



2009/10 ANNUAL REPORT



Myanmar



Timor-Leste



Vietnam



Malawi



Cambodia



Papua New Guinea



Ethiopia



Timor-Leste



Cambodia



Laos

Our Vision

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

CARE will be a global force and partner of choice within a worldwide movement dedicated to ending poverty.

We will be known everywhere for our unshakable commitment to the dignity of people.

Our Mission

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

We facilitate lasting change by:

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

Guided by the aspirations of local communities and the desire to ensure the voices of poor women and girls are heard, we pursue our mission with both excellence and compassion because the people whom we serve deserve nothing less.

Our Core Values

We respect and value diversity.

We respect, value and seek to enhance local capacities.

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

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

We value CARE's dynamism, adaptability and resilience.

We value the support of our donors and program partners.

We value the operational freedom which stems from being a not-for-profit 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.

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FRONT COVER

Column one (top to bottom): Myanmar, CARE; Timor-Leste, Josh Estey/CARE; Vietnam, Catherine Dolleris/CARE; Malawi, Tim Freccia/CARE; Cambodia, Josh Estey/CARE.

Column two (top to bottom): PNG, Josh Estey/CARE; Ethiopia, Stuart Dunn/CARE; Timor-Leste, Jane Dempster/CARE; Cambodia, Josh Estey/CARE; Laos, Josh Estey/CARE.

Timor-Leste, Josh Estey/CARE





Cambodia, 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, regardless of race, religion or ethnicity. We know that supporting women and girls is one of the most effective ways to create sustainable outcomes.

CARE is a confederation composed of 14 national members, forming one of the world's largest independent, international emergency relief and development assistance organisations. In 2010, CARE welcomed India and Peru as new associate members.

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 war-torn Europe. As the economies of the former wartime nations recovered, focus soon shifted from Europe to the problems of the developing world.

CARE Australia was established in 1987 by former Prime Minister, the Right Honourable Malcolm Fraser, AC, CH.

CARE Australia grew through the 1990s and developed a reputation for delivering fast and effective emergency work on the ground. Today, CARE Australia undertakes long-term development projects in 21 countries in the Asia-Pacific, Middle East and Africa, as well as responding to humanitarian emergencies around the world.

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 done 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 the best way to bring lasting change to poor communities is by supporting women and girls, ensuring their voices are heard and helping to remove the barriers that have held them back.

Funding

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

Accountability and Accreditation

To ensure accountability and transparency, CARE Australia retains management and contractual 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:

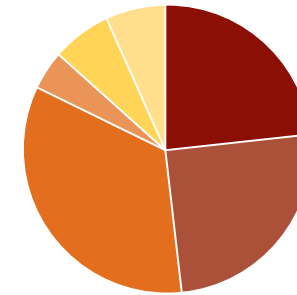
- the ACFID Code of Conduct;
- the Code of Conduct of the International Federation of Red Cross and Red Crescent Movement and NGOs in Disaster Response Programmes;
- the Sphere Humanitarian Charter and Minimum Standards;
- the People in Aid Code of Good Practice; and
- the Fundraising Institute of Australia's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

CARE Australia holds full accreditation status with AusAID, the Australian Government's overseas aid program. 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

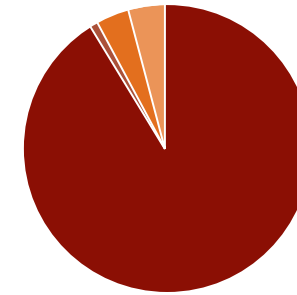
Total \$64,746,294



- 23% Donations, legacies and bequests from the Australian public
- 25% AusAID
- 34% CARE International members
- 4% Multilaterals
- 7% Foreign governments and agencies
- 7% Other

Expenditure

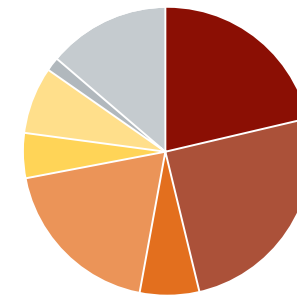
Total \$65,437,719



- 89% Overseas projects (program expenditure)
- 1% Community education
- 5% Fundraising
- 5% Administration

Expenditure by sector

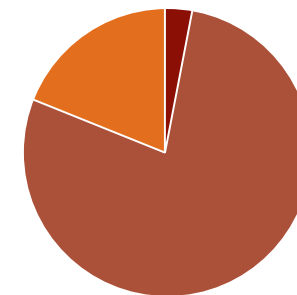
Total \$58,490,625



- 19% Agriculture/natural resources
- 25% Civil society strengthening
- 8% Education
- 19% Emergency
- 7% HIV/AIDS
- 9% Infrastructure
- 1% Other
- 12% Health

Overseas projects by geographical region

Total \$58,490,625



- 5% Africa
- 77% Asia Pacific
- 18% Other

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

Chairman's Message



After six years on the Board of CARE Australia, I was honoured to be appointed as Chairman in November 2009. I am proud to be part of an organisation whose ambition is to bring hope and dignity to millions of vulnerable people worldwide.

CARE is committed to investing in women and girls because we know this is the most effective way to help communities overcome poverty. I was struck by this fact when I visited CARE's projects in Papua New Guinea and Timor-Leste during the year. Walking around the small communities in Papua New Guinea, I met with women who were working in sewing groups supported by CARE and selling produce in the markets. These women were absolutely fundamental to the success of their family, their wider community and even the economy. It was plain to see how these women were transferring improvements in their own lives back into the lives of those around them. This reinforced what I already knew about CARE's work – when you help one woman out of poverty, she will bring at least four others with her. If they have the chance to access resources and learn skills, women and girls will create lasting change.

Throughout the year, CARE has continued to bring about lasting change, reaching nearly 60 million people in 72 countries. Support from the Australian public is absolutely critical to these achievements. Australians are a generous bunch, and we are in a unique position as the only developed country in the world that is surrounded by developing countries. CARE Australia is proud to work with our closest neighbours, like Timor-Leste, Papua New Guinea and many developing countries in South-East Asia to assist communities in finding solutions to overcoming poverty. In addition to working with our neighbours in the Asia-Pacific region, CARE also works with poor, vulnerable and marginalised communities in Africa and the Middle East, making it a truly international organisation.

CARE works in partnership with the local communities in these countries to establish their priorities, transfer skills and ensure that local traditions are respected. Over 90 per cent of CARE's staff are nationals of the country they work in, which means they are members of the communities they are working to help. They understand the language, the history and the traditions and work with the whole community, particularly women who are often left out of decision making processes, to develop practical solutions to poverty. This approach allows communities to maintain dignity and ownership of the changes and improvements in their lives.

As we look to the year ahead, I am confident that, with the support of our donors and friends like you, CARE will continue to create positive change and we will see this change ripple onwards as more and more empowered women lift their families and communities out of poverty.

Harold Mitchell
Chair, CARE Australia Board

Malawi, Tim Frecia/CARE



Chief Executive's Message



This year, you will notice that our Annual Report has a new format. We are committed to ensuring that our report meets industry standards for transparency, so

you know we are managing your donations well. This means providing you with more information about CARE's governance, our strategy and our management practices. I'd love to hear your feedback on what you find most useful and interesting.

During the year, we launched our 2010/15 Strategy, which outlines priorities that will enable us to evolve into a bigger, more effective organisation over the next five years. A key plank of this evolution is a greater focus on the impact of our programs and a commitment to ensuring that women's empowerment is central to our work. We are also committed to continuing our work to strengthen our financial and information management systems. The strategy recognises the importance of strong relationships – with communities, donors, CARE International and other organisations. We now need to work together to grasp the challenges and opportunities of the next five years.

Our ambition is to grow our programs and assist more people to overcome poverty and discrimination. In particular, I am determined to see our work with women in Timor-Leste and Papua New Guinea continue to grow so that we can reach more and more communities.

When looking back on a year in an international humanitarian organisation like CARE, it is often the emergencies which stand out in our memories. This year will certainly be remembered for the devastating earthquake that rocked Haiti in January. I am thankful that CARE's 133 staff in Haiti at the time of the quake were safe, but tragically many lost loved ones. Our thoughts are with them and the entire Haitian community as we continue to help meet the urgent humanitarian needs and support communities to rebuild.

CARE also responded to an unprecedented number of disasters in the Asia-Pacific region in September and October 2009. Typhoon Ketsana caused considerable suffering in Cambodia, Vietnam and Laos.

Next, a massive earthquake destroyed a huge area in West Sumatra, while in Papua New Guinea over 30,000 people were affected by influenza and dysentery. CARE was on the ground and ready to respond to these emergencies and is continuing to work with communities to recover livelihoods and prepare for future challenges. CARE's response to these emergencies, as in all of our development programs, took account of the different needs and concerns of women and men, girls and boys. In emergencies, this means providing support for pregnant women, mothers and newborns; targeting women with emergency distributions to ensure that the whole family benefits; and ensuring that women and girls don't fall through the cracks of existing support, healthcare and education systems.

We have seen some great successes and examples of the benefits of empowering women over the past year. In Timor-Leste, we have been working with women in remote communities through a road-building project, which has provided greater economic opportunities for their communities to access markets and services, given them new skills to use in future employment and generated an important acknowledgement of the value that women can bring to their community's development. In Laos, we have been working with rural communities to clear land of unexploded bombs and bring new opportunities for land use that haven't been available since the Vietnam War. In Ethiopia, we have helped women establish village savings-and-loans programs to allow them access to credit, along with training in livelihood opportunities that will help them through the severe ongoing drought.

I hope you enjoy reading more about our work in this year's Annual Report, and I thank you for supporting CARE to help poor women, girls and their communities to overcome poverty. Together, we can create lasting change.

Julia Newton-Howes
Chief Executive, CARE Australia

CARE's Strategy for the Future

In June 2010, CARE Australia's Board approved the 2010/15 Strategy. The strategy sets out directions to strengthen the organisation's positioning, impact and effectiveness over the coming five years in the global fight against poverty and social injustice. The strategy was developed in consultation with staff across departments in Australia and in CARE Australia-managed country offices.

Through this process, we have articulated our aspiration 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.

The strategy outlines our primary goal, that:

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

To work towards this goal in 2010/11, we will create sustainable change to help 4.6 million people across 21 countries through programs which 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.

We will work towards empowering women and girls as a fundamental approach to ending poverty. Empowerment must go beyond providing women with skills, information and access to resources – it must aim to alter the relationships and structures that surround them and shape their choices. CARE's programs help women and men uncover, challenge and change traditions, policies, norms and attitudes that limit their lives.

The primary goal will be achieved through the fulfillment of three enabling goals which will guide decisions and planning around program directions, organisational operations and resource allocation.

1. We will have effective leadership and management systems.

Over the next 12 months we will work to achieve this goal by supporting the development of strong and effective leadership and management skills through training and coaching. This will include supporting national staff in the countries we work in to take on greater leadership roles, given that ninety per cent of our staff are nationals of the country in which they work.

We will also enhance financial and information management systems to ensure the continued provision of timely support to staff and efficient decision making and program management.

2. We will achieve significant income growth.

In 2010/11 we will increase our donor base by 17 per cent in order to secure resources to free more people from poverty. We will also continue to strengthen existing relationships with our valued supporters.

3. We will foster effective relationships which enhance our reach and impact and ensure we are recognised as a champion for women's empowerment.

In 2010/11 we will continue to advocate on behalf of poor and vulnerable communities by strengthening existing partnerships and working with new partners, including governments and civil society organisations in the countries where we work.

