Resourceful, multi-talented, adaptable, resilient – they have far-reaching talents and play countless roles. We know from experience that, equipped with the proper resources, women have the power to lift whole families and entire communities out of poverty.

CARE understands that supporting women means supporting families. Given the opportunity, women use resources to feed, care for and educate their children. So, if families become healthier and better fed, their ability to make money, save and reinvest becomes stronger.

Poverty is particularly destructive to women's health. Women and girls are often the last to eat and women's health problems are considered less important than other family priorities. Sometimes girls are sold into prostitution, and mothers may be forced to sell their bodies so that they can feed their children.

While poverty affects households as a whole, because of the gender division of labour and household responsibilities, women bear a disproportionate burden, attempting to manage their homes and the health of their families under conditions of increasing scarcity.

When a family is able to send their daughters to school, those girls will often marry later and have fewer and healthier babies. Educated mothers immunise their children 50 per cent more often than those who are not educated. And the children of a woman with five years of primary school education have a survival rate 40 per cent higher than children of women with no education.

CARE knows that supporting women is key to successful, sustainable development. We work with women in more than 70 countries, listening to their goals and designing projects that match their needs and wants. These projects are designed to improve health, education, land management and earning potential to work toward a future free of poverty and discrimination.

Cambodia's recovery from almost three decades of armed conflict and political instability can be seen, in part, by the progress that has been made towards improving education opportunities for children. The number of children entering school, and completing primary school, is increasing. In line with the Millennium Development Goals, the Government has also committed to providing all children with access to nine years of quality basic education.









CARE's three literacy and life skills programmes are providing options for girls and young women in some of Cambodia's poorest border provinces. Cambodia - ©2005 Harsha De Silva/CARE

espite these achievements, enormous challenges remain. Many girls never enrol in school, and if they do, thousands don't complete primary school. Those girls who do remain in school often don't receive a quality or meaningful education. As a result, these girls slide easily into the fringes of society.

Because they can't read, write or develop numeracy and other skills, these girls and young women don't have the opportunities that other children have. They're often less healthy than they could be, they are at risk of being exposed to HIV/AIDS, crime, homelessness and drug abuse, and they're also vulnerable to trafficking, sexual exploitation and child labour. It's estimated that 30 per cent of commercial sex workers in Cambodia are less than 18 years of age, and that the majority of these young women and girls have less than three years of basic schooling. With little education, these girls are easy targets for traffickers, as they are often unaware of the dangers that hide behind promises of good employment. Children and young women living in areas that border neighbouring countries are particularly vulnerable, as these districts have become areas of origin, transit and destination for national and international trafficking networks.

In response to this situation, CARE is implementing three literacy and life skills programmes in some of the poorest border provinces in Cambodia to directly target these girls and young women. One project, known as

OPTIONS, is based in Poipet in northwest Cambodia. It is combating the trafficking and sexual exploitation of children, particularly girls, through education. By increasing access to primary school, and by running quality literacy classes for girls who have few reading and writing skills, young women are being given the option to choose different paths in their lives.

Sixteen-year-old Bopha* is just one of the many girls benefiting from this project. She is learning to read and write, and now has a chance to improve her situation. But the future was not always so bright for Bopha, and her story is a sad and all-too-common one.

Bopha works a few days each month in a second-hand clothes shop to help support her family, earning \$3.90 a month to contribute to the care of three of her brothers and sisters – four others now live with relatives and friends in another province.

Bopha's mother died six months ago. Since the beginning of her illness, Bopha's father struggled to pay for her medication from his work as a motorbike taxi driver. He earns around \$3.90–\$5.20 a day, of which he pays \$1.30 a day to hire the bike.

The family had to sell the land on which they grew vegetables to pay for Bopha's mother's medicine and treatment. Bopha had to leave school without completing Grade 1 so that she could earn money for her family.



After struggling for some years, the family became aware that many other poor people were returning from Thailand with a lot of money. Bopha's father decided to send her to Thailand with a neighbour who guaranteed she could find her good work. Bopha agreed to do this so that her family could pay off their debts and buy food.

In June 2002, Bopha, who was then 13 years old, and three other girls went to Thailand to be construction workers in a village over 300km away. They were forced to live with the other workers, all adult men, in one house. Every day she was forced to do heavy work alongside adults, and was also required to do other domestic work at the landlord's house. Bopha said that when she and the other workers found it hard to continue because of exhaustion and malnourishment, they were given drugs, often intravenously, to give them the energy to keep working.

Bopha's father went to Thailand many times to look for her but he found nothing. Finally a contact located Bopha and took her father to the construction site where she worked – for a fee of \$104. Bopha was rescued and returned home, but it took a long time for her to recover from the drugs she had been given.

Now that Bopha is attending CARE's literacy classes, she finally feels happy again. 'Now I want to make full use of this opportunity to continue my education so that I can get a good job,' she says.

CARE's OPTIONS project offers vulnerable and exploited children the chance to choose their own path in life through education, information, skills training, and opportunities to build self-confidence and self-efficacy. It's about helping children and their families to gain the attitudes, skills and knowledge that will guide them in assessing their circumstances, evaluating available opportunities, and making better-informed decisions. Because girls are the primary target of trafficking networks in Cambodia, and yet have the fewest options, these programmes are providing girls with educational opportunities for different options in life.

CARE's work also focuses on raising awareness about the benefits of education, encouraging parents and community leaders who don't want to enrol their children in school or non-formal education classes to change their minds.

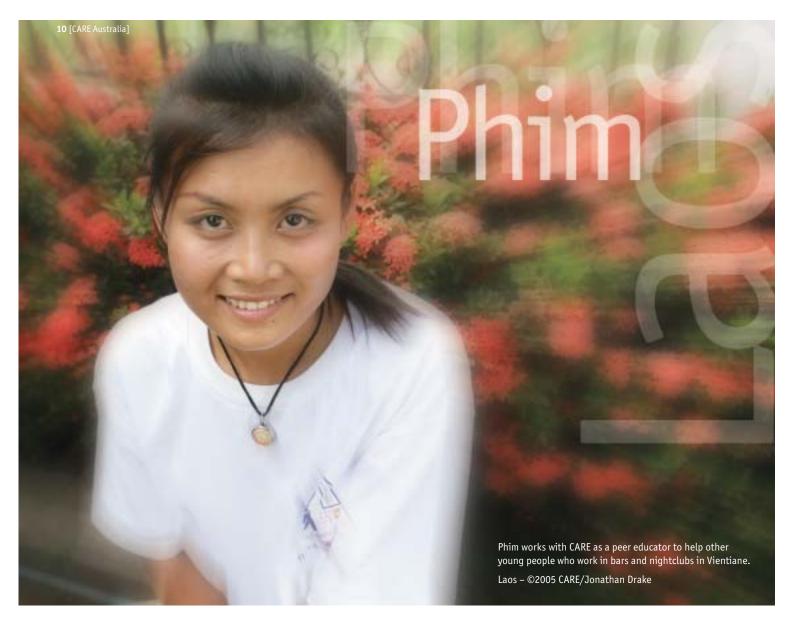
*CARE is committed to building a child-safe organisation. The names of the children have been changed for the protection of the child.





Without reading, writing, numeracy and other skills, girls and young women are at risk of illness, crime, trafficking and sexual exploitation.

