



victories
over
poverty
every day





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CARE Australia



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
- 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 program 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 Letter



As 2003 comes to a close, the CARE Australia family can look back on a year of true achievement in which we successfully faced a variety of challenges — including one of the biggest that our organisation has ever had to face.

CARE was the only major humanitarian organisation, apart from the United Nations and the International Committee of the Red Cross, which maintained a continuous presence in Iraq since the end of the first Gulf War in 1991. And CARE Australia has been responsible for all of CARE's extensive work there since that time. Throughout and since the recent war in Iraq, we maintained that presence on the ground, assisting the Iraqi people when possible with the delivery of hygiene supplies to hospitals, food to paediatric wards and repairs to water facilities and generators in hospitals. Our commitment to supporting the people of Iraq was recognised by the EU Commissioner, Paul Nielsen, who expressly praised CARE for being one of two NGO's to work continuously throughout the conflict.

In March of this year, shortly before the outbreak of hostilities, I travelled to Jordan to meet with our local staff, including our Iraq Country Director Margaret Hassan. Margaret's decision — indeed her determination — to remain in Iraq and carry out emergency work throughout the conflict was typical of a truly remarkable woman. Both then and since, I have been tremendously proud of the efforts of CARE Australia and our Iraq staff in circumstances of formidable difficulty and hardship.

While CARE responded to the emergency in Iraq, we still continued our life-saving work in other countries, helping the poorest of the poor and seeking to provide lasting solutions to end poverty and disadvantage.

I express my heart-felt thanks to all our staff in Australia and around the world. Your dedication and abilities lie at the heart of everything we do to serve and assist those most in need.

I also express my warmest thanks to those equally important members of the CARE Australia family — our donors — who have given most generously this last financial year. You have enabled our work to continue. With your support, CARE has, and will, achieve lasting changes around the world helping the poorest and most disadvantaged communities, individuals and families. I thank you all. There is so much to be done.

In August of this year, our Chief Executive Paul Mitchell left CARE Australia after three years of commitment to our organisation to take up an important appointment in London. On behalf of all at CARE, I thank him and wish him well.

CARE Australia is extremely fortunate to have recruited Dr Robert Glasser as our new Chief Executive. His wide and varied experience in international development is a great asset to CARE. He takes up his appointment with the full confidence, support and good wishes of us all.

A handwritten signature in black ink, which appears to read "William Deane". The signature is fluid and cursive.

Sir William Deane

Chief Executive Message



It is a great privilege for me to be joining CARE Australia. CARE is internationally recognised as a leader in the fight against poverty. In my previous work on aid issues, I frequently travelled to developing countries and regularly came into contact with CARE Australia projects and staff. Often the projects were underway in some of the most remote parts of the countries and under extremely trying conditions. The professionalism, effectiveness and enthusiasm of those CARE teams was truly remarkable. I am greatly looking forward to working with our dedicated staff on what is arguably the greatest challenge of our time: overcoming poverty.

I want to take a moment to acknowledge the fine work of my predecessor, Paul Mitchell. Paul's significant contribution to the professionalism, efficiency, and rigour of our organisation has positioned CARE Australia to expand its important work. Under Paul's guidance, the past year has been a very productive one for CARE. We have implemented emergency responses and sustainable development programs that have assisted millions of disadvantaged people in 19 of the world's poorest countries. Of particular note have been our programs in war torn countries, where our field teams have worked under highly dangerous and stressful conditions, delivering emergency relief and re-building communities.

We are primarily dependent to do our work on support from the Australian public. We build on that support to attract significant additional funds. Currently, our total income from Australian public and all other sources is more than \$57 million. Of this amount more than \$53 million (93%) is actually spent on work in the field, rather than on administration overheads.

We are proud of this financial effectiveness, which is among the best of any non-government organisation in our sector.

Dr. Robert Glasser



rehabilitation

war

Middle East

CARE works with communities in war torn countries to help break the vicious cycle of war and poverty. Not only do we provide relief to meet the short-term needs of communities in crisis but we also work towards re-engaging the community in its own caring and coping strategies. In this way, we avoid undermining the country's effort to achieve self sufficiency.

Left: An Iraqi mother nurses her sick infant.

Right: Alah inspects a package of CARE biscuits with his daughter Tanya.

and poverty

Iraq — The challenges facing Iraq are enormous. Thirteen years of sanctions and recent conflict has devastated a once prosperous nation. The cycle of war and poverty continues to prevent Iraq, and its people, from reaching their potential. Basic services such as clean water, electricity and health services have been seriously disrupted. CARE has maintained a continuous presence in Iraq since the beginning of the humanitarian crisis following the 1991 Gulf War and we remain committed to the rehabilitation and reconstruction of the country.

CARE
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During the war, CARE distributed essential supplies to health centres in and around Baghdad. Margaret Hassan, CARE's director in Iraq acknowledges the commitment and courage of her staff, "I was proud that the staff of CARE, — like the International Committee of the Red Cross, — continued to work during the bombing of Iraq." Today, even as our focus shifts from emergency relief to community rebuilding, servicing hospitals and health centres remain an important component of CARE's work.