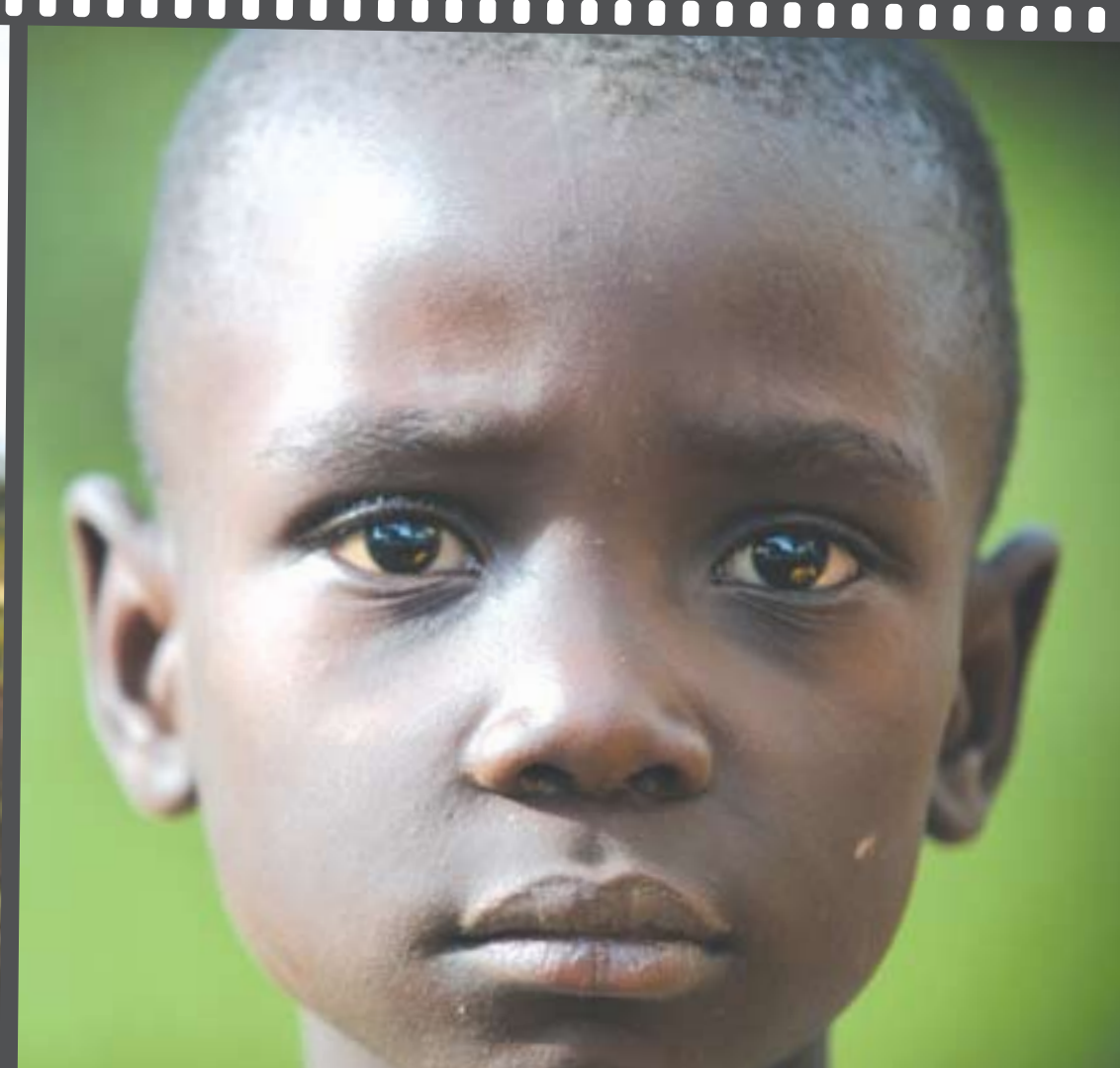
We will continue to raise awareness about women's empowerment and the role it plays in the fight against poverty through our development education program, campaigns and fundraising events.



Cambodia, Josh Estey/CARE



Papua New Guinea, Josh Estey/CARE



Kenya, Tim Freccia/CARE

Countries with CARE Programming in 2009/10



PNG, Josh Estey/CARE



Laos, Josh Estey/CARE



Cambodia, Josh Estey/CARE



Cambodia, Josh Estey/CARE



Malawi, Tim Freccia/CARE



Haiti, Evelyn Hockstein/CARE

CARE supported more than 800 poverty-fighting projects in 72 countries to reach nearly 60 million people, in 2009.

CARE's water and sanitation projects increased access to safe water and improved health and hygiene practices for over five million people.

CARE and our partners reached more than 30 million people with information and services to improve their health, including family planning, maternal and newborn care. Our programs helped a further 10 million people protect themselves from HIV/AIDS and reduce stigma associated with the illness.

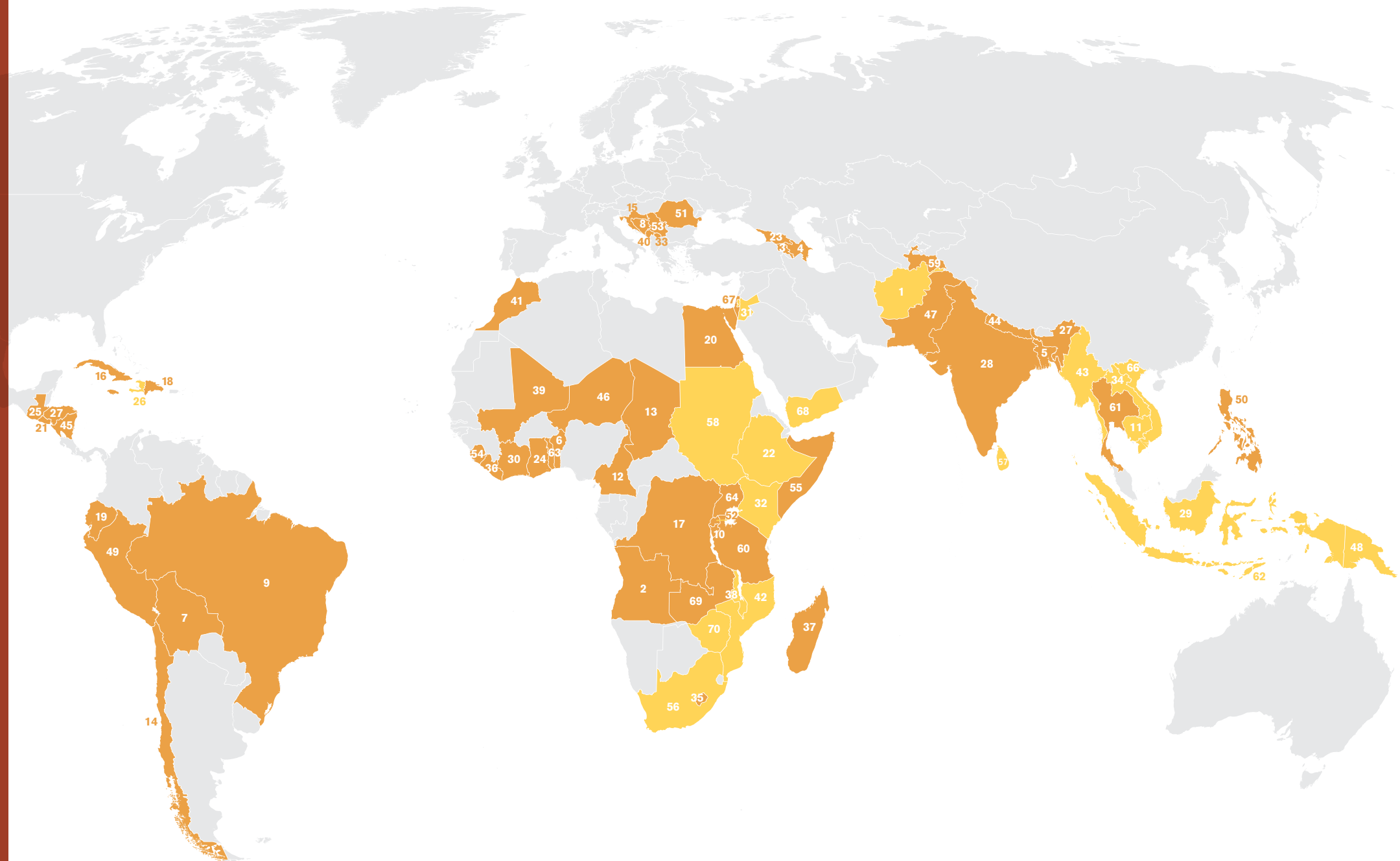
CARE's education programs provided almost seven million people with improved access to school and better quality education.

Almost 10 million people participated in CARE projects to improve crop production, increase household income, adapt to a changing climate and promote the sustainable use of natural resources.

Our emergency preparedness and response projects reached 10 million people, with special emphasis on the needs of the most vulnerable: children, women and the elderly.

- Countries with CARE Australia programming in 2009/10
- Countries with CARE International programming in 2009/10

1. Afghanistan
2. Angola
3. Armenia
4. Azerbaijan
5. Bangladesh
6. Benin
7. Bolivia
8. Bosnia/Herzegovina
9. Brazil
10. Burundi
11. Cambodia
12. Cameroon
13. Chad
14. Chile
15. Croatia
16. Cuba
17. Democratic Republic of Congo
18. Dominican Republic
19. Ecuador
20. Egypt
21. El Salvador
22. Ethiopia
23. Georgia
24. Ghana
25. Guatemala
26. Haiti
27. Honduras
28. India
29. Indonesia
30. Ivory Coast
31. Jordan
32. Kenya
33. Kosovo
34. Laos
35. Lesotho
36. Liberia
37. Madagascar
38. Malawi
39. Mali
40. Montenegro
41. Morocco
42. Mozambique
43. Myanmar†
44. Nepal
45. Nicaragua
46. Niger
47. Pakistan
48. Papua New Guinea
49. Peru
50. Philippines
51. Romania
52. Rwanda
53. Serbia
54. Sierra Leone
55. Somalia
56. South Africa
57. Sri Lanka
58. Sudan
59. Tajikistan
60. Tanzania
61. Thailand
62. Timor-Leste
63. Togo
64. Uganda
65. Vanuatu
66. Vietnam
67. West Bank/Gaza
68. Yemen
69. Zambia
70. Zimbabwe



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

Planning, Programming and Learning

CARE's programs aim to address the most pressing needs of poor, vulnerable and marginalised communities. We work with these communities to design projects that respond to the needs they have prioritised, ensuring that both women and men participate fully in decision making. In all of our work we aim to develop the skills and resilience of the communities we work with by training local people and designing projects with benefits that can be sustained long after the project ends.



Choosing programs

When working with poor communities, we consider the symptoms of poverty and its causes. A *symptom* of poverty might be hunger and lack of livelihoods, while the underlying *causes* may relate to discrimination, conflict or poor governance. We work at all levels to improve the conditions that people live in and address these causes.

We identify new project opportunities through an in-depth process of consultation and assessment. This may take place as a result of targeted assessments for program development, or as needs are identified while we implement existing projects with communities. Project ideas may also arise as our staff in developing countries work with partners (either community or government organisations), existing or previous project participants, institutional donors or other NGOs.

Once established, our programs change and evolve over time in response to emerging issues like the impact of climate change.