Cambodia – ©2005 Harsha De Silva/CARE



A girl wearing a sign that reads 'HIV/AIDS' growls and waves her arms menacingly as she tries to break into a circle of girls and boys who laugh as they duck and weave to keep her out. Opposite, a boy sporting a 'Syphilis' sign attempts to push through, but the giggling protectors thwart his efforts. 'Herpes' takes on the challenge, but 'Chlamydia' is intent on winning. Fast-paced and uproarious struggling eventually results in a victory – 'Gonorrhoea' jubilantly plunges into the circle as the players cheerfully disband.

hese young service workers are participating in their second of three days of reproductive and sexual health training in the Laos capital of Vientiane. In their jeans, fashionable tops and sneakers or sandals, they look like typical high school students. At night they transform; donning makeup and sophisticated clothing for their work serving drinks and entertaining customers in bars and nightclubs around the city.

Today's training is part of a CARE project that is teaching service workers how to prevent unwanted pregnancy and sexually transmitted diseases and infections, and how to improve their confidence and negotiation skills in potentially violent and unsafe situations.

Phim speaks openly about her experiences, gained while working for six months in a city hotel nightclub. 'One customer left me stranded at a remote guesthouse. I had no way of getting back,' the 24-year-old remembers. 'I was angry and upset and I cried.'

Phim, now a housekeeper, is participating today as a peer educator, drawing on her knowledge to help other young people working in the service industry. Peer educators, along with staff from CARE, the Lao

Youth Union and local government, are arming the young workers with skills to minimise the risks inherent in the work they do. Through games and more formal education, they learn how to protect their health and safety. Skills like confidence, the ability to negotiate safe sex, and recognising dangerous situations are given as much emphasis as knowing how sexually transmitted infections and diseases are transmitted and prevented.

Most service workers in Vientiane are young women or girls, sometimes as young as 14, who come from provinces of Laos. Today's 35 participants are aged between 15 and 25 years old. 'Most don't come to the city with the intention of becoming sex workers,' says CARE's Project Manager Dr Senkham Boutdara. 'In their villages there's an assumption that there are many opportunities in the city to find work and earn money.'

An industry has grown up around this assumption. Potential employers pay truck drivers between 10,000 and 20,000 kip (\$1.30 and \$2.50) for each girl they transport from a village to Vientiane for work. However, the girls don't realise until they arrive that certain paperwork is required and they are often left to fend for themselves while this is being arranged.

'The society in bars, nightclubs and restaurants is very stressful and violent.'

'Most girls can't afford accommodation, so those with friends stay with them while others struggle to find a roof over their heads,' says Dr Boutdara. 'Even once the employers have organised paperwork, the girls don't earn enough to pay their rent or meet their family commitments. Often they find themselves in a position where they have no alternative but to supplement their income by selling sex.'

Sex work is profitable, Dr Boutdara explains, particularly when compared to the other limited options an unskilled girl has to choose from, such as serving drinks. On any given night in a club or a bar, a girl can earn around 20,000 to 50,000 kip (\$2.50 to \$6.35) for an evening serving drinks to a customer. If she then has sex with him, it is common to augment that amount by between 200,000 and 400,000 kip (\$25.35 and \$50.70).

Phim explains how she took the job at the nightclub to help her father pay back a bank loan of 17 million kip (\$2100) for his farm in the southern province of Savannakhet. This is common, says Dr Boutdara. 'Often families have financial expectations of their daughters. They are obligated to send money back to their village to help put their brothers or sisters through school or pay off their family's debts,' he says.

As well as the training days, CARE's project also has an outreach component. In the dressing rooms of around 24 venues each month, girls chat, change clothes and apply makeup while peer educators present sexual and reproductive health information. Over drinks and snacks, the peer educators discuss and demonstrate methods of contraception and circulate photographs of symptoms of sexually transmitted diseases. Sometimes the workers are involved in focus group discussions, in which they discuss work and health issues in more detail and work through how they dealt with similar issues. This sort of outreach activity is also carried out in the girls' homes.

Phim has been a peer educator in the Chanthabouli district of Vientiane since the beginning of the CARE project, which also covers Saysetha, Sikhotabong and Sisattanak districts. Like the other peer educators, she distributes cards containing her contact information to bar and nightclub staff. The young workers feel comfortable contacting her for support or assistance, and she is also able to provide basic counselling and/or refer

them to appropriate services, such as Vientiane Youth Centre for clinical and counselling services, or to hospital, as required.

'The society in bars, nightclubs and restaurants is very stressful and violent,' Phim says. 'There are often problems with the guests, it's difficult to earn money, and even more difficult to leave. I feel the need to give other girls information that will help them to work in this sort of environment.'

Dr Senkham says that Phim's efforts to help her peers are proving extremely successful. 'Phim is well respected, as she's very open and honest with the girls. They pay attention to her,' he says.

Dr Senkham explains that such help is desperately needed. 'The reality is terrible for some girls. Recently the friend of a 14-year-old girl came to CARE's training and asked for help for her friend, who had been haemorrhaging for three weeks after her first sexual experience. Despite all our efforts, the girl was too scared to come to a clinic, and went home to her village without treatment,' he says. 'Fortunately, she was able to receive some support and health-related advice from the peer educator who visited her, but sadly that was the best we could do.'

Despite such sad situations, Dr Senkham says the project's success has far exceeded his expectations. Since it began in October 2003, more than 2160 service workers in over 100 locations have received reproductive and sexual health information, 880 more than the target. 'Many girls are also visiting appropriate medical services after being referred by peer educators.'

'We now plan to expand the project to include vocational training, so that the girls have other job alternatives. At the moment there are very limited career options to offer them, but with scholarships and training in how to run a small business and speak English these options will widen,' he says.

'One of the most rewarding things is seeing young girls realise the value of their health and the future, over money and the immediate gain that it may bring,' Dr Senkham says. 'Most of them would like to marry and have children, and they realise they can start to take control of their future by making safer choices now.'



Vilaykone (right, 26) and Tina (left, 18) share a light moment during a discussion of gender issues.

Laos - ©2005 CARE/Jonathan Drake



Phim discusses contraception with two young bar workers Doungpy (centre, 22) and Noy (right, 18).

Laos - ©2005 CARE/Jonathan Drake



Despite many important steps towards promoting human and women's rights in Jordan, theory and practice don't always match up. On one side of this issue, Jordan has ratified all of the conventions concerning women's rights, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and most rights, women's included, are now protected by law. On the other side, these laws do not generally translate to improved well-being for women living in poverty. Many of Jordan's conservative values have been retained despite such progress, including the traditional gender roles that many women are expected to assume. Despite broad intentions, societal values still prevail, particularly in resource-poor rural areas.



'Makana', meaning 'Status', is represented in this artwork created by the women taking part in CARE's project.



Women's advocacy group members participating in a meeting with service providers. $\mbox{Jordan} - @2005 \mbox{ CARE}$

'Because I can't read or write, I have to work cleaning houses as this work doesn't require any education. I have to help my family and I'm not ashamed of this work.'

his is a situation that has started to change. Women, especially younger women, are increasingly aware of their rights and are starting to speak out in order to claim them. The problem is that their voice is not being heard in the right forums and, as a result, not being responded to by those in decision-making positions.

The organisations supporting women's rights in Jordan are respected and effective, but tend to concentrate on issues concerning basic human rights. So while the voice of women is raised at a national level, these initiatives aren't enough to address women's rights in their communities, where changes would improve their lives.

CARE, together with our local partner the Jordanian Hashemite Fund for Human Development, is working with rural women in Jordan to educate them on their rights and entitlements, and to ensure that their communities act in accordance with the constitution and United Nations conventions.

In a project called 'Makana', which means 'Status', CARE is establishing and training women's advocacy groups in three governorates: Jerash in the north, Madaba in the middle and Karak in the south. The groups will give women the knowledge, skills and systems through which they can advocate that their own and other women's rights be granted.

Mai Al Shamaylh, a Jordanian citizen from Karak, 150km south of Amman, is one women benefiting from this project. She and her Sudanese husband have 11 children.

