



2010/11
ANNUAL REPORT

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Solicitors Mallesons Stephen Jaques
Bankers National Australia Bank
Auditors Ernst & Young
Design Christie Davis Design

Front cover: CARE is working to remove barriers preventing girls from going to school in remote communities in Timor-Leste. ©Josh Estey/CARE

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.

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 that 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.

With help from a CARE program, Nang Si became the first female vet in her village in northern Laos.
©Josh Estey/CARE

◆ ABOUT CARE ◆

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

CARE is a confederation composed of 12 national members – Australia, Austria, Canada, Denmark, France, Germany-Luxembourg, Japan, Netherlands, Norway, Thailand, the UK and the USA – forming one of the world's largest independent, international emergency relief and development assistance organisations. India is an affiliate member of the confederation and Peru is in the process of becoming an affiliate member.

The national agencies operate independently but cooperate closely in the field and work together under the CARE International Board and Secretariat, based in Geneva. In 2010/11 CARE Australia played a major role in the revision of the CARE International Code, particularly the establishment of agreed functions and standards of performance for all Country Offices.



Boys playing in drought-affected Borena, Ethiopia.

Our history

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

CARE Australia was established in 1987. Former prime minister, the Rt Hon. Malcolm Fraser, AC, CH was the founding Chairman. CARE Australia grew through the 1990s and developed a reputation for delivering fast and effective disaster assistance on the ground. Today, CARE Australia undertakes activities in 22 countries in the Asia-Pacific, Middle East and Africa, as well as responding to humanitarian emergencies.

Our work

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

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

Funding

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



Soun Dyna from Cambodia attended literacy and finance courses before receiving a grant to start her own business.

Accountability and accreditation

To ensure accountability and transparency, CARE Australia retains management and contractual control of all projects we undertake.

We are an active member of the Australian Council for International Development (ACFID) and uphold the highest standards of practice. This is demonstrated by our commitment to:

- the ACFID Code of Conduct
- the Code of Conduct for the International Federation of Red Cross and Red Crescent Movement and NGOs in Disaster Relief
- the Sphere Humanitarian Charter and Minimum Standards
- the People in Aid Code of Good Practice
- the Fundraising Institute of Australia's Principles and Standards of Fundraising Practice.

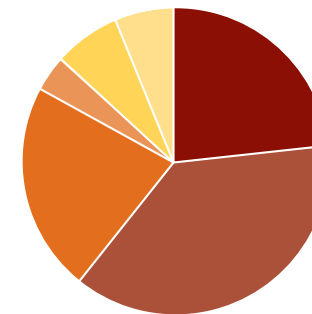
CARE Australia holds full accreditation status with AusAID, the Australian Government's overseas aid program. Achieving accreditation entails a rigorous review of CARE's systems and capacities. It reflects the Government's confidence in CARE Australia's professionalism, accountability and effectiveness.



◆ FAST FACTS ◆

Revenue by source

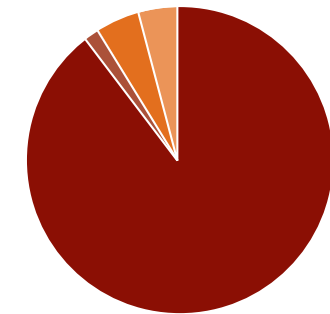
Total \$49,422,394



- 37% AusAID
- 26% CARE International members
- 23% Donations, legacies and bequests from the Australian public
- 6% Foreign governments and agencies
- 3% Multilaterals
- 5% Other

Expenditure

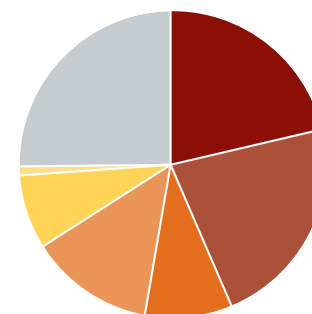
Total \$51,972,793



- 87% Overseas projects (program expenditure)
- 6% Fundraising
- 6% Administration
- 1% Community education

Expenditure by sector

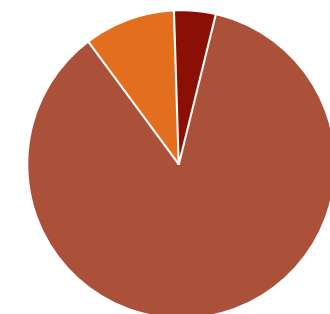
Total \$45,199,063



- 26% Health, water, sanitation and hygiene
- 23% Civil society strengthening
- 21% Agriculture/natural resources
- 13% Emergency response
- 8% Education
- 8% HIV/AIDS
- 1% Infrastructure and other

Overseas projects by geographical region

Total \$45,199,063



- 6% Africa
- 85% Asia Pacific
- 9% Other

Africa Ethiopia Kenya Malawi Mozambique South Africa Sudan Zimbabwe
Asia-Pacific Cambodia Indonesia Laos Myanmar/Burma Papua New Guinea Sri Lanka Timor-Leste Vanuatu Vietnam
Other Afghanistan Haiti Jordan Palestinian Territories Yemen

◆ CHAIRMAN'S MESSAGE ◆



I am proud to be Chairman of CARE Australia's Board and part of CARE International, which in 2010 helped 82 million people across 87 countries. Global

poverty is our responsibility, and I believe we can each contribute to making the world a better place for everyone.

Almost all of Australia's neighbours are developing countries and two-thirds of the world's poorest people live in the Asia-Pacific region. While some of their economies are growing rapidly, it will be many years, for example, before Indonesia's or Timor-Leste's GDP per person reaches the levels we enjoy here in Australia. In the meantime, we will continue to work alongside poor communities in these countries to find sustainable solutions to overcoming poverty.

On a recent trip to Cambodia with CARE, I visited Ratanakiri Province, the population of which is largely made up of ethnic minorities. Until nine years ago, they were largely cut off from going to school and taking part in the world outside their villages because Cambodian state schools taught only in the national language, Khmer, not in their native languages such as Kreung and Tampuen.

Since then, CARE has helped these communities to build schools, create school boards with local members and train local teachers to reach over 2,300 children in their native languages. We have also developed a wide range of school books in these languages and specifically focused on understanding and addressing the reasons why girls are more likely to drop out of school.

It was wonderful to see the enthusiasm of the boys and girls in their schools with teachers from their own communities. Overcoming barriers to education, particularly for girls, goes a long way towards reducing poverty. Educated girls become educated mothers who are more likely to send their children to school, have healthier families and earn a greater income.

I'm pleased to report that the project in Ratanakiri has been so successful that the Cambodian Government's education policy now includes support for bilingual education for ethnic minority groups. There is still work to be done, though – the project will now be scaled up to reach more indigenous people in other provinces in the country.

Many generous Australians have helped CARE Australia achieve successes such as these. It is with great sadness that I farewell two valued supporters of CARE Australia and members of our Advisory Council, Sir Leslie Froggatt and Mr Alf Paton, who both passed away during the year.

Under the chairmanship of the Rt Hon. Malcolm Fraser, Sir Leslie Froggatt played a critical role in the founding of CARE Australia. He was our Director from June 1989 until June 2004 and served as Vice Chairman from 1995 to 2001. Sir Leslie brought great wisdom to CARE Australia's Board, was held in the highest regard by his CARE International colleagues and provided welcome advice and guidance to our senior management team. CARE's ongoing work helping poor communities lift themselves out of poverty reflects Sir Leslie's deep commitment to creating a just world.

Mr Alf Paton was a CARE stalwart for almost two decades, joining the Board and Program Committee in 1994.



In nine years, CARE has helped educate over 2,300 children in their native languages in Cambodia.

He was deeply committed to our work, providing substantial support, advice and guidance to our staff and Board. Alf was a strong advocate of CARE's work in Papua New Guinea in particular and he provided significant support to the development of our presence there. CARE Australia is indebted to Alf, and today we are stronger for his commitment and contribution.

Sir Leslie and Alf both helped to make CARE Australia what we are today, a leading humanitarian organisation dedicated to fighting global poverty.

The funds so generously donated by the Australian public change the lives of millions. I look forward to working together in the coming year to build on our successes and continue creating lasting change for the world's most vulnerable people.

Harold Mitchell
Chair, CARE Australia Board

◆ CEO'S MESSAGE ◆



Schools with CARE's Young Women Young Nation education project have a lower dropout rate for girls than other similar schools in the area. ©Josh Estey/CARE



I am pleased to report that CARE continues to deliver quality programs that demonstrate a real impact in reducing poverty.

In 2010/11 we reached more than 5.4 million people, 18 per cent more than we forecast last year. It is heartening to me to hear their stories of hope and courage.

Agustina Soares and her mother Fidelia are part of CARE's *Young Women Young Nation* program in Timor-Leste. Fidelia's husband is ill and her family relies on her to make ends meet. While many children, particularly girls, drop out of school in circumstances like these, CARE's work inspired and motivated Agustina to stay on and study, and her mother supports her decision. This will have a significant impact not just on her future, but that of her entire community.

I visited the *Young Women Young Nation* schools in Timor-Leste this year and was impressed with the activities, which encourage girls to learn new skills and take leadership roles in areas such as drama, maths and sport. There are also books and posters that tell the stories of Timorese women who have succeeded in their communities as teachers, businesswomen or leaders. Parents such as Fidelia become champions of girls' education in their communities, and radio programs highlight its value.

According to data from the first two years of this program, schools with CARE's *Young Women Young Nation* program have a lower dropout rate for girls than other similar schools in the area. The dropout rates for boys have also decreased. This program is funded by your donations to CARE Australia – thank you.

When a girl completes primary school, she is more likely to grow up to have a healthier family and earn a greater income; the benefits are passed on through future generations. Our experience shows that working with women and girls provides the single biggest return on investment in development.

Our commitment to permanently reducing poverty through the empowerment of women and their communities is a key part of CARE Australia's strategy. An important milestone in the global commitment to supporting women and girls to reach their full potential occurred with the establishment of UN Women in July 2010.

The first *Progress of the World's Women Report*, released by UN Women this year, reminded us of the remarkable advances made over the past century. However, it also highlighted the reality that for millions of women – generally the poorest and most vulnerable – justice remains out of reach.

CARE is part of the GEAR Coalition, which lobbied the UN to establish UN Women, bringing together four previously separate organisations. This single organisation will be better able to pursue the global commitments to create a more equal world for women and men, boys and girls.

While there is a lot of progress we can celebrate, the year was again marred by the large number of international emergencies. When disaster strikes, families and their communities are often pushed deeper into poverty.

CARE is committed to not only responding with essential aid, but helping communities improve their resilience to disasters before they happen. Sometimes this is through better farming practices that are more drought resistant, sometimes through training communities to prepare for cyclones or floods. Year by year we see that, even in disaster-prone areas, these programs are helping people to cope better. You will find more details of our humanitarian and emergency response work within this report.

The past year has also been an important time to strengthen and improve the efficiency of our management systems, to ensure the donations you entrust us with are managed carefully. As part of the CARE International network, CARE Australia is actively undertaking ongoing reforms so that we are better able to address the issues of today and tomorrow. We have strengthened coordination around our responses to emergency, and continued to build our knowledge and understanding of the most effective ways to tackle poverty and provide equal opportunities for women and men, boys and girls.

Thank you for your support during the year. Together we have helped millions of poor women, girls and their communities to overcome poverty.

Julia Newton-Howes
Chief Executive, CARE Australia

◆ CARE AUSTRALIA'S STRATEGY ◆

In 2010/11, CARE began working towards the goals set out in the 2010–15 Strategy.

Approved by the Board in June 2010, the strategy sets out a plan to strengthen our positioning, impact and effectiveness in the global fight against poverty and social injustice. It articulates our ambition to be **the recognised leader in achieving a significant, positive and sustainable impact on poverty and social injustice through the empowerment of women and their communities.**

Key drivers in developing the strategy included CARE's continuing commitment to women's empowerment and our move towards developing long-term programs with a focus on impact. External influences included the unpredictable global economic outlook, the continued growth in the Australian aid program and the emphasis on development effectiveness.

The strategy outlines our primary goal:

CARE Australia will deliver quality programs with demonstrated impact in reducing poverty.

To work toward this goal in 2010/11, CARE Australia managed 191 projects in 22 countries, reaching more than 5.4 million people. These projects helped reduce poverty by assisting poor communities to increase their income and agricultural production, and improve health, education, water supply and sanitation, and environmental protection. Refer to pages 14–17 for examples of CARE's projects.

Promoting gender equality and empowering women and girls is a fundamental part of CARE's approach to reducing poverty. Beyond providing women with skills and access to resources, our projects aim to support durable social and structural change in women and men's lives.

In 2010/11, a Gender Advisor was appointed in Canberra and various gender-analysis tools were developed and field-tested. New gender positions were created in Laos, adding to those in Vietnam, Myanmar and Papua New Guinea, and all CARE Australia Country Offices participated in capacity building, strategy development and the inclusion of specific women's empowerment objectives in programs.

CARE's ability to respond effectively to emergencies was recognised by AusAID, who renewed our agreement to serve as one of their six front-line emergency response NGOs.

In 2011/12 CARE Australia will continue to work with women and men in poor communities through 191 projects to improve livelihoods, health, education and access to basic services.

The primary goal will be achieved through the fulfilment of three enabling goals:

1 We will have effective leadership and management systems.

During 2010/11 we began work with CARE International on a new global CARE finance system and implemented a new Country Office Finance Manual, which was supported

by training in Vietnam, Papua New Guinea, Cambodia, Laos and Timor-Leste. Country Offices also updated their safety and security management plans.

A revised staff performance-management system was introduced and new Training and Development Strategy and Leadership Development and Mentoring Programs approved. A new online medical and accident claims system and a new payroll system were also implemented across CARE Australia, increasing efficiency in the management of these functions.