Working with the Australian Government

AusAID

CARE Australia's relationship with AusAID is broad and longstanding. CARE's funding from AusAID comes in a variety of forms, all of which are underpinned by AusAID's accreditation process for Australian NGOs. This process aims to guarantee that the Australian Government is funding professional, well-managed organisations that deliver quality development outcomes. CARE undergoes regular rigorous assessments of our organisational structure, systems and philosophies in order to qualify. We last completed an accreditation review in 2006 and our next review is scheduled for late 2011.

Through the accreditation process, Australian NGOs become eligible for the AusAID NGO Cooperation Program (ANCP). The ANCP is designed to supplement NGOs' own activities rather than address specified government priorities, and allows a great deal of flexibility in programming across countries, regions and sectors. The ANCP provides \$5 for every \$1 donated to a nominated program run by an accredited NGO, up to their annual limit. NGOs are responsible for the design, delivery, monitoring and evaluation of activities and accounting for funds provided by AusAID. CARE has ANCP-funded projects in Papua New Guinea, Laos, Cambodia, Vietnam and Timor-Leste.

Cooperation Agreements enable AusAID to partner with NGOs to deliver agreed objectives. Cooperation Agreements aim to draw on the strengths of NGOs, particularly in relation to long-term experience, capacity and linkages with partner organisations and communities. CARE currently implements programs under Cooperation Agreements in Africa, the Middle East, Cambodia, Myanmar, Vietnam and Laos. CARE has also been a longstanding partner in AusAID's emergency work through the Periodic Funding Agreement for Humanitarian Assistance.

Over many years CARE Australia has been successful in bringing project concepts to AusAID. These have ranged in size and scope from relatively short activities to much larger multi-year initiatives.

The Department of Immigration and Citizenship (DIAC)

DIAC has strengthened its efforts to develop and implement 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 2009/10, CARE conducted vocational training, microfinance and community outreach activities that supported the social and economic reintegration of displaced Afghan women in Afghanistan.

With DIAC's support, CARE has also worked with five Jordanian community-based organisations providing services to 500 Iraqi refugee families living in Jordan.

Working with communities

In our long-term development projects we work with communities to help them meet their needs and aspirations. In the context of emergency humanitarian assistance, we provide a rapid response to alleviate suffering within affected communities.

We always engage with the community at different levels, including community leaders, local decision-making bodies and groups such as women or ethnic minorities, to ensure a broad range of voices are reflected in our work.

Once agreement has been reached about the project and permission has been granted by the community and authorities, we seek to include individuals from different areas of society in planning and implementation through project steering or coordination groups. This helps to ensure the needs of the entire community are met and any economic, gender or social problems are addressed and not perpetuated. We will usually seek a community contribution, such as labour, to support the project. This encourages self-help and fosters a stronger partnership and local ownership of solutions.

CARE staff in developing countries also work with local organisations to support communities, based on shared values and interests. Depending on the local context, partners may include local NGOs, civil society organisations, government agencies, community groups, private sector or research institutions. Often our work seeks to support and strengthen local partners.

Monitoring and evaluation

Each project has a monitoring framework as part of its project design. This identifies what information is to be collected and how often, allowing us to check on the progress of goals, objectives and the overall community impact. This helps identify what is working well, what approaches may need adjustment and what opportunities exist to improve the lives of the people we are there to support.

We constantly look for opportunities to learn from our work and make current and future programs more effective. Multi-year projects usually include an annual review and planning process, allowing staff and stakeholders to identify what is working well and what should be changed or improved. Independent project evaluations provide further valuable insights.

Across the different CARE International members, there are also efforts to learn from each other. Information and lessons are shared electronically or through workshops to help staff learn from the experience of related programs in other countries and identify ways our work can be improved. 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.



A pastoralist mother in Ethiopia, Stuart Dunn/CARE



Road building in Timor-Leste, Jane Dempster/CARE



Rosalina in her kitchen garden in Timor-Leste, Jane Dempster/CARE

Achievements in the Fight Against Poverty

Over the past year, CARE Australia managed 271 projects in 21 countries. Through these projects, we have worked with local communities to improve healthcare, access to education, water and sanitation and increase livelihood opportunities.

One hundred and fifty four of the 271 CARE Australia-managed projects were completed in 2009/10. The following summaries show the achievements of three of these completed projects.

CAREgifts helping poor women in rural Myanmar

Myanmar is regarded as one of the poorest countries in the world, with half of the population of 54 million living below the poverty line. Over 70 per cent of people in Myanmar live in rural areas, primarily engaged in agriculture.

Communities in the north-eastern Wa region face serious challenges to their livelihoods. A recent decline in income in the region was significantly linked to the Government's 1998 ban on opium production. While welcome, the ban on growing poppies, combined with a lack of support for the establishment of alternative crops, impacted heavily on rural communities. In northern Wa, an estimated 240,000 people who depended on an opium income to offset rice shortages now faced chronic food insecurity.

To respond to these urgent needs, CARE developed a program to support livestock-raising and improved agricultural practices which was supported by purchases from the CAREgifts Catalogue.

When the five-year project was completed in February 2010:

- 2,194 households in 35 villages had benefited from receiving training, tools and seeds which improved their ability to earn an income;
- 35 communities had participated in village-based nutrition education training; and seven vegetable varieties had been provided to communities, increasing their knowledge of, and access to, a balanced diet;
- 525 women were involved in 105 revolving livestock banks, in which members received livestock and training on how to care for them.

Helping communities respond to drought in Ethiopia

In Ethiopia, CARE has worked with residents in East Hararghe who have faced three consecutive years of drought, pushing families to the brink of survival. In previous years, a good harvest would yield about 1,000 kg of crops, enough to feed a family of five for one year. Sadly, Nasima Ahmed's farm only produced 400 kg in 2009.

Her situation has improved this year because of the support provided by CARE's Drought Rehabilitation Project, funded by the Australian Government through AusAID and completed in April 2010.

'Life was not good, but now, compared to previous years, it is better,' explains Nasima, a 25-year-old mother of two.

To help diversify income sources, the project provided business-skills training, with a special focus on female-headed households who are often the most vulnerable in the community. CARE also supported Village Savings and Loans Associations, which act as credit providers for people who would not have access to loans otherwise.

After being forced to sell her livestock in order to survive, Nasima received four goats through the program, which have since given birth. Nasima used the goats' milk to feed her children and sell in local markets, bringing extra income at a crucial time.

'I have five goats now, and soon there will be eight. I plan to sell goats until I save enough to buy a cow,' she says.

The harvest prospects for the next season are also showing promise; Nasima expects to produce about 700 kg of crops this time.

At the completion of the project:

- 6,819 households had received and planted seeds;
- 642 households had received hand tools; and
- 651 households received goats.

In addition:

- 2,540 households received counselling on child-feeding practices; and
- 235 households and 58 individuals were trained on small-scale business skills.

By providing households with enough seeds for the season, a few heads of livestock and improving their capacity to trade, the potential for long-term sustainable results and food security is much greater. There is still a significant distance for Nasima's family to reach a level of sustainable food security, but with the skills she has learnt and the new finance structures available to her, she believes they will get there.

Providing integrated development in rural Timor-Leste

In Timor-Leste, 90 per cent of people live in poverty, with nearly 50 per cent living on less than \$US1 per day. The majority of people live in isolated rural areas and food insecurity is widespread due to low crop yields, lack of income and underdeveloped markets. Malnutrition is chronic in vulnerable groups.

To address these issues, CARE began working with communities through the Integrated Rural Development Project which was completed in March 2010.

Rosalina is a proud mother of seven children, all under the age of 15, who has seen the improved nutrition, health and livelihood activities that have occurred through the project.

'In the past my husband and I could not afford to send our children to school,' Rosalina explains. 'We sold our animals and used any extra money we made to try and pay for the fees but we didn't have enough.'

When CARE came to Rosalina's district to ask villagers what they would like to improve, they answered: 'We need to grow more food so we can feed our families and earn an income from any surplus we sell at the market...but in order to do that we need water to grow the vegetables with...and a road from the village to the main road that will allow us to transport food to the market to sell.'

CARE began to work with Rosalina and her community to tackle the issues one by one. A team of villagers received training in the construction of roads and began building a vital link that would allow them to transport goods and trade with other villages. Others, including Rosalina, were taught how to create rainwater collection systems to store water for the dry season and grow crops year round.

Next, a member of Rosalina's community generously set aside some of their land adjacent to the rainwater collection area for a group of villagers to create a kitchen garden. CARE provided seeds, tools and training on how to construct raised garden beds and how to prepare natural pesticides.

Health education was also provided to the six communities involved in the project, and villagers were trained as local health volunteers to ensure that health improved along with agricultural production and livelihoods.

At the completion of the project:

- over 100 health education sessions had been held;
- 60 local health volunteers had been trained to provide advice to their community;
- 15km of roads had been built or repaired by teams of local men and women, and community groups were established to manage new facilities;
- 140 kitchen gardens had been established;
- 180 community clean-up days were held to improve the environment; and
- six sub-villages had a new water system and four sub-villages had new sanitation facilities.

Kitchen gardens were a particularly popular aspect of the project. The majority of project participants had never grown vegetables before, and they reported that they had increased their consumption of fresh food and were interested in continuing to grow and sell surplus produce to create an income. When Rosalina speaks about the future now, it is with optimism and a restored sense of dignity. 'The profits from this garden will allow us to buy goats, pigs and chickens which we can raise and sell to pay for school costs. When my children ask about money for education, now I am able to tell them we have a plan for the future.'



Ang Chin working in her apprenticeship in Cambodia, Josh Estey/CARE



Water collection in Laos, Josh Estey/CARE



Livestock raising in Laos, Josh Estey/CARE



Coffee bean production in PNG, Josh Estey/CARE

Ongoing Progress in the Fight Against Poverty

As we enter 2010/11, CARE Australia is managing 117 ongoing projects, while also working to identify new programming opportunities. These projects are working towards improvements in vital areas, including food security and community development in Papua New Guinea, education for women who were unable to attend school in Cambodia and clearance of unexploded bombs in Laos.

Integrated community development in remote Papua New Guinea

In Papua New Guinea (PNG), approximately 15 per cent of the population live in poor and remote areas where there is severe food insecurity and limited access to income, services, markets and transport.

CARE's Integrated Community Development Program, which is supported by funding from AusAID and the Australian public, is working to improve the livelihoods, physical environments and well being of the people living in three remote and impoverished districts. The program is currently focused on the Eastern Highlands Province and will soon expand into neighbouring Morobe and Gulf Provinces. In these communities, the most economically, socially and politically marginalised women, men and youth are targeted and encouraged to work together to address their priority concerns.

We continue to build on improvements we have supported through previous programs in the provinces, including constructing village water systems, providing hygiene and sanitation education and livelihood development through fish farming, sewing and agricultural activities.

As part of our work to improve access to health services and reduce the current one-in-20 lifetime risk women have of dying during childbirth in PNG, CARE has trained village birth attendants to assist women through safe pregnancy and delivery and to recognise when to seek emergency obstetric care.

The program is also helping to break down traditional social and gender barriers by encouraging and raising the profile of women so they have a greater say in their communities. This is being done by supporting the representation of men and women in Ward Development Committees, and facilitating joint discussion and representation in community decision making in areas including literacy, agriculture, law and order, women's rights, water and sanitation.