Children in Iraq represent one of the most vulnerable groups in society, struggling to deal with the lack of clean water and inadequate dietary intake. At the Iskan Paediatric Hospital in Baghdad, common debilitating conditions include diarrhoea, malnutrition and black fever. "Three month old Zainab* has suffered from many episodes of diarrhoea, due to contaminated water," says Dr Quasem. "She is more vulnerable to diarrhoea because of malnutrition."

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





Above Left: Malnourished Zainab lies listlessly in her mother's arms. Above Right: A CARE staff member attends to an Iraqi family. Below Right: CARE Yemen water tanks.

CARE has provided additional nutritional requirements to children like Zainab in the form of basic foods such as cheese, milk, sugar and high-energy biscuits. "I came back a few months ago because I felt I could truly help now, and I'm grateful that organisations like CARE are assisting the Iraqi people," says Dr Iman, a volunteer who has returned to Iraq after three years.

CARE is a leading provider in rehabilitation and emergency repairs to the water and sanitation systems in Iraq. CARE has rehabilitated water installations and treatment plants at 21 different sites in four governorates in the south and centre of Iraq and provides a mobile workshop which undertakes emergency repairs at health facilities and water and sewage plants. While emergency repairs and assistance are necessary in the aftermath of conflict, CARE is working hard to support efforts to re-construct the Ministry of Health and Department of Water to ensure that Iraqis are better equipped to help themselves.

While a large component of our work in the Middle East was, understandably, directed to the emergency in Iraq we still continued to make inroads into overcoming poverty throughout the region.

Palestinian Territories — As efforts continue to bring peace to the Middle East, CARE continues to provide valuable assistance to the Palestinian Territories. The general lack of security throughout the West Bank and Gaza has significantly reduced the Palestinian people's access to centralised health facilities in the larger towns and cities. CARE provided equipment to one of the newly established maternity homes in the West Bank district of Jenin and midwifery kits to health care NGO's operating primary health care facilities throughout

the Palestinian areas, CARE aims to improve ante-natal and infant care for those Palestinians living with inadequate medical equipment. CARE is also working in partnership with the 'Union of Palestinian Medical Relief Committees' to re-establish and train community health workers in primary health care.

Yemen — Our work in the Middle East extended beyond emergency work to helping with basic infrastructure. In Yemen, severe water shortages result in women and children in rural villages often spending three hours a day collecting water. CARE, with valuable contributions from communities in the form of labour and materials, has built hillside catchment tanks, saving endless hours of water carrying. This project also conserves valuable water for agriculture, which would otherwise run off to the sea.

Jordan — In Jordan, CARE worked with rural households to improve livelihood security through addressing issues of agricultural and natural resource management, capacity building, training and access to credit.



innovation

peace

Eastern Europe and Asia

CARE Australia understands that in our quest to help communities overcome poverty, we have to be innovative in our thoughts and workings. We have to take a different approach, one that will not only bring short term relief but also make lasting changes.

Left: A Roma participant enjoys a workplace visit to the Belgrade Zoo.

Right: A workshop provides participants with job-seeking skills.



and hope

Serbia — Like all countries of Eastern Europe experiencing the painful transition from socialist to free-market economies, Serbia is burdened with a derelict industrial legacy. The effects of limited job opportunities are hardest felt by the youth, especially those already pushed to the margins of society due to their ethnicity or low status.

CARE's innovative approach is much more than expanding job opportunities. "In the true sense of the project, it has enabled these young people to 'broaden their horizons,'" says Shan Southwell, CARE's director in Serbia and Montenegro. "And to look beyond the settlements in which they live and to create a greater sense of self determination."

CARE
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Above: A group of students visit Gendarme (special police services) as part of the workplace visits component of the course.

Below Right: Afghani women practice their tailoring skills.

In partnership with a local community organisation in Belgrade, 'Democratic Association of Roma,' CARE is helping Roma youth and young adults make real changes to their situation, to help them actively participate in mainstream society.

"It is a groundbreaking program in which community groups, local government, businesses and CARE join forces to provide job-seeking skills to young adults in vulnerable social and economic groups" says Shan.

This project was broken up into three parts, each helping participants obtain employment at the completion of the program. Information sessions and workshops involved training in employment basics such as resume writing and interviewing was offered to 150 participants. Having broadened their potential employment opportunities, participants then enrolled in three months of adult vocational training and received job counselling. Workplace visits completed this intense program, allowing Roma youth to broaden their horizons about different opportunities.

"The project has created ripple effects by encouraging better attitudes towards education, new approaches to standing up for rights and it has opened people's eyes to a wider range of opportunities," says Ana Popovicki, Broadening Horizons program co-ordinator.

"I was very happy that I will get a chance to meet new people, to learn something new and more, and to be part of something," says Marija, one of the Broadening Horizons participants. "Now I am happy to be part of a society that just a while ago looked to me far and distant."

Afghanistan — As Afghanistan slowly picks up the pieces after decades of hostilities and the recent drought, CARE is there every step of the way to support the rebuilding and rehabilitation of the country.

