care ^{SM}

2002
Annual Report
CARE Australia

contents

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 unshakeable 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
- 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.

Our 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 program partners.

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

What we do

CARE Australia provides the following types of assistance to developing countries and communities:

- Emergency support
- Sustainable development or business development initiatives
- Health support and education
- General education programs
- Environmental rehabilitation programs

Chairman's foreword

This is my first Annual Report as Chairman of CARE Australia.

Since becoming Chairman in January 2002, I have become closely acquainted with CARE Australia's overseas operations, in part through an unforgettable visit to Vietnam which Helen and I made last June.

While there, I was fortunate enough to see first-hand a number of CARE Australia's project activities, including programs to provide clean water, medical and health facilities, and to control the spread of HIV/AIDS.

Among the health programs was the provision (with AusAID funds) of five hospital/ medical boats, which

Sir William inspects one of CARE's Hospital Boats in Vietnam, which have provided many isolated communities with access to medical care.

now provide essential medical and dental treatment to many who would otherwise be unable to receive it, especially during the regular flooding of the Mekong River. All these programs are assisting some of the most vulnerable and needy of our fellow human beings.

Of particular resonance for Helen and me was a program assisting the street kids of Ho Chi Minh City. This project is making a real and obvious difference to many destitute children, providing opportunities for those who would otherwise have little or no support at all. Seeing the smiles on the faces of some of the young people we are helping was truly inspiring.

The financial accounts, which form part of this report, show this year to have been a challenging one for CARE Australia. The demands of the ongoing needs our organisation is seeking to meet are great, and unfortunately, far exceed the funds we receive.

However I am pleased to report that we have again made most effective use of our resources. As always, we remain committed towards making the most effective use of every dollar which we gratefully receive.

Finally, I sincerely thank all our supporters for your generous donations and other assistance. It is you who make possible CARE Australia's continued existence and its work.

I also acknowledge the great contribution of my fellow Directors of CARE Australia, all of whom perform their duties in an honorary capacity, and of our dedicated staff under the leadership of Paul Mitchell.

Sir William Deane, AC, KBE
Chairman

The struggle to overcome world poverty is an enormous one. As you read this report, there are hundreds of millions of people struggling to survive on less than US$1 a day; they are living in absolute poverty.

There are, however, real signs that significant progress is being made. World economic output has increased substantially over the past few decades and this has significantly reduced the number of people living in extreme poverty. Recent estimates suggest that this has fallen from 29% of the world's population in 1990 to 23% in 1999.

CARE Australia has continued to achieve positive results and make an important contribution to reducing poverty through sustainable development and emergency relief programs.

Over the past year, CARE Australia has reached thousands of people across 24 countries through around 150 different projects. Our

Paul Mitchell is shown some CARE projects in Myanmar by staff member, U Khin Maung Lwin.

work has included emergency relief and rehabilitation in Afghanistan, water projects in Kenya, agriculture in Mozambique, local capacity building in Jordan, and literacy training in China to name but a few.

Working side by side with the poorest of communities, we have been able to successfully demonstrate that, given the opportunity, people can and do make a difference to their lives and futures.

In south and southeast Asia, some 6.1 million people are now living with HIV/AIDS. There is every indication that the epidemic may grow to Africa's proportions (28 million people are estimated to be infected in sub Saharan Africa). CARE Australia is working in Cambodia, Laos, Myanmar and Vietnam, in partnership with national AIDS bodies, to help stem this epidemic.

We recognise that one of the greatest concerns of our supporters is effective use of the monies made available for our work. In this regard it is extremely pleasing to be able to report that we have maintained a very high level of effectiveness: around 93% of our total income goes to our development and emergencies program.

CARE Australia's work is undertaken directly by us, through our own employees and local partners. In 2002 our staff numbers reached 610 total staff, with permanent employees in 12 countries.

No doubt many of you will have noticed some significant appointment changes within our Board of Directors over recent times. On January 1 we welcomed Sir William Deane's appointment as our new Chairman. Sir William, who succeeds Malcolm Fraser, brings with him a great deal of expertise, compassion and the respect of the Australian people. In addition, Tony Eggleton took over the role of Vice-Chairman from Sir Leslie Froggatt. I am very pleased that Malcolm and Sir Leslie, who combined to provide strong leadership in CARE Australia's formative years, will continue to contribute their experience and knowledge as valued Board members.

CARE Australia is its people - our Directors who advise us, our supporters who provide the resources, our staff who do the work. I would like to record my sincere thanks to all of the people who make up CARE Australia, with special thanks to those members of our staff who work in difficult or dangerous situations.