Over the next three to four years, the program will work towards its goal of developing strong communities where men and women work in partnership with government and NGOs to identify, prioritise and address their needs. The result will be communities with improved access to basic services, greater capacity to deliver and advocate for these services and improved and more secure livelihoods.

Educating women in Cambodia

Over 70 per cent of the world's out-of-school youth are girls. There are many barriers to girls getting an education; in Cambodia, girls often take on the responsibility of caring for younger siblings, collecting food or earning an income to help their family at a very young age, leaving little time to attend school.

At just 22 years old, Ang Chin last went to school 14 years ago. Her family did not have the money to pay for school fees, so she only made it as far as grade three.

Through the WE BLOOM program, which is supported by donations from the Australian public, CARE works with marginalised youth like Chin in the south-west Cambodian Province of Koh Kong, providing them with the skills and confidence to access job opportunities and the ability to create a better future.

Chin attended literacy and numeracy classes and a life-skills course which helped her set goals and learn techniques to overcome conflict and build confidence.

'The literacy class has helped me to read and write and get new knowledge. In the life-skills course I learnt about knowing myself and setting goals. If I didn't attend these classes I would just be helping my parents at home, because I had very little education before,' Chin says.

After learning the skills to allow her to manage her finances and keep accurate records, Ang was ready to learn her chosen vocational skills and take the final step towards getting her first job. CARE connected Chin to her chosen career as a tailor through an apprenticeship.

Before she became a tailor's apprentice, she was disheartened by a future spent at home helping with domestic chores, without hope for financial independence.

Today, Chin is employed applying her new skills outside of the sewing shop, through her role as a leader in CARE's Youth Advisory Committee. The Committee takes issues raised by youth in the community to village elders and works on finding sustainable solutions. The process is involving youth, and young women in particular, in community decision making for the first time.

Chin explains that, so far, 'Four issues have been raised by the Youth Advisory Committee and all have been improved. This included the issues of hygiene in the village, care for elderly people, domestic violence and the lack of health services. I feel very proud that I can participate in solving issues in the village.'

In the coming year, CARE will continue to provide participants with new opportunities through training and improved economic and livelihood opportunities. This will mean that their families will have improved food security and access to health care, and a chance to express leadership and participate actively in decisions that affect them.

Clearing unexploded bombs and building livelihoods in Laos

Millions of unexploded landmines and bombs (unexploded ordnance or UXO) from the Vietnam War contaminate 15 of Laos' 18 provinces. They can cause fatalities and horrific accidents and are a key cause of extreme poverty and food insecurity because they prevent full use of the land for farming.

CARE is supporting villages with UXO clearing through the AusAID-funded Reducing UXO Risks and Improving Livelihoods of Ethnic Communities in Sekong Province project. With support from Australian donors, the project is also working with communities to reduce vulnerability through improving access to education, improving livelihoods, reducing the workload of women and girls, and supporting survivors of explosions.

Three high-risk groups are targeted: farmers, children and scrap-metal collectors. Khoum Sai is one of a small group of Community Education Volunteers who, after attending training run by CARE, is helping each group to prevent injury and minimise their risk to UXOs through messages tailored to specific vulnerabilities.

'CARE meets with us about ways to protect the community from UXOs. They educate us about UXOs and the risks, and we educate the community,' says Khoum Sai. Due to a high level of illiteracy, posters and verbal cues are used to promote these messages. 'CARE develops posters for adults and posters for children with pictures to help teach us about these risks.'

'For the children, I tell them not to collect the scrap-metal. They should leave it there, and not touch it. For farmers, when they want to tie up a buffalo or cow with a rope, I tell them not to dig a hole for a pole. They should use a tree instead.'

Once land is cleared from the threat of UXOs, this project will make long-term improvements for villages in Sekong Province in the coming year by constructing village water systems, improving sanitation and food production, and introducing income-generating opportunities such as growing coffee, breeding fish and raising livestock.

New programs in 2010/11

In addition to our ongoing projects, over the coming year we will continue to design and develop new programs that will build on key lessons drawn from CARE's global experience in fighting poverty and marginalisation. We will look to build programs with a long timeframe and a clear emphasis on desired impacts for poor and vulnerable groups.



Khoun Sai in Laos, Josh Estey/CARE

Crop planting in PNG, Josh Estey/CARE



Haiti, Evelyn Hockstein/CARE

Asia-Pacific emergencies

In September 2009, the Asia-Pacific region was hit by an unprecedented number of disasters. First, Typhoon Ketsana caused devastation in Vietnam, Cambodia and Laos.

Next, a massive earthquake destroyed a huge area around Padang in West Sumatra, while in Papua New Guinea approximately 30,000 people were affected by outbreaks of influenza and dysentery.

CARE Australia responded immediately to these emergencies in our region and launched an appeal to deliver vital assistance to some of the worst affected areas.

Vietnam

CARE reached more than 25,000 people through the distribution of food, bedding, hygiene kits and tarpaulins, followed by rice seed and fertiliser to restore livelihoods. Water pumps, water canals and small bridges were also repaired to connect farmers to local markets.

Cambodia

In partnership with local and international NGOs, CARE distributed food and essential items to over 20,000 people. We supported the reopening of 40 schools with new furniture and supplies of textbooks, and helped 13,000 people in 16 villages by creating cash-for-work opportunities like cleaning and repairing infrastructure, supplying seeds and tools, and replacing livestock and agricultural equipment.

Laos

Across three districts in Sekong Province, CARE supported 10,000 people with the provision of food, water purification tablets and water storage systems. Emergency shelter such as tarpaulins, tools and iron roofing were also provided, along with blankets and sleeping materials.

We provided livelihood assistance and support to mobile health clinics, and an assessment of long-term food security and recovery needs has resulted in further ongoing water and sanitation programming.

Indonesia

CARE distributed hygiene and household items in remote areas to meet the immediate needs of people affected by the earthquake. With the support of AusAID and public donations, CARE installed 150 water points for safe drinking water and improved sanitation for 3,750 individuals and 60 schools. We reduced the risk of disease for another 20,000 people through improved hygiene awareness and access to hygiene items.

Papua New Guinea

In response to outbreaks of diarrhoeal and respiratory illnesses in the Eastern Highlands Province of Papua New Guinea, and in partnership with Oxfam and the Provincial Division of Health, CARE provided water, sanitation and hygiene training and distributed hygiene kits to over 12,000 people.

Throughout the period of response, the incidence of influenza and dysentery abated and, by the evaluation phase of the work, no further cases were reported in these areas.

Cambodia, Josh Estey/CARE

Haiti, Evelyn Hockstein/CARE

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. We provide food, shelter, clean water, sanitation facilities, medical care and tools to those who need it most, and continue to help people rebuild their lives and restore their livelihoods long after the disaster has been forgotten by the media.

Alongside our emergency response and long-term programs, we also work in emergency preparedness – ensuring that communities are equipped to respond to, and survive, emergencies in the future.

In 2009/10, CARE International responded to 43 disasters and CARE Australia supported response operations in 12 emergencies, including the Haiti earthquake, outbreaks of dysentery and influenza in Papua New Guinea and Typhoon Ketsana which affected Vietnam, Laos and Cambodia.

We also continued to respond to the long-term effects of emergencies by supporting internally displaced people in Sri Lanka, refugees in Jordan, drought rehabilitation in Ethiopia and survivors of Cyclone Nargis in Myanmar.

Haiti earthquake

On 12 January 2010, Haiti was struck by one of the modern world's worst disasters. A 7.0-magnitude earthquake collapsed buildings across Port-au-Prince, killing over 220,000 people and leaving tens of thousands injured. Three million people were affected and as many as two million were displaced from their homes and communities.

CARE had 133 staff on the ground who were able to respond to the emergency immediately. We reached more than 290,000 affected people through the distribution of emergency items, including food, shelter kits, ropes, tarps, mattresses, blankets, kitchen sets and jerry cans.

CARE Australia's Water and Sanitation Specialist, Paul Shanahan, was deployed to assist with providing access to clean water and improving hygiene with the construction of latrines, showers and the removal of waste.

A major concern was the wellbeing of the estimated 37,000 pregnant women in the affected area. Haiti already had the highest maternal death rate in the region, and CARE moved quickly to distribute sterile delivery kits to help pregnant women give birth safely, infant kits for mothers with newborns and hygiene kits including soap, toothpaste and sanitary napkins for women.

Over the past six months, with the help of our Australian donors, CARE has focused on distributing emergency items to those most in need, constructing earthquake-resistant buildings, rehabilitating water systems and reconstructing schools and health systems.

Over the next 12 months, CARE will work closely with urban and rural communities through wide consultation, careful assessment and analysis. We will continue to support those affected by meeting their water, sanitation and hygiene needs, and help their transition to a stronger future by rebuilding safely, assisting local food production, supporting women with quality health and protection services and helping children get back into school.



Laos, Josh Estey/CARE

Cambodia, Josh Estey/CARE

CARE's Response to Climate Change



Bangladesh, Andre Fanthome/CARE



Vietnam, Catherine Dolleris/CARE



Vietnam, Catherine Dolleris/CARE

The world's poorest people have done the least to cause climate change, yet they will suffer the most from its consequences. The impacts of climate change are already destroying livelihoods and worsening financial, political, social and environmental inequities. Without urgent action, this could make it impossible for poor and marginalised people to break free from poverty.

CARE is committed to acting now to avoid the worst impacts of climate change and prevent the suffering it will cause. We are taking action now through our programs, advocacy and work to reduce our own emissions.

We are working to empower poor and marginalised people to take action on climate change at all levels and to adapt to its impacts. We emphasise social justice, gender equality and empowerment in everything we do. Women often experience the greatest burden of climate change due to unbalanced distribution of rights, resources and power, in addition to cultural rules and norms. By working with women and men through our climate change activities, we seek to ensure that women participate in decision making and strengthen entire communities against the risks it poses.

Our Policy

CARE's policy to address climate change was launched in late 2009. It aims to ensure 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.

The policy also highlights how we will work with others to advocate for fair and responsible policies addressing the threat climate change poses to overcoming poverty.

Our Programs

Risk reduction, disaster preparedness and response are vital front-line defences for vulnerable communities, especially in risk-prone parts of the world. CARE is working to strengthen disaster preparedness and minimise risk through our projects, such as the Community-Based Mangrove Reforestation and Management Program in Vietnam.

Vietnam will be one of the five countries most affected by rising sea levels caused by climate change. With 3,200 km of coastline, around one fifth of the Vietnamese population would be affected by a one-metre rise in sea level.

In the past, mangrove forests have been removed to make way for infrastructure projects, tourism and aquaculture in Vietnam. Yet, when the fields of three villages in Da Loc commune were completely flooded by the Damarey Typhoon in 2005, the community learned an important lesson: all of the dykes broke during the typhoon except for the area behind a mangrove forest, which was left untouched.

Following the disaster, CARE began working with the community through the Mangrove Program, which was implemented with financial support from the Precision Foundation and completed in November 2009.

We supported villagers to plant and maintain 200 hectares of mangrove forest which has had a very high survival rate of between 70-90 per cent.

The mangroves are a positive addition to the coast. They provide important shoreline protection; a nursery for fish, mussels, oysters, shrimps and crabs; filter coastal pollution; and are a source of timber for the villagers.

CARE also helped the communities to establish a democratically-elected Board to manage the mangroves and complete a disaster-reduction training course in preparation for future typhoons and sea-level rise.

Vy Thi Hanh lives in Da Loc commune and has been an active participant in the project.

