Annual Report 2006

World Vision of Australia

40th Anniversary Special Edition

World Vision

In Cambodia, many children like these directly benefit as their parents earn a better living thanks to World Vision's microenterprise small loans scheme.

Our vision for every child,
life in all its fullness
Our prayer for every heart,
the will to make it so.

Our mission is to be a Christian organisation that engages people to eliminate poverty and its causes.

Our Values

- We are Committed to the Poor
- We Value People
- We are Stewards
- We are Partners
- We are Responsive
- We are Christian

Contents

In Wajjiid, Somalia, two girls giggle at the 'new foods' World Vision is introducing to the community as part of a home gardening and nutrition demonstration. Vegetables like spinach and tomatoes have transformed the traditional meat-based diet of the local communities.

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Chairperson's Message

Forty years ago, World Vision Australia began in humble circumstances. In 1966, our first chief executive, Bernard Barron, rented a small office in Lonsdale Street, Melbourne, and managed to hire a couple of staff from the YMCA.

After its first year of operation, World Vision had done remarkably well, amassing some 373 child sponsors and an annual income of $49,000.

Forty years on, our annual income today is in excess of $313 million and over 390,374 children across the globe are sponsored by Australians.

Beyond the figures and this remarkable growth, however, is a more profound story to be told and one that I have had the privilege to witness in my first year as Chairperson.

Mary in Zambia shares her community's concerns with Anne.

It is the journey that millions of Australians have taken in partnering with World Vision to turn tragedy and despair into relief and hope. It has been a journey that has seen World Vision respond to some of the world's worst disasters over the last four decades.

In the 1970s, World Vision was there to help the hundreds of thousands of boat people who fled in the wake of the Vietnam War. In the 1980s, we responded to famine and disease that devastated Ethiopia and Eritrea.

The 1990s saw World Vision help the nation of Rwanda to recover from the horrifying genocide. Much more recently, we witnessed the near total destruction wreaked by the Asian Tsunami and World Vision was there again, thanks to the stunning generosity of countless Australians.

Today, World Vision Australia works in 57 countries, responding to increasingly complex and diverse issues ranging from the recent East Timor unrest, to rehabilitating child soldiers in Uganda, to lobbying for more and better international aid.

Our great strength is that we are, 'on the ground', playing a significant role in strengthening the social sector of poor communities both here and abroad.

Importantly, our allocation of donations is always considered in the context of the causes of poverty from a community, national and global perspective.

The Australian Board is made up entirely of independent, non-executive directors. Their skills span an increasingly broad range of sectors to bring an accountability and judgment that ensures maximum impact for our donors and the vulnerable children who we are here to serve.

Perhaps less visible than World Vision's incredible growth over the last 40 years has been the bond it has created between millions of Australian families and their sponsored children.