Paul Mitchell
Chief Executive

Care International's scope

CARE International works in over 70 countries
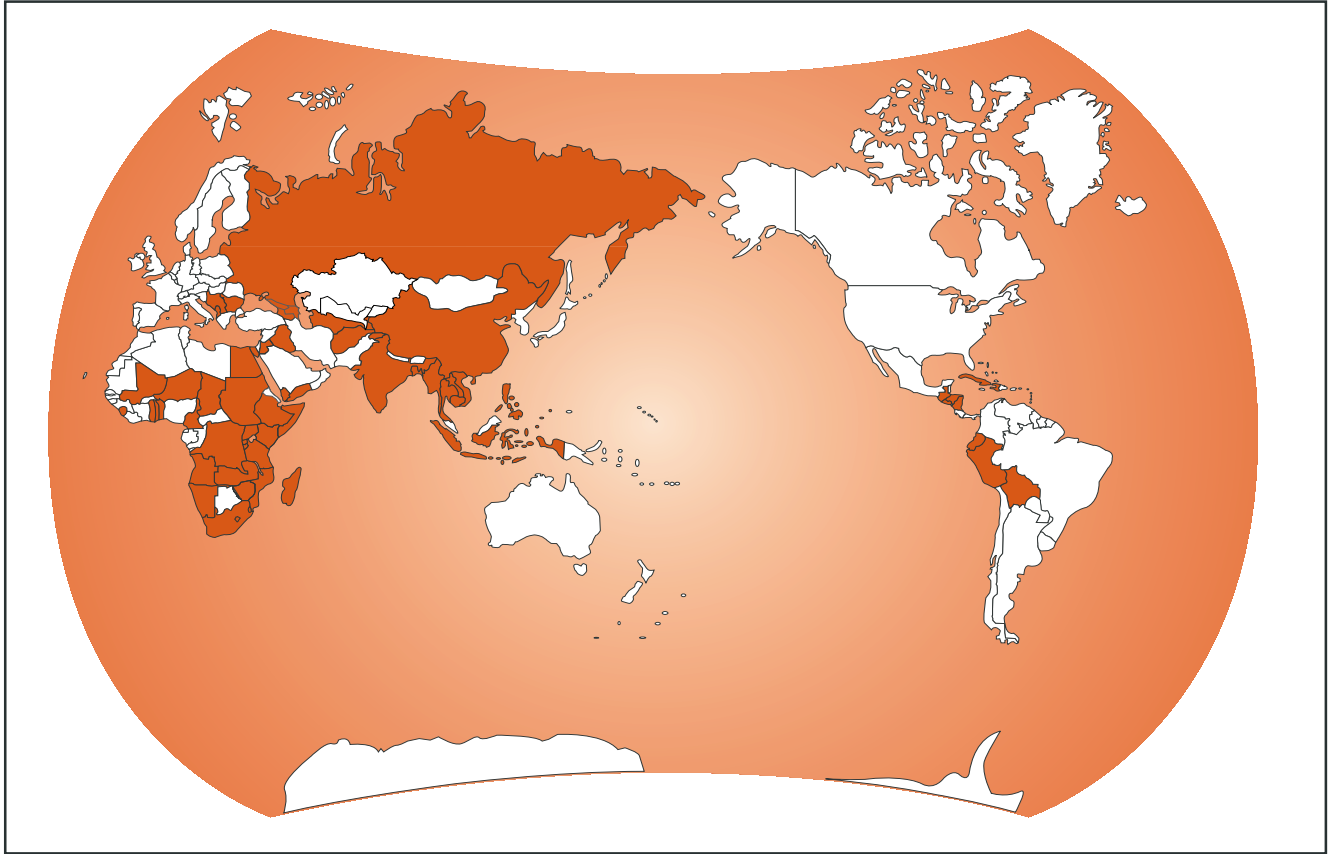
Members of CARE International:

Australia

Canada

Danmark (Denmark)

Deutschland (Germany)

France

Japan

Nederland (Netherlands)

Norge (Norway)

Osterreich (Austria)

UK

USA

CARE Australia has management responsibility for:

Cambodia

China

Iraq

Jordan

Laos

Myanmar/Burma*

Vietnam

Yemen

Yugoslavia

*Myanmar is the name recognised by the United Nations and by the Government of the country in question. Burma is the name recognised by the Australian Government.

Over the last twelve months (FY02), CARE Australia has conducted a substantial overseas program to the value of just over $50 million across 24 countries.

Internationally, the lives of more than 50 million people across Africa, the Asia-Pacific, the Middle East, Latin America and Europe have directly benefited from CARE's hard work and determination. Many millions more benefited indirectly through projects that have fought the underlying causes of poverty in their communities.

We are proud of our achievements this year. With the commitment and generosity of our many supporters, we are able to report the following highlights:

More than 2.7 million people in 43 countries were trained in activities relating to agriculture and sustainable development, helping to maintain a food supply while conserving the local environment. Also to this end, more than 6.5 million trees were planted.

More than 2 million people across 34 countries gained access to clean water and sanitation, reducing illness caused by poor hygeine.

Over 7 million children in 26 countries benefited from child health projects, which ultimately benefited the overall community.

Around 208,000 thousand children in 33 countries received access to basic education, giving them the grounding they need to reach their full potential.

CARE aided more than 400,000 people in 39 countries through projects in credit, savings and marketing, opening new business opportunities for so many.

Over 5,000 hectares of countryside were cleared of landmines across three countries.

While on a Project Monitoring Trip in Zimbabwe, CARE Australia staff member, Laura Taylor talks with one of CARE's beneficiaries. Until only two years ago, this woman was extremely poor. She was unable to afford more than two meals a day and could not buy her four children clothes or send them to school. However with CARE's help she now grows beans, tomatoes and some other grains and not only has plenty of nutritious food for her family, but has enough to sell and generate an income to buy clothes and send her children to school.

the year in
review

July

Helping the children of Iraq

Sanctions imposed after the Gulf War have resulted in a huge decline in living standards in Iraq. Most of the population live in poverty. CARE is the only international NGO that has worked continuously in the centre and south of Iraq since 1991, giving a helping hand to more than four million people. The focus today is providing aid to three crucial areas – health, water and sanitation and education – with special emphasis on the wellbeing of children.

Current projects include maintenance and rehabilitation of the water and sanitation infrastructure to improve access to safe drinking water, and renovating and reconstructing medical and health centres. CARE is also helping deaf children with their educational needs. Teachers have been trained, classrooms rebuilt and CARE is ensuring the children are provided with the necessary books and equipment for their special learning requirements.

August

Reducing poverty and building a more sustainable future in Myanmar

Refugees who fled Myanmar to reside in Bangladesh in the early 1990s are now returning home. CARE is helping a community of refugees who have returned to the Rakhine region to rebuild their lives.

Many of these people have been struggling with poverty ever since their homecoming. Knowledge about health issues is low, chronic malnutrition is evident and nearly two thirds of pregnant women receive little or no ante-natal care. They also rely heavily on local forests, using wood for fuel and sale, resulting in land degradation and increasing poverty levels in the area.

CARE Australia, with AusAID's support, is continuing to re-establish and improve the livelihoods of 2,300 households per year in this region through a project that encourages good farming and forestry practices. The project is developing natural resource management and conservation in the area, improving water supplies for drinking and irrigation, and providing income generation activities for the community.

A female literacy campaign using primary health care messages has also been set up to help improve women's health in the Rakhine region.