'Previously, at the village meetings only the leaders would meet and make the decisions without asking the households. I would keep silent. The community-based approach changed the way we make decisions in our village and the people also changed their way to give more feedback to the leaders. Now we are confident enough to object to decisions from leaders if we find them inappropriate and to make sure that the decisions made benefit the whole community,' she says.

The development of the Community Management Boards has demonstrated that full and open participation and empowerment can be a successful approach to driving sustainable change. Each Board is made up of local residents and local authorities, and is being replicated in other sites in Vietnam.

Our Advocacy

We are committed to influencing decision makers in Australia and in the countries we are working in, to ensure that poor and marginalised groups can raise their concerns and be a part of the process to adapt to climate change and reduce its impacts.

CARE attended the United Nations Copenhagen Climate Change Conference (COP 15) in November 2009 with the objective of ensuring that poor and vulnerable populations were not ignored in the negotiations. Our delegation included 10 advocates from affected developing countries. Although disappointed by the outcome, we are committed to prioritising the needs of the world's most vulnerable people in our advocacy work as we continue to press world leaders for a meaningful outcome at the United Nations Climate Change Conference in Mexico (COP 16) in December 2010.

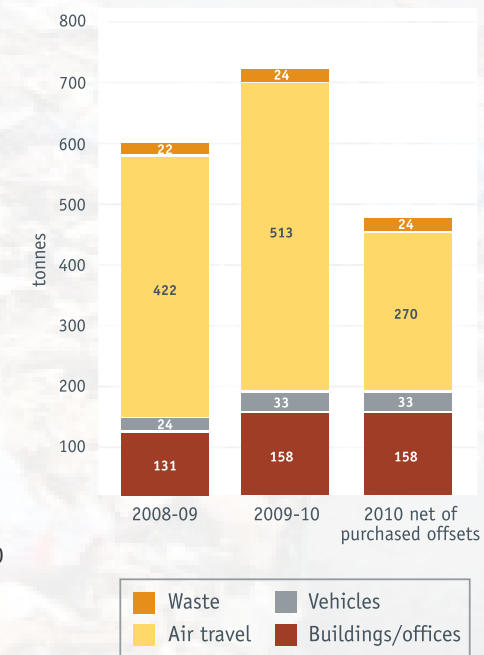
Our Operations

We have an ambitious goal of reducing emissions from our Australian offices by 40 per cent by 2015 through changing work practices and purchasing offsets for emissions that cannot be avoided. In 2009/10 our emissions increased by 21 per cent over 2008/09. After purchasing offsets, this was reduced to a 19 per cent reduction overall. The increase was primarily due to moving our Melbourne operations into more appropriate but bigger premises and increased air travel. Our emissions were partially reduced through the selection of 20 per cent GreenPower™ for the Melbourne office.

Domestic flights were a major source of emissions in 2009/10, so we have since introduced video conferencing between our offices with scope to share this technology with our international country offices.

In order to meet our commitment of reducing emissions, we purchased the equivalent of 243 tonnes of carbon offsets from Qantas.

CARE Australia emissions¹



¹CARE 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. In 2010/11 CARE Australia will undertake a review of the organisational and operational boundary of its emissions calculations, including 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.

Our priorities in 2010/11:

In June 2010 we completed an internal report on the trends and patterns of our emissions.

The strategy has resulted in an Action Plan for 2010/12 with goals such as:

- increasing the purchase of GreenPower™;
- improving staff practices around waste and energy management;
- improving data management to develop a staff feedback mechanism about energy consumption, waste and paper use; and
- ongoing investigation into appropriate offset options.

We will continue to build the capacity of country offices to respond to the challenges they and the communities they work with face from climate change. We will support integration of climate change into our projects and the development of community-based adaptation initiatives.

We will continue to be active in global advocacy in the lead up to COP 16 and we will also engage in global advocacy via our membership of the Climate Action Network and through targeted domestic engagements. We will continue to deepen our programming in Reduced Emissions from Deforestation and Degradation and in the development of social and environmental safeguards.

Thank You for Making a Difference

The support of our partners and the Australian public is critical in allowing us to fund projects in poor communities around the world – like the Highland Community Education Project, which is bringing education to indigenous school children in remote areas of Cambodia for the first time.

Working with our supporters

We greatly value the generous donations made by our supporters and the opportunities that our corporate partners have offered us to engage with more people in 2009/10.

This year, CARE Challenges once again provided an opportunity for Australians to visit CARE's projects while getting fit, having fun and fundraising. On International Women's Day – 8 March 2010 – seven Australian women commenced a CARE Cycle Challenge from Vietnam to Cambodia. The group pedaled 450 kilometres over 13 days and visited CARE's projects in the region. They raised over \$32,000 which will be valuable in supporting CARE's programs. We will be introducing a range of new challenges, including treks, over the coming year.

We recognise that not everyone is able or inclined to take part in intensive endurance activities but may want to raise funds in a fun and healthy way.

To raise awareness of one of the challenges facing women and girls in poor communities, CARE launched the *Walk In Her Shoes* campaign on World Water Day, 22 March 2010. The ongoing campaign asks individuals, schools and community groups to take 10,000 steps per day and get sponsored for their efforts. Presentation College in Melbourne helped pilot the campaign, with more than 120 students walking seven kilometres while learning about the impacts of poverty on women and girls. We look forward to expanding *Walk In Her Shoes* in 2010/11.

During the year we worked with our existing partners to create new networks. In November 2009, Ernst and Young sponsored a luncheon for leading businesswomen to come together with CARE as 'Agents of Change'. Through inspiring presentations from CARE's Chief Executive, Julia Newton-Howes, and CARE Ambassadors, Margaret Jackson and Janine Allis, guests learnt about the challenges women face in developing countries and how, with the right tools and support, they have the potential to help whole communities overcome poverty.

In June 2010, CARE patron Her Excellency Ms Quentin Bryce AC, Governor-General of the Commonwealth of Australia, hosted a compelling discussion about maternal health for women in developing countries. Attendees included Australian women working in business, philanthropy and the community sectors. These passionate women shared their knowledge and expertise and identified achievable ways to improve maternal health in poor countries.

Reaching new audiences

Over the past 12 months, CARE has had a strong focus on raising Australians' awareness of poverty and the related challenges facing women in developing countries.



CARE's 2010 Cycle Challenge, Image courtesy of Buffalo Tours

Here are some of the ways 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:

Education

In order to engage the community in interactive, face-to-face settings, CARE has implemented a program of development education which reached over 6,000 people in schools, universities, businesses and community groups. Topics have included women's empowerment, emergency response, poverty and global citizenship. The speaking events serve to build the Australian public's understanding of international development and overseas aid while challenging people to get involved in the fight against poverty.

CARE's award-winning feature film *A Powerful Noise* screened for the first time in Australia as part of the 2010 Human Rights Arts and Film Festival. The festival, of which CARE was a major partner, travelled to all major capital cities in April and May 2010. Over 850 people attended the screenings of *A Powerful Noise* in Melbourne, Sydney, Adelaide, Canberra, Brisbane and Perth. Attendees were invited to write a positive statement and have their photograph taken while holding it as a show of solidarity for the women and girls CARE works with. The images can be found at www.iampowerful.org.au.

Documentaries

Network Ten aired the documentary *Independent Future* nationally in April 2010 to an audience of around 500,000 viewers. The documentary featured the stories of the people CARE is working with through our projects in Timor-Leste. Hosted by Network Ten personality Sandra Sully, the documentary showed how women, when given the opportunity to realise their potential, can be the key to ending injustice and poverty.

Thank you!

Thank you to all of our supporters and to everyone who participated in events and campaigns throughout the year. We look forward to connecting with many more Australians and continuing to make a positive change in poor communities in 2010/11.



CARE's education program in Cambodia, Josh Estey/CARE

Presentation College students *Walk In Her Shoes*, CARE



Our Valued Supporters

We sincerely thank our supporters and partners for their compassion, confidence and generosity which enables us to make a difference to people's lives every day.

We would like to thank the following organisations, trusts, foundations and individuals who provided us with substantial financial or in-kind support during 2009/10. Your generosity ensures we can continue to strive for a world without poverty.

Major donors

Mr Will Bailey Mrs Claire Bamford Mr John Borghetti Ms Lyndsey Cattermole Mr and Mrs John Creaser Mr and Mrs MP de Jong Ms Claire Dwyer Mr Colin Galbraith Mrs Neilma Gantner Mr Hector Gordon Mr Geoff Handbury, AO Mr Andrew and Mrs Stephanie Harrison Mr Peter and Mrs Barbara Hoadley Mr David Hodgson Dr and Mrs William Howard Mr Michael Hudson Dr John Hunter Mr Rob Koczkar and Ms Heather Doig Mr Mark and Ms Alison Leemen Mr Baillieu Myer, AC Ms Annabel Ritchie Dr Graeme and Mrs Dawn Robson Dr William Sievert and Dr Jennifer Hoy Dr Andrew Tan Mr Derek Weeks Ms Joy Wellings Mr TC Wollaston Mr Justin and Ms Cally Wood

Trusts and Foundations

ACME Foundation Annie and John Paterson Foundation ANZ Charitable Trust – Will and Dorothy Bailey Foundation B'nai B'rith Foundation The Charitable Foundation Collier Charitable Fund Davies Family Foundation Dubai Cares Footprints Fundraising The George Lewin Foundation Greenlight Foundation J Holden Family Foundation Jewish Aid Australia Maitri Trust Paul Ainsworth Charitable Foundation Precision Plating Charitable Trust Ravine Foundation SMEC Foundation Victorian Community Foundation – Bird Family Trust Wood Family Foundation

Bequests

During 2009/10 many people remembered CARE Australia by leaving a gift in their Will. Their gift is a living memorial that will help women and girls lift themselves and their communities out of poverty. If you are a friend or family member of someone who gave such an important gift, we sincerely thank you. For more information on leaving a bequest, please visit www.care.org.au/waystogive.

Corporate Partners, Schools and Religious Groups

AGL Employees Community Fund Allens Arthur Robinson AMP Foundation BLIA – Sydney CAF Castelain Pty Ltd Computershare Ltd Deutsche Bank Free Reformed Church Guests Furniture Hire Jetmaster (VIC) P/L Leighton Holdings Ltd Macquarie Group Foundation Mallesons Stephen Jaques Maple-Brown Abbott Ltd National Australia Bank OneSteel Ltd Peter Lee Associates Qantas Airways Ltd Queenwood School for Girls Quest – Southbank Rabobank Australia Ltd Rusher Rogers Recruiting Pty Ltd Salmat Ltd Silvant Nominees Sussan Corporation Pty Ltd Thomas Hare Investments Ltd

Special Events Committee

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

Bilateral donors

Australian Government Austrian Government British Government Canadian Government Danish Government Dutch Government French Government German Government Japanese Government New Zealand Government Norwegian Government Swiss Government United States Government

Multilateral donors

Asian Development Bank (ADB) European Commission Humanitarian Aid Office (ECHO) European Union (EU) Joint United Nations Programme on HIV/AIDS (UNAIDS) The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) United Nations Children's Fund (UNICEF) United Nations Development Fund for Women (UNIFEM) United Nations Development Programme (UNDP) United Nations High Commissioner for Refugees (UNHCR) United Nations Population Fund (UNFPA) United Nations World Food Programme (WFP) The World Bank

CARE Australia's Staff

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

Our staff are committed to improving the lives of poor women and girls and are among the top in their field, bringing compassion and experience to CARE's work in developing countries.