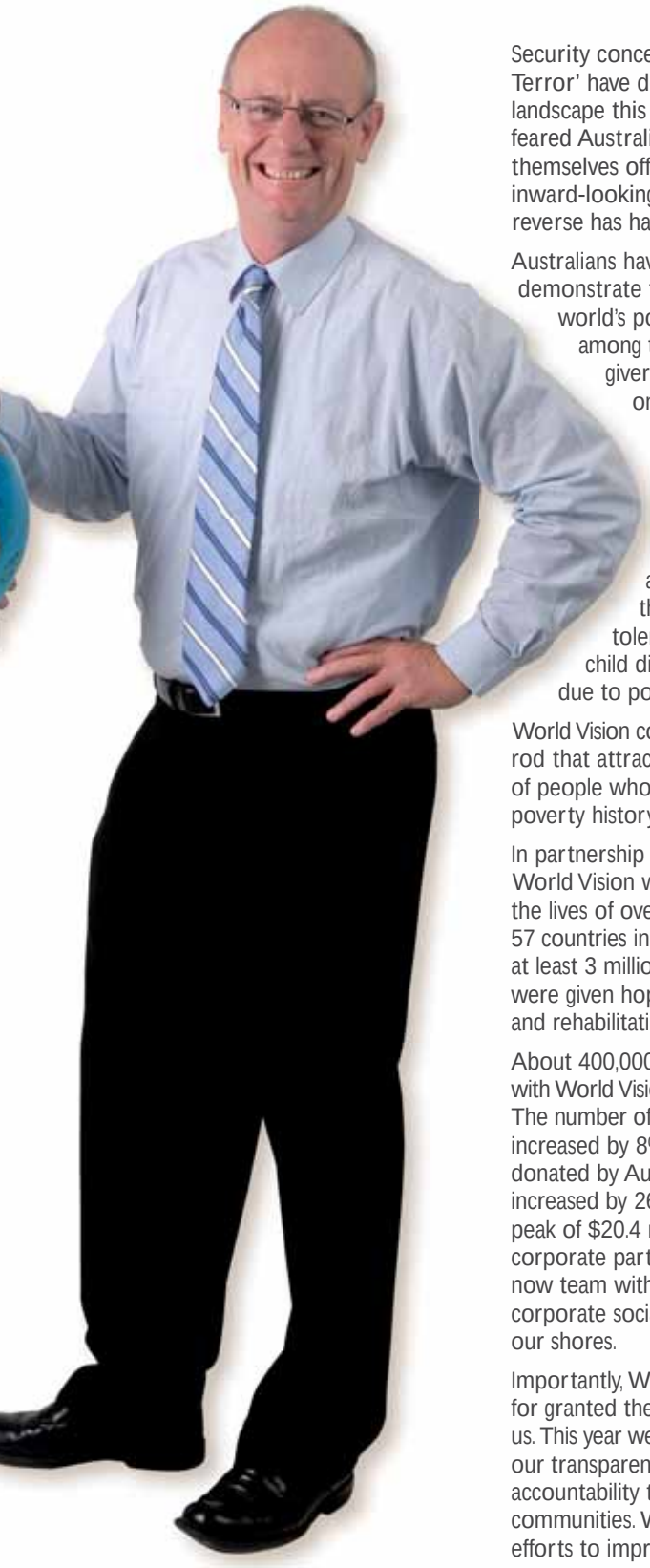
Generations of us have now grown up sponsoring children or participating in events like the 40 Hour Famine. Thousands are also now partnering with World Vision to call for greater government action to combat chronic poverty.

This journey has opened up the eyes of Australians to the suffering that is in our world, and more importantly it has shown that they can do something about it.

Finally, I would like to thank individual Australians, major donors, corporations and our tireless staff and volunteers for their contribution. It is my hope that as we continue on this journey, we can see in our lifetime a world in which extreme poverty has been relegated to the history books.

Anne Robinson
Chairperson

Chief Executive's Message



Security concerns and the 'War on Terror' have dominated the global landscape this past year and it was feared Australians would shut themselves off and become more inward-looking. Extraordinarily, the reverse has happened.

Australians have continued to demonstrate their concern for the world's poorest and today rank among the most generous private givers to overseas aid of any on the planet.

Australians have come to realise that although we are an 'island nation' we are indeed 'global citizens'. Their actions clearly demonstrate that they do not want to tolerate a world in which a child dies every three seconds due to poverty.

World Vision continues to be a lightning rod that attracts increasing numbers of people who are vowing to make poverty history.

In partnership with these people, World Vision was able to help transform the lives of over 12.4 million people in 57 countries in this last year. Of these, at least 3 million people suffering crises were given hope through our disasters and rehabilitation work.

About 400,000 Australians now engage with World Vision in many different ways. The number of children sponsored increased by 8% to 390,374 and goods donated by Australian companies increased by 26.9% to reach an historical peak of $20.4 million. At least 1,469 corporate partners and major donors now team with us to extend their corporate social responsibility beyond our shores.

Importantly, World Vision does not take for granted the trust Australians have in us. This year we went further in increasing our transparency to donors and our accountability to the world's poorest communities. We are also intensifying efforts to improve the impact of our activities in all the countries in which we work.

Tim visits a project in India where World Vision helps care for orphans who have lost their parents to HIV and AIDS.

Yet while Australians are privately among the most generous on the globe, disappointingly, our government's level of giving to overseas aid ranks among the lowest of the world's richest nations.

We are pleased that the government has committed to double aid to $4 billion a year by 2010 – a pledge our supporters can take some credit for. Our government is moving in the right direction, however, in relation to other wealthy nations, it still has a long way to go.