CARE helps to build self-sufficiency

September

Rebuilding lives in Yugoslavia

Yugoslavia is still struggling to overcome the effects of the Balkan wars and economic sanctions. There are approximately 750,000 refugees living in the Federal Republic of Yugoslavia and the town of Vojvodina has the largest number still living in collective centres. These people are struggling to develop links with the outside community and gain economic self-sufficiency.

The Vojvodina refugees feel that their greatest limitation to achieving these aims lies in a lack of access to funds. Without capital they cannot invest in income-generating activities. Through CARE Australia, 300 refugees are benefiting from education in the basics of business and micro-finance, and the development of business plans.

Sixty business plans will soon be selected for credit assistance to help make the refugees' ideas a reality. This project will benefit 300 families, or 1,650 people overall.

Mr Svetlik is now able to specialize in repairing tractors thanks to a set of tools and some building materials he received through credit support from CARE.

Improving mother and child survival rates in China

In the remote mountain villages in the Hechi Prefecture of China's Guangxi region, infant mortality rates have been identified to be almost double the rate experienced by the rest of the country. Many pregnant women do not receive ante-natal care and most babies are delivered at home by untrained midwives.

In September 2001, CARE Australia, in partnership with the China Health Bureau and the All China Womens' Federation, and with support from AusAID, began a project designed to train local health volunteers and rural health workers among the Maonan ethnic group.

A curriculum is being developed to teach health staff skills in ante-natal care, delivery, post-natal care, care of the newborn, womens' reproductive health problems and common childhood illnesses. Staff will also learn how to train their successors. Traditional stories, beliefs, music and practices will be incorporated into health messages by village health education groups so information can be delivered to the Maonan people in a culturally appropriate way. The project expects to reach 1,700 people directly and touch the lives of around 26,000 people overall.

October

The battle against HIV/AIDs continues…

The centre of the AIDS pandemic is expected to shift from Africa to Asia over the next 10 years. Already, more than six million adults and children in South and South-East Asia are believed to be infected, more than double the number in the entire industrialised world.

In October 2001, experts from around the world came together in Melbourne to discuss solutions to this crisis as part of the Sixth International Congress on AIDS in Asia and the Pacific (ICAAP). CARE staff from Bangladesh, India, Cambodia, Myanmar, Laos and Vietnam shared their expertise in fighting HIV/AIDS in the developing world at the conference. CARE Australia has been at the forefront of the battle against HIV/AIDS for over a decade now, helping to stem the tide that threatens to overwhelm South-East Asia.

November

Malcolm Fraser receives prestigious CARE International Humanitarian Award

In November the CARE International Board held its annual Board Meeting in Australia. During opening proceedings, Mr Fraser was presented with the prestigious CARE International Humanitarian Award in recognition of his outstanding services in the development, aid, conservation and humanitarian fields. Previous recipients of the award (which is not confined to CARE identities) have included former US President Jimmy Carter and former United Nations High Commissioner for Refugees, Sadako Ogata.

December

Rebuilding lives in Afghanistan

The events of September 11 cast a long shadow over the world. The resulting conflict in Afghanistan highlighted the plight of the Afghan population, struggling to survive after decades of hostilities and years of drought.

Thanks to the generosity of the Australian public and AusAID, CARE Australia began two new projects designed to provide vital food relief and employment opportunities to thousands of Afghans in dire circumstances.

The first project provided food ration packs of wheat, beans, sugar and oil to around 7,000 Afghan women and children who were residing in refugee camps in Pakistan.

The other project provided vital employment opportunities to around 1,500 poverty-stricken individuals in the Afghanistan townships of Ghazni, Logar, Maidan, Khost and Gardez. This project gave extremely poor and displaced members of the community work, which provided them with funds to buy food, access health services and meet other family needs. The cash-for-work project reduced dependency on food relief and encouraged self-sufficiency. Food assistance was also provided to around 200 women and their children who were unable to partake in work activities.

January

Building a brighter future for Cambodia's highland children

CARE is working with ethnic minorities in Cambodia's Rattanakiri Province to ensure their children have access to a good education.

Ethnic minorities in the remote province are very isolated from Cambodian society due to their physical location and cultural differences.

They speak their own languages and have limited access to basic health care and education. Around 65% of primary school age children in these remote areas do not attend school and available school services are often inappropriate to minority culture and languages.

CARE's community schools project was set up to target children who have never enrolled in school or who have dropped out.

Through this project, CARE aims to help 1,103 children directly, and bring benefits to a further 5,000 people living in these areas. Communities control the schools' governance so local languages are used in teaching and ethnic minority people are trained as support staff. Khmer is also taught as a second language.

It is a sad truth that millions of children worldwide miss out on a basic education. CARE Australia values and promotes basic education for all.

New Chairman and Vice-Chair for CARE Australia

On the 1st January Sir William Deane became the new Chairman of CARE Australia. Sir William succeeded Malcolm Fraser, who was the inaugural Chairman of CARE Australia in 1987 and, over the past fifteen years, built CARE Australia to be at the forefront of Australia's international aid agencies. Sir William Deane was CARE Australia's patron when he was Governor-General.

In addition to Sir William taking over as Chairman, Tony Eggleton succeeded Sir Leslie Froggatt as the new Vice-Chairman. Mr Eggleton has been a member of the CARE Australia Board for five years and is a former Secretary-General of CARE International.

review continued...

March

Collaboration in East Timor

In East Timor CARE is working closely with a local NGO called HOTFLIMA (Unify East Timorese in the spirit of peace, love and fraternity). The organisation originated when a group of East Timorese resistance members imprisoned in Jakarta decided that when they were released they would create an organisation to help the widows, wives and children of their compatriots.

CARE has been assisting HOTFLIMA help people earn a living in East Timor through micro-enterprise projects. Around 4,000 East Timorese are expected to benefit directly from this effort.

HOTFLIMA's work is regularly monitored by CARE Australia. In March, two senior staff reviewed the financial and administrative systems, progress on activities and the project's impact to date. This monitoring ensures accountability and sound project management in the field.