Staff profile

CARE Australia employs 1,395 staff; 65 in Australia and 1,330 in our offices in developing countries. Compared to the previous year, this is a decrease of 17 per cent. Staff attrition is primarily due to project funding reaching completion in our country offices.

This year, 92 per cent of staff were local citizens of the countries in which they work, reflecting our commitment to empower local people and ensure lasting impact.

Table 1: Number of staff by location*

Location	Expatriate staff	Local Staff	Total Staff
Australia	n/a	n/a	65
Timor-Leste	9	143	152
PNG	6	46	52
Laos	8	106	114
Cambodia	6	181	187
Vietnam	5	114	119
Myanmar	9	584	593
Yemen	3	52	55
Jordan	1	54	55
Vanuatu	1	0	1
Regional (Mekong)	2	0	2
TOTAL STAFF	50	1280	1395

*Staff numbers include part-time staff and are current as at 30 June 2010. Expatriate staff are international employees posted to a CARE Australia-managed country office. Local staff are locally employed national staff.

Table 2: Staffing levels

Staff numbers	30 June 08	30 Jun 09	30 Jun 10	% growth 30 June 09 to 30 June 10
Australian based	60	61	65	6%
Overseas based	52	65	50	-23%
Total CA contracted staff	112	126	115	-9%
National staff	1291	1563	1280	-18%
Total CA contracted and national staff	1403	1689	1395	-17%

Volunteers

In 2009/10 CARE supported eight volunteers in our country offices through our continued participation in the Australian Youth Ambassadors for Development (AYAD) and Volunteering for International Development for Australia (VIDA) programs. Both programs are Australian Government initiatives that support skilled Australians to volunteer in developing countries.

Recruitment and retention

Staff turnover rates for Australian contracted employees increased from 18 to 30 per cent in 2009/10. 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.

Remuneration

With the uncertainty associated with the global financial crisis, CARE Australia implemented a pay freeze in 2009, which was reviewed in December. As a result of this review, staff received a cost-of-living pay adjustment in January 2010. A review of CARE Australia's domestic and international salaries has commenced to ensure they are consistent and competitive with other similar organisations.

Staff development

Following the 2009 staff engagement survey, the Senior Management Team agreed to review the current Performance Management System. The review commenced in June 2010 with the completion of staff surveys and focus groups. The review will be completed by the end of September 2010.

Three orientation sessions for new staff were conducted, with 26 staff from Australia and overseas attending. The three-day programs provide new staff with an overview of organisational goals and priorities. Other organisational training and development opportunities were provided to staff, including building capacity with upgraded desktop applications and training around CARE's Child Protection Policy.

Recognition

The Employee Appreciation Program was implemented during 2009/10 to recognise and reward employees' loyalty and commitment to CARE Australia. It provides an opportunity for CARE Australia to formally recognise long-serving staff members who have provided five or ten years of service.

International deployment for emergencies

CARE Australia staff were deployed to provide support and assistance in emergency responses following: Typhoon Ketsana in Cambodia, Vietnam and Laos; the dysentery/flu/cholera epidemics in Papua New Guinea; and the civil unrest in Yemen. A total of nine roles were deployed, including Team Leader, Finance Manager, Logistics Managers, Water, Sanitation and Hygiene (WASH) Coordinator Emergency Response Coordinator and WASH Specialist.

Equity and diversity

CARE Australia's Gender, Equity and Diversity Policy promotes and integrates gender equity and diversity in organisational culture and through programming systems and approaches. CARE's employment policies are based on the principle of merit, while recognising that a variety of strategic approaches and actions are required to promote gender equity and diversity within the organisation. They are also responsive to the need to balance work, family, personal and civic life.

A senior cross-departmental group met in August 2009 to develop objectives and implementation plans regarding gender and women's empowerment. A working group was initiated to oversee the implementation of tasks, share information and provide support. The group's objectives are to: oversee the implementation of the gender equity and women's empowerment strategy; provide advice to the Senior Management Team on priorities, actions and gaps; and enhance coordination and alignment across departments.

As of 30 June 2010, females made up 20 per cent of the Senior Management Team, 53 per cent of managers in Australian-based roles and 50 per cent of managers in overseas roles.



Sharon Wilkinson, Josh Estey/CARE

Varina Nun, Josh Estey/CARE

Jenny Clement, CARE

The Communication, Respect, Empowerment, Accountability, Trust, Equity (CREATE) agenda was progressed during the year with the development of a draft action plan. The plan ensures gender, equity and diversity principles are embedded in policies and practices that affect staff and business operations. It also identifies activities to address management practices highlighted in the 2007 and 2009 staff engagement surveys and strategies identified in the CARE Australia People Strategy.

Health, safety and wellbeing

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

We reviewed health and safety management arrangements in all of our Australian offices in March 2010. The first stage included review of Fire Wardens, First Aid Officers and Health and Safety Representatives. Remaining stages will address roles and responsibilities of the Health and Safety Committee and ensure the appropriate infrastructure is in place to monitor and review the health and safety of employees. Raising awareness and giving managers the skills to address and resolve any occupational health and safety issues were also priorities.

We completed a review of the industrial relations environment to assess the impact of the new Modern Awards and National Employment Standards (NES).

The review concluded that CARE Australia employees are covered under the Social, Community, Home Care and Disability Services Industry Award 2010. Employment conditions provided under the Award and NES required the inclusion of some new provisions or amendments to existing provisions covering Unpaid Carers' Leave, Ceremonial Leave, Community Services Leave, Compassionate Leave and Sick Leave. These changes came into effect on 1 January 2010.

All staff continue to have access to 24-hour psychological support through our employee assistance program, and all staff are trained in safety, security and health before travelling overseas.

Staff snapshots

Sharon Wilkinson has been the Country Director CARE Cambodia for 10 years and is retiring in late 2010.

'In my time working with CARE, we have been looking at issues of good governance, access to basic human rights like education, access to clean water and access to clean delivery rooms so women aren't dying in labour. Critically, we have been ensuring that women's voices are heard in debates.

Across the country we are seeing roads open up, we are seeing people being able to access school, and access hospitals. It's been a tremendously exciting journey. But we have a long way to go. There are many examples of empowered women, empowered households and empowered communities, and CARE is very much a part of that story.'

Varina Nun, Team Leader of CARE's Bending Bamboo Project in Cambodia and member of the indigenous community the project is working with.

'I was so glad when CARE promoted me and made me Team Leader. Because of my background, I would not normally be a team leader. It would normally be someone with a Bachelor Degree or Masters Degree. I will improve myself by continuing my education and learning from the people around me.'

Jenny Clement, Manager Country Programs, CARE Australia.

'I feel so fortunate being able to work at CARE because what we do here can make a real difference in people's lives overseas – people who don't have the same opportunities that we have, but have the same potential.'



CARE Australia's Governance

Cambodia, Josh Estey/CARE

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 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 make recommendations to the Board.

The **Executive Committee** exercises all the powers of the Board between meetings of the Board. It is not empowered to take action in contravention of a Board decision and utilises all practical means of consulting the full membership of the Board on significant matters.

The **Finance and Audit Committee** assists the Board in discharging its responsibilities concerning the integrity of financial management, and reporting its compliance with regulations and principles of best practice to achieve operational, financial and compliance risk management. It also oversees the effectiveness of audit functions.

The **People Committee** reviews and assists in the development and execution of CARE Australia's human resource strategies, policies and practices.

The **Fundraising and Communications Committee** reviews and assesses marketing and communications strategies and fundraising investment proposals, and oversees relevant budgets. It facilitates the engagement of stakeholders, and identifies and supports fundraising and profile-building opportunities.

The **International Program and Operations Committee** assesses the strategic direction, performance and risk monitoring of program strategies developed by CARE Australia; projects where CARE Australia is contractually responsible; and the status of Country Offices for which CARE Australia is designated as Lead or Coordinating Member of CARE International. It has a particular responsibility to monitor safety and security conditions for staff in the field.

Subject to the direction of the Board, the **Governance and Nominations Committee** oversees the selection of appointees to the Board to ensure the right mix of skills, experience and expertise.

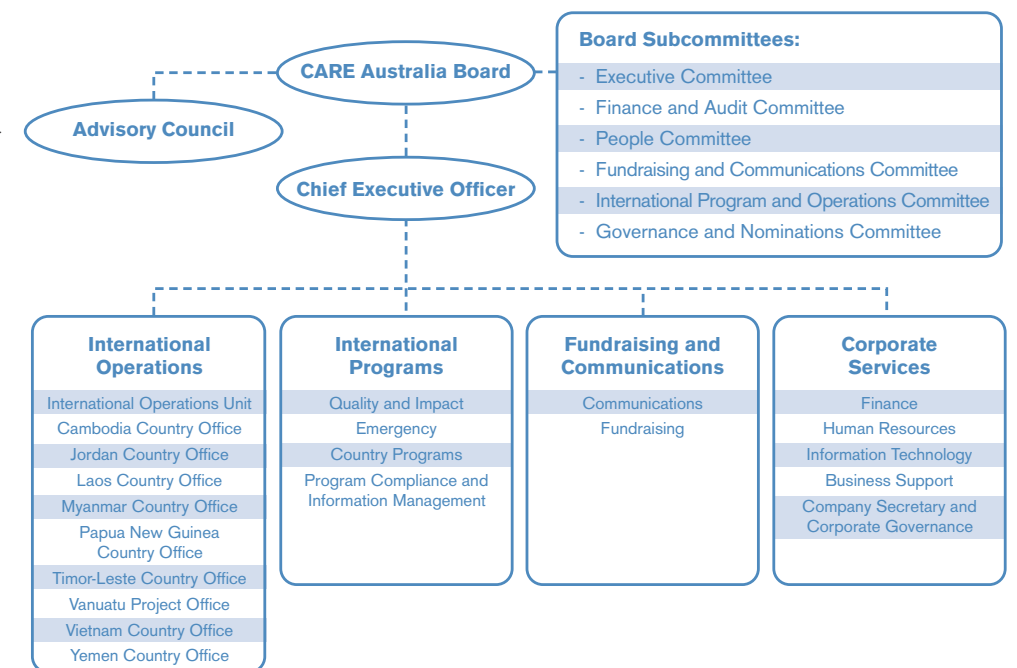
Advisory Council

Membership of the Advisory Council is by invitation from the Board to individuals who have given exceptional service to CARE Australia. Its objectives are to support and endorse the organisation's vision, mission and core values, and to assist and provide counsel to the Board and the executive through the experience, corporate knowledge and community influence of its members.

Risk management

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 system under which material operational, financial and compliance risks are regularly assessed, monitored and managed.