Because Mai's children aren't eligible for Jordanian nationality, they have no rights, are not allowed to work and have difficulties accessing basic services, including health and education. This heavy financial burden is increased by the fact that Mai's husband is chronically ill and often can't work. As a result, her eldest son was forced to leave school and work illegally to help provide for the family.

'Because I can't read or write,' says Mai, 'I have to work cleaning houses as this work doesn't require any education. I have to help my family and I'm not ashamed of this work.'

A year ago Mai's sister heard about CARE's project and asked for help for Mai, who was fearful that her children wouldn't receive citizenship, despite the official wheels having been put in motion.

The advocacy group members in Karak began a series of meetings with decision makers both at the governorate level in Mu'ta/Karak and the central level in Amman, and Mai is now in the final stages of getting Jordanian nationality for her children.

The project promotes the use of advocacy that is culturally acceptable in Jordanian society and will not place women at risk. Currently, in many rural communities, for a woman to stand up at a public meeting and speak out would risk incurring the disapproval and alienation of other women.

CARE has found that younger women feel more comfortable when using innovative and creative approaches such as drama, posters, music, images, film and video. The project also uses conventional techniques such as negotiation, conflict resolution and public speaking skills, when more appropriate to a particular group.

The project aims to build transferable skills, which means that women who gain skills act as role models for others who may have less confidence and experience in this sort of project. Women's collective action in the public arena is also promoted in the hope that this will enable them to empower themselves by asserting their rights within domestic settings. CARE's project hopes to bring national intentions and local needs together to form a more just society for the women and girls of Jordan.



Weekly advocacy group meeting. Jordan – ©2005 CARE



A group member emphasising a point with a Governor. Jordan – ©2005 CARE



In four villages in Abyan, southeastern Yemen, CARE is giving rural women the opportunity to make and save money, and encouraging them to be more involved in family and community decisions.

ARE's work focuses on an area where even the simplest basic services do not exist and 95 per cent of the population live in poverty. A typical rural family comprises eight people plus up to four grandparents, and the household income is around \$262 per year. Farming is the dominant industry – almost all of the villagers work on small farms, producing and selling just enough crops and animals to cover basic daily needs.



Yemen - ©2005 CARE

Approximately 88 per cent of the work required for livestock production in Yemen is carried out by women. They spend long hours gathering fodder, feeding and watering animals, cleaning pens, collecting dung for fertilizer and fuel, caring for sick, pregnant and lactating animals and milking cows and goats. This is in addition to child bearing and rearing, housekeeping, cleaning, cooking, baking and fetching water and fuel.

Despite this heavy workload and investment in their families and communities, traditional Yemeni society discourages decision making among women, especially in financial matters.

CARE's project in Abyan focuses on forming rural women's associations and giving them goats and sheep to raise, breed and sell. In many communities, these women's groups have for the first time given women the opportunity to sit together and talk about the many challenges they face. The groups have been effective instruments in addressing problems identified by the women, and an efficient means with which to solve these problems in a manner that is appropriate for the women themselves.

The women also benefit from working collectively, and gain more control over income and assets through making decisions about animal care and how the money they earn is spent. Profits go to the association and members decide on how best to use the money for social development activities, such as literacy classes.

CARE trains the women in animal care and provides veterinarians to identify and treat diseases and teach the women how to do the same. The women provide land, pens and fodder for the animals, and care for them to increase the herd.









TOP LEFT AND ABOVE: Through forming groups to raise sheep and goats, rural women have gained control over income, assets and decision making. Yemen – ©2005 CARE

Women in Yemen speak of their experiences with the CARE project that has enabled them to farm, work collectively and save for the future.

'My husband has no job, and it was very hard. Now my children drink milk from the sheep I received and I sold my male goats to buy medicines and clothes for my children.'

Aisha Omer Ozloq, Sakin Syhan village

'I sold the male goats for 11,000 Yemen Rials (\$79). I was able to buy food and clothes for my eight children, which has drawn a smile on their lips.'

Fayza Ghalib Mohammed, Sakin Al oosh village

'Before I had no animals, but now I have three goats and my children are very happy.'

Salamh Abdo Salem, Sakin Al oosh village

'It is hard to support my family of 11 members. I received four goats, which grew to become eight. Thank you very much.'

Maryam Saeed Abdo, Sakin Wa'ies village

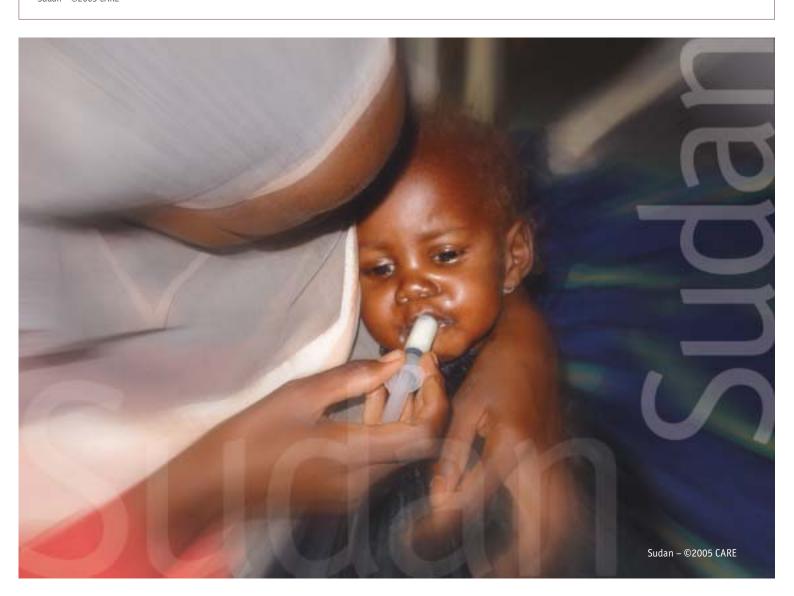
The two-year conflict in Sudan's western region of Darfur has been described as the world's worst humanitarian crisis by the United Nations. In early 2003, rebels seeking greater autonomy began attacking government targets, claiming the region was being neglected. Pro-government Arab militias are accused of carrying out a campaign of ethnic cleansing against non-Arab groups in the region. Around 2.2 million people have fled their homes to escape the violence, 200,000 of whom are residing in camps in neighbouring Chad.





CARE's therapeutic feeding centre in Nyala is helping children under five, pregnant women and lactating mothers to regain and maintain their health.

Sudan – ©2005 CARE



he mass displacement has exacerbated the already inadequate health services, scarce water resources and chronic food insecurities in Darfur. The combination of these factors has resulted in increased levels of malnutrition and mortality among children (mostly those under the age of five) and adults.

CARE's emergency response has been large-scaled and multi-faceted, assisting well over 1 million people in Chad and Darfur.

As well as feeding 300,000 people per month, CARE has been responding to the malnutrition and mortality crisis in Darfur through a therapeutic feeding centre, based at the Nyala Teaching Hospital. The centre aims to reduce the prevalence of malnutrition and mortality among groups at risk (children under five, pregnant women and lactating mothers) in South Darfur.

Eighteen-year-old Fatma Adam is just one woman whose family has benefited through the centre's work, and Fatma herself is now helping others through talking about her experience with women in her community.

'Without the feeding programme I would have lost my beloved son.'

When one of Fatma's two sons was admitted to the therapeutic feeding centre with severe malnutrition, he was only 59 per cent of the weight for height median, a mere 5.8 kilograms at 2 years and 9 months. After 22 days of intense feeding and medical management, Fatma's son's health had improved and he had gained weight. When he was discharged he weighed 7.9 kilograms (a much-improved 81.4 per cent of the weight for his height median).