With support from CARE, individuals and small groups are given basic business training, skills development and financial assistance to help start up small business ventures.

April

Improving CARE's approach to reducing poverty in Yemen

CARE offers hope to people of all ages.

CARE established operations in Yemen in early 1993 when we provided emergency assistance in response to floods in Aden and to refugees who had fled from Somalia. The office continued to provide humanitarian assistance until around 1996, when it started to diversify into development projects.

The current program includes work in agriculture, irrigation, and community development, along with organisational capacity building of the Women's Union.

CARE conducted a Long Range Strategic Planning workshop in April to ensure our program continues to respond to the major needs of the Yemeni people. As a part of this workshop the team discussed Yemen's development challenges and how to improve our response to reducing poverty in a country that is among the least developed in the world.

May

CARE Australia honours Malcolm Fraser and Sir Leslie Froggatt at spectacular fundraising dinner

More than 450 of Australia's business and community leaders gathered in Melbourne for a highly successful fundraising dinner to acknowledge the contributions of Malcolm Fraser and Sir Leslie Froggatt to CARE Australia.

The dinner, held at the Grand Hyatt featured leading Australian actress Sigrid Thornton as MC and All Saints star and CARE supporter Erik Thomson as guest speaker. The event raised more than $130,000 to help CARE Australia continue its lifesaving work.

June

Australian emergency response staff went to West Bank/Gaza to provide urgent assistance

Two of CARE Australia's most experienced and long-standing emergency response team members departed in June to assist Palestinian communities in the West Bank and Gaza affected by the current conflict.

Bob Allen from Tasmania and Phil Lacey from New South Wales have been members of CARE's response teams in a number of past major emergencies, including the Balkans, Somalia and Rwanda. The pair took on their new roles in CARE's Emergency Medical Assistance Program with the goal of sustaining and strengthening the healthcare system in the West Bank and Gaza so that it continues to meet people's health needs.

Increasing emergency response capability

CARE'S ability to respond rapidly and effectively to emergencies has been enhanced with the formation of a world-wide CARE Emergency Response Team (aCERT).

The team includes people skilled in emergency assessment and co-ordination, logistics, security, camp management, health, nutrition, and water and sanitation.

In June, CARE International conducted an intensive training workshop for 35 emergency personnel in Nairobi. Four CARE Australia personnel participated in the training. These staff, along with other CARE Australia emergency personnel, are playing a central role in developing an enhanced global emergency response capacity.

CARE responds quickly and effectively to alleviate human suffering from natural and man-made emergencies throughout the developing world.

how a care project
works

Goals and structure

CARE is currently undertaking hundreds of projects worldwide. Each project is based on the goal of improving the capacities of local people so that after CARE leaves, development will be sustainable. To achieve this, the needs, preferences and beliefs of project participants are always central to project design and projected outcomes.

A key to CARE's effectiveness is our flexibility. In emergencies, we respond quickly using experienced people from our Emergencies Team. When we are undertaking long-term development projects, a permanent Country Office and formal agreement with the host government are established.

Our projects are not managed from the other side of the planet, but by professionals on the ground. By working directly with local people, important decisions can be made quickly and efficiently. Even more importantly, local management ensures that funds are kept under the tight control of trained accountants within each Country Office.

How a project is designed

CARE's aim is for each project to be designed by a broad team, including technical specialists, CARE national staff, and the people who will 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.

Evaluation: paths to the future

Projects are regularly monitored and evaluated during their implementation and appropriate adjustments are made. 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.

When a disaster strikes there is a need to respond quickly. Even in these emergency projects, monitoring and evaluation are conducted to determine their effectivness and impact.

Every CARE project aims to...

Have significant scope
Benefit a significant number of people.

Reach the neediest
Help people identified as being most in need.

Advocate fundamental change
Encourage change that enables people to become self-sufficient.

Be effectively designed
Be the most effective, straightforward and appropriate way to carry out the activity.

Be environmentally aware
Safeguard the environment and make land more productive in a ecologically sound way.

Have full participation
Fully involve the people the project aims to assist in design, implementation and evaluation.

Involve women
Measure in advance the project's impact on women, and ensure their participation, access to and control over decisions, inputs and benefits.

Serve as a model
Able to be replicated and adapted by people faced with similar problems elsewhere.

Be sustainable
Designed so that participants and host governments will take over the project and continue it themselves.

Board of Directors
and Patron

Patron

His Excellency the Right Reverend Dr Peter Hollingworth AC OBE, Governor-General of the Commonwealth of Australia.

Board of Directors

Chairman

Sir William Deane AC, KBE

Appointed a Queen's Counsel in 1966; former judge in the Equity Division of the Supreme Court of New South Wales; former judge of the Federal Court of Australia; President, Australian Trade Practices Tribunal; and Justice of the High Court of Australia, Governor-General of Australia (1996-2001). Appointed a Knight of the British Empire in 1982 and a Companion in the Order of Australia in 1988.

Vice Chairman

Tony Eggleton AO, CVO

Former Secretary General, CARE International; National Director, CARE Australia; Chief Executive, Centenary of Federation Council; Chairman, Asia Pacific Democrat Union; Director, National Stroke Foundation; Former Director of Naval Public Relations; Press Secretary to Prime Ministers 1965-1971; Royal Tour Press Supervisor 1970; Director of Information, Commonwealth Secretariat London 1971-1974; Federal Director of the Liberal Party, 1975-1990.

Treasurer

Brian Jamieson, FCA

Fellow of the Institute of Chartered Accountants; Managing Partner, Minter Ellison Melbourne; former Chairman, KPMG Victoria; former National Chief Executive and Managing Partner, KPMG Australia, 1998 - 2000; Managing Partner KPMG Southern Region, 1996 - 1998; former Managing Partner, KPMG Melbourne, 1993 - 1996. Member of KPMG Board 1990 to 2000; Member of the Australian Institute of Company Directors, Trustee of Committee for Economic Development of Australia and Deputy Chairman Committee for Melbourne; Director, The Bionic Ear Institute.