We continued work on improving our information management; however, technical difficulties slowed the progress of the system being developed internally. In 2011/12 we will move forward on information management as part of a CARE International initiative to improve our capacity to collect information and report on the impact of our programs.

Other priorities for 2011/12 include undertaking our five-yearly re-accreditation with AusAID, and continuing to support the new CARE finance system and other leadership and management systems, such as the development of Human Resources strategies for over 900 local staff from the countries in which CARE Australia works.

2 We will achieve significant income growth.

In 2010/11 the number of people who donated to CARE Australia increased by ten per cent from 2009/10, through various fundraising initiatives including the *Walk In Her Shoes* challenge and our CAREgifts Catalogue. We also continued to expand our effective relationship with AusAID, securing an increase in funding of 12 per cent from 2009/10.

Online donations continued to grow, increasing by 15 per cent from 2009/10, with website users choosing to make a general donation, donate to appeals such as our Pakistan floods appeal or sign up as monthly givers. We also sent direct mail and emails to our donors throughout the year for appeals on emergencies as well as hunger, water and education.

Refer to page 22 for more information about activities undertaken with our supporters during 2010/11.

In 2011/12 we aim to increase our donor base by a further ten per cent so that we can continue to scale up our work with vulnerable communities to tackle global poverty. We will take our important message to more people through opportunities such as Make Poverty History, celebrating International Women's Day, expanding the *Walk In Her Shoes* challenge and celebrating CARE Australia's 25th year. As charity partner for the City of Sydney's New Year's Eve, we will participate in multiple activities in the fight against global poverty.

3 We will foster effective relationships which enhance our reach and impact and position us as a champion for women's empowerment.

Along with maintaining our strong relationship with AusAID in 2010/11, we have remained active in key networks in the Australian development sector. We are involved in working groups and joint actions on sexual and reproductive health, water and sanitation, and gender and climate change with like-minded agencies. In 2010/11 we worked with these networks to submit recommendations to the independent review of aid effectiveness, as well as sending a submission in our own right.

We are actively engaged in the broader work of CARE International. We participate in the coordination team that steers the development and adoption of program strategies and directions for the confederation, as well as a network that develops and shares tools and resources on gender mainstreaming and women's empowerment.

Through our Development Education Program, we reached over 10,000 people at schools, universities, businesses and community groups this year, speaking about topics such as women's empowerment, emergency response and poverty.

In 2011/12, we will continue to build relationships with new and existing partners to facilitate change for the most vulnerable. We will also continue to advocate on behalf of those living in poverty to influence government and civil society organisations. Through our education programs and campaigns we will continue to raise awareness about the important role of women's empowerment in fighting poverty.



Through CARE hygiene training, flood-affected people in Pakistan have learnt the importance of clean water.

A CARE economic project is helping Nguyen and her husband transform their tea business in Vietnam ©Josh Estey/CARE



Working with women and girls provides the single biggest return on investment in development today. Our experience shows that each woman who breaks free from poverty will bring four others with her.

THE SITUATION	THE SOLUTION
Of the 1.4 billion people living in poverty, over 60 per cent are women and girls.	When a girl in the developing world receives seven or more years of education, on average she will marry four years later and have 2.2 fewer children.
99 per cent of pregnancy-related deaths occur in developing countries and most of these deaths are preventable.	Adequate nutrition and care during pregnancy and childbirth could prevent 75 per cent of infant deaths that occur in the first four weeks of life.
Two-thirds of illiterate people in the world are women and girls.	Each extra year of primary education that a girl receives boosts her wages later in life by 10 to 30 per cent. She will also have fewer and healthier children.
Women produce half the world's food but own only one per cent of its farmland.	When women earn an income, they reinvest 90 per cent of it into their families.

What does an empowered woman look like?

CARE's theory suggests that empowerment is the sum of changes needed for a woman to realise her full human rights: the combined effect of changes in her own aspirations and capabilities, the environment that influences or dictates her choices and the interactions she engages in every day.



Does CARE work with men and boys?

Men and boys are a critical part of women's empowerment. From brothers and fathers to teachers and community leaders, breaking down gender stereotypes and challenging social norms requires participation from everyone. This is why our programs focus on women, girls, men and boys, with the understanding that the equality of women and girls benefits everyone in the community.



Juvita and her family, Timor-Leste. The equality of women and girls benefits everyone in the community.

As part of our commitment to reducing poverty and empowering women, CARE is proud to be making progress towards achieving the Millennium Development Goals by 2015. These case studies illustrate examples of how we are working towards each of the eight goals.

Goal 1

Eradicate extreme poverty and hunger






© Josh Estey/CARE

Zimbabwe's volatile economy has caused immense food shortages, significantly impacting the rural poor. CARE has trained 50,000 low-income farmers in Zimbabwe in agricultural methods that conserve land and fertiliser, and improve their yield.

Goal 4

Reduce child mortality





© Josh Estey/CARE

Nearly one in ten children die before they reach the age of five in Timor-Leste. In partnership with the government, CARE is providing health information, advice for pregnant women, supplementary feeding and growth monitoring for children under five.

Goal 6

Combat HIV/AIDS, malaria, and other diseases






© Dave Tacon/CARE

Papua New Guinea has the highest prevalence of HIV in the Pacific, with a disproportionate impact on youth. CARE is working to strengthen HIV prevention and treatment on Bougainville Island, with over 5,000 youth expected to be reached in 2012.

Goal 2

Achieve universal primary education

© Josh Estey/CARE

In Timor-Leste, CARE's *Young Women Young Nation* program is teaching parents about the importance of education and keeping children in school. After two years, schools with the program reported a lower dropout rate than other similar schools in the area.

Goal 5

Improve maternal health




© Josh Estey/CARE

CARE is working to address social and cultural barriers that limit women's access to reproductive health care in Papua New Guinea, both directly with women and also with men and community leaders. We also work with health care providers, and train and equip village birth attendants.

Goal 7

Ensure environmental sustainability





© Julie Webb/CARE

Nearly 20 per cent of Palestinians in the Palestinian Territories rely on subsistence farming to survive. CARE has worked with over 6,300 farming households to strengthen skills and assets so they can improve productivity and use of limited water resources.

Goal 3

Promote gender equality and empower women




© Josh Estey/CARE

CARE understands that empowering women and promoting gender equality is the most effective way to create lasting change. In Cambodia we are working with women on literacy, life skills, small business training, financial planning and goal setting to help them realise their potential.

Goal 8

Develop a global partnership for development



CARE is an active member of Make Poverty History, a coalition of more than 70 aid and development organisations, and community and faith-based groups who work in partnership to achieve the United Nations Millennium Development Goals and halve global poverty by 2015.

MAKE POVERTY HISTORY

◆ WHERE CARE WORKS & GLOBAL ACHIEVEMENTS ◆

Countries with CARE programming in 2010-11:

Countries with CARE Australia programming in 2010/11:

1. Afghanistan
2. Angola
3. Armenia¹
4. Azerbaijan¹
5. Bangladesh
6. Benin
7. Bolivia
8. Bosnia and Herzegovina
9. Brazil
10. Burundi
11. Cambodia
12. Cameroon
13. Chad
14. Chile¹
15. Côte d'Ivoire
16. Croatia
17. Cuba
18. Democratic Republic of Congo
19. Ecuador
20. Egypt
21. El Salvador
22. Ethiopia
23. Georgia
24. Ghana
25. Guatemala
26. Haiti
27. Honduras
28. India²
29. Indonesia
30. Jordan
31. Kenya
32. Kosovo
33. Laos
34. Lesotho
35. Liberia
36. Macedonia
37. Madagascar
38. Malawi
39. Mali
40. Montenegro¹
41. Morocco
42. Mozambique
43. Myanmar/Burma³
44. Nepal
45. Nicaragua
46. Niger

47. Pakistan
48. Palestinian Territories
49. Papua New Guinea
50. Peru⁴
51. Philippines¹
52. Romania¹
53. Rwanda¹
54. Serbia
55. Sierra Leone
56. Somalia
57. South Africa
58. Sri Lanka
59. Sudan⁵
60. Tanzania
61. Thailand⁶
62. Timor-Leste
63. Togo
64. Uganda
65. Vanuatu
66. Vietnam
67. Yemen
68. Zambia
69. Zimbabwe

CARE International members:

70. Austria
71. Australia
72. Canada
73. Denmark
74. France
- 75-76. Germany-Luxembourg⁷
77. Japan
78. Netherlands
79. Norway
- Thailand⁶
80. United Kingdom
81. United States

CARE International Affiliate Members

- India²

CARE International Secretariat:

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

Sub-offices:

84. Czech Republic (of CARE Austria)



Timor-Leste ©Josh Estey/CARE

In 2010, CARE assisted 82 million people across 87 countries through 905 poverty-fighting projects.



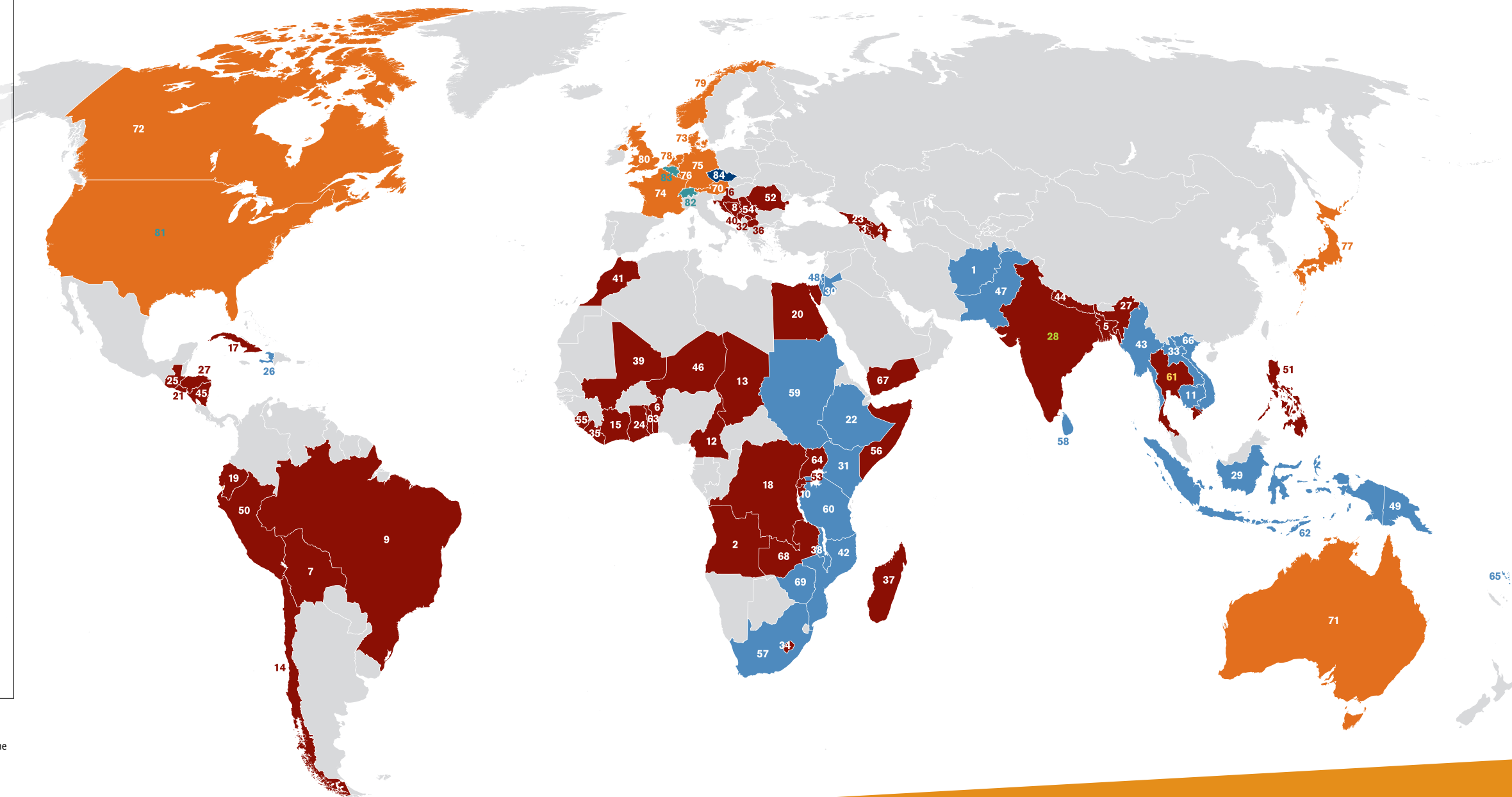
Zimbabwe ©Josh Estey/CARE

In 2010, CARE reached over 19 million people with information and tools to promote gender equality and empower women.



Laos ©Josh Estey/CARE

In 2010, CARE helped over 17 million people improve their household income and lift themselves out of poverty.



¹ Limited presence.
² CARE India is an Affiliate Member of CARE International and a country with ongoing programs.
³ Myanmar is the name recognised by the United Nations and the country in question. Burma is the name recognised by the Australian Government.
⁴ CARE Peru is in the process of becoming an Affiliate Member of CARE International.
⁵ CARE works in the area of Sudan which became South Sudan in July 2011.
⁶ CARE Thailand is both a member of CARE International and a country with ongoing programs.
⁷ CARE Germany-Luxembourg has offices in both Germany and Luxembourg.

◆ PLANNING, PROGRAMMING AND LEARNING ◆

From our 65 years of experience in delivering practical and evidence-based solutions to poverty, we know that deep, lasting change happens when we work closely with communities at multiple levels to address the underlying causes.