CARE has formed a partnership with several local Afghani NGOs to provide training and support, enabling them to build on their assistance to the Afghan people. Widowed and vulnerable women in Kabul city received training in domestic tailoring, while the Azrat Ali High School for boys in Parwan Province was rebuilt after being severely damaged during years of armed conflict. CARE also worked with the Sang-e-Nawash-ta community in Kabul Province to construct a concrete weir-intake, which will provide sufficient irrigation water for 800 hectares of agricultural land.

China — In Fengshan county in China CARE, in partnership with the 'All China Women's Federation,' made significant steps towards fighting poverty in very remote rural areas. Insufficient food and income combined with poor animal husbandry and agricultural technical skills contribute to a cycle of poverty in this county. More than 400 poor women were trained in animal husbandry practices and 100 women received loans to carry out improved livestock management.



empowerment

towards

Africa

As the world enters the third decade of the HIV/AIDS pandemic, CARE believes that we have to empower local communities to protect themselves from infection and to be able to withstand market and environmental shocks. Human security is about coping mechanisms and trust in the future.

Left: A small child snacks on food provided by CARE.

Right: Thabiso waits for the CARE food packages to be unloaded from the trucks.



human security

Lesotho — A small landlocked country, completely surrounded by the Republic of South Africa, suffers from the perils of a disease that leaves unrelenting pain and destruction in its wake. HIV/AIDS is much more than a health catastrophe, affecting not only the sick and dying but also those left behind. As Lesotho moves towards sustainability, CARE is providing its people with a sense of hope and security for the future.

CARE
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Eleven year old Thabiso belongs to just one of the 100,000 orphaned and child-headed households in Lesotho. In Leribe, Thabiso's home and Lesotho's district with the highest rate of HIV/AIDS infection, CARE has provided 16,600 vulnerable people with monthly food packages, to help them cope with severe food shortages resulting from widespread drought.

Thabiso, who has just completed fifth grade, says, "thanks to the monthly food distributions I can now concentrate on learning and focusing on my dream, to become a teacher."

By providing essential food during times of drought and widespread hunger, CARE is ensuring that vulnerable people, particularly children, are saved from entering the downward spiral to malnutrition and starvation. The benefits, however are much broader and long term. Too often during famine, children orphaned by AIDS regularly leave school to look for sources of income to support

themselves. These may include prostitution and other forms of exploitation which increase the risk of HIV/AIDS infection. By providing the safety net of a secure food supply during Lesotho's famine months, CARE can help prevent these children from resorting to high risk coping mechanisms.



Above: This group of Lesotho children have been assisted through CARE's monthly food packages.

Below Right: CARE provided 76,000 people with access to adequate and reliable water supplies in the Guvuro Vilankulos and Inhassoro districts in Mozambique.

To mitigate the impact of HIV/AIDS in Leribe district, one HIV/AIDS peer educator accompanied each food distribution in order to help educate affected communities.

"AIDS existed and was killing us, but we knew nothing about it," explains Violet, a peer educator, "we did not have enough information, but now each and every person seems to be gaining understanding."

Standing in front of the distribution truck outside the primary school in Ha Lesitsi village, Thabiso looks with hope at the bags of maize meal, pulses, corn-soy-blend and oil, "Now I know that there is always food at home if I am hungry."

CARE Australia has made significant steps towards achieving food and human security in a region that suffers from drought, disease and war.

Kenya — In Kenya, CARE has been working in the Makueni district to encourage farmers to move forward from their current subsistence farming practises to commercial farming through the production of horticultural products. The current subsistence farming has caused endemic food shortages in Makueni district households. No matter how good the crop is for that year, cultivation and production cannot break the cycle of poverty that characterises farming in the area.

Zimbabwe — Two years of drought and a dramatic restructuring of agricultural land ownership in Zimbabwe have combined to reduce the amount of food produced by the country. CARE's three year project aimed at increasing agricultural production and economic opportunities for the rural poor residing in the Midlands districts has improved agricultural productivity by 25 percent and economic opportunities by 15 percent for 45,000 people.

Malawi — Malawi, one of the most densely populated countries in Africa, is susceptible to drought, and in recent years, flooding, which has drastically reduced maize production. Resulting from the accumulation of a number of interconnected problems over recent years, Malawi is currently in the midst of its worst food shortage for decades. CARE has taken a three-pronged approach to assist vulnerable rural households. Distribution of improved varieties of legumes and root crops, a savings and loans project and promoting a linkage to private sector buyers has provided households with the opportunity to increase their agricultural production, accumulate assets and increase levels of consumption. CARE is working towards helping the people of central Malawi become more resilient to external shocks and stresses and less dependent on external support and hand-outs.



development

journey

South East Asia

CARE's focus in South East Asia is at a grass-roots level, ensuring the involvement of the most vulnerable in the implementation and design of projects which directly affect their communities. Through guidance and support, we are helping communities in their journey to prosperity.

Left: A Rakhine child babysits her sister.

Right: Doe proudly holds up her produce and earnings.



to prosperity

Myanmar — Myanmar has experienced ongoing conflict since it became an independent state in 1948. By expanding our work at the grassroots level, CARE is working with the most vulnerable to deal with shocks and stresses that may be caused by conflict and natural disasters.