Will J Bailey AO, Hon LLD (Monash), FAIB, FAMI, FAIM

Director, CRC for Coastal Zone, Estuaries and Waterways; Director and Hon. Treasurer, Foundation for Young Australians. Previous involvements from which he has retired include: Deputy Chairman and Group Chief Executive, ANZ Banking Group; Deputy Chairman, Coles Myer Ltd; Chairman, Open Learning Australia; Chairman, Motors Holdings Ltd; President, National Gallery of Victoria; Deputy President, Victorian Arts Centre Trust; Chairman, Australian Bankers' Association' President, Australian Institute of Bankers; Member, Economic Planning Advisory Council.

Kim Boehm

Managing Director, Clemenger Harvie Edge Melbourne; former Managing Director, Clemenger Adelaide; former Board Member, Advertising Federation of Australia; and Board member, Strathcona Baptist Girls School.

Rosemary Foot AO, BA

Former Liberal Member for Vaucluse, New South Wales Parliament, 1978 - 1986; former Deputy Leader, New South Wales Opposition, 1983 -1986; former Board Member of a number of NSW voluntary organisations as well as State and Commonwealth advisory bodies including the Australia Council, Tourism NSW, the Royal Hospital for Women Foundation and the Australian Heritage Commission.

The Rt. Hon Malcolm Fraser AC, CH, MA (Oxon), Hon LLD (Sth Carolina), Hon DLitt (Deakin), Hon LLD (UTS), Hon LLD (Murdoch)

Current Board Member and former Chairman, CARE Australia, 1987 - 2001; former President, CARE International, 1990 - 1995; former Vice-President CARE International, 1995 - 1999; Prime Minister of Australia, 1975 - 1983; Co-Chairman of the Commonwealth Eminent Persons Group on South Africa, 1985-86; Chairman of the United Nations Secretary General's Expert Group on African Commodity Problems, 1989 - 1990; the Prime Minister's Special Envoy in Africa, 1996; Co-Chairman of the InterAction Council of Former Heads of Government, 1996 - current.

Sir Leslie Froggatt

Former Vice-Chairman, CARE Australia, 1995 – 2001; former Chairman and Chief Executive Officer, Shell Group of Companies in Australia; former Chairman, Pacific Dunlop Limited; former Chairman, Ashton Mining Limited; former Chairman, BRL Hardy Limited; and former Chairman, Tandem Computers Pty Limited; Former Chairman of the Cooperative Research Centre for Cochlear Implant and Hearing Aid Innovation. Former Vice-Chairman of Australian Airlines and AIDC. Appointed a Knight Bachelor in 1981 for services to commerce and industry.

William Guest

Former Managing Director of the Guest Group of Companies; former Managing Director of Guests Furniture; Director, Freedom Furniture, Sofa Workshop and Guest Furniture Hire; Director, Melbourne Football Club Board and Member of the Young Presidents Organisation.

Helen Handbury OAM

Patron of Inspire Foundation. Awarded an OAM in 1998 for services to rural Victoria.

The Hon Barry Jones AO, MA, LLB, LLD (Melb), DLitt (UTS and Wollongong), DSc (Macquarie), DUniv (USC), FAA, FAHA, FTSE, FRSA, FAIM

Federal Minister for Science, 1983 – 1990; and has held the portfolios of Technology, Customs, Small Business, and Prices and Consumer Affairs. Retired from Parliament in 1998. Chairman of the House of Representatives Committee for Long Term Strategies, 1990 – 1996; Member of the Executive Board of UNESCO in Paris, 1991 – 1995; Vice President, World Heritage Committee, 1995 – 1996. Visiting Fellow, Trinity College, Cambridge 1999 - .

Sandra McPhee Dip Ed, FAICD

Group General Manager Alliances, Qantas Airways Ltd, Non-Executive Director of Australia Post, Non-Executive Director and inaugural Deputy Chairman of South Australia Water Corporation, Committee Member, Australia Council, former Chief Executive Officer Traveland Group and a former Non-Executive Director of Tourism Council Australia.

Jocelyn Mitchell

Former teacher and careers advisor; foundation member of the Womens' Electoral Lobby; former Chairman, The Australian Garden History Society and of the Victorian Committee of Australia's Open Garden Scheme; Member, Board of Management of the Beaufort & Skipton Health Service; Director of Lowell Pty Ltd.

Alfred L Paton BEng, FAIM, MIE, MAusIMM, FAICD

Former Managing Director and Chairman of Placer Pacific Limited and Kidston Gold Mines Limited; and Chairman or Director of a number of other listed companies. Former President of the Australia Papua New Guinea Business Council; Chairman of Austpac Resources NL and Aulron Energy Ltd; Director, Transfield Fund Managers Pty Ltd.

Peter Smedley B Comm, MBA

Chairman, CARE Australia Corporate Council; Chairman, OneSteel Limited; former Group Managing Director and Chief Executive Officer, Mayne; former Group Managing Director and Chief Executive Officer, Colonial Limited; former Executive Director, Shell Australia; former Director of the Australian Mining Industry Council, the Australian Mining Industrial Research Association, Lloyds Register of Shipping, the Alumina Development Council and the Business/Higher Education Roundtable; also former Deputy Chairman of Newcrest Mining. Director, Australian Davos Connection Ltd and the Colonial Foundation; member of the Business Council of the National Gallery of Victoria and the President's Council of the Art Gallery of New South Wales.

CARE Australia's

Partners

CARE Australia receives financial support for our work from the Australian Government through AusAID and from various other governments and international institutions.

These have included...