CARE is increasingly designing long-term programs based on a clear vision of the impact we want to achieve over 10–15 years. Focusing on how we can address the multiple causes of poverty helps us support permanent social transformation of poor and vulnerable communities.

In our programs we develop models of working that can be adapted by our partners and networks, and scaled to reach more people.

On completion of our programs, our aim is that the communities we have supported are empowered to stay out of poverty.

To achieve this, we work in three different spheres simultaneously:

- **Human condition** – meeting people's basic needs and wellbeing, such as water, nutrition, hygiene and health.
- **Social position** – supporting people's ability to have control over their lives, such as access to education and active, equal participation in decision making.
- **Enabling environment** – working to build a society which is equitable and responsive to the needs of people, such as through more responsive local and national authorities and legal systems.

How we work

Community engagement is a cornerstone of our approach to long-term development. Our programs are a response to the needs identified by communities, and are informed by a clear understanding of what those communities face within their societies. We undertake analysis to identify the needs and aspirations of the most vulnerable community members, such as minority ethnic groups or vulnerable women.

Ideas for new projects arise in various ways: through consultations with communities or local partners, NGOs, government institutional donors, or from new opportunities or needs that we identify through our existing work.

In implementing our activities, we engage with community leaders, local decision-making bodies and government authorities, along with groups without such a strong voice, such as women, youth or ethnic minorities. We also work with local organisations with shared values to gain further support for communities. Partners may include local NGOs, civil society organisations, government agencies, community groups, private sector groups or research institutions.

We review our work regularly with stakeholders to test that we are achieving results and to ensure we are accommodating changes that arise in the local context. We seek community contributions to programs where appropriate, such as labour or materials to support program activities; this encourages self-help, and fosters a stronger partnership and local ownership of solutions.

For greater impact, we look for ways to scale up our work to multiply the benefits. We identify and test models that can be adopted more widely. We then work with partners to replicate and sustain these models in other areas, so that the benefits of CARE's work can flow beyond the immediate communities where we work and bring positive change to other vulnerable people.



Lifineti and her family were part of a CARE project in Malawi that used the Community Scorecard.

Applying best practice development across countries and regions

CASE STUDY: Using tools from Malawi in South-East Asia

In Malawi, CARE developed the Community Scorecard as a tool for improving the delivery of services to remote and poor communities. The scorecard improved the flow of feedback between the service providers and communities, improving the quality, efficiency and accountability of services, and brokering more positive relationships between communities and authorities.

Communities and health workers can rate the quality of health services in a village, for example. Together they identify the strengths and weaknesses of existing services and sign up to an action plan to improve them. Based on the Malawi experience, the tool is now being adapted by CARE in Timor-Leste, Cambodia and Papua New Guinea, and CARE's experience will be shared with other organisations.

By recognising that programs can be transferrable and scalable, CARE is able to build upon previous experience while tailoring programs to best suit the needs of each country and community.

Monitoring and evaluation

CARE constantly looks for opportunities to learn from our work and make programs more effective. Information is collected on program activities at regular intervals to measure progress, allowing us to identify what is working well, what may need adjustment and where we can further improve the lives of the people we are working to support. Independent evaluations also provide valuable reporting and feedback.

We strive to improve the quality and efficiency of our processes to ensure value for money, so that each dollar spent creates the maximum benefit for the people we aim to reach. We do this in numerous ways, from attracting and recruiting high-calibre national and international staff, building the capacity of our local implementing partners, and having robust financial and administrative systems.

CARE International members also learn from each other. Information and lessons are shared to help staff learn from the experience of related programs in other countries. We also strive to share lessons and experiences with others in the development sector in Australia, including our peer NGOs and government bodies such as AusAID.

Working with the Australian Government

AusAID

CARE Australia has a longstanding relationship with AusAID. We cooperate under AusAID's Accreditation process for Australian NGOs, which aims to guarantee that the Australian Government is funding professional organisations that deliver quality development outcomes. To qualify, we are required to undergo rigorous assessments of our organisational structure, systems and philosophies. CARE completed our last accreditation review in 2006 and the next is scheduled for late 2011.

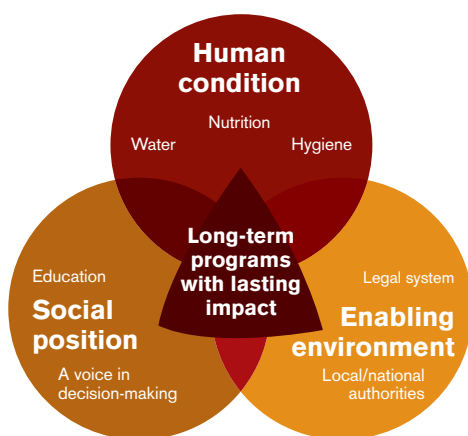
Through its accreditation, CARE is eligible for the AusAID NGO Cooperation Program (ANCP). The ANCP is designed to recognise and supplement NGO activities that align with AusAID priorities. The program allows a great deal of flexibility for NGO programming across countries, regions and sectors, and gives the NGOs responsibility for the project design and delivery, along with the monitoring, evaluation and full accounting for funds provided. CARE has ANCP-supported projects in Laos, Cambodia, Vietnam and Timor-Leste. During the year, CARE Australia negotiated an ANCP partnership with AusAID that will come into effect in 2011/12.

AusAID works with Australian NGOs through a range of different agreements. AusAID's country or sector programs partner with NGOs to deliver agreed objectives. They draw on the strengths of NGOs, particularly in relation to long-term experience, capacity and links with partner organisations and communities. In 2010/11 CARE implemented programs under Partnership or Cooperation Agreements in Africa, the Middle East, Cambodia, Myanmar, Vietnam and Laos. We are also a partner, along with five other NGOs, in AusAID's emergency and disaster risk reduction work through the Humanitarian Partnership Agreement.

The Department of Immigration and Citizenship (DIAC)

DIAC has concentrated its efforts on developing and implementing durable solutions for displaced people, providing urgent humanitarian relief to stabilise populations displaced by conflict and strengthening their protection.

With funding received from DIAC in 2010/11, CARE assisted the re-integration of returnees in Sri Lanka through skills training, small grants, and savings and loans schemes. CARE also continued to work with five local Jordanian community-based organisations providing services to 750 Iraqi refugee families.



Creating scalable development models CASE STUDY: Changing education approaches in Cambodia

Over the last nine years, CARE has been working with remote ethnic minorities in Ratanakiri Province, Cambodia, to provide bilingual education, allowing children in these communities to learn in their native languages for the first time. Giving children these skills improves their **human conditions**, along with improving their **social position**, by helping overcome the disadvantages facing ethnic minorities in Cambodian society.

This successful project has also worked to change the **enabling environment**. The Cambodian Government's education policy now includes support for bilingual education for ethnic minority groups, based on evidence and advocacy drawn from CARE's experience. Our model is now being adopted on a broader scale to benefit many more ethnic groups in other provinces across the country.



CARE's bilingual education program in Cambodia helped change Cambodian government education policy.

◆ ACHIEVEMENTS IN THE FIGHT AGAINST POVERTY ◆



Chicken seller Ma Soe in Myanmar has learnt to recognise, prevent and control avian influenza and is sharing her knowledge with her community. ©CARE

Thanks to the generous support of Australian donors, CARE Australia managed 191 projects in 22 countries in 2010/11, reaching more than 5.4 million people. Of the 191 projects, 112 were completed in 2010/11.

Improving lives for pastoralists in Kenya

In Garissa, northern Kenya, pastoralists and those working with livestock have not traditionally had equal access to finance and have been excluded from market opportunities. Strict loan application procedures did not recognise livestock as assets and banking practice was not compliant with Sharia law in a largely Muslim population.

CARE's *Livestock Purchase Fund* project improved pastoralists' ability to earn a sustainable income. In partnerships with the First Community Bank in Kenya, and with funding from AusAID and USAID, CARE developed a credit guarantee scheme that gave access to Sharia-compliant loans for people who would not initially qualify.

CARE provided initial capital of \$300,000 to start a credit fund which helped 960 households. Many pastoralists, including women, accessed credit for the first time. They were able to purchase more livestock while awaiting payment and buy vehicles to transport livestock in larger numbers. Improved access to markets saw some pastoralist groups increase their volume of sales fourfold and improved living standards throughout the community.

Beyond access to credit, CARE also supported an animal health program and worked to address HIV/AIDS in the area. Six mobile health centres were established, reaching 8,000 people. Pastoralists gained access to high-quality and affordable livestock medication, in addition to the production of animal feed.

Improving access to finance, quality animal health programs and HIV/AIDS awareness provided a complete package of services to the livestock sector in northern Kenya, helping build their resilience to the impact of drought and improve their overall living conditions.

Habiba and her four year old son regularly visit the mobile health centres in Garissa, Kenya. ©Tim Freccia/CARE



Fighting avian influenza in South-East Asia

Since the first case of avian influenza was reported in 2003, more than 550 people are known to have been infected with the illness, with over a third of the cases and half of the deaths occurring in South-East Asia.

The outbreaks threaten the poorest and most vulnerable, particularly women, as they often care for, sell and profit from small household flocks of poultry. The loss of income if poultry is destroyed also severely impacts healthcare and education for the whole family.

The *Community Based Avian Influenza Risk Reduction Program*, funded by your donations to CARE and by AusAID, worked from 2007–2011 to help poor communities recognise, control and prevent avian influenza in Cambodia, Vietnam, Laos and Myanmar. The focus was on developing models proven effective for poor communities in the Mekong region to inform and complement national and international planning and policy for the disease.

Activities to improve both animal and human health were successfully promoted through training and volunteer surveillance teams who made sure improved environmental health practices were maintained.

To educate farmers in the practices that reduce risk of disease transmission, over 200 demonstration farms were established at existing farms. After adopting these practices, the poor communities saw less poultry deaths and an increase in production and family income. Communities outside of the project also independently adopted these safer practices, and the models and

guidelines for bio-secure poultry-raising and disease surveillance were adopted by the governments of all four countries.

Safe handling of poultry during slaughter and sale was also promoted. Through ongoing training from CARE, Ma Soe, a chicken seller at a market in Mandalay in Myanmar, has learnt how to recognise symptoms of the deadly illness, methods of prevention and who to tell in the event of a suspected case. Above all, she's shared this information with the greater community.

'Other chicken sellers never gave me respect when I gave health education. But now things are different. Now the sellers ask me what I learnt and to share the information,' says Ma Soe.

The knowledge Ma Soe has shared is evident; today vendors are wearing aprons, washing their hands, cleaning their work benches regularly and throwing waste away in plastic bags to prevent future outbreaks.

Mine action in Cambodia

Pailin Province in Cambodia is still heavily mined after being a Khmer Rouge stronghold during the civil war. The mines littered beneath the fertile soil pose great risk for the many families in the area and exacerbate rural poverty for those who depend on farming to earn an income.

'Now that CARE has come to clear the landmines I am better, I am not scared anymore. Nowadays I can earn a lot of money, much more than before; three times more for my family,' he said.

In 2006 CARE, in partnership with AusAID, commenced the *Australia Cambodia Integrated Mine Action* project to improve the lives of vulnerable communities in the region and reduce people's exposure to landmines. Through close consultation with communities and local authorities, the project targeted 28 poor villages and worked directly with 80 per cent of the families living in the area.

The five-year project improved the lives of over 12,600 people. A total of 830,000 square metres of land was cleared of mines, resulting in an 84 per cent reduction in mine-related casualties over three years in the target areas.

Along with landmine removal, the project worked to increase the productivity and income of the poor communities. Close to 3,000 households received support for rice and maize production, another 2,000 for vegetable and livestock production, 30 kilometres of road was rebuilt and 357 household ponds were established.

There are now 16 farmer cooperatives, 57 savings groups and five commune council development funds providing loans to thousands of members. The framework and lessons learnt from this project now have the potential to be applied to other mine-affected regions in Cambodia and elsewhere.

Nhor Mao, a farmer from Cambodia, is testament to the success of the project. In 2004, while tending to his crops, he stepped on a landmine and lost half of his right leg. In 2006 he stepped on another mine, further exacerbating his disability.

'Before CARE came I was really scared to walk around here because it was full of landmines,' he said. After removing the landmines from Nhor's plot and the surrounding areas, Nhor was taught how to grow corn, peanuts and mung beans to help him earn a sustainable income.

After using CARE's cultivation techniques, a typical maize farmer in Pailin increased his or her annual income by \$240 through additional food production. This is enough to provide food for a family of five for eight months.



CARE linked Fatuma with other local farmers in Kenya, to improve their access to markets. She now feeds her family every day. ©Tim Freccia/CARE



The water operator, usually a woman, maintains the toilet blocks in Mozambique's urban slums and earns a small income selling water. ©CARE



24 million Afghan girls are now enrolled in school, compared to just 5,000 in 2001. ©Kate Holt/CARE

◆ ONGOING PROGRESS IN THE FIGHT AGAINST POVERTY ◆

As we enter 2011/12 CARE Australia is managing 79 ongoing projects, while also working to identify new programming opportunities.

Girls' education in Afghanistan

In Afghanistan, a war-torn country that suffers from one of the highest infant mortality rates in the world, studies estimate that infant mortality rates drop by 5–10 per cent for every extra year that girls are able to stay in school. Time after time, research has shown that when educated, women are more likely to have healthier babies, to send their children to school and improve the overall health of their entire family.

With 2.4 million Afghan girls now enrolled in school, compared to just 5,000 in 2001, progress in girls' education is one of the rare Afghan success stories of the last nine years. CARE, with financial support from AusAID, runs the only community-based secondary school program for girls aged 11–14 in Afghanistan, which includes schools, learning resources and training for teachers.