CARE
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CARE has implemented a two year project in Northern Rakhine State to reintegrate vulnerable refugees who have been repatriated from Bangladesh. Low levels of economic and social development, chronic malnutrition and overuse of land resources had resulted in increasing poverty levels in the area. CARE has been working with Rakhine communities and local authorities to provide valuable skills in agro-forestry systems and farming practices to meet their subsistence and income needs. At the same time CARE has been providing information in natural resource management and conservation.





*Above Left: A Vietnamese woman tends her rice paddy field.
Above Right: Landmine clearance in Laos, puts a smile on this child's face.
Below Right: Women factory workers listen to a peer educator.*

“I learnt a lot about home garden development and the benefits of saving by attending training and workshops,” says Doe Lu, a widowed mother of three. “Through my home garden I have been able to feed my family and also generate income from the sale of the leftover vegetables.”

CARE has recruited community facilitators to ensure that this project reaches the needy in each of the target villages. “I am a group leader and I encourage my members to be model participants,” Doe says with a proud smile. “I have to manage 11 members of my group and I am going to manage more than 11 in the future.”

In order to break the cycle of poverty through lack of access to funds, CARE has integrated a saving, credit and loan scheme, which Doe is planning to use in the future. “Through this scheme I will improve my household security by raising chickens and ducks as well as establishing one grocery shop for my son,” explains Doe. “Now I don’t need anything more from CARE, I can manage on my own to generate enough income for my family.”

CARE’s development work throughout South East Asia made steady progress towards prosperity.

Laos — In Khammouane province in Laos, CARE is working with families whose livelihoods are affected by landmines and unexploded ordnance by ensuring basic needs, such as potable water, improved agricultural techniques and access to markets and health services were accessible. Our efforts have increased the level of food security and infrastructure in ten villages and also helped to clear landmines from this area, providing children with a life free from the dangers of those deadly devices.

Low reproductive health knowledge and unsafe sexual practices pose a significant problem for young adults in Laos. Many are uninformed and unprepared for pregnancies and sexually transmitted diseases (STD's). It was through a previous STD awareness project that CARE identified factory workers in Vientiane as in need of targeted education and assistance in areas of reproductive health knowledge. By establishing peer educators to act as the 'first line' of educational contact for workers in the ten selected factories, CARE is working towards ensuring that accurate information is available to young Laotian adults.

Cambodia — Across the border in Cambodia, CARE is working in the remote province of Ratanakiri to improve literacy amongst seven ethnic minority groups. Government schools normally teach in the official language of Khmer, which excludes many minority groups from school enrolment and retention. In a unique partnership with the Cambodian Ministry of Education, an innovative three-year pilot scheme is underway to trial a model of multi-lingual, multi-cultural primary education, delivered in community-governed schools in six villages, which have never had any formal or informal education.

Indonesia — Children around the world continue to die from preventable diseases. CARE has joined forces with SurFAID International to provide outreach health services to one of the most marginalised areas in Indonesia. Villages in the Mentawai Islands are located on major river systems. Medical professionals visit these areas by boat four times a year. Immunisation and monitoring of pregnant women is at the forefront of this project aimed at providing better health care to 28 villages in the Southern Siberut region in West Sumatra.



CARE Australia a year at home



CARE
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CARE Australia strives to connect with local communities throughout Australia to both raise funds and increase awareness of its work. The Australian public are a critical part of the journey to prosperity. Without the accumulated gifts of the public, CARE would be unable to continue its work. Some of the activities of CARE and our supporters follow.

Supporter Fundraising Events

CARE was overwhelmed by the number of individuals around Australia who supported CARE through the hosting of special fundraising events in an effort to raise much-needed funds for the Victims of War and Poverty Appeal. From small fundraising dinners to community walks, the Australian public supported the appeal. One of the most notable events was the musical benefit production of Burt Bacharach's old time classic "What the World Needs Now."



Grant Thomas (right) CARE's Principal Executive Marketing, accepts a cheque from Darren Drysdale, the producer of "What the World Needs Now."

2002 World Hunger Campaign

On October 16, Australians around the country were encouraged to 'Eat it and Beat it' as part of CARE Australia's inaugural World Hunger Campaign. People at work, school, clubs, mothers' groups, families and friends gathered for a meal break and passed the hat around to help raise funds for CARE. A World Food Day kit, including a poster for notice boards, CARE Australia information and stickers for participants was sent out to the event organizers. In the future CARE will work towards 'Eat it and Beat it' becoming our very own signature day with Australians around the country sitting down to join CARE in the fight against world hunger.

Christmas Fair

The CARE Australia Christmas Fair was held for the first time at the Malvern Town Hall in Melbourne on the 28th November. The fair — now in its fourth year — is one of the most successful events organised to raise funds for CARE Australia. More than 1000 people attended, sampling the delights of 40 stalls, selling everything from designer furniture to Christmas puddings. The Ballarat Grammar Junior Choir and musicians generously donated their time with a repertoire of Christmas Carols.