Organisational structure



CARE Australia's Board

Chairman	Harold Mitchell, AC	Director since 2000
<p>Executive Chairman, Mitchell Communication Group Ltd; Owner, Stadia Media; Chairman, Melbourne Symphony Orchestra; Chairman, ThoroughVision; Chairman, Art Exhibitions Australia; Chairman, Melbourne Rebels Rugby Union; Director, Tennis Australia; Director, Television Sydney; Director, Deakin Foundation.</p> <p>Formerly – President, Museums Board of Victoria; President, Asthma Foundation (Victoria); Chairman, National Gallery Australia; Board Member, Opera Australia Council; President, Melbourne International Arts Festival.</p> <p>Harold is also the Chair of the CARE Australia Executive Committee and Governance and Nominations Committee.</p>		
Vice Chairman	Philip Flood, AO	Director since 2003
<p>Formerly - Secretary, Department of Foreign Affairs and Trade; Director-General, AusAID; High Commissioner to the United Kingdom; Ambassador to Indonesia; High Commissioner to Bangladesh.</p>		
Treasurer	Bronwyn Morris	Director since 2007
<p>Director, Spotless Group Ltd; Director, Queensland Investment Corporation Ltd; Director, RACQ; Member, Australian Advisory Committee of Parsons Brinckerhoff; Councillor, Queensland Division of the Australian Institute of Company Directors; Member, Bid Committee for the 2018 Commonwealth Games on the Gold Coast.</p> <p>Formerly – Director, Brisbane Marketing; Director, Queensland Office of Financial Supervision; Director, Bond University; Chairman, Queensland Rail; Director, Colorado Group Ltd; Director, Queensland Office of Financial Supervision.</p> <p>Bronwyn is also the Chair of the CARE Australia Finance and Audit Committee.</p>		
Karyn Baylis		Director since 2004
<p>Chief Executive, Jawun - Indigenous Corporate Partnerships.</p> <p>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 Ltd and NRMA Financial Management Limited.</p> <p>Karyn is also the Chair of the CARE Australia People Committee.</p>		
John Borghetti		Director since 2005
<p>Chief Executive Officer, Virgin Blue Group of Airlines; Director, The Australian Ballet.</p> <p>Formerly - Executive General Manager, Qantas; Director, Sydney Football Club; Director, Jetset Travelworld; Director, Piper Aircraft (USA); Investment Committee Member, Investec Global Aircraft Fund.</p>		
Colin Galbraith, AM		Director since 2004
<p>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.</p> <p>Formerly – Partner, Allens Arthur Robinson.</p>		
Robert (Bob) Glindemann		Director since 2008
<p>Deputy Chairman and Non-Executive Director, Navy Health Limited; Deputy Chair, Very Special Kids Foundation; Director, Australian Institute of Motor Sport Safety; Director, SecondBite; Director, The Australian Embassy for Timor-Leste Fund; Chair, District 9800 Rotary World Community Service Committee.</p> <p>Formerly – Chair, RMS Logistics Pty Ltd; Director and Vice President, Confederation of Australian Motor Sport; Principal, PRO:NED Vic Pty Ltd; President, Rotary Club of Darwin, Brisbane Metropolitan, Adelaide, French's Forest, Sydney and Melbourne.</p>		
Allan Griffiths		Director since 2008
<p>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.</p> <p>Formerly - Chief Executive, Aviva Australia Ltd; Chairman, Aviva Investors; Director, Aviva Australia; Director, CIMB Takaful Berhad; Director, CIMB Aviva Assurance; Director, First Aviva Taipei; Director, Investment and Financial Services Association.</p>		
William (Bill) Guest		Director since 2000
<p>Chairman and Director, Guest Group, Guest Hire, Guest Commercial, Suite Deals, Guest Interiors, Property 4 Retail and Guest Nominees.</p> <p>Formerly - Director, Freedom Furniture Limited; Director, Melbourne Football Club; Managing Director, Guests Furniture Hire; Managing Director, Andersons Furniture; Managing Director, Sofa Workshop.</p> <p>Bill is also the Chair of the CARE Australia Fundraising and Communications Committee.</p>		
The Hon. Barry Jones, AO		Director since 1992
<p>Director, Burnet Institute; Chairman, Port Arthur Historic Site Management Authority; Director, Centre for Eye Research Australia; Chairman, Vision 2020 Australia; Director, Victorian Opera Company Ltd.</p> <p>Formerly - Australian Minister for Science; Member, Executive Board UNESCO.</p> <p>Barry is also the Chair of the CARE Australia Program and Operations Committee.</p>		

Christine O'Reilly		Director since 2007
<p>Global Co-Head of Infrastructure Investment, Colonial First State Global Asset Management; Director, Anglian Water Group, Electricity North West; Member, Chief Executive Women.</p> <p>Formerly - Chief Executive Officer and Director, GasNet Australia Group.</p>		
Dr Peta Seaton		Director since 2008
<p>Principal, Strategic Consulting; Director, Bradman Foundation; Member, UNSW Faculty of Science Advisory Council; Honorary Research Fellow, University of Wollongong.</p> <p>Formerly - Member of the NSW Parliament and Shadow Treasurer.</p>		
Kay Veitch		Director since 2009
<p>Executive Manager, Qantas Airline; Certified Professional Member, Australian Human Resources Institute; Member, Australian Institute of Management; Board Member, Bestest for Kids Foundation.</p>		
Louise Watson		Director since 2008
<p>Managing Director and Principal, Symbol Strategic Communications; Communications Adviser to the Chairman and the Chief Executive Officers, Commonwealth Bank, Origin Energy, BankWest, Foodland Associated, Coates Hire, BT Investment Management, ABN Amro Australia and New Zealand.</p> <p>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.</p>		

ADVISORY COUNCIL

Willoughby Bailey, AO, KJL		Director, 1992-2008.
<p>Director, Blashki Holdings; Chair, Geelong Gallery Foundation.</p> <p>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.</p>		
Sir William Deane, AC, KBE		Chairman, 2002-2004; Director, 2001-2004.
<p>Formerly - Governor-General of Australia; Justice of the High Court of Australia; Justice of the Supreme Court (NSW); Federal Court Judge.</p>		
Tony Eggleton, AO, CVO		Chairman, 2004-2006; Vice Chairman, 2002-2004; Director, 1996-2007; Secretary-General, CARE International, 1991-1995.
<p>Foreign Affairs Editorial Advisory Board; Chair, Centre for Democratic Institutions.</p> <p>Formerly - Australian Advisory Council; Chief Executive, National Council for Centenary of Federation; Federal Director, Liberal Party of Australia.</p>		
Sir Leslie Froggatt		Vice Chairman, 1995-2001; Director, 1989-2004.
<p>Formerly - Chairman and Chief Executive Officer, Shell Australia Ltd; Chairman, Pacific Dunlop Ltd; Chairman, Ashton Mining Ltd; Chairman, BRL Hardy Ltd.</p>		
Jocelyn Mitchell		Director, 1993-2006.
<p>Director, Beaufort and Skipton Health Service; Director, Lowell Pty Ltd.</p> <p>Formerly – Chairperson, Beaufort and Skipton Health Service; Foundation Member, Women's Electoral Lobby; Chairperson, The Australian Garden History Society.</p>		
Alf Paton		Director, 1994-2004.
<p>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.</p>		
Peter Smedley		Director, 2000-2009; Chairman, 2006-2009; Vice Chairman, 2004-2006.
<p>Chairman, OneSteel Ltd; Chairman, Spotless Group; Deputy Chairman, Colonial Foundation; Director, The Australian Ballet; Director, The Haven Foundation; Director, Orygen Youth Health Research Centre.</p> <p>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.</p>		
Founding Chairman	The Rt Hon. Malcolm Fraser, AC, CH	
<p>Chairman, CARE Australia 1987-2001; President, CARE International 1990-1995; Vice President, CARE International 1995-1999; Prime Minister of Australia 1975-1983.</p>		

FINANCIAL REPORT

Independent Audit Report to the Members of CARE Australia

The accompanying concise financial report of CARE Australia comprises the balance sheet as at 30 June 2010, the statement of comprehensive income, 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 2010. 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 and presentation of the concise financial report and have determined that the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports is appropriate to meet the financial reporting requirements of the Company. The Directors' determination is set out in the concise financial report. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

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 2010. Our audit report on the financial report for the year was signed on 18 October 2010 and was not subject to any modification. 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.

Our procedures in respect of the concise financial report 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 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 Accounting Standard AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039 *Concise Financial Reports*.

The concise financial report has been prepared for distribution to the members. We disclaim any assumption of responsibility for any reliance on this report or on the concise financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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.

Auditor's Opinion

In our opinion, the concise financial report of CARE Australia for the year ended 30 June 2010 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Ernst + Young

Ernst & Young

Ben Tansley

Ben Tansley
Partner

Canberra, 18 October 2010

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 the accompanying concise financial report for the year ended 30 June 2010:

- has been derived from or is consistent with the full financial report for the financial year; and
- complies with accounting standard AASB 1039 Concise Financial Reports.

On behalf of the Board.

Harold Mitchell

Harold Mitchell
Chair

Sydney, 18 October 2010

Bronwyn Morris

Bronwyn Morris
Treasurer

Sydney, 18 October 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
REVENUE		
Donations and gifts		
• Monetary	13,826,719	15,775,481
• Non-monetary	83,363	78,684
Bequests and Legacies	752,477	1,555,461
Total Revenue from Australian public	14,662,559	17,409,626
Grants and Contracts		
• AusAID	16,272,947	17,672,744
• Other Australian	3,020,223	964,618
• Other overseas		
Project grants from CARE International members	22,195,398	31,985,363
Project grants from multi lateral agencies	2,488,769	5,790,416
Project grants from foreign governments and overseas based organisations	4,701,173	5,286,632
Donated goods from overseas-based organisations	127,770	-
Investment income	1,151,537	2,891,786
Other income	125,918	140,981
TOTAL REVENUE	64,746,294	82,142,166
EXPENDITURE		
International Aid and Development Programs Expenditure		
• Funds to international programs	56,034,711	71,773,394
• Cost of raising program funds from government and multilateral agencies	372,515	407,615
• Non-monetary expenditure – overseas projects	127,770	-
• Other program costs	1,955,629	1,727,050
Total overseas projects	58,490,625	73,908,059
Community education	394,868	535,681
Fundraising costs – Public	3,431,202	3,505,212
Accountability and administration	3,037,661	3,546,439
Non-monetary expenditure	83,363	78,684
TOTAL EXPENSES	65,437,719	81,574,075
Excess/(Shortfall) of revenue over expenses	(691,425)	568,091
Other comprehensive income	-	-
Total comprehensive income for the period	(691,425)	568,091

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 2010

	2010	2009
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	26,549,121	24,110,972
Held to maturity investments	5,570,171	6,001,948
Prepayments	1,434,268	1,945,731
Trade and other receivables	6,066,382	7,338,344
Non-Current Assets		
Property, plant and equipment	1,268,124	1,212,950
Investments at fair value	4,092,547	4,328,483
Other investments	1	1
Total Assets	44,980,614	44,938,429
LIABILITIES		
Current Liabilities		
Trade and other payables	3,259,084	2,950,985
Provisions	2,545,019	2,406,176
Unexpended project funds	27,089,824	26,803,156
Other liabilities	-	-
Non-Current Liabilities		
Provisions	-	-
Total Liabilities	32,893,927	32,160,317
Net Assets	12,086,687	12,778,112
EQUITY		
Accumulated funds	12,086,687	12,778,112
Total Equity	12,086,687	12,778,112

At the end of the financial year, CARE Australia has no balances in the Inventories, Assets held for sale, Other financial assets, Investment property, Intangibles, Other non-current assets, Current and non-current borrowings, Current tax liabilities, Current and non-current other financial liabilities and Non-current other liabilities categories.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Accumulated Funds	Total
	\$	\$
Balance as 30 June 2009 (commencing balance)	12,778,112	12,778,112
Excess of revenue over expenses	(691,425)	(691,425)
Amount transferred (to) from reserves	-	-
Other comprehensive income for the year	-	-
Balance at 30 June 2010 (year end balance)	12,086,687	12,086,687