Alongside the teaching curriculum, the program promotes girls' leadership by providing them with more hands-on opportunities to develop

'We are seeing definitive results in the communities where we have brought secondary school education for girls. It's impressive. It's the most impressive thing I've seen for years.' Jennifer Rowell, CARE Afghanistan.

their confidence and capabilities. They learn and discuss issues of health and wellbeing, including hygiene, human rights, gender-based violence and decision-making.

Girls are also empowered to act as their own advocates for their right to education and higher learning opportunities through representation in forums such as Village Education Committees.

Malalai was initially not allowed to attend the school in her village in rural Afghanistan. After a bomb blast killed her father, she was forced to stay home and support her mother's small tailoring business. Her mother is uneducated and could not write the size of customers' clothes, and Malalai could not help her.

CARE opened the first ever girls' school in the village and Malalai convinced her mother she should attend. She quickly learnt to read, write

and solve maths problems. She now helps in her mother's business, not only by writing down sizes but also doing the family bookkeeping. Malalai learned more and her family earned more.

'I want to be a teacher, to serve my community and support my family economically. I proudly say I am one of the most talented students in my class,' Malalai said.

Urban water supply in Mozambique

The urban slums and informal settlements around Maputo in Mozambique are often left out of council sanitation plans. Broken water pipes deliver dirty water, sometimes contaminated by diseases such as cholera.

CARE is working to improve the health and living standards for these communities by providing sustainable access to fresh water and improving sanitation. The program is part of WSUP (Water and Sanitation for Urban Poor), of which CARE International is a founding member. The joint venture brings together organisations from the private and educational sectors, and is active across Africa and South-East Asia.

The program will benefit over 8,000 people, with construction of 100 shared latrines and 13 sanitation blocks.

In one neighbourhood, it was found that over 200 people from 40 households were sharing one toilet. In response, CARE worked with the local council to identify and install several toilet blocks.

The blocks are simple concrete structures with toilets, a water pipe and a place for families to do their laundry. Following consultation with the community, separate blocks for men and women were constructed and wheelchair entry ramps were built.

Women were encouraged to participate in the toilet block management committees and now make up at least half of the committee members. Each committee elects a water operator, usually a woman with little or no income, who maintains the blocks and sells the water at a modest price – enough to pay the water bills and earn a small income.

Community ownership is a vital part of the project's success; each household in the area makes a monthly contribution for the operation of the facilities. In one community, the amount collected, along with the income from the sale of soap and cleaning products, was enough to fund an electricity connection to the block.

Nutrition enhancement in Timor-Leste

Nearly one in ten children die before the age of five in Timor-Leste, where 41 per cent of the population live below the poverty line on less than \$1.25 a day. Although poverty is widespread throughout Timor-Leste, the Western Highlands are among the most food-insecure regions of the country and suffer from one of the highest malnutrition rates in the small island nation.

Thanks to Australian donations, and in partnership with the Government of Timor-Leste and AusAID, CARE's *Nutrition Enhancement Project* is providing health information, advice for pregnant women, supplementary feeding and growth monitoring for children under five in the Western Highlands.

This year, 550 community health days were held where activities such as growth monitoring, health advice and medical consultations for pregnant women took place, benefitting over 30,000 community members. Two CARE field officers in each district supported local volunteers to run community health education sessions in 540 locations for almost 9,500 people.

Every month, Juvita attends a community health day with her husband and two sons: Antonio*, three and Julio*, seven months. Here the boys are measured, weighed and their growth is plotted against their records from the past three years.

In 2011, Antonio tipped the scales at 13 kilograms, while little Julio was a healthy eight kilograms. 'I have learnt to use a mosquito net, drink clean, boiled water and to wash our hands,' Juvita says.

'I feel better now,' explains Juvita, 'I can bring my children to get a check up and get medication if they need it. The children are healthier than before.'

*CARE is committed to being a child-safe organisation. Names of children have been changed.



Mothers like Juvita in Timor-Leste can have their children's growth monitored at CARE's community health days.

Conservation agriculture in Zimbabwe

The high volatility of Zimbabwe's economy has a significant impact on the rural poor, causing immense food shortages.

With funds generously donated by the Australian public, CARE has been training low-income farmers in conservation agriculture methods in seven districts of Zimbabwe. Simple techniques such as time management, crop rotation, mulching and minimising the movement of nutritious topsoil have increased yields and productivity.

Of the 50,000 farmers who received the training, many were provided with additional seeds and taught the techniques on demonstration plots within their community. These community gardens are a testament to the success of the program, with many producing substantial excess vegetables that are then sold at the market.

Elinah Uhismo is a mother of six and a farmer in Zimbabwe's drought-affected south. She has been a member of CARE's Conservation Farming Group since 2004 and is now leading her community out of uncertainty and into productivity.

She is producing more food, while using less fertiliser and less land, after learning to make better use of the rains and plant the crops more closely together.

Now Elinah has not only enough food to feed her children, she has food to sell. With the money earned from selling maize, the family built a three-room home and can pay for school fees without any challenges.

'I have earned more respect from the community; they come and ask me for assistance. I feel greatly honoured and am willing to give advice,' says Elinah.



After learning new agricultural methods, Elinah, Zimbabwe, grows a variety of crops and sells her surplus at the market.

◆ CARE'S RESPONSE TO EMERGENCIES ◆

The world's poorest people are the most vulnerable to natural disasters, war, famine and outbreaks of disease. CARE responds to humanitarian emergencies by meeting the immediate needs of those affected and providing effective emergency assistance. In the initial emergency response phase, just after the emergency has occurred, we provide food, shelter, clean water, sanitation facilities, medical care, tools and seeds to those who need it most. After this initial survival phase, we continue to help people rebuild their lives and restore their livelihoods in the years following the event.

In addition to emergency response, we also work with communities to help them prepare and plan for emergencies. For example, in the low-lying islands of Vanuatu we are helping communities develop evacuation plans in the event of a tsunami or cyclone. This helps ensure communities are equipped to respond to, and survive, emergencies in the future.

In 2010/11, CARE International responded to 24 new emergencies and CARE Australia supported response operations in ten emergencies including the Pakistan floods and the food crisis in East Africa.

Pakistan floods

In July 2010, Pakistan experienced catastrophic flooding resulting in one-fifth of the country's land mass being inundated with water. More than 20 million people (equivalent to almost the entire population of Australia) were affected by the floods, causing approximately \$10 billion worth of damages.

CARE launched an immediate response, assisting more than one million people by providing:

- non-food items, such as kitchen sets, mosquito nets, blankets and hygiene kits
- temporary shelter: tents, plastic sheeting and floor mats
- healthcare services and essential medicine
- water purification, sanitation and hygiene
- rehabilitation of community infrastructure.

In early 2011, CARE's focus shifted to recovery with key projects in the most affected regions of South Punjab and Khyber Pakhtunkhwa. CARE has also commenced a review analysing the impact of the floods on women and developing better-targeted measures for future disaster-risk reduction.

Haiti earthquake and cholera outbreak

CARE's ongoing response to the earthquake in Haiti on 12 January 2010 continued in the 2010/11 year, as teams work closely with local communities to help rebuild affected areas. With the generous support of Australian donors, CARE has:

- completed construction of over 2,500 transitional shelters
- provided over 1,000 latrines to populations living in spontaneous settlement sites
- chlorinated a total of 630,000 m³ of water, reaching an estimated 500,000 beneficiaries per day in the Port-au-Prince metropolitan area
- employed more than 12,000 people through cash-for-work activities
- distributed close to 19,500 schools kits to earthquake-affected students.

Following the earthquake, Haiti experienced its first outbreak of cholera for decades. A lack of awareness about the disease and poor access to water and sanitation meant it quickly spread to affect over 200,000 people. CARE made immediate efforts to respond to the outbreaks with increased distribution of water and hygiene kits to 126,000 people and information about symptoms and treatment to close to 1.8 million people.

Laos drought

Severe drought in southern Laos seriously affected the 2010/11 harvest and created extreme food shortages across the country. Estimates indicate that some 200,000 people were impacted by the drought, with a significant increase in acute malnutrition.

In response, CARE has supported over 17,500 people with emergency provision of rice and vegetable seeds, fishing nets and hygiene kits. As part of the longer-term response, CARE has installed irrigation waterwheels and provided training on their use to local farmers.

Japan earthquake

A massive 9.0-magnitude earthquake hit Japan on 11 March 2011, unleashing a tsunami that caused major damage to coastal communities. Around 15,400 people have been confirmed dead and more than 400,000 people have lost their homes.

All survivors have been through an extremely emotional experience with aftershocks and the lingering threat of nuclear disaster. Three months after the disaster, more than 100,000 people are still living in evacuation centres.

CARE responded by providing nearly 32,000 survivors with food and blankets along with psychological support services.

Côte d'Ivoire unrest

Côte d'Ivoire has been in the grip of a political crisis since a disputed election in 2010. With increasing civil unrest and conflict, around 200,000 Ivoirians fled across the border to Liberia in April 2011.

In response to the growing humanitarian need, CARE has provided food, water, sanitation services and psycho-social support through listening centres to more than 12,000 internally displaced people in Côte d'Ivoire.

In Liberia, CARE has distributed items including blankets, sleeping mats and mosquito nets to over 9,000 refugees, built latrines and rehabilitated hand pumps. CARE staff are working with the refugee community to raise awareness of gender-based violence, and safe water and hygiene practices.

East Africa drought

Severe drought caused a devastating food crisis across East Africa in 2011. By the end of June 2011, over 10 million people had been affected, and with generous support from Australians, CARE had provided emergency assistance to over 900,000 people in Ethiopia, Kenya and Somalia. We will dramatically scale up efforts in the second half of 2011 as part of our five-year response program.

In Ethiopia, CARE provided the most vulnerable, such as pregnant or lactating women and malnourished children under five years old, with rapid-response nutrition and health interventions.

In Somalia, our focus was on rehabilitating water systems, implementing cash-for-work programs and providing cash relief to the most affected, particularly female-headed households.

In Kenya, CARE was the main distributor of food and water for the 370,000 refugees residing at Dadaab refugee camp. To help accommodate the growing influx of arrivals, CARE also provided newly arrived refugees with urgent basic services, especially water and sanitation, until they could be integrated into the larger refugee camp population.

CARE is the lead provider of food and water to the refugees living in Dadaab refugee camp, Kenya. ©CARE/Kate Holt

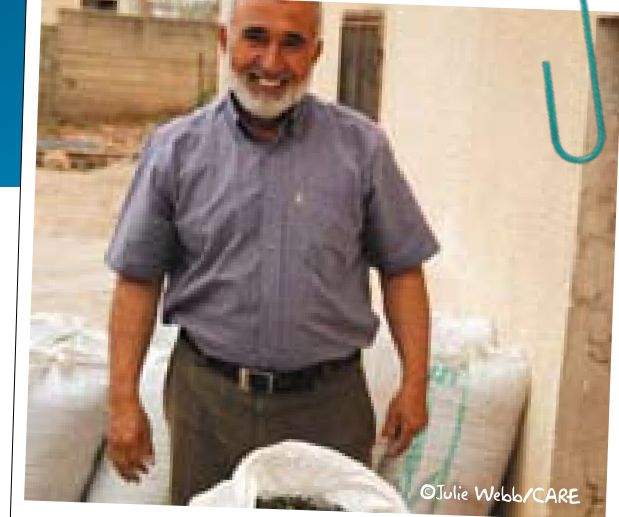


This couple in an evacuation centre in Japan found only two clay pots after the earthquake destroyed their home.

CARE is analysing the impact of the Pakistan floods on women and developing better-targeted measures for future disaster-risk reduction. ©Warrick Page/CARE



Vietnam is at risk from climate change, due to its very long coastline, dependence on agriculture and under-developed rural areas. ©Josh Estey/CARE



CARE project participants are using local seeds more tolerant to drought, temperature, pests and disease in the Palestinian Territories. ©Julie Webb/CARE

◆ CARE'S RESPONSE TO CLIMATE CHANGE ◆

Many of the world's poorest people live in the most harsh and disaster-prone environments. Changing weather patterns have seen an increase in extreme weather conditions and natural disasters, which have a disproportionate impact on these people and their livelihoods.

The agricultural livelihoods of poor rural communities are particularly threatened. Vulnerability to climate change is, to a large degree, determined by existing financial, political, social and environmental inequities. Those people already marginalised, such as women, ethnic minorities, the disabled and the elderly, are at greatest risk.

The majority of the world's poorest people are women and girls. Climate change is making it more difficult for them to realise their basic rights and is worsening inequalities. Many women are denied access to new information about climate change and participation in important decision-making processes, despite possessing unique skills and knowledge vital to effective adaptation.

For these reasons, and because women are central to the food and livelihood security of their families, we place a special emphasis on gender equality and women's empowerment in our climate change work.

Our policy

CARE is committed to acting now to prepare for the worst impacts of climate change and reduce the suffering it will cause. Through our programs, advocacy and work to reduce our own emissions, we are responding to climate change in a comprehensive and integrated way.

In 2010/11 CARE continued to implement its 2009 policy to address climate change. This sets the direction for our response, ensuring that our programs and activities are effective in the context of a changing climate and that we take responsibility for the greenhouse gases emitted from our Australia-based operations. It also provides a framework for our targeted advocacy on climate change.

Our advocacy

We are committed to influencing decision makers on issues around climate change in the countries where we work, in Australia and on a global level. We are advocating for a fair, ambitious and binding international agreement that places poor and marginalised people at the very centre of a worldwide response.