Bilateral Supporters

Australian Government
Austrian Government
British Government
Canadian Government
Danish Government
German Government
Japanese Government
Lichtenstein Government
Netherlands Government
New Zealand Government
Norwegian Government
Swedish Government
Switzerland Government
United States Government

Multilateral Supporters

European Commission Humanitarian Office (ECHO)
European Union (EU)
International Fund for Agricultural Development (IFAD)
United Nations High Commissioner for Refugees (UNHCR)
United Nations Development Program (UNDP)
United Nations Childrens' Fund (UNICEF)
United Nations Office of the Humanitarian Coordinatior for Iraq (UNOHCI)
United Nations Fund for Population Activities (UNFPA)
United Nations Office for Project Services (UNOPS)
United Nations World Food Program (WFP)
World Bank
World Health Organisation (WHO)

Everyday, CARE is saving lives.

ACFOA

CARE Australia is a member of the Australian Council for Overseas Aid. ACFOA was formed in 1965 to enable government to relate to the non-governmental community more easily. One of ACFOA's main priorities is to improve allocations of aid from the national budget. A special focus is placed on development, education, women, landmines, and environmental concerns. ACFOA enables Australian aid organisations such as CARE to share information and analyses. CARE adheres to ACFOA's Code of Conduct, which defines standards of governance, management, financial control and reporting to ensure accountability in the use of public monies.

Message from the Corporate Council Chairman

It has been a successful year for CARE Australia's Corporate Council, which has continued to build its membership and funding base. Membership of the Council has now grown to more than 60 companies, which have contributed more than $2 million since its inception just over two years ago.

During the year, Corporate Council activities included cocktail receptions held in Melbourne and Sydney for Council members and their guests. Guest speakers were CARE Australia's new Chairman, Sir William Deane, and Australia's Foreign Minister, the Hon Alexander Downer. These events not only provided a wonderful opportunity for Corporate Council members to gather to progress the work of the Council, they also showcased the Council – and its support of the important work of CARE Australia – to a broad cross-section of corporate Australia.

Peter Smedley

Current members include:

Chair
Mr Peter Smedley, CARE Australia Director

Executive Committee
Accor Asia Pacific, David Baffsky
Allens Arthur Robinson Group, Colin Galbraith
Amcor, Russell Jones
Clayton Utz, Rod Halstead & Brian Doyle
Data Solutions Australia Pty Ltd, Suzanne Pence
J B Were & Son, John Paterson
J P Morgan, Brian Watson
KPMG, Michael Coleman
Malleson Stephen Jaques, Michael Kingston
Mayne, Stuart James
Medibank Private, Simon Blair
National Australia Bank, Charles Allen
News Limited, Keith Brodie
N M Rothschild & Sons, Philip Brass
Norwich Union Australia, Rob Garnsworthy
OneSteel Limited, Bob Every
Pratt Foundation, Sam Lipski
PricewaterhouseCoopers, Paul Brasher
Qantas Airways Limited, Sandra McPhee
Tattersall's Holdings, Duncan Fischer
The Boston Consulting Group, David Brownell
Travelex Limited, Andrew Want
UBS Warburg, Gordon Dickinson

General Members
Arnold Bloch Leibler
Beverage Industry Environmental Council
BHP Billiton
Brambles
Castle Harlan Mezzanine Partners
Clemenger Harvie Edge
Deutsche Bank
Environmental Resources Management Australia Pty Ltd
Ernst & Young
Foxtel Management Pty Ltd
FPE Insurance Brokers
Freedom Furniture
Freehills
Group GSA
Intrepid Travel
Jetmaster Vic Pty Ltd
Kowalski Consulting Pty Ltd
Lumbers Consulting
Macquarie Bank Ltd
Manildra Group
Maple Brown Abbott
Mondara Pines Group
Open Systems Pty Ltd
OPSM
P&O Australia
Palace Cinemas
ResMed Ltd
Roadshow Film Distributors
Rusher Rogers Recruiting
Salesforce
Samuelson Talbot & Partners Pty Ltd
Sheraton Towers Southgate
Singtel Optus Pty Ltd
Smorgon Steel
Sussan Corporation
TS&B (Trollope Silverwood & Beck)
The Gandel Foundation
The Wiggles

thank you
to our supporters

On behalf of those we help overseas, our heartfelt thanks go to everyone who has contributed to CARE Australia over the last year. This list represents only a few of those whose support has been significant.

Mr David Ades

Ms Dale Amir

Mr Neil Andrew, MP

Mr William R Arnott

Mr H G Bakes

Mr Will J Bailey AO

Mr George Biggins

Mr Graeme D Bignell

Mr R B Biviano

Mrs Joyce Blanch

Mr Justin Bourke

Dr S Brindley

Marnie Buckwell

Paul Byrne SC

Mr Neil Cameron

Sir Roderick & Lady Carnegie

Ms Helen M Carr

Mr & Mrs Tom & Wendy Chapman

Mr Frank Clarke

ComStat

Mr H Cory

Alison Cox Family Trust

Mr David Day

Sir William Deane AC, KBE

Ms Melinda Dear

Mr Henry Diner

Mrs G M Dreise

Mr Matt Dixon

Mr Tony Eggleton AO

Mr Les Evans

Mrs Rosemary Foot AO

Mr & Mrs R J & A P Force

John & Vi Foster

The Rt. Hon Malcolm Fraser AC, CH

Sir Leslie Froggatt

Mr Philip Gilbert

Mr Donald Grant

Dr R E Grant

Mr William Guest

D Hackett

K L Hackman

Mr & Mrs G & H Handbury

Mr N M Heath

Miss Tove Helms

Herald & Weekly Times Ltd

Mr Graham Holmes

Ms Lindsay Hussey

Ms L Ison

Mr Brian Jamieson

The Hon Barry Jones AO

Mr Desmond Jones

Mr D Keen

Mr Anthony Kelly

Mr David G Kelly

Dr Trevor Kerr

Mr P J Kossatz

Mr Douglas Lam

Mr B Lawrence

Dr W J Lock

Lloyd Family Trust

Mr Pang-Liang Liu

GPS Old Boys Unions' Council

Miss A E Grant Lipp

Lumley Insurance Ltd

Mr Neil G Maclean

Macquarie University & Munich Reinsurance Risk Competence Centre (MRC2)