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

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 2010

	2010	2009
	\$	\$
Cash flows from operating activities		
General public donations	14,578,575	17,330,942
Grants and contract income	50,824,778	65,505,269
Interest income	813,035	1,253,072
Other income	120,797	140,981
Payments to suppliers and employees	(63,220,764)	(86,598,166)
Goods and services tax paid	(719,357)	(1,236,735)
Net cash flows from/(used in) operating activities	2,397,064	(3,604,637)
Cash flow from investing activities		
Acquisition of property, plant and equipment	(561,651)	(734,538)
Proceeds from sale of equipment	42,463	90,387
Acquisition of investments	1,006,212	(6,337,296)
Net cash flows from/(used in) investing activities	487,024	(6,981,447)
Net increase/(decrease) in cash held	2,884,088	(10,586,084)
Net foreign exchange differences	(445,939)	2,102,169
Cash at the beginning of the year	24,110,972	32,594,887
Cash at the end of the year	26,549,121	24,110,972

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDING 30 JUNE 2010

	2010	2009
	\$	\$
Note 1 Cash and cash equivalents		
Cash on hand	253,188	339,724
Cash at bank	20,886,269	18,397,339
Cash on deposit	5,137,793	5,005,953
International revolving fund	271,871	367,956
	26,549,121	24,110,972
Note 2 Trade and other receivables		
Trade receivables	2,441,334	1,392,875
CARE International members	228,229	483,527
Project funds receivable	3,395,611	5,460,734
Receivable from wholly owned subsidiary	1,208	1,208
	6,066,382	7,338,344
Note 3 Property, plant and equipment		
Total property, plant and equipment – cost	3,031,652	2,943,050
Accumulated depreciation and amortisation	(1,763,528)	(1,730,100)
	1,268,124	1,212,950
Note 4 Other investments		
Share in subsidiary – at cost	1	1
Note 5 Trade and other payables		
Trade Creditors	1,659,186	1,062,798
Accruals	330,658	108,606
Other Creditors	225,170	180,740
GST Payable	368,656	376,315
CARE International members	248,364	575,063
Accrued project expenses	323,727	421,910
Accrued salary payments	103,323	225,553
	3,259,084	2,950,985
Note 6 Provisions		
Current:		
Employee benefits	2,493,621	2,231,171
Other	51,398	175,005
	2,545,019	2,406,176
Non-current:		
Employee benefits	-	-

Note 7 Table of Cash Movements for Designated Purposes for the Year Ended 30 June 2010

Cash Movements	Cash available at beginning of financial year	Cash raised during the financial year	Cash disbursed during the financial year	Cash available at end of financial year
Southern Asia (Tsunami) Appeal	298,744	-	298,744	-
Total for other designated purposes	21,043,678	57,741,056	55,681,551	23,103,183
Total for other non-designated purposes	2,768,550	9,699,331	9,021,943	3,445,938
Total	24,110,972	67,440,387	(65,002,238)	26,549,121

DISCUSSION AND ANALYSIS SECTION FOR THE YEAR ENDED 30 JUNE 2010

TRENDS IN REVENUES ARISING FROM OPERATING ACTIVITIES

Although our total revenue of \$64.746m in 2009/10 was 21 per cent lower than in 2008/09, it was only 5 per cent lower than our 2009/10 budget of \$68.483m. Whilst our income was slightly reduced in 2009/10 due to the impact of the global financial crisis, the major reason for the variance to 2008/09 was the increase in the value of the Australian dollar during the reporting period. 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.

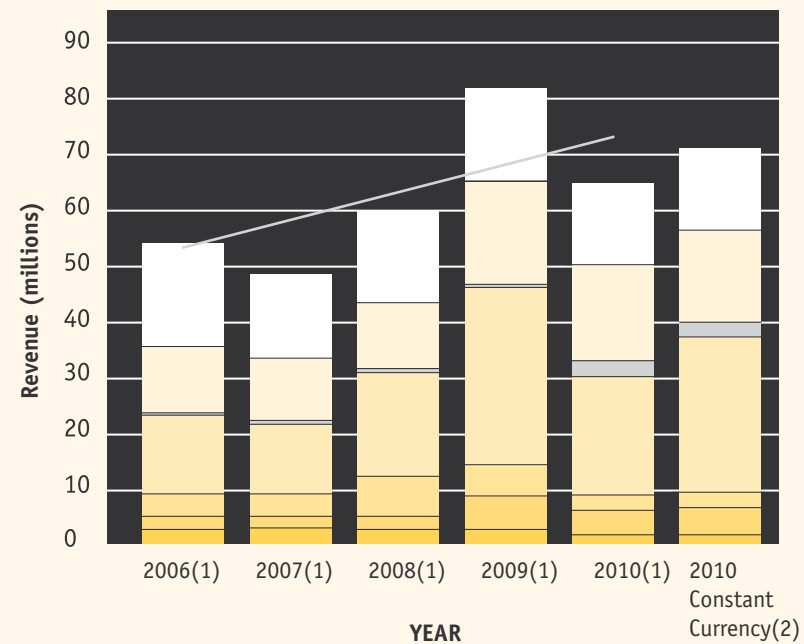
Despite the impact of the global financial crisis, the activities undertaken by CARE Australia during the year continued to be generously supported by \$14.663m in donations from the Australian public. This significantly exceeded our budget expectations due in part to the overwhelming public response to the Haiti earthquake emergency appeal.

CARE Australia received \$16.273m from the Australian aid program, administered by AusAID, and \$0.686m from the Department of Immigration and Citizenship. This was in line with budget expectations, but was a decrease of 4 per cent compared to the 2008/09 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.

Whilst there have been fluctuations in respect to revenue over the last five years, the long-term trend indicates that we are increasing our revenue as shown by the trend line in the graph below.

REVENUE 2006 - 2010

- Australian public
- AusAID
- Other Australian agencies and companies
- Project grants from CARE International members
- Project grants from multilateral agencies
- Project grants from foreign governments and overseas-based organisations
- Investment and other income



(1) CARE Australia's reported results in accordance with the Australian Equivalents to International Financial Reporting Standards (A-IFRS).

(2) The 2009/10 results are stated at Constant Currency to remove the impact of exchange rate movements and are presented to facilitate comparability between 2009/10 and the prior year.

EFFECTS OF SIGNIFICANT ECONOMIC OR OTHER EVENTS

As stated previously, the Global Financial Crisis (GFC) has had an impact 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 \$0.841m (2008: net foreign exchange gain of \$1.639m) due primarily to the translation of foreign currency denominated bank balances into Australian dollars.

MAIN INFLUENCES ON COSTS OF OPERATION

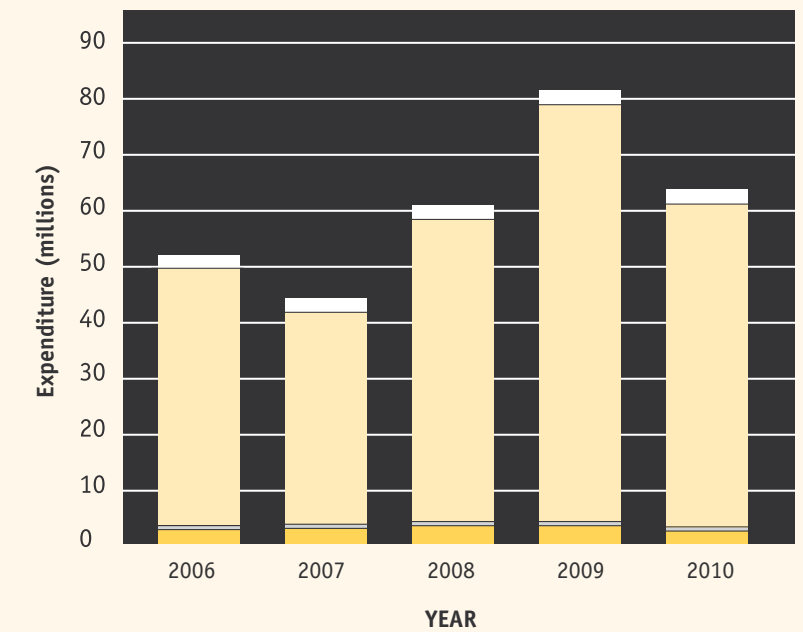
CARE expensed \$65.438m in the 2009/10 financial year. This was significantly lower than that expensed in 2008/09. As with the variation in revenue, this is due to a combination of the volatility of the Australian dollar and the impact of the GFC. During the financial year we expended \$58.491m on our overseas programs, which included expenses associated with programs undertaken in the emergency response to Cyclone Ketsana, the earthquake in Haiti, AusAID and other donor programs.

Other expenses include:

- marketing, publicity and fundraising costs of \$3.431m;
- finance, human resources, risk assurance, legal, and information and communications technology infrastructure costs of \$3.038m; and
- community education costs of \$0.395m.

EXPENSES 2006 - 2010

- Fundraising costs - Australian Public
- Overseas Programs
- Community Education
- Administration



BALANCE SHEET

CHANGES IN THE COMPOSITION OF ASSETS

Total assets increased marginally by \$0.042m in 2010 to \$44.981m. This increase is due to a combination of:

- cash, funds in terms deposits and other investments increasing by \$1.770m;
- prepayments decreasing by \$0.511m;
- trade and other receivables decreasing by \$1.2726m; and
- property, plant and equipment increasing by \$0.055m.

OTHER SIGNIFICANT MOVEMENTS IN THE BALANCE SHEET

There were no significant movements in the Balance Sheet.

CASH FLOWS

CHANGES IN CASH FLOWS FROM OPERATIONS

Net cash flows from operating activities was \$2.397m, an increase of \$6.002m on 2008/09. The movement represents a combination of the operating deficit, the reduction in the fair value of our investments, the net loss on foreign exchange, a reduction in our prepayments, receivables, payables and provisions and an increase in our unexpended project funds.

CHANGES IN CASH FLOWS FROM INVESTING

Net cash flows from investing activities in 2009/10 was \$0.487m, and primarily represents the movement in term deposits with maturity greater than 90 days, and other investments.

Accountability Measures

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

* 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.

ANALYSIS OF OPERATIONS FOR THE YEAR ENDED 30 JUNE 2010

	2010 (%)	2009 (%)
Total Cost of Fundraising and Administration /Total Income	10	9
Community Education / Total Income	1	1
Overseas Projects (Program Expenditure) / Total Income	90	89
Increase (decrease) in funds available for future CARE programming /Total Income	(1)	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	Advertising

Comparison by Percentage	2010 (%)	2009 (%)
Total Cost of Services (Overseas Projects <i>plus</i> Community Education)/ Total Expenditure <i>minus</i> Fundraising	95	95
Total Cost of Services (Overseas Projects <i>plus</i> Community Education)/ Total Income <i>minus</i> Fundraising	96	95
Total Cost of Fundraising/Revenue from the Australian Public	23*	20
Net surplus from Fundraising/Revenue from the Australian Public	77	80

* 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.





CARE Australia ABN 46 003 380 890
Donations 1800 020 046 or 1800 DONATE
Email info@careaustralia.org.au
Web www.care.org.au

National office

Level 2, Open Systems House
218 Northbourne Avenue
Braddon ACT 2612
Phone (02) 6279 0200
Fax (02) 6257 1938

Melbourne office

Level 1, 463 Church Street
Richmond VIC 3121
Phone (03) 9421 5572
Fax (03) 9421 5593

Solicitors Mallesons Stephen Jaques
Bankers National Australia Bank
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