In November 2010, the international community met in Cancun, Mexico, to continue climate change negotiations following those made in Copenhagen in 2009. CARE participated in the 16th Conference of Parties (COP) to the UN Framework Convention on Climate Change with a delegation of 20 people comprising experienced staff from CARE International's Climate Change Advocacy Theme Team, the African Adaptation Learning Program and CARE offices in Latin America. Three CARE International members and nine Country Offices were represented, with staff from the USA, Germany, Denmark, Peru, Guatemala, Ecuador, Kenya, Ghana and Niger taking part in negotiations.

CARE has also engaged directly with the Australian Government to influence its priorities and allocation of the fast-start climate finance it committed to in Copenhagen and Cancun. This engagement focused on climate change adaptation, and on social and environmental safeguards for reduced emissions from deforestation and degradation.

Our programs

CARE is dedicated to empowering those most immediately affected by climate change, by emphasising social justice, gender equality and empowerment in all our projects.

In the past year, we have introduced significant technical resources and materials for CARE's programs. Two comprehensive online toolkits developed by CARE were launched at the Asia Regional Adaptation Conference in 2010: the Community Based Adaptation Toolkit and the Integrating Climate Change into Development Toolkit. These represent a significant contribution to global knowledge and practice in adaptation.

Training, capacity building and direct technical support have been provided in the countries in which we work to assist delivery of these resources. Two regional workshops were held on climate change and disaster risk reduction to develop online training materials, and dedicated in-country support was provided in the Palestinian Territories, Jordan, Vietnam and Indonesia.

In the Palestinian Territories, a climate change integration review was conducted in November 2010 to help project staff identify how CARE's programs (focusing on livelihood security and civil society strengthening) could be modified to address the climate change challenges faced by project participants. The assessment considered how the project might contribute to climate change vulnerabilities, especially given the region's exposure to climate hazards and the population's existing food and water insecurity issues.

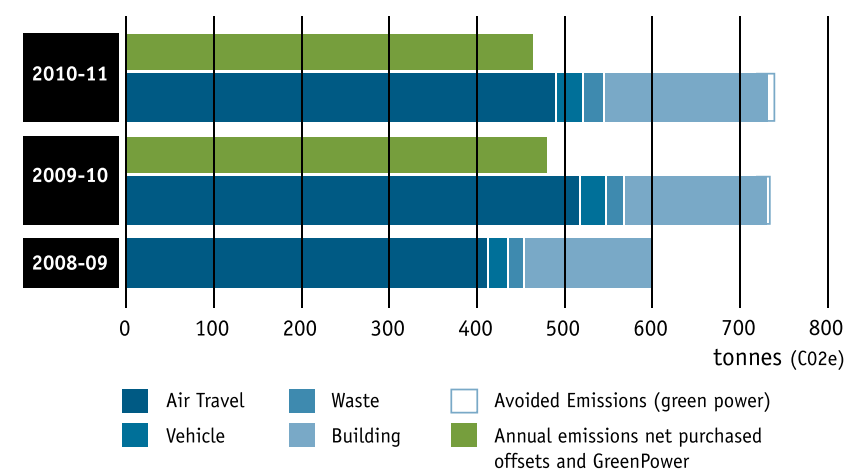
Project adjustments were recommended to make activities less vulnerable to climate hazards and to decrease the dependency of communities to climate-sensitive resources. Where possible, suggestions were made to improve the availability, access and control of resources important to climate change adaptation. These included:

- adding rainwater harvesting to all infrastructure built through the project to reduce vulnerability to water insecurity
- installing grey-water systems
- seeking and using improved local seeds that are more tolerant to drought, extreme temperatures, pests and diseases
- increasing engagement with the most vulnerable through reviewed participant selection
- facilitating a cross-visit to CARE in Jordan where some of the key project modifications suggested are already being implemented
- ensuring climate vulnerability and capacity analysis guides any further extensions or expansion.

Our operations

In 2010/11, we continued to work towards our goal of a 40 per cent reduction of emissions from our Australian operations by 2015 through increasing efficiency, using alternative fuel sources and purchasing carbon offsets. The Senior Management Team and the Green Team worked together on a comprehensive action plan endorsed

Emissions from CARE's Australian Based Operations



*CARE Australia's emissions were calculated using Australia-specific emissions factors published in the National Greenhouse Accounts (NGA) Factors 2010. Reported emissions include all direct emissions (Scope 1) and indirect emissions from electricity consumption (Scope 2). Other significant indirect emissions (Scope 3), specifically air travel and waste, were also calculated and reported. The Senior Management Team approved an Action Plan which included CARE Australia's commitment to undertake a review of the organisational and operational boundary of its emissions calculations in 2011/12. This includes any currently excluded emissions sources, for consistency with emerging approaches to emissions management among other CARE International members, and relevant national and international standards for organisational emissions reporting. These include the Australian Government's National Carbon Offset Standard, ISO 14064-1:2006, and the Greenhouse Gas (GHG) Protocol.

in August 2010, which covered waste, buildings, vehicles, air travel, staff engagement and data management.

Our overall emissions were fairly stable when compared to 2009/10, even with growing staff numbers. As in previous years, air travel was a major source of emissions. Our investment in video conferencing facilities in our Canberra and Melbourne offices contributed to a 13 per cent reduction in domestic air travel, while international travel remained similar to 2009/10. We offset 36 per cent of our total emissions through the Qantas Group carbon offset program.

In CARE's Melbourne office, we continued our use of 20 per cent GreenPower, which commenced late in 2009/10. The white section in the graph below reflects this, showing the emissions we avoided through this action. However, we witnessed a nine per cent increase in overall emissions from the Melbourne office due to relocation to significantly larger premises in February 2010. Our building emissions in Canberra increased slightly from last year.

Our priorities in 2011/12

We will continue to integrate climate change into our projects and develop community-based adaptation initiatives. We will also maintain our Reduced Emissions from Deforestation and Degradation (REDD) programming and the development of social and environmental safeguards.

In the lead-up to COP 17 in Durban, CARE will continue to work as part of the Climate Action Network Australia and on our domestic engagement.

We anticipate several key highlights in our climate change programming, including:

- follow-up work in the Palestinian Territories to ensure implementation of climate change recommendations and to provide additional technical support to project staff
- supporting staff in Myanmar to implement the four-year program, Strengthening Partnerships and Resilience in Communities, through a Climate Vulnerability and Capacity Analysis in early 2012.

At our Australian offices, we aim to:

- conduct ongoing investigation into alternative offset options
- integrate greenhouse gas and related data into existing systems, in particular to better manage our emissions from air travel
- complete an audit of waste in both Canberra and Melbourne.

◆ THANK YOU TO OUR SUPPORTERS ◆

The support of our donors, partners and the Australian public is critical in allowing us to fund life-changing projects in poor communities around the world. We greatly value all support received, both financial and in-kind, which enables us to communicate the importance of the fight against poverty and the critical role of women and girls.

Breathe television commercial

On a cloudy July day at a suburban Sydney swimming pool, a volunteer film crew filmed CARE's TV advertisement, *Breathe*. The 30-second commercial shows how lifting women from poverty has far-reaching effects: if you help 1 woman out of poverty she'll bring 4 others with her. CARE would like to thank the passionate team at RAPP for generously donating their time and talent. With support from Mitchells Communications Group, the advertisement launched in September on national television, was screened in cinemas and featured at the 2010 AFL Grand Final. Roy Morgan polling in June showed that over 20 per cent of Australians had seen the advertisement.

International Women's Day 2011

To celebrate the 100th anniversary of International Women's Day on 8 March, supporters hosted events to screen *A Powerful Noise*, CARE's award-winning documentary. This film takes viewers inside the lives of three women – from Mali, Vietnam and Bosnia – who each overcome seemingly insurmountable odds to bring lasting solutions to their communities. From all reports, many inspiring events were held. CARE staff, including our CEO Julia Newton-Howes, were invited to speak at a number of them. CARE supporter Ann Lazzaro said: 'It was a wonderful opportunity to share and celebrate with some friends, but also to hopefully support other women. The film was both empowering and sobering and we all felt very moved by it.'

Seven fit and brave CARE supporters cycled through Vietnam on a cycle challenge, spending International Women's Day visiting one of CARE's projects. The participants rode from Hanoi to Ho Chi Minh from 28 February to 11 March 2011, covering hundreds of kilometres over five days to raise nearly \$30,000 to support CARE programs.

Walk In Her Shoes

CARE's *Walk In Her Shoes* challenge took place in March 2011 – challenging people to walk 10,000 steps per day for a week, while raising money to help empower women and girls to lift themselves out of poverty. Over 850 participants raised \$160,000 across two weeks: 28 March – 3 April and 30 May – 5 June.

People took part in the event all around Australia, as well as in Canada, China, Thailand and Italy! We also had the support of many of our corporate partners, including Qantas, Ernst & Young, National Australia Bank, Salmat Ltd and Guests Furniture, along with schools such as Presentation College and Shelford Girls' Grammar in Victoria.



Shelford Girls Grammar Year 11 students Emma, Ellie, Grace and Maddy stepped it up as part of Walk In Her Shoes 2011.

'I have been walking for basic exercise but now every time I walk anywhere I always think of the women and children who miss out on all the comforts that I get to have without having to do much at all.' Quentin Ngawaka Stirling

'Everyone should have the right to an education and if the money I raise can help just a little bit to make this happen then I'll be happy.' Ellen Rose

Events and education

Over the past 12 months, through our events and Development Education Program, Australians heard more about CARE's work and helped spread the message of women's empowerment as the way to bring about sustainable, positive change in poor communities.

During the year, we spoke to 10,000 people in schools, universities, businesses and community groups about topics such as global poverty, women's empowerment, emergency response and climate change.



Ellen Rose raised nearly \$1,000 as part of CARE's Walk In Her Shoes challenge.

CARE's professional speaking program is part of our Development Education Program, which is partly funded by the Australian Government and aims to educate the Australian public about poverty, international development and foreign aid. To organise a CARE speaker please contact us: info@care.org.au.

This year CARE also developed the *Global Poverty: Teacher's Toolkit*, a 60-page resource to assist with teaching students about global poverty, the issues faced in developing countries and CARE's work supporting women, girls and whole communities to overcome poverty. The toolkit contains stories, fast facts and activities appropriate for high school students at varying year levels. By teaching students about the challenges in poor communities, we are exposing them to issues affecting more than one billion people around the world and inspiring them to join the fight to overcome global poverty.

In March, we were the charity partner at Coleman Grieg's Women in Business Lunch in Sydney, which was attended by 220 businesswomen. CARE's CEO Julia Newton-Howes and CARE Ambassador Janine Allis gave inspiring speeches about CARE programs around the world that empower women in developing countries to lift themselves – and their entire communities – out of poverty.

Media

During the year CARE's staff liaised with Australian and international media around issues regarding the aid sector and CARE's work. For example, our CEO Julia Newton-Howes appeared numerous times on ABC television news, articles were published in national media about our Roy Morgan research outlining the Australian public's attitudes towards aid, *The Circle* television program helped us promote *Walk In Her Shoes* and a segment aired on the television program *6.30 with George Negus* about our girls' education project in Afghanistan.

Ambassadors

We were pleased to announce in April that Gail Kelly, Westpac Chief Executive Officer and Managing Director, is our inaugural Women's Empowerment Ambassador. 'More than 875 million women and girls are illiterate, more than 60 per cent of the world's 1.4 billion people living in extreme poverty are women and girls – these things we must change,' said Mrs Kelly. We are looking forward to working in partnership to raise awareness about the single highest return on investment in development: women.

Donations

The number of people who donated to CARE Australia increased by ten per cent from last year. Online donations increased by 15 per cent, with website users choosing to make a general donation, donate to appeals such as our Pakistan Floods Emergency Appeal or sign up as regular monthly givers.

Thank you to all our generous supporters who donate with a regular gift. Your monthly payments are a vital source of income for CARE and help us plan ahead with confidence.

Thank you also to our supporters who bought a 'gift that keeps on giving' from the CAREgifts Catalogue, including a pair of goats for a poor family and a new water system to reduce the time spent walking for water in a village. More than 3,000 chickens and 3,000 school books were purchased this year, and an increased number of CAREgift purchasers chose to become monthly givers to CARE.

We are also grateful to everyone who responded to our mail and email appeals about issues including hunger, water, education and emergencies.

Thank you for helping us make a positive change in poor communities. Next year we look forward to connecting with new and existing supporters through exciting activities such as *Walk In Her Shoes* 2012. We are also the charity partner for City of Sydney New Year's Eve and will be celebrating CARE Australia's 25th year.