Mr M J Manning

Mr William A Marryat

Mr John McBeath

Julie McCourt

Mrs M M McGuinness

Mr J W McPhail

Mrs Ann McRae

Mr Gregory N Michael

Mr Richard Miller

Mrs Jocelyn Mitchell

Mr Paul Mitchell

P & K Moloney

Ms Marea Moore

Dame Elisabeth Murdoch, AC DBE

Mr Andrew Myer

Sarah & Baillieu Myer Family Foundation

Mrs Helen Newkirk

Mrs M Nicholas

Mr & Mrs D J & S A O'Brien

Dr A Parker

Mr N G Pascoe

Mr Alfred Paton

John Plunkett

Presentation Sisters

Mr Brendan Reilly

Ms Annabel Ritchie

M T Robbins

Miss P E Rodriguez

Mr Alan Rowlands

Mr Richard Searby

Miss Nicole Schilling

M N Schairer

Mr J M Silver

Ms Margaret Skelton

Mr Michael Small

Mr Dick Smith

Mr George Smith

Mr Daniel Stanic

Fr Steele

Synergos Consulting

Watkins Tapsell

Mr & Mrs C W Thomas

Mr Peter Thomas

Mrs Daphne Tickle

Mr Alan Todd

Mrs Daphne M Treloar

Miss Elizabeth B Tyson

Mrs J Vansittart

Mr & Mrs P & J Vertigan

R W & L Walesby

Mr Guy Washington

Mr G A Watterson

Mr Andrew Whatnall

Workwell

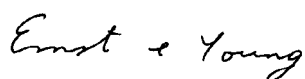Mr S Worrall

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 2002 set out on pages 22 to 26 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 2002.

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 26 September 2002.

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

G.J Knuckey
Partner
Melbourne

Date: 26 September 2002

Directors' Declaration

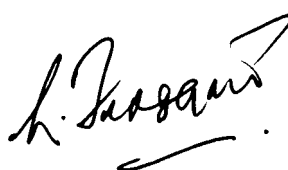In accordance with a resolution of the directors of CARE Australia, we state that:

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:

(i)   giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2002 and of their performance for the year ended on that date; and

(ii)   complying with Accounting Standards and Corporations Regulations 2001; and

(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.

On behalf of the Board.

Brian Jamieson
Treasurer

Sir Leslie Froggatt
Director

Canberra, 26 September 2002

statement of financial position
as at 30 June 2002

	Note	2002 $	2001 $
ASSETS			
Current Assets			
Cash	1	15,036,311	16,266,430
Prepayments		227,060	132,360
Receivables	2	935,578	514,168
Non-Current Assets			
Property, plant and equipment	3	395,049	530,413
Investments	4	1	1
Total Assets		**16,593,999**	**17,443,372**
LIABILITIES			
Current Liabilities			
Accounts payable	5	708,260	1,392,974
Provisions	6	821,812	791,288
Unexpended project funds	7	12,669,743	12,795,380
Non-Current Liabilities			
Accounts payable	5	-	7,916
Provisions	6	22,866	44,284
Total Liabilities		**14,222,681**	**15,031,842**
Net Assets		**2,371,318**	**2,411,530**
EQUITY			
Funds available for future use		1,389,185	1,512,996
Special Reserve		882,000	730,000
Exchange Fluctuation Reserve		100,133	168,534
Total Equity		**2,371,318**	**2,411,530**

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 2002

		2002 $	2001 $
REVENUE			
Donations and gifts from the Australian public	Cash	5,176,859	4,792,768
	In kind	64,005	84,284
Legacies and bequests from the Australian public		104,706	217,082
Total Revenue from the Australian public		**5,345,570**	**5,094,134**
Grants and Contracts			
■ AusAID	Cash	6,420,882	8,101,381
■ Other Australian	Cash	252,117	267,711
■ Overseas			
Project grants from CARE International members	Cash	31,753,905	33,614,371
	In Kind	-	197,924
Project grants from multi-lateral agencies	Cash	6,655,777	12,016,579
Project grants from foreign governments and overseas based organisations	Cash	4,759,465	4,194,796
Investment income		48,338	64,624
Other income		500,418	1,002,105
TOTAL REVENUE		**55,736,472**	**64,553,625**
DISBURSEMENTS			
Overseas projects (Program expenditures)			
■ Funds to overseas projects		50,817,062	59,604,893
■ Cost of raising project funds from government and multilateral agencies		545,368	512,333
■ Other project costs		515,665	336,947
Total overseas projects		**51,878,095**	**60,454,173**
Community Education (Public Education)		457,037	374,348
Fundraising costs - Australian Public		1,663,691	1,141,580
Administration (Program Support)		1,777,861	2,003,148
TOTAL DISBURSEMENTS		**55,776,684**	**63,973,249**
Excess of revenue over disbursements (shortfall)		**(40,212)**	**580,376**
Funds available for future use at the beginning of the financial year		1,512,996	1,831,154
Transfers (to) from reserves			
■ Special Reserve		(152,000)	(730,000)
■ Exchange Flucutuation Reserve		68,401	(168,534)
Funds available for future use at the end of the Financial Year		**1,389,185**	**1,512,996**

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.

	2002 $	2001 $
Note 1 Cash		
Cash on hand	400,847	681,146
Cash at bank	7,236,815	6,455,469
Cash on deposit	6,736,583	8,350,783
International revolving fund	363,222	327,955
Cash in transit	298,844	451,077
	15,036,311	**16,266,430**
Note 2 Receivables		
Debtors	505,094	321,203
CARE International Members	429,276	191,757
Wholly owned entity	1,208	1,208
	935,578	**514,168**
Note 3 Property, Plant and Equipment		
Total property, plant and equipment - cost	2,151,098	2,154,718
Accumulated depreciation and amortisation	(1,756,049)	(1,624,305)
	395,049	**530,413**
Note 4 Investments		
Share in subsidiary at cost	**1**	**1**
Note 5 Accounts Payable		
CURRENT		
Lease liability	7,916	5,634
Trade Creditors	290,003	367,577
Accruals	43,750	46,313
Other Creditors	259,375	939,212
Accrued salary and contract payments	107,216	34,238
	708,260	**1,392,974**
NON-CURRENT		
Lease liability	**-**	**7,916**
Note 6 Provisions		
CURRENT		
Employee entitlements	730,827	685,271
Other	90,985	106,017
	821,812	**791,288**
NON-CURRENT		
Employee entitlements	**22,866**	**44,284**