Fatma's relief at seeing her son's journey back to health is obvious. 'Without the feeding programme I would have lost my beloved son,' she says. 'I am so thankful for the treatment my son received.'

After her son was discharged, Fatma began working at the feeding centre, helping with the laundry. She became actively involved in advocating the value of the therapeutic feeding programme to the women admitted to the centre. Her role also extended to her community, where she promoted the importance of a balanced diet, taking children for nutrition screening and, if necessary, appropriate treatment.

Fatma's son continues to gain weight.

Fatma's experience is an example of one of the important lessons learned through the centre's work – that parents and carers who become involved in the planning and treatment of malnourished children become highly motivated when they witness their child's weight gain and general health improvement. This is important for creating greater awareness and use of the services provided by the therapeutic feeding centre.

Raising awareness of nutrition and providing health education to parents and carers was a key aim of the centre's work, as it created an understanding among mothers on the causes of malnutrition and the importance of best food preparation practices, including nutritional care for children. Emphasis was also placed on personal hygiene, environmental sanitation, the importance of breastfeeding, child spacing and best weaning practices.

From August 2004 to February 2005, 11,415 children were screened for malnutrition through outreach services, 404 children were admitted to the centre, of which 260 (64.36 per cent) completely recovered and were discharged. There was a mortality rate of 48 (11.8 per cent) – this was down from 19.6 per cent before the centre's work started.









The violence in Darfur has forced 2.2 million people from their homes. Women living in camps near Darfur's main towns or in Chad risk their safety if they venture too far in search of firewood or water.

FROM TOP

Sudan - ©2004 CARE/Evelyn Hockstein

Sudan – ©2004 Evelyn Hockstein/Polaris

Chad – ©2004 CARE/Josh Estey

Sudan - ©2004 CARE/Evelyn Hockstein



n the weeks that followed, CARE helped approximately 500,000 survivors with food, water, shelter, sanitation and health care in four of the worst-affected countries.

The activities underway now and plans for the next several years have been funded by an extraordinary response from donors to CARE – \$196.9 million worldwide, of which \$40 million came from contributions in Australia.

Despite complex challenges, CARE has continued to help communities become self-sufficient, through programmes such as our cash-for-work scheme, where people earn money clearing debris and rebuilding their communities. CARE has also provided trauma counselling, and helped to restore schools, jobs and basic infrastructure.

CARE Australia has been working extensively on Simeulue Island, situated off Indonesia's west coast. It is an area used to earthquakes – when the ground shakes and the ocean recedes from the shore here, the people run for the hills. Sitting only 30.5km from the epicentre of December's earthquakes, the resulting deaths were very few compared to the loss faced in other areas. If the people's lives were spared, however, the island wasn't. A literal flattening of much of the coast, resulting in extensive damage to buildings and infrastructure, left around 20,000 people destitute. A subsequent earthquake on 28 March killed 33 people, destroyed homes and the hospital and severely hampered CARE's rehabilitation efforts.

Before the earthquakes, the majority of men worked as rice farmers and in the fishing industry. Women's traditional role was in the home caring for their family, and occasionally helping their husbands in the fields. They have had little means to clear the massive trees, sand and debris that were strewn across their land during the tsunami.

CARE has been working with Lataling villagers who have formed four farming groups to clear the otherwise fertile land, build fences, plant seedlings, sow crops, make and distribute fertilizer and water their plantations. The farming groups are also looking at alternative crops to rice, such as vegetables.

One of these farming groups is composed entirely of women, who decided to form a separate group to be more independent and develop their agricultural skills. They also wanted to be able to make autonomous decisions, such as what they would grow, without the input of traditional male farmers. They have named their group Syukur, meaning 'thanks to God' to be given the opportunity to manage their own land.

CARE is teaching these women how to care for their plantations and how to make bokashi, a natural fertilizer, from leaves and cow manure. CARE is also providing seeds for crops, such as cucumber, corn, spinach, chillies and other vegetables that grow easily in this area.

The groups are currently testing their skills on land mapped out by CARE. They'll use these skills on their own land when the project finishes.





The land ravaged by earthquake and tsunami is now regenerating, with help from people who are carefully tending the soil. Indonesia – ©2005 CARE

In the six months following the earthquakes and tsunamis, CARE worked in Indonesia, India, Sri Lanka, Thailand and Somalia in both emergency relief and rehabilitation.

INDONESIA

CARE reached some 250,000 people and our teams continue to help with:

- food and water distribution,
- latrine construction,
- well cleaning and rehabilitation,
- the repair of existing and emergency sanitation,
- housing,
- health and reproductive health,
- cash-for-work programmes, and
- trauma counselling.

TNDTA

CARE reached nearly 66,000 people and is expected to help about 98,500 more through long-term projects such as:

- · constructing permanent housing and infrastructure,
- · expanding income opportunities, and
- education and disaster risk management.

SRI LANKA

CARE has helped approximately 130,000 people with emergency relief and is expected to help an additional 130,000 over the next several years. CARE has:

- signed an agreement with the government to construct 6500 permanent houses over three years in seven districts,
- addressed the needs of vulnerable populations, including people displaced by conflict, and
- worked towards reducing gender-related violence.

THAILAND

CARE assisted nearly 9000 people and over the next four years, will directly help approximately 21,000 more. We have provided:

- emergency relief supplies,
- medical supplies,
- temporary shelters,
- a bridge,
- · occupational revolving funds, and
- aid to migrant workers.

SOMALIA

In Somalia, CARE has helped 38,112 people with emergency and longer-term relief. To meet the needs of people in Puntland (the country's hardest hit area), CARE has:

- distributed food to households.
- addressed the acute water shortage by trucking in water for nearly 6000 households in 40 communities, and
- conducted assessments and prepared plans for rebuilding water systems, school buildings and health centres.

CARE Expeditions

With everything from Buddhist monks to water buffalos, CARE Expeditions is a fundraiser that continues to provide a rare insight into the countries and lives of the people that CARE supports. Now in its second year, 54 people from around Australia have completed the Challenges via bicycle through Southeast Asia.

The event is designed to take participants out of their comfort zone on a number of levels. Whether it's fundraising in the lead up, training to complete the 430km cycle or simply putting themselves in a situation a long way from daily life, completing a Challenge is one of the most satisfying achievements possible.

This year, two sensational cycling journeys took CARE Australia supporters to Thailand and Laos on February's Mekong Challenge and to Vietnam in April on the Highlands to Delta Challenge. The expeditions raised over \$150,000 toward CARE's work.

For many, the biggest reason for taking part is visiting a CARE field site in some of the most isolated parts of Southeast Asia. In Vietnam, Mekong Challengers visited a project in the Ang Giang Province where CARE has been working with farmers to help them to produce, process and market foods and other products. Where once local people struggled to produce enough food for their own needs in small family plots, they're now working together to create strong industries that guarantee a future and independence.

In Laos, CARE staff have worked with local people to remove unexploded ordnance, such as bombs, mortars and grenades, left during the Vietnam War and other conflicts. Melinda Coles, who visited Laos in February with the Mekong Challenge, found the visit to one of bomb-contaminated areas

a moving experience: 'Visiting the CARE field site was an emotional day for everyone on the trip. The people in the villages have been through so much and have so little. It's obvious how much CARE's support means to them.'

World Hunger Campaign

Two records were broken this year in CARE Australia's fight against world hunger: the World's Biggest Risotto and the World Hunger Campaign's most successful year.

Brumby's Bakeries joined CARE this year as the major sponsor of the signature event. With their help, over \$100,000 was raised to help alleviate the suffering of the 800 million people who go to bed hungry each night in the developing world. The Campaign builds on the United Nations World Food Day (16 October), raising awareness and vital funds for CARE's programmes.