CARE's Walk In Her Shoes challenge asks people to walk 10,000 steps per day for a week, to raise money for the women and girls who spend hours walking every day. ©Josh Estey/CARE

**WALK
IN HER
SHOES**



◆ OUR VALUED SUPPORTERS ◆

Major donors

Mr Phil Anthony
Mr Jeff and Mrs Marilyn Bidstrup
 Mr Jamie Christie
Mr Stephen Harris
 Mr Barrie Hibbert
Mr Peter and Mrs Barbara Hoadley
 Dr John Hunter
Dr Christopher Holmes
 Dr David James
Mr Rob Koczkar and Ms Heather Doig
 Mr Chris and Mrs Gill Lee
Ms Maria Manning
 Mr Baillieu Myer AC
Ms Annabel Ritchie
 Dr Graeme and Mrs Dawn Robson
Mr Bruce Spiers
 Ms Dorothy Stringer
Mr A. Tan
 Mr Raj and Mrs Jyoti Thethy
 62 anonymous donors

Trusts and Foundations

Ake Ake Fund
Annie and John Paterson Foundation
 ACME Foundation
Catherine Gray Trust
 Charles and Patricia Thomson Trust
Count Charitable Foundation
 Desmond Prentice Charitable Trust
Geoff and Helen Handbury Foundation
 George Lewin Foundation
Greenlight Foundation
 Ha-Ke-Na Foundation
Harold Mitchell Foundation
 J Holden Family Foundation
Mundango Abroad
 Paul Ainsworth Family Foundation
Ravine Foundation
 SMEC Foundation
The Charitable Foundation
 Thomas Hare Family Trust
Victorian Community Foundation - Bird Family Trust
 Wood Family Foundation

Bequests

Estate of the Late James Michael Chisholm
Estate of the Late Joan Mary Cosgrave
 Estate of the Late Walter Donald Couper
Estate of the Late John Alfred Gray
 Estate of the Late Thomas Horton
 Bassett Haines
Estate of the Late Florence Ada (Jenny) Hanlon

Estate of the Late Patrick Charles Hogan
Estate of the Late Jill Jordan
 Estate of the Late Condor Cyril Kraehe
Estate of the Late Michael McLoughlan
 Estates of the Late William McEwen
 Newnham and Shirley Thelma Newnham
Estate of the Late Barry Richard Tong

Corporate Partners

AGL Energy Limited
 Allens Arthur Robinson
 AMP Foundation
 BHP Billiton, Matched Giving Program
 CAF
 Centrelink Employees
 Coleman Greig Lawyers
 Computershare Ltd
 Deutsche Bank
 I-Med Network (Ina Garbutt)
 Jetmaster (VIC) Pty Ltd
 Kangan Batman TAFE Broadmeadows Campus
 Macquarie Group Foundation
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 Maple-Brown Abbott Ltd
 OneSteel Limited
 Peter Lee Associates
 Qantas Airways Ltd
 Quest – Southbank
 Rabobank Australia Limited
 RPG
 Salmat Limited
 Southern Cross Community Healthcare
 Sussan Corporation Pty Ltd
 Vietnamese Buddhist Youth Association of NSW
 Westpac Group

Bilateral Donors 2011

Government of Austria
 Government of Australia
 Government of Canada
 Government of Denmark
 Government of Ireland
 Government of Japan
 Government of the Netherlands
 Government of New Zealand
 Government of Norway
 Government of Switzerland
 Government of the United Kingdom
 Government of the United States of America

Multilateral Donors 2011

Asian Development Bank (ADB)
 European Commission Humanitarian Aid Office (ECHO)
 European Union (EU)
 The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)
 International Organisation for Migration (IOM)
 United Nations Children's Fund (UNICEF)
 United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)
 United Nations Development Programme (UNDP)
 United Nations Population Fund (UNFPA)
 United Nations World Food Programme (WFP)
 World Bank

Special Events Committee

Jane Baillieu
 Celia Burrell
 Cara Cunningham
 Chloe Fitzwilliams-Hyde
 Jeanine Froomes
 Sarah Kirby
 Sarah Manifold
 Serena Mitchell
 Jocelyn Mitchell
 Caroline Pescott
 Arabella Tremlett



Vaan Van Tsang builds a latrine for his family in Vietnam with materials provided by CARE.



A CARE-built hand-wash station at a displaced persons camp in Haiti that is now run by local people.
 ©Evelyn Hockstein/CARE



©Josh Estey/CARE

'I am always amazed by the focus and dedication of my colleagues who work tirelessly to overcome poverty.'
- Bharath Mohan



Cambodia ©Josh Estey/CARE



'I hope together we can continue to overcome the challenges faced by the communities with whom CARE works'
- Sarah Gowty

◆ CARE AUSTRALIA'S STAFF ◆

Our staff are committed to the fight against global poverty and are among the top in their field, bringing compassion and experience to CARE's work in developing countries.

Staff profile

CARE Australia employs 1037 staff: 68 in Australia and 969 in our offices in developing countries. Total staff decreased by 34 per cent from last year due to changes in our country programs.

In Myanmar, major relief and reconstruction activities following Cyclone Nargis in 2009 were completed and in Cambodia, two of our four field offices were closed following the completion of several projects. Due to these changes, the percentage of staff who are local citizens of the countries we work in decreased from 92 per cent to 89 per cent.

Location	Expatriate staff	Local Staff	Total Staff
Australia	n/a	n/a	68
Timor-Leste	11	168	179
PNG	6	68	74
Laos	8	107	115
Cambodia	6	110	116
Vietnam	6	109	115
Myanmar	7	355	362
Vanuatu	1	3	4
Regional	4	0	4
TOTAL STAFF	49	920	1037

*Staff numbers include part-time staff and are current as at 30 June 2011. Expatriate staff are international employees posted to a CARE Australia-managed Country Office. Local staff are locally employed national staff.

Staff numbers	30 June 09	30 Jun 10	30 Jun 11	% growth 30 June 10 -30 June 11
Australia-based	61	65	68	5
Overseas based	65	50	49	(2)
National staff	1563	1280	920	(28)
Total CA contracted and national staff	1689	1395	1037	(26)

Volunteers

This year 28 people generously volunteered for us in our Australia-based offices, 14 in Canberra and 14 in Melbourne. We also supported 12 volunteers in our Country Offices through our continued participation in Australian Youth Ambassadors for Development (AYAD) and Volunteering for International Development for Australia (VIDA).

In 2010/11 we developed a Volunteer Policy for CARE Australia's offices. It outlines that volunteers are covered by our health and safety policy and, where no other organisation's insurance policy applies, they are covered by CARE Australia's personal accident insurance policy for volunteers.

Recruitment and retention

Staff turnover rates decreased from 36 to 26 per cent in 2010/11. An analysis of exit questionnaires completed by departing staff indicated a variety of reasons for resigning, including pursuing other career opportunities, family and other personal reasons.

A Recruitment and Selection Toolkit is being developed that will help managers select the right person for the right job while ensuring a fair and equitable process.

In CARE Australia-managed Country Offices there are recruitment and selection frameworks for national staff that integrate and reflect the unique cultural, economic and employment climates.

Remuneration

Following a remuneration review to ensure CARE Australia's salary rates are fair and competitive within our sector, pay rates for Australia-based staff were increased by four per cent and all Australia-based staff received additional leave to cover the non-public holidays between Christmas and New Year.

The pay rates for Australian-contracted overseas staff in designated permanent positions were increased by five per cent and the Hardship Allowance for Australian-contracted overseas staff was increased in January 2011, on top of a three per cent cost of living adjustment made on 1 July 2010.

CARE Australia designed new job evaluation guidelines for Country Offices to review national staff positions and determine their value within the organisation's structure. These have been implemented in two countries and will be rolled out to other Country Offices as required.

Performance management

After feedback from staff, a review of the performance management framework was completed in May 2011 to make the process more simple and logical. A four-point rating scale was introduced, along with pay progression linked to the performance cycle and pay-point progression for effective performance. Critical elements such as aligning the individual's work plan with the organisation's strategic goals and operating plans remained unchanged.

In three Country Offices, new performance management frameworks for national staff have been developed and implemented and are currently being evaluated. The new framework varies slightly in each of the Country Offices to accommodate the unique cultural and operational environment.

Staff development

During the year, a strategy was developed to align training and development activities to organisation goals, enabling staff to contribute more effectively to these goals. This resulted in a training-needs analysis during the planning and performance appraisal process, a training and development calendar and a training program to support emerging leaders in the organisation.

For national staff, the focus of training and development is threefold:

- developing the capacity of national staff with a view to nationalising senior positions
- supporting new program direction through building core capacity of staff members
- providing opportunities for staff members to develop skills that improve their performance.

Leadership training has been identified as a high-priority activity for national staff, with providers identified and sourced in each country to ensure training is delivered in a culturally appropriate context.

Equity and diversity

As of 30 June 2011, females account for 20 per cent of the Senior Management Team, 58 per cent of Australia-based managers and 40 per cent of overseas managers.

During the year, a Diversity Policy and a Gender Equity and Diversity Strategy were drafted and the CARE International Gender Policy was reviewed.

New employee orientation programs now incorporate an overview of the CARE Australia Gender Equity and Diversity Policy, the CARE International Gender Policy and the Women's Empowerment Framework. In Country Offices, training on gender concepts has taken place and Gender Focal Points were set up.

The Communication, Respect, Empowerment, Accountability, Trust, Equity (CREATE) action plan was finalised, which ensures that gender equity and diversity principles are embedded in the policies and practices that affect our staff and day-to-day business operations.

Health, safety and wellbeing

Australia-based staff can raise health and safety issues with their managers, health and safety representatives or members of the CARE Australia Health and Safety Committee.

In 2009/10 the first stage of a review of the health and safety management at Australian offices took place, including a review of Fire Wardens, First Aid Officers and Safety Representatives.

This year, the second and final stage includes hazard identification and the reduction and elimination of risks, along with processes to ensure health and safety is safeguarded at work and a continuous review process is created.

Ongoing safety and security mechanisms are in place for all CARE staff working in countries with CARE programs. The safety and security aspects of the environment for Country Office staff are regularly monitored and procedures are updated accordingly to best mitigate risks. The CARE Australia Board receives monthly safety and security reports.

Staff snapshots:

Sarah Gowty, CARE Afghanistan Program Quality Coordinator

Sarah has worked for CARE for over six years, most recently in the Africa and Middle East Team at CARE Australia. Sarah started at CARE Afghanistan in July 2011 as their Program Quality Coordinator.

'In my time at CARE I have seen firsthand how access to safe water, basic education, and economic opportunities can make significant and lasting change to the lives of individuals, families and communities. It is a privilege to be part of this process and I hope together we can continue to overcome the challenges faced by the communities with whom CARE works.'

Bharath Mohan, CARE Australia, Senior Program Officer Asia/Pacific

Bharath joined CARE in 2009 and works in the Asia-Pacific team focusing on CARE's Cambodia, Indonesia and Timor-Leste programs.

'I am always amazed by the focus and dedication of my colleagues who work tirelessly to overcome poverty and bring dignity to the lives of communities we work with. It's a privilege to work for an organisation that you truly believe in, and where everyone is dedicated to a common goal - not many people get that chance.'

Angelina Dos Santos, CARE Timor-Leste, Administration Supervisor

'I have been working with CARE Timor-Leste for the last ten years. I have travelled to every district of my country where CARE provides essential services such as maternal and child health, agriculture, education, water and sanitation and road infrastructure. I am responsible for ensuring that our project staff receive all the support they need for their work in the field. My work has included everything from facilitating meetings with village chiefs, to towing vehicles stuck in the mud after heavy rains and arranging emergency helicopter flights.'

'Being a part of a CARE team is like being a part of a family. I would not want to work anywhere else.'

◆ CARE AUSTRALIA'S GOVERNANCE ◆

CARE's Board

The Board of Directors is responsible for directing CARE Australia's activities towards the achievement of its vision and fulfilment of its mission while living its core values as set out on page two of this report.

It is responsible for approving strategic direction, monitoring its implementation and fulfilling stakeholders' expectations. It is responsible for CARE Australia's overall performance, compliance with relevant laws, codes of conduct and ethical standards and for the oversight of its risk management.

The Board endeavours to ensure that CARE Australia, its Directors and employees conduct themselves in accordance with the highest ethical standards and consistently with its core values. It is comprised of 14 independent, non-executive directors who serve on a voluntary basis and do not receive remuneration, with the exception of reimbursement of reasonable expenses incurred in undertaking Board activities.

They are drawn from a broad cross-section of the Australian community with a diversity of experience and skills. The Board ensures that its performance, experience and skill base are reviewed and renewed appropriately.

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

Board Subcommittees

The Board appoints Committees, which regularly report to the Board, to assist in the discharge of its obligations, consider issues referred and delegated by the Board and to make recommendations to the Board. Further information about the Executive Committee, Finance and Audit Committee, People Committee, Fundraising and Communications Committee, International Program and Operations Committee, Governance and Nominations Committee and the CARE Australia Advisory Council is provided on CARE Australia's website, www.care.org.au/board.

Risk management and fraud control

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

We are committed to maintaining a culture of honesty and opposition to fraud and our Fraud Control Plan sets out the steps to help ensure this culture is maintained. This plan assists us to understand, prevent, detect, investigate and respond to fraud.

A cornerstone of our risk management framework is our whistleblowers policy, 'Tell Us'. This protects employees, volunteers and contractors who lodge a complaint or grievance. One of the main purposes of this policy is to provide employees with a supportive work environment in which they feel able to raise issues of legitimate concern to them and to CARE Australia.

A women farmer's group, part of CARE's Nutrition Enhancement Project in Timor-Leste.
©Josh Estey/CARE



©Josh Estey/CARE
Cec Thach Cue is farming mushrooms as part of a CARE project helping communities vulnerable to natural disasters in Vietnam earn an income.



©Sandra Bulling/CARE

Principal Executive of Marketing and Communications, Andrew Buchanan, monitors CARE's impact in drought-stricken Ethiopia.