To launch the event, a cocktail party for 200 people was held on the evening before the fair with the Chairman of CARE Australia, Sir William Deane, in attendance.

Balmoral Swim

Wonderful weather in March saw 561 participants compete for first place in the kilometre ocean swim from the shores of Balmoral beach in Sydney. The team relay challenge, 250m junior race and the Watermark dash for cash were additional supporting events, which allowed a range of people and age groups to compete. Dake Zimmerman and Arielle Bird were each awarded a dinner for two and a three-month gym membership after winning the ocean swim.

Corporate Council

Established in April 2000, CARE Australia's corporate philanthropy program brings together prominent members of the Australian business community who believe social responsibility extends beyond our shores. The program is not only about encouraging committed corporate giving, but also promotes awareness of CARE and our work to the broader Australian public. Corporate Council donors assist CARE by encouraging workplace giving and assisting to bring on new corporate donors.

This year saw participants gather to hear Foreign Minister Alexander Downer and Sir Gustav Nossal speak at functions held in Sydney and Melbourne, as well as the launch of a series of CEO boardroom dinners providing an intimate environment to learn more about CARE's work.

Over the last three years, the Corporate Council has contributed in excess of \$2.6 million to CARE Australia's work. In January Bob Every, CEO of OneSteel took over as Chairman of Corporate Council with Sandra McPhee from Qantas and Colin Galbraith for Arthur Allens Robinson as Vice-Chairs.

CARE Australia's Supporters

Corporate Council

Executive Members

- Accor Asia Pacific
- Allens Arthur Robinson
- Amcor
- Australia Post
- Clayton Utz
- Data Solutions
- Insurance Australia Group (IAG)
- JB Were
- JP Morgan
- Georgica Associates
- KPMG
- Mallesons Stephen Jaques
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- Medibank Private
- National Australia Bank
- News Limited
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- Travellex
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General Members

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- Clemenger Harvie Edge
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- Smorgon Steel
- Sussan Corporation
- Tomato Source
- The Wiggles

Once again, our generous donors have enabled CARE to help millions of people in poor communities around the world bring a foundation for sustained growth.

Though we cannot list every individual contributor, we are honoured and grateful for the generosity of our many and diverse donors.

- Mrs Doreen Ashley-Brown
- Mrs Claire M Bamford
- Dr John P Bomford
- Mr & Mrs G & N Burford
- Mr P R Capelin QC
- Mr & Mrs R J & A P Force
- Mrs Neilma Gantner
- Mr Robert E Gardiner
- Mr & Mrs G & H Handbury
- Dr John Hunter
- Ms G M Kennedy & Mr J Patone
- John Lambie Foundation
- Mr William A Marryat
- Mr H McKenzie-McHarg
- Mr & Mrs R & W McKenzie
- Dr M L Moynihan
- Ms Annabel Ritchie
- Mr Ashley C Salmond
- Mr Andrew Simpson



CARE Australia's Partners

CARE Australia receives funding from a number of institutional donors. For the last 12 months for every dollar raised from the Australian public we have been able to leverage a further 10 dollars from our institutional partners.

Bilateral Supporters:

- Australian Government
- British Government
- Canadian Government
- Danish Government
- French Government
- German Government
- Japanese Government
- Jordanian Government
- Liechtenstein Government
- Netherlands Government
- Norwegian Government
- Swiss Government
- Swedish Government
- United States Government

Multilateral Supporters:

- Asian Development Bank (ADB)
- Council of Europe
- European Union (EU)
- European Commission Humanitarian Aid Office (ECHO)

- International Fund for Agriculture Development (IFAD)
- United Nations Children's Fund (UNICEF)
- United Nations Office for Project Services (UNOPS)
- United Nations High Commissioner for Refugees (UNHCR)
- United Nations Development Program (UNDP)
- United Nations World Food Program (WFP)
- Joint United Nations Program on HIV/AIDS (UNAIDS)
- World Bank

ACFOA:

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

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

Website: www.acfoa.asn.au

Email: acfoa@acfoa.asn.au

Tel: (02) 6285 1816

Fax: (02) 6285 1720



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 (1991–95); National Director, CARE Australia (1995–96); Member Australian Aid Advisory Council; Member Foreign Affairs Editorial Advisory Board; Chief Executive, Centenary of Federation Council (1997–2002); Chairman, Asia Pacific Democrat Union; Chairman CEW Bean (War Correspondents) Foundation; Press Secretary to Prime Ministers 1965–1971; Director, Commonwealth Secretariat London 1971–1974; Federal Director of the Liberal Party, 1975–1990.

Treasurer

Brian Jamieson, FCA

Fellow of the Institute of Chartered Accountants; Melbourne Managing Partner of Minter Ellison, International Law Firm; 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, Deputy Chairman Committee for Melbourne; Director, The Bionic Ear Institute; Director, Sigma Company Limited.

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

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

Robert (Bob) Every, BSc, PhD, FTSE, FIE Aust, CP Eng

Managing Director and Chief Executive Officer, OneSteel Limited; Chairman, CARE Australia Corporate Council; Chairman of Steel and Tube Holdings Limited (NZ); Director of the International Iron and Steel Institute; Member of the Business Council of Australia; Member of the Australian Institute of Company Directors and the President's Council of the Art Gallery of New South Wales; Fellow of the Institution of Engineers and Australian Academy of Technological Sciences and Engineering.