Over 650 schools across Australia took part in the Campaign. The schools programme was officially launched at Ainslie Primary School in Canberra by CARE Australia's then Chairman, Sir William Deane.

In Brisbane, Lord Mayor Campbell Newman and Lady Mayoress Lisa Newman abseiled down the cliffs of Kangaroo Point, with managing Director of Brumby's Bakeries Michael Sherlock, CARE's Grant Thomas and ABC radio journalist Paul Bodington, who conducted a broadcast halfway down.

In Melbourne, former Prime Minister and former Chairman of CARE Australia, Malcolm Fraser, joined CARE Director Barry Jones and African drummers to surprise rail commuters with a free Brumby's bread roll and an invitation to take part in the Campaign.



'The people in the villages have been through so much and have so little. It's obvious how much CARE's support means to them.'

In Sydney, performer Angry Anderson handed out free Brumby's Bakeries products on United Nations World Food Day. To celebrate the International Year of Rice, the Australian rice industry worked with Australia's leading chefs and hundreds of CARE volunteers to cook the World's Biggest Risotto. The custom-made risotto pan was the size of a swimming pool and the stirring paddles as big as rowing oars. It called for half a tonne of peas and was served to over 5000 spectators, who were entertained by musicians, including Vanessa Amorosi.

CARE's Corporate Council

This has been a major year for CARE Australia's corporate philanthropy programme, which continues to provide an ideal platform for companies who wish to share the common goal of social responsibility. Forty organisations continue to commit time, money and resources to the vision of reducing poverty in the world's poorest countries.

In direct funding terms, the CARE Australia Corporate Council has already raised \$3.5 million and in addition to financial support, participants provide significant in-kind contributions. Using a conservative estimate, in the 2005 financial year alone this in-kind support was valued at almost \$250,000. Our corporate supporters also contribute to CARE by sharing

resources and specialist expertise in management, promotion, logistics, strategic planning and financial advice, as well as continuing to generously support CARE's events. Members of the Corporate Council also provided over \$5 million worth of support during the Southern Asia Appeal.

This year, several CEO functions were conducted with and supplied by members of the Corporate Council. Events in Melbourne and Sydney featured a number of fascinating guest speakers. Members and guests were also updated on how their support is helping CARE continue its life-saving work. Guest speakers included Board of Directors member Peter Smedley, who spoke in Melbourne about his recent trip to Cambodia and the work being done in orphanages; and Phoebe Fraser, who spoke passionately of her return trip to Rwanda, where in 1994 she coordinated emergency centres for lost and orphaned Rwandan children.

The year was highlighted by the way in which the Corporate Council supported CARE Australia in all areas, both financially and with volunteers, for the Southern Asia Appeal.

We would also like to take the opportunity to welcome the new Chairman of the Corporate Council, Harold Mitchell. A special thanks must also be extended to Bob Every who headed the Council for three years.







TOP LEFT: Geoff Burford with a fellow cyclist in Pheiku, Vietnam, on the Highlands to Delta Challenge.

Vietnam - ©2005 CARE

ABOVE: Shane Murray, Jo Hoffman and Melinda Coles take a well-deserved break on the Mekong Challenge.

Laos – ©2005 CARE

LEFT: Volunteers and chefs stir the World's Biggest Risotto in Sydney with paddles the size of rowing oars in a pan as big as a swimming pool.

©2004 Caro Ryan

[OUR STAFF]

Although CARE Australia's staff may be scattered throughout the world, we are a team dedicated to lasting change. From project work in Vietnam to human resources in Australia, the following profiles are an example of the professional and truly remarkable people that drive CARE's work.



Malikhone Morakoth works as an Office Administrator with CARE in Laos. Her work brings her in to contact with people from all over Laos and the world.

Laos – ©2005 CARE/Jonathan Drake

Malikhone Morakoth Office Administrator, Laos

I have been working for CARE in Vientiane for one and a half years. When I was a student at the University of Laos I heard a lot about CARE and wanted to work with them – so my dream became true!

Now I'm responsible for internal and external communications, overseeing the management of office resources and facilities and assisting the Administration and HR Manager. I'm also a member of CARE's Gender Group, which is dedicated to achieving gender equality both within our organisation and our programming.

The best thing about my work is that I get the opportunity to work with people who come from different countries, backgrounds and experiences. I also love to visit CARE's projects and can see how they bring positive changes in the lives of vulnerable people. This makes me feel so proud to be part of the CARE team.

Nguyen Quang Phuoc Project Manager, Vietnam

I manage five projects, working with teachers and education officers to identify the schools most in need of a water supply and sanitation facilities. I first started working for CARE to gain experience, however now I work hard with others for CARE's purpose – to reduce poverty and to seek a world of hope, tolerance and social justice.

My job allows me to take the work that is done in the head offices with donations and to transfer this to the people in need. We're now working more toward development and not just giving gifts, for example managing water supplies in sustainable ways. This is a challenge – it's not too difficult to implement a project but very difficult to ensure that it lasts.

My hope for the future is that I'll have time to see the communities that I work with manage the facilities they have received over the long term.



Phuoc manages five water and sanitation projects in Vietnam.
His work takes him to projects in many different provinces.

/ietnam = ©2005 CARE/Jonathan Drake

Anna Thompson

Receptionist/Administration Officer (Human Resources), Australia

My primary focus is as the receptionist for CARE Australia's Canberra office, however, in my six years, I have taken on further roles. These have included assisting the Recruitment Officer in various tasks and now acting as Personal Assistant to the Director of the Human Resources Department. So my role now covers reception, administration, personnel and payroll.

I really enjoy the contact I have with donors, organisations, students, people seeking employment or information and couriers. Assisting Country Office staff is also very rewarding.

In the aftermath of the tsunami many people wanted to respond in either financial or practical ways. During this hectic period, I coordinated a number of volunteers. Receiving their feedback on how appreciative they were of being given the opportunity to assist has been quite humbling.

As my role continues to adapt and change, I aim to promote CARE Australia not only as the 'humanitarian aid organisation of choice' but also as 'an employer of choice'.



Anna Thompson has been working in the CARE Australia head office for six years. Her role is multi-faceted, from human resources to reception.

©2005 Daniel Santosuosso

[OUR DONORS]

Donors contribute more than time and money to CARE Australia. Like Helen, David and Larraine, they are individuals whose decisions to give enable us to continue our life-changing work throughout the world.

Helen Reid has been donating her time as a post-tsunami administrator twice a week. She volunteers in the Melbourne office with the fundraising team.

I wanted to update my skills with computers, so when I saw that CARE needed someone I thought it would be perfect. By doing post-tsunami administration I am able to match my computer course with some practical skills. The work involves entering the names of people who donated to the tsunami into a database.

I had a niece in Thailand last year when the tsunami struck and it was very frightening for a while. During my travels I was amazed by the contrast between rich and poor in other countries – that was shocking. I volunteer with CARE because they have a good name and I enjoy learning about the charity.

I like being able to combine gaining experience with the knowledge that I'm contributing to something worthwhile. I volunteered when I was young and I think it's time to give again.



Helen Reid donates her time twice a week at CARE Australia's Melbourne office as a post-tsunami administrator.

David Zimmermann donated money from his Bar Mitzvah to help survivors of the Boxing Day tsunami. He is 13 years old.

My Bar Mitzvah was in January, just after the tsunami. I figured that I have lots of things and that these people had lost everything, so I told Mum and Dad that I wanted to give money people gave me for my Bar Mitzvah to the tsunami appeal. Through Jewish Aid Australia all the money that was collected from the Jewish community went directly to CARE Australia.