Reserves Policy

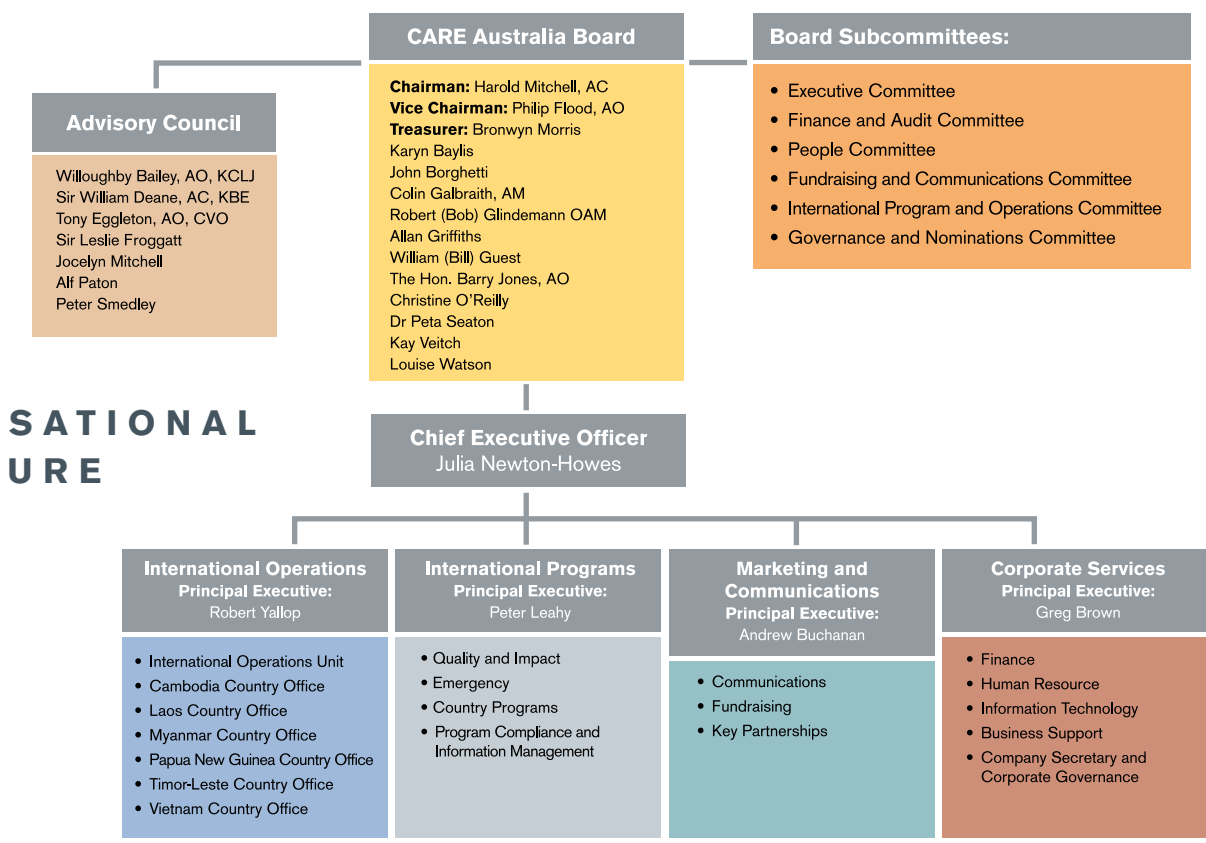
Our Reserves Policy specifies that reserves need to be retained to safeguard the continuance of CARE Australia's operations. This policy balances the need to protect our financial security while at the same time ensuring flexibility in meeting the development and humanitarian challenges of operating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

Treasury Policy

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

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

ORGANISATIONAL STRUCTURE



Chairman Harold Mitchell, AC Director since 2004

Founder, Mitchell & Partners; Executive Chairman, Aegis Media Pacific; Director, CARE International; Chairman, Melbourne Symphony Orchestra; Chairman, ThoroughVision; Vice President, Tennis Australia; Chairman, Art Exhibitions Australia; Chairman, TVS University of Western Sydney's television service for Greater Sydney; Director, Deakin Foundation; Chairman and Owner, Melbourne Rebels Rugby Union.

Formerly – President, Museums Board of Victoria; President, Asthma Foundation (Victoria); Chairman, National Gallery of Australia; Board Member, Opera Australia Council; President, Melbourne International Festival of Arts.

Harold is also the Chair of the CARE Australia Executive Committee and Governance and Nominations Committee.

Vice Chairman Philip Flood, AO Director since 2003

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

Treasurer Bronwyn Morris Director since 2007

Director, Spotless Group Ltd; Director, Queensland Investment Corporation Ltd; Director RACQ; Councillor, Queensland Division of the Australian Institute of Company Directors; Member, Bid Committee for the 2018 Commonwealth Games on the Gold Coast.

Formerly – Director, Brisbane Marketing; Director, Queensland Office of Financial Supervision; Director, Bond University; Chairman, Queensland Rail; Director, Colorado Group Ltd; Member, Australian Advisory Committee of Parsons Brinckerhoff.

Bronwyn is also the Chair of the CARE Australia Finance and Audit Committee.

Karyn Baylis Director since 2004

Chief Executive, Jawun – Indigenous Corporate Partnerships.

Formerly – Director, Organisational Renewal, Sing Tel Optus Pty Ltd; Group Executive, Sales and Marketing, Insurance Australia Group; Senior Vice President, The Americas – Qantas Airways Ltd; Director, NRMA Life Nominees Pty Limited and NRMA Financial Management Limited.

Karyn is also the Chair of the CARE Australia People Committee.

John Borghetti Director since 2005

Chief Executive Officer, Virgin Australia Group of Airlines; Director, The Australian Ballet

Formerly – Executive General Manager, Qantas; Director, Sydney Football Club; Director, Jetset Travelworld; Director, Piper Aircraft (USA).

Colin Galbraith, AM Director since 2004

Special Adviser, Gresham Partners Limited; Chairman, BHP Billiton Community Trust; Director, Australian Institute of Company Directors; Director, Commonwealth Bank of Australia; Director, OneSteel Ltd; Trustee, Royal Melbourne Hospital Neuroscience Foundation.

Robert (Bob) Glindemann, OAM Director since 2008

Deputy Chairman and Non-Executive Director of Navy Health Limited; Deputy Chair, Very Special Kids Foundation; Chairman, Australian Institute of Motor Sport Safety; Director, SecondBite; Director, East Timor Roofing Holdings Pty Ltd; Director, East Timor Roofing and Training UNIP LDA; Chair, District 9800 Rotary World Community Service Committee.

Formerly – Chair, RMS Logistics Pty Ltd; Director and Vice President, Confederation of Australian Motor Sport; Principal, PRO:NEED Vic Pty Ltd; President, Rotary Club of Darwin and Rotary Club of Melbourne Inc.

Allan Griffiths Director since 2008

Managing Director, South-East Asia, Aviva Asia Pty Ltd; Director, BT Life Ltd; Director, St George Life Ltd; Director, St George Insurance Ltd; Director, Westpac Insurances Ltd; Director, Westpac Lenders Mortgage Insurance Ltd; Director, AIA Australia Ltd.

Formerly – Chief Executive Officer, Aviva Australia Group; Chairman, Aviva Investors; Director, Aviva Australia; Director, CIMB Takaful Berhad; Director, CIMB Aviva Assurance; Director, First Aviva Taipei; Director, Investment and Financial Services Association.

William (Bill) Guest Director since 2000

Chairman/Director of Guest Group, Guest Hire, Guest Commercial, Suite Deals, Guest Interiors, Property 4 Retail and Guest Nominees.

Formerly – Director, Freedom Furniture Limited; Director, Melbourne Football Club; Managing Director, Andersons Furniture; Managing Director, Sofa Workshop.

Bill is also the Chair of the CARE Australia Fundraising and Communications Committee.

The Hon. Barry Jones, AO Director since 1992

Director, Burnet Institute; Chairman, Port Arthur Historic Site Management Authority; Chairman, Vision 2020 Australia; Director, Victorian Opera Company Ltd.

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

Barry is also the Chair of the CARE Australia Program and Operations Committee.

Christine O'Reilly Director since 2007

Global Co-Head of Infrastructure Investment, Colonial First State Global Asset Management; Director, CSL Limited, Anglian Water Group, Electricity North West; Member, Chief Executive Women.

Formerly – Chief Executive Officer and Director, GasNet Australia Group.

Dr Peta Seaton Director since 2008

Special Adviser, Office of the Premier of NSW; Director, Bradman Foundation; Member UNSW Faculty of Science Advisory Council; Honorary Research Fellow of University of Wollongong.

Formerly – Member of the NSW Parliament and Shadow Treasurer.

Kay Veitch Director since 2009

Executive Manager, Qantas Airlines; Certified Professional Member, Australian Human Resources Institute; Member, Australian Institute of Management; Board Member, Bestest for Kids Foundation.

Louise Watson Director since 2008

Managing Director and Principal, Symbol Strategic Communications; Communications Adviser to many of Australia's leading public companies.

Formerly – Chairman, Corporate and Finance, Edelman Public Relations in Australia; Non-Executive Director, Odyssey House and McGrath Foundation; Advisory Board Director, Grant Samuel & Associates; Committee Member, the Prime Minister's "Supermarket to Asia" Communications Working Group.

Advisory Council

Willoughby Bailey, AO, KCLJ Director, 1992–2008

Chancellor, The Order of St. Lazarus of Jerusalem; Director, Blashki Holdings; Chair, Geelong Gallery Foundation.

Formerly – Chairman, CRC for Coastal Zone; Deputy Chairman and Chief Executive Officer, ANZ Banking Group; Deputy Chairman, Coles Myer Ltd; Member, Economic Planning Advisory Council; President, Council of Trustees National Gallery of Victoria; Deputy Chair, Victorian Arts Centre; Director, Geelong Community Foundation Inc.

Sir William Deane, AC, KBE Director, 2001–2004
Chairman, 2002–2004

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

Tony Eggleton, AO, CVO Director, 1996–2007
Chairman, 2004–2006, Vice Chairman, 2002–2004

Secretary-General, CARE International 1991–1995; Director, CARE International 2001–2007; Foreign Affairs Editorial Advisory Board; Chair, Centre for Democratic Institutions.

Formerly – Australian Aid Advisory Council; Chief Executive, National Council for Centenary of Federation; Federal Director, Liberal Party of Australia.

Sir Leslie Froggatt Director, 1989–2004
Vice Chairman, 1995–2001

Sir Leslie Froggatt passed away during the Annual Report period 2010/11.

Formerly – Chairman and Chief Executive Officer, Shell Australia Ltd; Chairman, Pacific Dunlop Ltd; Chairman, Ashton Mining Ltd; Chairman, BRL Hardy Ltd.

Jocelyn Mitchell Director, 1993–2006

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

Formerly – Foundation Member, Women's Electoral Lobby; Chairperson, The Australian Garden History Society.

Alf Paton Director, 1994–2004

Mr Alf Paton passed away during the Annual Report period 2010/11.

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

Peter Smedley Director, 2000–2009, Chairman, 2006–2009,
Vice Chairman, 2004–2006 Director, CARE International 2004–2009

Chairman, OneSteel Ltd; Chairman, Spotless Group; Chairman, Colonial Foundation; Chairman Orygen Youth Health Research Centre; Director, The Australian Ballet; Director, The Haven Foundation.

Formerly – Managing Director and Chief Executive Officer, Colonial Ltd and Mayne Group Ltd; Chairman, State Bank NSW; Deputy Chairman, Newcrest Ltd; Executive Director, Shell Australia; Director Austen Butta; Director Australian Davos Connection.

Founding Chairman: Rt Hon. Malcolm Fraser, AC, CH

Chairman, CARE Australia 1987-2001; President, CARE International 1990-1995; Vice President, CARE International 1995-1999. Prime Minister of Australia 1975-1983.

Patron: Her Excellency Ms Quentin Bryce AC

Governor-General of the Commonwealth of Australia.

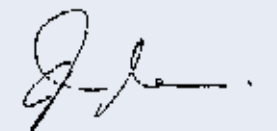
Directors' Declaration

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

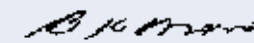
In the opinion of the Directors of CARE Australia:

- (a) the financial statements and notes of the Company have been prepared in accordance with AASB 1039 *Concise Financial Reports*; 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.

On behalf of the Board.



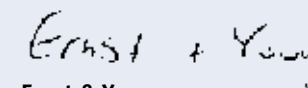
Harold Mitchell, AC
Chair
Canberra, 21 October 2011



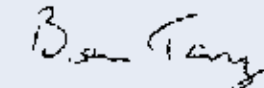
Bronwyn Morris
Treasurer
Canberra, 21 October 2011

Auditor's Independence Declaration to the Directors of CARE Australia

In relation to our audit of the concise financial report of CARE Australia for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.



Ernst & Young



Ben Tansley
Partner
Canberra, 21 October 2011

Independent Audit Report to the Members of CARE Australia

Report on the Concise Financial Report

We have audited the accompanying concise financial report of CARE Australia which comprises the balance sheet as at 30 June 2011, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of CARE Australia for the year ended 30 June 2011. The concise financial report also includes discussion and analysis and the Directors' declaration. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' Responsibility for the Concise Financial Report

The Directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and for such internal controls as the directors determine are necessary to enable the preparation of the concise financial report.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of CARE Australia for the year ended 30 June 2011. We expressed an unmodified audit opinion on the financial report in our report dated 21 October 2011. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039 *Concise Financial Reports*.

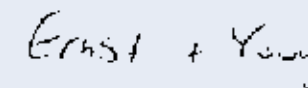
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

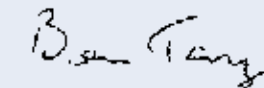
In conducting our audit, we have met the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the concise financial report, including the discussion and analysis and the directors' declaration of CARE Australia for the year ended 30 June 2011 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.