Note 7 Unexpended Project Funds

Cash Movements	Grant Funds C/F from 2001	Grants Received 2002	Grant Expenses 2002	Grant Funds C/F to 2003
Australian Agency for International Development	4,269,495	7,175,601	(6,420,882)	5,024,214
Project grants from other Australian organisations	1,365,015	1,023,710	(1,229,798)	1,158,927
Project grants from multi-lateral agencies	(1,123,410)	7,957,758	(6,655,777)	178,571
Project grants from CARE International members	5,221,545	31,166,060	(31,753,905)	4,633,700
Project grants from Foreign Governments and overseas based organisations	3,062,735	3,371,061	(4,759,465)	1,674,331
Total	**12,795,380**	**50,694,190**	**(50,819,827)**	**12,669,743**

Note 8 Donation Income
No single fundraising appeal for a designated purpose generated 10% or more of total donation income for the year.

Analysis of Operation for the year ended 30 June 2002

	2002 %	2001 %
Total Cost of Fundraising, Community Education and Administration / Total Income	7	5
Overseas Projects (Program Expenditure) / Total Income	93	94
Increase (decrease) in funds available for future CARE programming / Total Income	0	1
TOTAL	**100**	**100**

Information (Charitable Fundraising ACT NSW)

Fundraising activities conducted

- Direct Mail
- Bequest Program
- Corporate Gifts
- Community Service Announcements
- Door Knock
- Fundraising Events
- Major Gifts Program
- Media Awareness
- Telemarketing

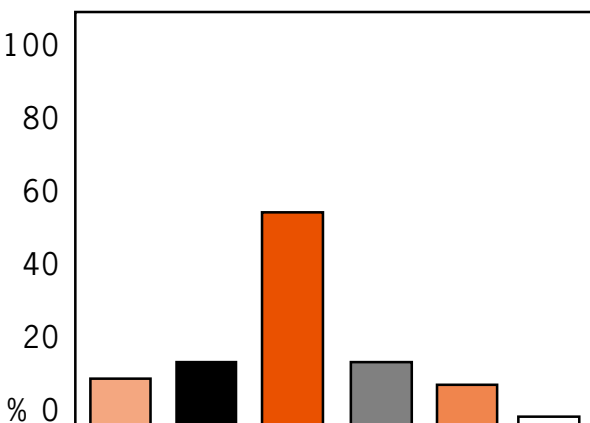| Comparison by Percentage	2002 %	2001 %
Total Cost of Services (Overseas Projects *plus* Community Education) / Total Expenditure *minus* Fundraising	97	97
Total Cost of Services (Overseas Projects *plus* Community Education) / Total Income *minus* Fundraising	97	96
Total Cost of Fundraising /Revenue from the Australian Public	31	22
Net surplus from Fundraising / Revenue from the Australian Public	69	78

Disbursements
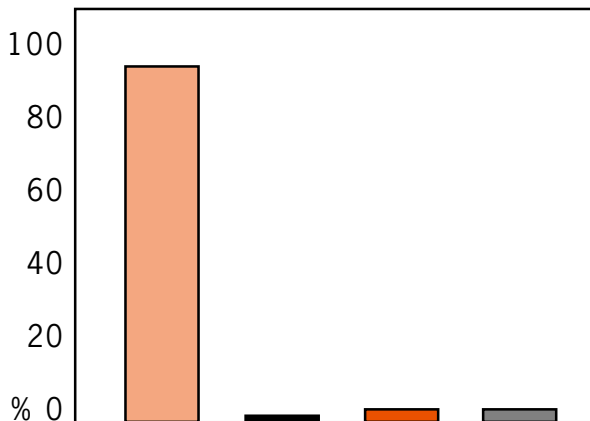
(Total $55,776,684)

Overseas Projects (program expenditure)	93%
Community Education	<1%
Fundraising	3%
Administration	3%

Income by source

(Total $55,736,472)

Donations, legacies and bequests from the Australian public	1 0 %
AusAID	1 2 %
CARE International members	5 7 %
Multilaterals	1 2 %
Foreign Governments and Agencies	8%
Other	1%

Overseas Projects by geographical region
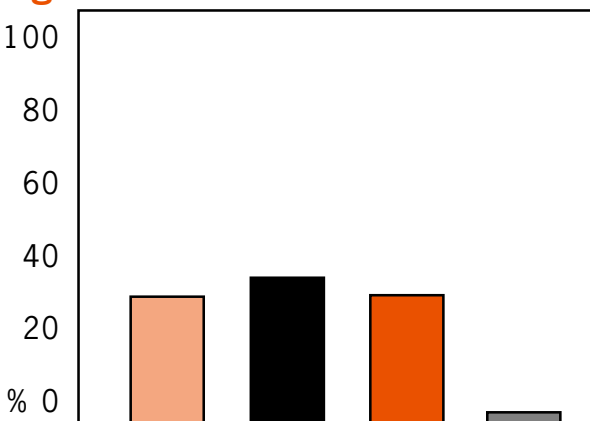
(Total $51,878,095)

Asia Pacific	3 0 %
Europe	3 7 %
Middle East/West Asia	3 1 %
Africa	2%

Asia/Pacific	**Africa**	**Europe**
Burma/Myanmar	Ethiopia	Federal Republic of
Cambodia	Kenya	Yugoslavia
China	Malawi	Macedonia
East Timor	Mozambique	**Middle East/West Asia**
India	Sudan	Afghanistan
Indonesia	Zimbabwe	Iraq
Laos		Iran
Papua New Guinea		Jordan
Sri Lanka		Palestinian Territories
Vietnam		Yemen