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)

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 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

Former member of Boards of Advertiser Newspapers Ltd, Southdown Press and Progress Press; Patron of Inspire Foundation.

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

Federal Minister for Science, 1983–1990; and has held the portfolios of Technology, Customs, Small Business, and Prices and Consumer Affairs; Member of the House of Representatives 1977–1998; 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 from 1999–.

Sandra McPhee Dip Ed, FAICD

Group General Manager Alliances, Qantas Airways Ltd; Non-Executive Director of Australia Post, Coles Myer Limited, Primelife Corporation, St Vincents and Mater Health; former Non-Executive Director of Roles Tourism Council Australia; Inaugural Deputy Chairman of South Australia Water; former Chief Executive Officer of the Traveland Retail Group.

Jocelyn Mitchell

Former teacher and careers advisor; foundation member of the Women's Electoral Lobby; former Chairman, The Australian Garden History Society and of the Victorian Committee of Australia's Open Garden Scheme; Chairman of Board of Management 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 Hill End Gold Ltd; Director, Transfield Fund Managers Pty Ltd.

Peter Smedley B.Comm, MBA

Chairman, OneSteel Limited; Director of Colonial Foundation and Australian Davos Connection Ltd; formerly Group Managing Director and CEO, Mayne Ltd; Group Managing Director and CEO, Colonial Limited; Executive Director, Shell Australia Ltd; Deputy Chairman of Newcrest Mining; Director of Austen and Butta Ltd; Director of the Australian Mining Industry Council, The Australian Mining Industry Research Council, Lloyds Register of Shipping, The Alumina Development Council and Business/Higher Education Roundtable; Member Business Council of Australia; Business Council of National Gallery of Victoria; The President's Council of the Art Gallery of NSW; Founding Chairman of the CARE Australia Corporate Council.





CARE

is part of a
global strategy to
eradicate poverty

CARE
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As we enter the 21st century, aid organisations around the world can reflect on the steps that have been taken towards achieving a world free from abject poverty and destitution. As part of the international community, CARE is committed to an even bigger picture, a picture that will see the number of people living in extreme poverty reduced by half by the year 2015.

“There is abundant evidence that aid does work. Aid brings spectacular improvements in literacy and spectacular declines in infant mortality, when it is channelled to countries with enlightened leaders and efficient institutions.”

— Secretary-General of the United Nations, Kofi Annan

Around the world significant achievements have been made in areas of health, education, and environmental sustainability. Since the World Summit for Children in 1990, children’s deaths from diarrhoea have been reduced by half and infant mortality has been cut to less than 120 per 1,000 live births in all but 12 developing countries.

The 2003 Human Development Report noted that the international community was on target to reduce by half the number of people that live on less than a dollar a day. China’s dynamic economy has moved 150 million people out of poverty, while India’s per capita growth has averaged a robust four percent annually from 1990 to 2000.

Yet, despite progress in many countries, more than one billion people still live in

extreme poverty, and for many, especially in sub-Saharan Africa, living standards are steadily worsening. The HIV/AIDS pandemic continues to spread unchecked, resulting in more than 14 million children losing one or both parents to the disease in 2001. Nearly 800 million people, or 15 per cent of the world’s population, suffer from chronic hunger. Globally, one child out of five does not complete primary school and over half a million women per year, one for every minute of the day, die in pregnancy and childbirth.

In partnership with local communities around the globe CARE, as an integral part of the international community, has made its own advances toward a better future. In Vietnam, CARE, in partnership with Kien Giang Province and U Minh Thuong National Park Management Committee, has significantly reduced the number of poor households living in the area from 55.3 percent to 45.6 percent. The number of very poor households has been reduced from 21.7 percent to 15.6 percent. In short, 477 out of 2,327 poor to very poor households have been helped out of poverty.

There is an enormous amount of work that still needs to be done to reduce global inequity. However, progress is being made and organisations such as CARE play a critical role in ensuring that the international community does not give up hope, but retains its commitment to a better future for all humanity.

Financial Report

Independent Audit Report

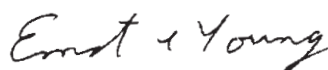
To the Members of CARE Australia: We have audited the condensed financial statements of CARE Australia comprising the attached Statement of Financial Position, Statement of Financial Performance and Analysis of Operations for the year ended 30 June 2003 in accordance with Australian Auditing Standards. 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 2003.

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 24 September 2003.