Ernst & Young



Ben Tansley
Partner
Canberra, 21 October 2011

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
REVENUE		
Donations and gifts		
• Monetary	10,295,726	13,826,719
• Non-monetary	57,008	83,363
Bequests and Legacies	784,237	752,477
Total Revenue from Australian public	11,136,971	14,662,559
Grants and Contracts		
• AusAID	18,204,532	16,272,947
• Other Australian	998,831	3,020,223
• Other overseas		
Project grants from CARE International members	13,115,818	22,195,398
Project grants from multilateral agencies	1,537,502	2,488,769
Project grants from foreign governments and overseas based organisations	2,870,747	4,701,173
Donated goods from overseas-based organisations	469,083	127,770
Investment income	769,324	1,151,537
Other income	319,586	125,918
TOTAL REVENUE	49,422,394	64,746,294
EXPENDITURE		
International Aid and Development Programs Expenditure		
• Funds to international programs	42,475,292	56,876,141
• Cost of raising program funds from government and multilateral agencies	391,409	372,515
• Non-monetary expenditure – overseas projects	469,083	127,770
• Other program costs	1,863,279	1,955,629
Total overseas projects	45,199,063	59,332,055
Community education	398,245	394,868
Fundraising costs – Public	3,541,650	3,431,202
Accountability and administration	2,776,828	2,196,231
Non-monetary expenditure	57,007	83,363
TOTAL EXPENSES	51,972,793	65,437,719
Excess/(Shortfall) of revenue over expenses	(2,550,399)	(691,425)
Other comprehensive income	-	-
Total comprehensive income for the period	(2,550,399)	(691,425)

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

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 CARE Australia's website.

BALANCE SHEET AS AT 30 JUNE 2011

	Note	2011	2010
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	2	23,367,452	26,549,121
Held to maturity investments		1,371,630	5,570,171
Prepayments		757,731	1,434,268
Trade and other receivables	3	3,691,719	6,066,382
Non-Current Assets			
Property, plant and equipment	4	1,047,109	1,268,124
Investments at fair value		4,365,517	4,092,547
Other investments	5	1	1
Total Assets		34,601,159	44,980,614
LIABILITIES			
Current Liabilities			
Trade and other payables	6	1,689,144	3,259,084
Provisions	7	1,967,757	2,545,019
Unexpended project funds		21,407,970	27,089,824
Total Liabilities		25,064,871	32,893,927
Net Assets		9,536,288	12,086,687
EQUITY			
Reserves		-	-
Retained Earnings		9,536,288	12,086,687
Total Equity		9,536,288	12,086,687

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Retained Earnings	Accumulated Funds	Other	Total
	\$	\$	\$	\$
Balance as 30 June 2010 (commencing balance)	12,086,687	-	-	12,086,687
Excess of revenue over expenses	(2,550,399)	-	-	(2,550,399)
Amount transferred (to) from reserves	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Balance at 30 June 2011 (year end balance)	9,536,288	-	-	9,536,288

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

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 CARE Australia's website.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Cash flows from operating activities		
General public donations	11,079,964	14,578,575
Grants and contract income	36,894,802	46,898,793
Goods and services tax received	2,220,373	3,052,299
Interest income	769,324	813,035
Other income	193,150	120,797
Payments to suppliers and employees	(52,215,842)	(60,733,493)
Goods and services tax paid	(2,063,885)	(2,332,942)
Net cash flows from/(used in) operating activities	(3,122,114)	2,397,064
Cash flow from investing activities		
Acquisition of property, plant and equipment	(576,891)	(561,651)
Proceeds from sale of equipment	165,259	42,463
Acquisition of investments	(1,029,125)	(1,209,144)
Redemption of investments	4,941,615	2,215,356
Net cash flows from/(used in) investing activities	3,500,858	487,024
Net increase/(decrease) in cash held	378,744	2,884,088
Net foreign exchange differences	(3,560,413)	(445,939)
Cash at the beginning of the year	26,549,121	24,110,972
Cash at the end of the year	23,367,452	26,549,121

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 CARE Australia's website.

STATEMENT OF CASH MOVEMENTS FOR DESIGNATED PURPOSES FOR THE YEAR ENDED 30 JUNE 2011

No single appeal, grant or other form of fund raising for a designated purpose generated 10% or more of the international aid and development revenue for the financial year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDING 30 JUNE 2011

Note 1 Accounting Policies

The requirements of AASB 1039 Concise Financial Reports do not have mandatory applicability to CARE Australia. However the Directors of the Company have prepared the concise financial report in accordance with the presentation and disclosure requirements of AASB 1039 Concise Financial Reports for distribution to the members. This financial report does not substitute nor is it intended to replace the mandatory requirements applicable to CARE Australia under the Corporations Act 2001.

The format and disclosures in this concise financial report have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the code please refer to the ACFID Code of Conduct Guidance Document available at www.acfid.asn.au.

The concise financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption. The financial report is presented in Australian Dollars.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDING 30 JUNE 2011 (CONTINUED)

	2011	2010
	\$	\$
Note 2 Cash and cash equivalents		
Cash on hand	386,768	253,188
Cash at bank	20,689,224	20,886,269
Cash on deposit	2,018,688	5,137,793
International revolving fund	272,772	271,871
	23,367,452	26,549,121
Note 3 Trade and other receivables		
Trade receivables	1,690,177	2,441,334
CARE International members	6,241	228,229
Project funds receivable	1,995,301	3,395,611
Receivable from wholly owned subsidiary	-	1,208
	3,691,719	6,066,382
Note 4 Property, plant and equipment		
Total property, plant and equipment – cost	3,174,260	3,031,652
Accumulated depreciation and amortisation	(2,127,151)	(1,763,528)
	1,047,109	1,268,124
Note 5 Other investments		
Share in subsidiary – at cost	1	1
Note 6 Trade and other payables		
Trade Creditors	537,723	1,659,186
Accruals	123,485	330,658
Other Creditors	444,003	225,170
GST Payable	482,668	368,656
CARE International members	96,613	248,364
Accrued project expenses	-	323,727
Accrued salary payments	4,652	103,323
	1,689,144	3,259,084
Note 7 Provisions		
Current:		
Employee benefits	1,937,971	2,493,621
Other	29,786	51,398
	1,967,757	2,545,019

ANALYSIS OF OPERATIONS FOR THE YEAR ENDED 30 JUNE 2011

	2011 (%)	2010 (%)
Total Cost of Fundraising and Administration / Total Income	13	10
Community Education / Total Income	1	1
Overseas Projects (Program Expenditure) / Total Income	91	90
Increase (decrease) in funds available for future CARE programming / Total Income	(5)	(1)
TOTAL	100	100

INFORMATION (CHARITABLE FUNDRAISING ACT 1991 NSW)

Fundraising activities conducted

Direct mail	Face to face campaigns
Major gifts program	Corporate gifts
Bequest program	Special events
Media awareness	Community service announcements

Comparison by Percentage	2011 (%)	2010 (%)
Total Cost of Services (Overseas Projects plus Community Education) / Total Expenditure minus Fundraising	94	95
Total Cost of Services (Overseas Projects plus Community Education) / Total Income minus Fundraising	99	96
Total Cost of Fundraising / Revenue from the Australian Public	32*	23
Net surplus from Fundraising / Revenue from the Australian Public	68	77

* The increase in the cost of fundraising ratio is due to a strategic decision taken in 2010 to invest in donor acquisition to enable CARE Australia to have greater funds available in the future to undertake our important international aid and development work. In addition this result has been exacerbated due to the decreased revenue associated with emergency activities which is unpredictable.

Discussion and Analysis Section for the year ended 30 June 2011

TRENDS IN REVENUES ARISING FROM OPERATING ACTIVITIES

Our total revenue of \$49.423m in 2010/11 was 24 per cent lower than in 2009/10. Whilst our income was slightly reduced in 2010/11 due to the continuing economic uncertainty, the major reason for the variance to 2009/10 was the increase in the value of the Australian dollar during the reporting period and the loss of income following the transfer of management for the Jordan and Yemen Country Offices to CARE USA. The transfer of these Country Offices is in line with CARE Australia's strategic decision to focus our emphasis on programs in Asia and the Pacific. A significant proportion of our revenue is received from our CARE International Partners and overseas agencies in US dollars (or other foreign denominations), thereby resulting in lower Australian dollar revenue on conversion.

Despite the impact of the continuing economic uncertainty the activities undertaken by CARE Australia during the year continued to be generously supported by \$11.137m in donations from the Australian public. It should be noted that donations made for a specific purpose, such as an emergency appeal, are recognised as revenue in the financial year in which the funds are expended. As a result of this accounting treatment, the amount shown as donations from the Australian public will fluctuate from year to year.

CARE Australia received \$18.205m from the Australian aid program, administered by AusAID. This was in line with budget expectations, and was an increase of 12 per cent compared to the 2009/10 financial year. CARE continues to be successful in securing funding from institutional donors such as AusAID due to our solid reputation as an agency that delivers quality projects and programs.

REVENUE 2007 - 2011



EFFECTS OF SIGNIFICANT ECONOMIC OR OTHER EVENTS

As stated previously the continuing economic uncertainty has impacted on the ability of our CARE International Partners to raise funds from their respective government international aid and development funding agencies (eg. European Union, United States Agency for International Development). The fluctuating Australian dollar in the current financial year has resulted in the recognition of a net foreign exchange loss of \$2.086m (2010: net foreign exchange loss of \$0.841m) that is included in the funds to international programs and is due primarily to the translation of project-related foreign currency denominated bank balances into Australian dollars. It should be noted that almost all of this loss is unrealised due to the accounting treatment for the translation of foreign currency denominated bank accounts to AUD at balance date.

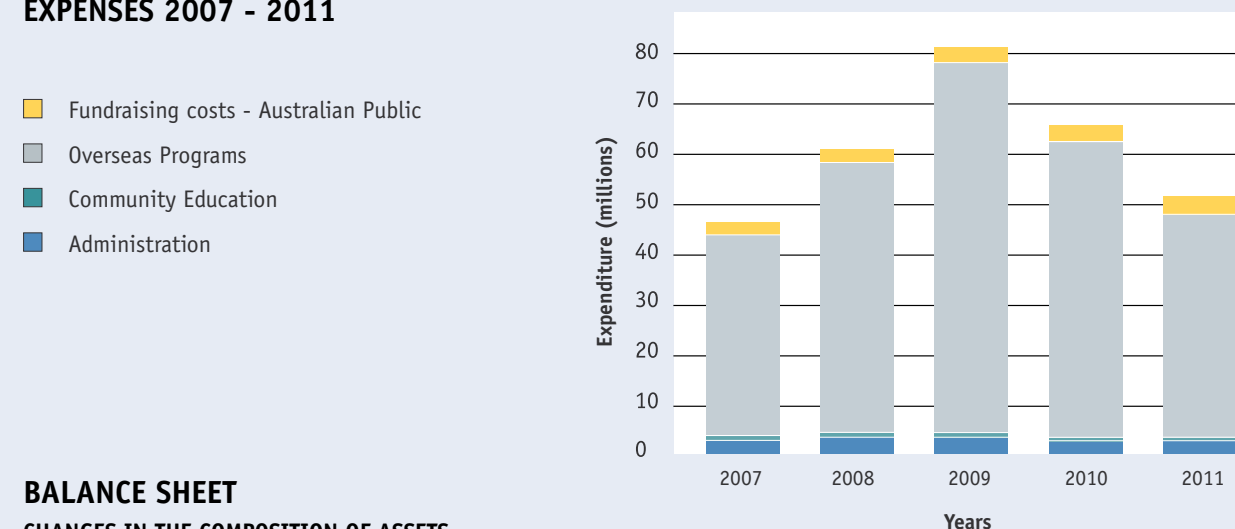
MAIN INFLUENCES ON COSTS OF OPERATION

CARE expended \$51.973m in the 2010/11 financial year. This was significantly lower than that expended in 2009/10. As with the variation in revenue, this is due to a combination of the volatility of the Australian dollar, the impact of continuing economic uncertainty and the transfer of the management of the Jordan and Yemen Country Offices to CARE USA. During the financial year we expended \$45.199m on our overseas programs, which included expenses associated with programs undertaken across Southern Asia and South-East Asia, the Middle East, the Pacific, Papua New Guinea, Caribbean and Africa.

Other expenses include:

- marketing, publicity and fundraising costs of \$3.542m
- finance, human resources, risk assurance, legal, and information and communications technology infrastructure costs of \$2.777m
- community education costs of \$0.398m.

EXPENSES 2007 - 2011



BALANCE SHEET

CHANGES IN THE COMPOSITION OF ASSETS

Total assets decreased by \$10.379m in 2011 to \$34.601m. This decrease is due to a combination of:

- cash, funds in terms deposits and other investments decreasing by \$7.380m
- prepayments decreasing by \$0.677m
- trade and other receivables decreasing by \$2.375m
- property, plant and equipment decreasing by \$0.220m
- investments increasing by \$0.273m.

OTHER SIGNIFICANT MOVEMENTS IN THE BALANCE SHEET

The reduction in assets was offset partially by a \$7.829m reduction in liabilities, principally relating to the completion of projects and the transfer of the management of the Jordan and Yemen Country Offices. This resulted in a significant reduction in the unexpended project fund balance.

CASH FLOWS

CHANGES IN CASH FLOWS FROM OPERATIONS

Net cash flows used in operating activities was a net outflow of \$3.122m and a decrease of \$5.519m on 2009/10. The negative operating cashflow was primarily due to lower public donations and grants when compared with payments to suppliers and employees.

CHANGES IN CASH FLOWS FROM INVESTING

Net cash flows from investing activities in 2010/11 was \$3.501m, and primarily represents the redemption of expiring term deposits.

Accountability Measure

Measure	Definition	Ratio			
		2008	2009	2010	2011
Overseas program expenditure	Total amount spent on overseas programs as a percentage of total income	89%	90%	90%	91%
Cost of administration ratio	Total amount spent on administration as a percentage of total income	6%	4%	5%	6%
Cost of fundraising ratio	Total amount spent on fundraising in Australia as a percentage of total revenue from the Australian public	18%	20%	23%	32%*

* the increase in the cost of fundraising ratio is due to a strategic decision taken in 2010 to invest in donor acquisition to enable CARE Australia to have greater funds available in the future to undertake our important international aid and development work. In addition this result has been exacerbated due to the decreased revenue associated with emergency activities which is unpredictable.

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