I hope to help people who are less fortunate than me to rebuild their lives. As Jews we're taught that we should always give tzedakah (charity) and the tsunami seemed to be one of the most urgent needs for charity at that moment. By giving, I felt I was doing the right thing.

I hope that other kids will also think about people who aren't as lucky. It's nice to have a lot of things, but it's also important to try to help people if we can.

David Zimmermann was moved to donate part of his Bar Mitzvah money to CARE.

©2005 Tony Stanye

Larraine Wood is a Lay Minister in the Uniting Church. She has been donating to the CARE for Life monthly giving programme for two years.

I signed up as a regular donor when Phoebe Fraser was Head of Fundraising. Her profile made CARE Australia seem more personal to me – more than just an organisation.

We live a life so distant from real suffering. I'm grateful that I have made the move and am contributing out of the abundance that I've been given.

Although the emergency situations catch our attention, I'm more concerned for the people whose suffering is ongoing and less noticeable in the media. Somehow, I just want them to know they are not forgotten.

My greatest hope is that we in the West would become more aware of the discrepancies between our situation and that of our brothers and sisters across the world. I truly believe there is enough for everyone if we could be free enough to let qo of our hold on what we think we need.



Larraine Wood donates regularly to CARE for Life to ensure that the people whose suffering goes unnoticed by the media aren't forgotten.

©2005 Larraine Wood

[OUR PARTNERS]

Bilateral

Australian Government

British Government

Cambodian Government

Canadian Government

Danish Government

Dutch Government

French Government

German Government

Japanese Government

New Zealand Government

Norwegian Government

Swiss Government

United States Government

Multilateral

Asian Development Bank (ADB)

European Commission Humanitarian Aid Office (ECHO)

European Union (EU)

International Fund for Agricultural Development (IFAD)

Joint United Nations Programme on HIV/AIDS (UNAIDS)

The Global Fund to Fight AIDS, TB and Malaria (The Global Fund)

United Nations Children's Fund (UNICEF)

United Nations Department of Economic and Social Affairs (UNDESA)

United Nations Development Programme (UNDP)

United Nations Food and Agricultural Organization (FAO)

United Nations High Commission for Refugees (UNHCR)

United Nations Office of Development Studies (UNODS)

United Nations Office on Drugs and Crime (UNODC)

United Nations Population Fund (UNFPA)

United Nations World Food Programme (WFP)

United Nations World Health Organization (WHO)

ACFID

CARE Australia is a member of the Australian Council for International Development (ACFID) and is a signatory to the ACFID Code of Conduct. The Code requires members to meet high standards of corporate governance, public accountability and financial management.

More information about the ACFID Code of Conduct can be obtained from CARE Australia and from ACFID at:

Web: www.acfid.asn.au
Email: main@acfid.asn.au
Phone: (02) 6285 1816
Fax: (02) 6285 1720



Special thanks

CARE Australia would like to thank the following organisations and people for their kind partnership over the past year:

Agility

Always Fresh

Angry Anderson

Barwick Event Hire

Birch & Waite

Birds Eve

Campbells

CIA Signage

Clemenger Harvie Edge

Daniel Fredriksen

Davies Bakery

Darren Simpson

Ettason Food Warehouse

Eye Corp

Fundraising Committee – Jane Baillieu, Celia Burrell, Kathy Cameron, Fiona Crawford, Cara Cunningham, Chloe Fitzwilliams, Jeanine Froomes, Sarah Kirby, Laura McLachlan, Jocelyn Mitchell, Serena Mitchell, Genevieve Morgan, Barbara Mulder, Caroline Nattrass, Robbie Parkes, Caroline Pescott, Sarah Reid, Arabella Tremlett, Kate Veall, Briar Webb and Phoebe Wynn Pope

Gabriel Gate

Gael Mor

Gandel Shopping Centres

Gary Kennedy

Gillespies Crane Services

Kerry Pinnacle Bakery Ingredients

Jensens Australia

Lonely Planet Publications

Lyndey Milan

Master Foods

Moraitis

National 1

Paul Curtis & Qantas Inflight Catering

Perfect Italiano

PSA Project Management

Ricegrowers' Association of Australia

Rusher Rogers Recruiting

Simon Marnie

Simon Thomsen

SunRice

Sydney Harbour Foreshore Authority

Trio de Janiero

Trisco Foods

Victorian Home Economics and Textiles Teachers' Association (VHETTA)

Warrnambool Factory Co Ltd

[CORPORATE COUNCIL]

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Clayton Utz

Data Solutions

Georgica Associates

Goldman Sachs JBWere

Guests

Insurance Australia Group

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M&C Saatchi

News Limited

OneSteel

Pinpoint

Qantas

Tattersall's

The Pratt Foundation

TomatoSource

UBS

General Donors

AGL

Beverage Industry Environmental Council

Brumby's Bakeries

Castle Harlan Australian Mezzanine Partners

Ernst & Young

Foxtel

Freehills

Group GSA

Henley Properties Group

Henry Walker Eltin

Intrepid Travel

Jetmaster

Macquarie Bank

Maple-Brown Abbott

Merrill Lynch

Optus

Palace Cinemas

PSA Project Management

ResMed

Responsible Travel

Rusher Rogers Recruiting

SalesForce

Smorgon Steel

The Castan Family Foundation

The Gandel Foundation

[OUR BOARD]

Chairman Tony Eggleton, AO CVO

Chairman since 2004, Director since 1996, formerly Vice Chairman 2002–2004; Member, CARE International, formerly Secretary-General, CARE International 1991–1995.

Member, Australian Aid Advisory Council, Member, Foreign Affairs Editorial Board.

Formerly Federal Director, Liberal Party of Australia 1975–1990.

Vice Chairman Peter Smedley

Director since 2000.

Chairman, OneSteel Ltd; Deputy Chairman, Colonial Foundation; Director, The Australian Ballet; Director, Australian Dayos Connection.

Formerly Managing Director and CEO Colonial Ltd and Mayne Group Ltd; Chairman, State Bank NSW; Deputy Chairman, Newcrest Ltd; Executive Director, Shell Australia; Director, Austen and Butta.

Treasurer Brian Jamieson

Director since 2001.

Partner and Chief Executive Melbourne, Minter Ellison; Director, Oxiana Ltd; Director, Sigma Company Ltd; Director, Tattersalls Ltd; Deputy Chairman, Committee for Melbourne; Director, The Bionic Ear Institute.

Formerly CEO, KPMG Australia.

Willoughby Bailey, AO

Director since 1992.

Chairman, CRC for Coastal Zone; Director, Blashki Holdings; Director, Geelong Community Foundation.

Formerly Deputy Chairman and CEO, ANZ Banking Group; Deputy Chairman, Coles Myer Ltd; Member, Economic Planning Advisory Council.

Karyn Baylis

Director since 2004.

Director, Organisational Renewal, Sing Tel Optus Pty Ltd.

Formerly Group Executive, Sales and Marketing, Insurance Australia Group (IAG) Ltd; Senior Vice President, The Americas – Qantas Airways Ltd.

Kim Boehm

Director since 1998.

Managing Director, Clemenger BBDO Adelaide; Member, Adelaide Festival Centre Foundation.

Formerly Managing Director, Y&R Melbourne; Managing Director, Clemenger Harvie Edge; Chairman, Advertising Federation of Australia Board (Victoria); Member, Strathcona Girls Grammar School.

Robert Every

Director since 2003.

Director, Iluka Resources Ltd.

Formerly Managing Director and CEO, OneSteel Ltd; Chairman, Steel & Tube Holdings Ltd; President, BHP Steel.

Philip Flood, AO

Director since 2003.