CARE
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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



Canberra, 24 September 2003

Directors' Declaration

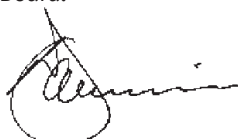
In accordance with a resolution of the directors of CARE Australia, we state that:

In the opinion of the directors:

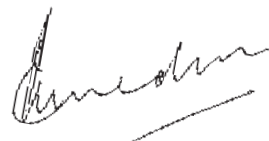
- (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the year 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/Director



Peter Smedley
Director



Melbourne, 24 September 2003

CARE Australia

STATEMENT of FINANCIAL POSITION as at 30 JUNE 2003

	Note	2003 \$	2002 \$
ASSETS			
Current Assets			
Cash	1	17,763,447	15,036,311
Prepayments		260,279	227,060
Receivables	2	1,179,735	935,578
Non-Current Assets			
Property, plant and equipment	3	502,605	395,049
Investments	4	1	1
Total Assets		19,706,067	16,593,999
LIABILITIES			
Current Liabilities			
Accounts payable	5	1,165,423	708,260
Provisions	6	953,951	821,812
Unexpended project funds	7	14,489,184	12,669,743
Non-Current Liabilities			
Provisions	6	8,286	22,866
Total Liabilities		16,616,844	14,222,681
Net Assets		3,089,223	2,371,318
EQUITY			
Funds available for future use		2,608,318	1,389,185
Special Reserve		932,000	882,000
Exchange Fluctuation Reserve		(451,095)	100,133
Total Equity		3,089,223	2,371,318

CARE Australia

STATEMENT of FINANCIAL PERFORMANCE for the year ended 30 JUNE 2003

		2003 \$	2002 \$
REVENUE			
Donations and gifts from the Australian public	Cash	4,505,173	5,176,859
	In kind	59,480	64,005
Legacies and bequests from the Australian public		222,991	104,706
Total Revenue from the Australian public		4,787,644	5,345,570
Grants and Contract			
• AusAID	Cash	9,413,572	6,420,882
• Other Australian	Cash	673,667	252,117
• Overseas Project grants from CARE	Cash	36,481,054	31,753,905
International members			
Project grants from multi-lateral agencies	Cash	2,519,572	6,655,777
Project grants from foreign governments and overseas based organisations	Cash	3,562,037	4,759,465
Investment income		64,808	48,338
Other income		246,519	499,064
Total Revenue		57,748,873	55,735,118
DISBURSEMENTS			
Overseas projects (Program expenditures)			
• Funds to overseas projects		52,176,201	50,817,062
• Cost of raising project funds from government and multilateral agencies		450,346	545,368
• Other project costs		1,108,834	515,665
Total overseas projects		53,735,381	51,878,095
Community Education (Public Education)		467,591	457,037
Fundraising costs — Australian Public		1,007,035	1,663,691
Administration (Program support)		1,812,212	1,776,507
Total Disbursements		57,022,219	55,775,330
Excess of revenue over disbursements (shortfall)		726,654	(40,212)
Funds available for future use at the beginning of the financial year		1,389,185	1,512,996
Decrease in funds on adoption of revised accounting standard:			
AASB 1028 Employee Entitlements		(8,749)	—
Transfers (to) from Reserves			
• Special Reserve		(50,000)	(152,000)
• Exchange Fluctuation Reserve		551,228	68,401
Funds available for future use at the end of the Financial Year		2,608,318	1,389,185

CARE
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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 2003

	2003 \$	2002 \$
Note 1 Cash		
Cash on hand	280,644	400,847
Cash at bank	13,106,153	7,236,815
Cash on deposit	4,009,267	6,736,583
International revolving fund	367,383	363,222
Cash in transit	—	298,844
	17,763,447	15,036,311
Note 2 Receivables		
Debtors	785,312	505,094
CARE International Members	393,215	429,276
Wholly owned entity	1,208	1,208
	1,179,735	935,578
Note 3 Property, Plant and Equipment		
Total property, plant and equipment — cost	2,333,837	2,151,098
Accumulated depreciation and amortisation	(1,831,232)	(1,756,049)
	502,605	395,049
Note 4 Investments		
Share in subsidiary — at cost	1	1
Note 5 Accounts Payable		
CURRENT		
Lease liability	—	7,916
Trade Creditors	271,586	290,003
Accruals	49,250	43,750
Other Creditors	731,849	259,375
Accrued salary and contract payments	112,738	107,216
	1,165,423	708,260
Note 6 Provisions		
CURRENT		
Employee entitlements	859,985	730,827
Other	93,966	90,985
	953,951	821,812
NON-CURRENT		
Employee entitlements	8,286	22,866

Note 7 Unexpended Project Funds

Cash Movements	Grant Funds C/F from 2002	Grants Received 2003	Grant Expenses 2003	Grant Funds C/F to 2004
Australian Agency for International Development	5,024,214	11,581,291	(9,413,572)	7,191,933
Project Grants from other Australian organisations	1,158,927	672,951	(897,836)	934,042
Project grants from multi-lateral agencies	178,571	2,501,722	(2,519,572)	160,721
Project grants from CARE International members	4,633,700	34,542,165	(36,481,054)	2,694,811
Project grants from Foreign Governments and overseas based organisations	1,674,331	5,395,383	(3,562,037)	3,507,677
Total	12,669,743	54,693,512	(52,874,071)	14,489,184

Note 8 Donation Income

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

CARE Australia

ANALYSIS OF OPERATIONS for the year ended 30 JUNE 2003

	2003 %	2002 %
Total Cost of Fundraising, Community Education and Administration / Total Income	6	7
Overseas Projects (Program Expenditure) / Total Income	93	93
Increase (decrease) in funds available for future CARE programming / Total Income	1	0
Total	100	100

INFORMATION (Charitable Fundraising Act N.S.W.)

Fundraising activities conducted

Direct Mail

Major Gifts Program

Corporate Gifts

Bequest Program

Special Events

Media Awareness

Community Service Announcements

Comparison by Percentage

	2003 %	2002 %
Total Cost of Services (Overseas Projects <i>plus</i> Community Education) / Total Expenditure <i>minus</i> Fundraising	97	97
Total Cost of Services (Overseas Projects <i>plus</i> Community Education) / Total Income <i>minus</i> Fundraising	96	97
Total Cost of Fundraising/Revenue from the Australian Public	21	31
Net surplus from Fundraising/Revenue from the Australian Public	79	69

Frequently asked questions

What are CARE's administration overheads?

We are primarily dependent to do our work on support from the Australian public. We build on that support to attract significant additional funds. Currently, our total income from Australian public and all other sources is more than \$57 million. Of this amount more than \$53 million (93%) is actually 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?

For every 1 dollar raised from the Australian public over the last 6 years, CARE has been able to raise a further 10 dollars from institutional donors such as the Australian government, United Nations organizations and the European Union (see page 23 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 programs. This means that we plan, design, implement and evaluate projects with local partners. We retain management and contractual control on all projects and therefore have a high degree of accountability and transparency.

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. 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 labor and materials for a number of projects, which not only provides additional skills but also ownership of the subsequent improvements in community services.

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 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. Upon completion, projects are evaluated to determine their effectiveness. Lessons learned are shared with other CARE Country Offices and staff through workshops, policy documents and the CARE International network. CARE works to maximize efficiencies by creating replicable models for sustainable development.

Regions of Overseas Projects

Asia Pacific	Africa	Europe	Middle East / West Asia
<ul style="list-style-type: none"> • Burma/ Myanmar • Cambodia • China • East Timor • India • Indonesia • Laos • Vietnam 	<ul style="list-style-type: none"> • Kenya • Malawi • Mozambique • Zimbabwe • Lesotho 	<ul style="list-style-type: none"> • Serbia and Montenegro 	<ul style="list-style-type: none"> • Iraq • Jordan • Yemen • Palestine • Afghanistan

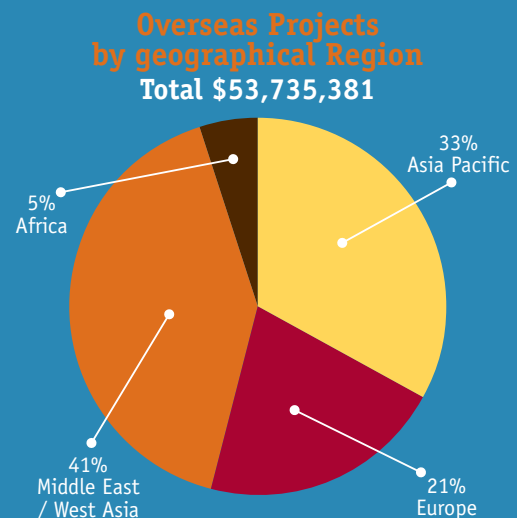
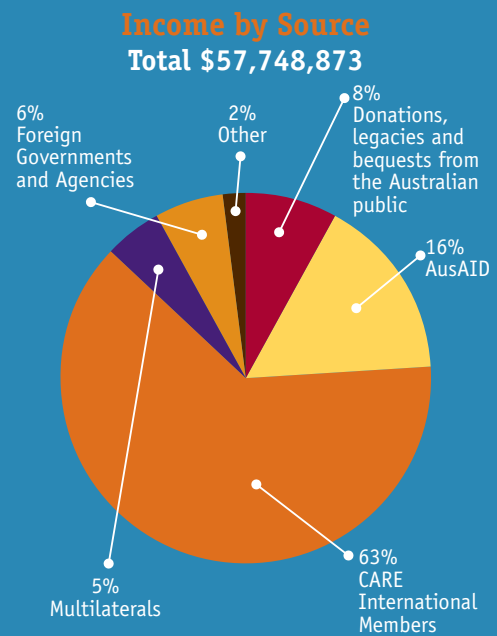
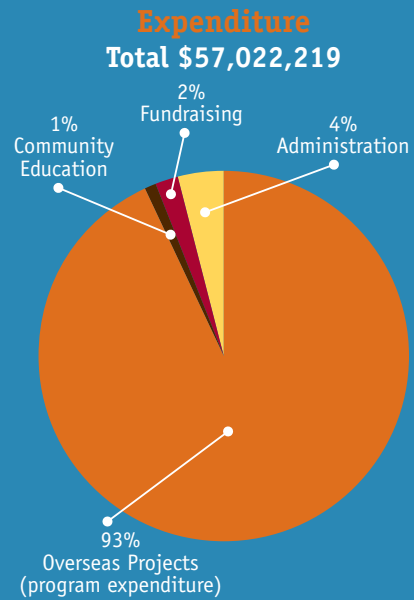




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