Member, Asialink; Member, Foreign Affairs Council.

Formerly Secretary, Department of Foreign Affairs and Trade; Director-General, AusAID; High Commissioner to the United Kingdom; Ambassador to Indonesia; High Commissioner to Bangladesh.

Colin Galbraith, AM

Director since 2004.

Director, Commonwealth Bank of Australia; Director, OneSteel Ltd; Director, GasNet Australia Group; Partner, Allens Arthur Robinson; Chairman, BHP Billiton Community Trust; Honorary Secretary, Council of Legal Education; Trustee, Royal Melbourne Hospital Neuroscience Foundation.

Diana Gribble, AM

Director since 2004.

Partner, Private Media Partners; Director, Lonely Planet Publications Pty Ltd.

Formerly Chairman, The Text Media Group.

William Guest

Director since 2000.

Director, Guests Furniture Hire; Director, Threeways; Director, Tailor Made Sofas; Director, Property 4 Retail.

Formerly Director, Freedom Furniture Ltd.

Helen Handbury, AOM

Director since 2000; resigned October 2004.

Formerly Member of Boards of Advertiser Newspapers Ltd, Southdown Press and Progress Press; Patron, Inspire Foundation.

The Hon. Barry Jones, AO

Director since 1992.

National President, Australia Labor Party.

Formerly Australian Minister for Science; Member, Executive Board UNESCO.

Jane Jose, CM

Director since 2004.

Principal, Jane Jose Business Development and Communication; Member, Adelaide Convention Centre; Alternate Member, Central Sydney Planning Committee, City of Sydney; Member, Administrative Decisions Tribunal NSW.

Martin McKinnon

Director since 2004.

Chief Executive, BrandAdvantage; Director, Fine Wines Direct; Director, Tarcombe Valley Pty Ltd.

Formerly Head of Marketing, Qantas.

Harold Mitchell, AO

Director since 2004.

Chairman, Mitchell and Partners; Director, Emitch Ltd; President, Museums Board of Victoria; Chairman, National Gallery of Australia; Director, Opera Australia; Chairman, ThoroughVisioN.

Formerly President, Melbourne International Festival of the Arts; President, Asthma Foundation (Victoria).

Jocelyn Mitchell

Director since 1993.

Director and former Chairperson, Beaufort and Skipton Health Service; Director, Lowell Pty Ltd.

Formerly Teacher and Careers Advisor; foundation Member, Women's Electoral Lobby; Chairperson, The Australian Garden History Society.

Advisory Council

Sir William Deane, AC KBE

Director, CARE Australia 2001–2004; Chairman, CARE Australia 2002-2004.

Formerly Governor-General of Australia; Justice of the High Court of Australia; Justice of the Supreme Court (NSW) and Federal Court Judge.

Sir Leslie Froggatt

Director, CARE Australia 1989–2004; Vice Chairman, CARE Australia 1995–2001.

Formerly Chairman and CEO, Shell Australia Ltd; Chairman, Pacific Dunlop Ltd; Chairman, Ashton Mining Ltd; Chairman, BRL Hardy Ltd.

Alf Paton

Director, CARE Australia 1994-2004.

Formerly Managing Director and Chairman, Placer Pacific Ltd; Managing Director and Chairman, Kidston Gold Mines Ltd; President, Australia Papua New Guinea Business Council; Chairman, Hill End Gold Ltd.

Senior Executives

The senior executive team consists of the Chief Executive Officer, Principal Executive Overseas Operations and Program, Principal Finance Executive & Company Secretary, Principal Executive Fundraising and Communications, and the Human Resources Director. During the year the Chief Executive Officer received remuneration of \$190,370. Other senior executives were remunerated in a range from \$80,000 to \$125,000.

[FINANCIAL REPORT]

Independent Audit Report

To the members of CARE Australia

We have audited the condensed financial statements of CARE Australia comprising the attached Statement of Financial Position, Statement of Financial Performance and Analysis of Operations for the year ended 30 June 2005 in accordance with Australian Auditing Standards. The condensed financial statements have been derived from the statutory financial statements of the company prepared in accordance with the Corporations Act 2001 and other mandatory professional reporting requirements for the year ended 30 June 2005.

We have audited the annual statutory financial statements referred to above in accordance with Australian Auditing Standards, and in our report addressed to the members of the company we expressed an unqualified opinion on those financial statements. The date our opinion was formed on those financial statements was 21 September 2005.

In our opinion the condensed financial statements of CARE Australia and additional information contained in the accounting records of the company are consistent with the annual statutory financial statements referred to above from which they are derived. For a better understanding of the scope of our audit this report should be read in conjunction with our audit report on the annual statutory financial statements referred to above.

Ernst & Young

Melbourne, 21 September 2005

Ernst & Young

Directors' Declaration

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

In the opinion of the directors:

- (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (c) the provisions of the Charitable Fundraising Act 1991 (New South Wales) and the regulations under the Act and the conditions attached to the authority have been complied with; and
- (d) The internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.

On behalf of the Board.

Brian Jamieson

Treasurer

Peter Smedley

Vice Chairman

Melbourne, 21 September 2005

STATEMENT OF **FINANCIAL POSITION** AS AT 30 JUNE 2005

	Note	2005	2004 \$
ASSETS		4	Ψ
Current Assets			
Cash	1	46,738,546	12,470,305
Prepayments		223,202	146,545
Receivables	2	2,623,561	2,434,281
Non-current Assets			, ,
Property, plant and equipment	3	597,893	542,585
Investments	4	1	1
Total Assets		50,183,203	15,593,717
LIABILITIES			
Current Liabilities			
Payables	5	2,231,861	1,072,060
Provisions	6	1,282,301	1,031,584
Unexpended project funds		38,612,524	9,934,723
Other liabilities		67,453	-
Non-current Liabilities			
Provisions	6	33,414	22,941
Total Liabilities		42,227,553	12,061,308
Net Assets		7,955,650	3,532,409
EQUITY			
Funds available for future use		7,549,334	2,643,708
Special Reserve		932,000	932,000
Exchange Fluctuation Reserve		(525,684)	(43,299)
Total Equity		7,955,650	3,532,409

This condensed financial information has been 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 have been audited and are available on request or for inspection at the registered office.

STATEMENT OF **FINANCIAL PERFORMANCE** FOR THE YEAR ENDED 30 JUNE 2005

		2005 \$	2004 \$
REVENUE		•	*
Donations and gifts from the Australian public	Cash	21,853,139	4,618,467
	In kind	87,307	56,523
Legacies and bequests from the Australian public		191,529	207,352
Total Revenue from Australian Public		22,131,975	4,882,342
Grants and Contracts			
• AusAID	Cash	12,802,404	8,546,506
Other Australian	Cash	111,756	425,493
• Overseas			
Project grants from CARE International members	Cash	19,609,411	36,921,052
Project grants from multilateral agencies	Cash	3,372,626	2,747,636
Project grants from foreign governments and overseas-based organisations	Cash	3,536,187	4,809,483
Investment Income Other Income		953,434 622,699	205,349 556,148
Total Revenue		63,140,492	59,094,009
DISBURSEMENTS			
Overseas projects (programme expenditures)			
• Funds to overseas projects		52,534,788	53,650,697
Cost of raising project funds from government and multilateral agencies		213,884	417,023
Other project costs		1,095,640	604,502
Total Overseas Projects		53,844,312	54,672,222
Community education		709,679	507,083
Fundraising costs - Australian public		2,148,224	1,779,083
Administration		2,015,037	1,692,435
Total Disbursements		58,717,252	58,650,823
Excess of Revenue over Disbursements		4,423,240	443,186
Funds available for future use at the beginning of the financi	alvoar	2,643,708	2,608,318
Turius available for future use at the beginning of the financi	at year	2,043,700	2,000,310
Transfers from (to) Reserves			
Exchange Fluctuation Reserve		482,386	(407,796)
Funds Available for Future Use at the End of the Financial \	Year	7,549,334	2,643,708

This condensed financial information has been 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 have been audited and are available on request or for inspection at the registered office.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS – 30 JUNE 2005

		2005	2004
		.	•
Note 1	Cash		
	Cash on hand	317,896	389,369
	Cash at bank	15,824,207	11,192,906
	Cash on deposit	30,299,911	564,879
	International revolving fund	296,532	322,974
	Cash in transit	-	177
		46,738,546	12,470,305
Note 2	Receivables		
	Debtors	921,468	219,630
	CARE International members	550,951	154,238
	Amounts owing by project donors	1,149,934	2,025,672
	Wholly owned entity	1,208	1,208
		2,623,561	2,434,281
Note 3	Property, Plant and Equipment		
Note 5	Total property, plant and equipment – cost	1,859,982	2,130,043
	Accumulated depreciation and amortisation	(1,262,089)	(1,587,458)
	Accumulated depreciation and amortisation	597,893	542,585
		331,020	5.12,555
Note 4	Investments		
	Share in subsidiary – at cost	1	1
Note 5	Payables		
	Trade creditors	245,512	147,658
	Accruals	63,140	42,314
	Other creditors	952,992	704,031
	CARE International members	811,243	33,533
	Accrued salary and contract payments	158,974	144,524
		2,231,861	1,038,527
Note 6	Provisions		
	CURRENT		
	Employee benefits	1,105,101	925,890
	Other	177,200	105,694
		1,282,301	1,031,584
	NON-CURRENT		
	Employee benefits	33,414	22,941

Note 7 Table of Cash Movements for Designated (Restricted) Purposes

Cash Movements	Cash Available at Beginning of Year	Donations & Grants Received	Amount Disbursed	Available at End of Year
Southern Asia (Tsunami) Appeal	-	41,608,832	14,858,879	26,749,953
Total for other purposes	7,909,051	34,913,178	32,109,592	10,712,637
Total	7,909,051	76,522,010	46,968,471	37,462,590

ANALYSIS OF OPERATIONS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	%	%
Total cost of fundraising, community education and administration / Total income	8	7
Overseas projects (programme expenditure) / Total income	85	92
Increase (decrease) in funds available for future CARE programming / Total income	7	1
Total	100	100

INFORMATION (CHARITABLE FUNDRAISING ACT 1991 NSW)

Fundraising Activities Conducted

Direct Mail
Major Gifts Programme
Corporate Gifts
Bequest Programme
Special Events
Media Awareness
Community Service Announcements

Comparison by Percentage	2005 %	2004 %
Total cost of services (overseas projects <i>plus</i> community education) / Total expenditure <i>minus</i> fundraising	96	97
Total cost of services (overseas projects <i>plus</i> community education) / Total income <i>minus</i> fundraising	89	96
Total cost of fundraising/revenue from the Australian public*	10	36
Net surplus from fundraising/revenue from the Australian public	90	64

 $^{{\}it *2004 fund raising costs included a one-off investment in new initiatives.}$

[FREQUENTLY ASKED QUESTIONS]

What are CARE's administration overheads?

We are primarily dependent on support from the Australian public to do our work. We build on that support to attract significant additional funds. Over the last eight years around 90 per cent of our total income from the Australian public and all other sources has been spent on work in the field, rather than on administration overheads.

How does my donation help CARE secure more funding from large donors such as governments?

Over the last eight years, for every \$1 we have raised from the Australian public we have been able to raise a further \$10 from institutional donors such as the Australian Government, United Nations organisations and the European Union (see page 24 for other institutional donors).

How do I know that the money I donate actually reaches those most in need?

CARE Australia has direct operational responsibility for its programmes. We have our own staff on the ground working with local partners and participants to directly deliver assistance. We plan, design, implement and evaluate projects with these local partners while retaining management and contractual control on all projects. This gives us a high degree of accountability and transparency.

How is a project designed?

CARE's aim is for each project to be designed by a broad team, including technical specialists, CARE national staff, and the people and communities who ultimately participate in and benefit from the project. Research is done at the beginning to ensure that local needs and priorities form the core of the project's activities.

Is there ongoing evaluation of projects?

Projects are regularly monitored and evaluated during their implementation and appropriate adjustments are made to ensure sustainability. Upon completion, projects are evaluated to determine their impact and effectiveness. Lessons learned are shared with other CARE Country Offices and staff through workshops, policy documents and the CARE International network. CARE works to maximise efficiencies by creating models that can be replicated in other countries and other situations while retaining our focus on sustainable development.

How do our projects have lasting effects?

Each project is based on the goal of improving the capacities of local people so that after CARE leaves, development will be sustainable and the benefits of the project will continue. To achieve this, the needs, preferences and the beliefs of project participants are always central to project design and planned outcomes. Communities are often directly involved in the provision of labour and materials for a number of projects, which not only provides additional skills but also ownership of the subsequent improvements in community services.

Does CARE Australia have political or religious affiliations?

CARE Australia is non-religious and non-political, allowing us to deliver humanitarian assistance to anyone in need without discrimination.

How is CARE accountable to donors and beneficiaries?

CARE Australia is a signatory to the ACFID Code of Conduct, which sets out standards on how organisations are managed, how they communicate with the public and most importantly how they spend the funds they raise. CARE Australia is also fully accredited by the Australian Government Aid Agency (AusAID) and must adhere to stringent standards of accountability within this accreditation.

CARE is a signatory to the Code of Conduct of the International Federation of Red Cross and Red Crescent Societies and the SPHERE Code.

Countries worked in:

Asia/Pacific

- Myanmar/Burma*
- Cambodia
- East Timor
- India
- Indonesia
- Laos
- Papua New Guinea
- Sri Lanka
- Thailand
- Vietnam

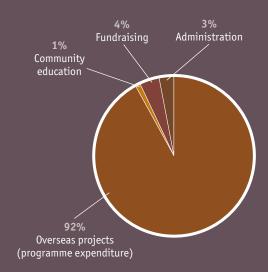
Africa

- Chad
- Ethiopia
- Kenya
- Madagascar
- Malawi
- Mozambique
- Rwanda
- Zimbabwe
- South Africa
- Sudan

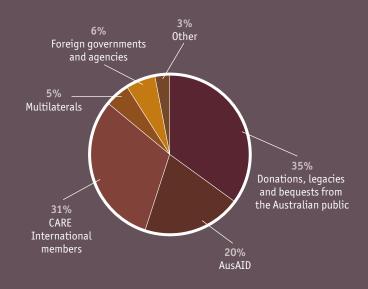
Middle East/West Asia

- Afghanistan
- Iraq
- Jordan
- Palestinian Territories
- Yemen
- *Myanmar is the name recognised by the United Nations and the country in question. Burma is the name recognised by the Australian Government.

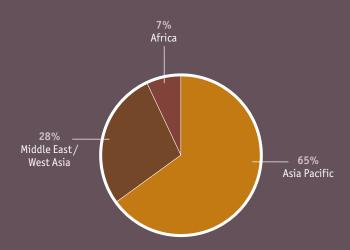
EXPENDITURE (Total \$58,717,252)



INCOME BY SOURCE (Total \$63,140,492)



OVERSEAS PROJECTS BY GEOGRAPHICAL REGION (Total \$53,844,312)



[CARE AUSTRALIA]

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National Australia Bank

Auditors

Ernst & Young

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Printing

Doran Printing