Everyday Australians are not just giving, they are also joining us in raising their voice to demand greater action from government to combat severe poverty.

Through the Make Poverty History campaign, hundreds of thousands bought white armbands and thousands more participated in events to call for better aid, fairer trade and debt reduction as part of global efforts to halve chronic poverty by 2015.

We are witnessing a global movement for change. It is a movement that no longer tolerates the devastating poverty that is killing 30,000 children each day.

In Australia, World Vision is playing a pivotal role in this movement for change and I would like to thank our staff, our volunteers and our supporters for their incredible efforts over this last year to make poverty history.

Tim Costello
Chief Executive

Year in Review

Improved agricultural techniques mean that fresh maize is now on the menu for these four Ugandan children – Rebecca, Harriet, Philip and Allen (front to back).

The Year in Review

World Vision is Australia's largest overseas humanitarian organisation and is part of a global partnership operating in over 96 countries worldwide. More Australians entrust more money to World Vision than any other non-government organisation in the country.

Largely through the support of 400,000 Australians, World Vision has helped over 12.4 million people through 678 projects in 57 of the world's poorest countries, as well as Indigenous communities here in Australia.

On top of that, individual Australians and corporations donated in excess of $7 million towards our disaster relief work. Over 100,000 Australians have also joined the Make Poverty History campaign, a coalition of partners including World Vision calling for better aid, fairer trade and debt reduction to help address the structural causes of poverty.

Community development:

- The number of children sponsored increased by 30,133 to 390,374 (up 8%)
- Over 12% increase in the number of projects funded
- Completion of a successful community development project in Madang, Papua New Guinea, in partnership with AusAID[4]
- Initiated a new strategy to tackle child labour in India aimed at policy change for all levels of government
- Signed a Letter of Intent with the World Bank to sell 2 million Certified Emissions Credits from community managed forests in Ethiopia
- Won a large AusAID funded community development project in Laos

Emergency relief:

- Helped over 3 million people in the Pakistan earthquake, the East Timor crisis and long-term rehabilitation projects like the Asian Tsunami
- 26.9% increase in goods donated by Australian companies
- Strategies started in all child sponsorship funded projects to better prepare communities for natural disasters

Policy change:

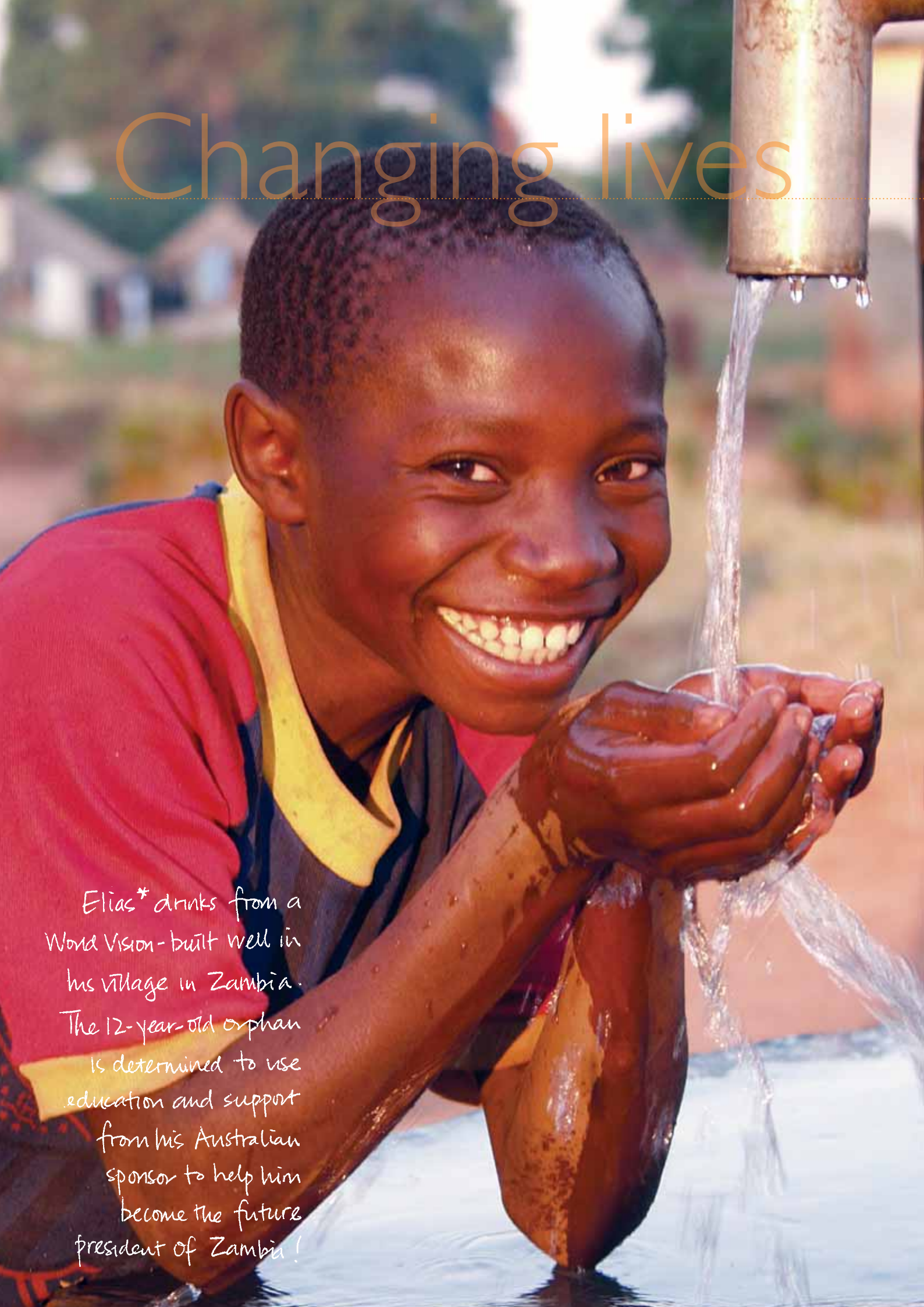
- Conducted global research to influence policy changes and improve access to anti-retroviral therapy for people living with HIV and AIDS

Engaging Australia:

- Over 25,512 new Australian child sponsors
- More than 100,000 Australians took action as part of the Make Poverty History campaign
- Winner of national awards for marketing and customer service

[4] The Australian Government's overseas aid agency.

Changing lives



Elias* drinks from a World Vision-built well in his village in Zambia. The 12-year-old orphan is determined to use education and support from his Australian sponsor to help him become the future president of Zambia!

We will implement best practice programs overseas and in Australia to build sustainable communities.

Changing lives through community development

Today, over 12.4 million people, including 390,374 sponsored children, now have the opportunity for a better future thanks to the support of more than 400,000 compassionate Australians.

The approach that World Vision takes to improve the lives of children is a total, integrated approach. In other words, we focus on changing the world in which a child grows up through long-term development projects that help both the child and the community as a whole.

Highlights

- 30,133 new children sponsored, 12% increase in projects funded, over 12.4 million people helped through around 678 projects in 57 countries
- Developed an initiative across Senegal, Mali, Mauritania, Niger and Chad aimed at eco-forestry industry development, improving bio-diversity and food security
- Integrating selected best practice day care, foster care, emergency care and maternal care service models into government child protection programs in Romania
- Assisted farmers in Ethiopia via an innovative coffee initiative with Jasper Coffee, a leading Fairtrade coffee company
- Helped local producers in Brazil access new local, regional and European markets through improving the quality of their products. This approach will be introduced across Chile, Ecuador, Peru, Colombia and Bolivia
- Assessment of conflict issues in the Solomon Islands addressing governance and aid effectiveness

Dani and her mother Ana Maria are just two of the many children and parents across Romania who are benefiting from World Vision's innovative work in child care.

Farmers' cooperatives across Brazil are using new techniques to increase their trading ability, thanks to World Vision's assistance. This one in Mosoro recently won an Inter-American Development Bank prize for Fairtrade promotion.

Ten-year-old Mikreu proudly shows off a basket of Ethiopian coffee beans. Life is improving for children like Mikreu as their parents receive better wages through fair trade.

* In accordance with World Vision's Child Protection Policy, the name of this child has been changed to protect his identity.

Changing lives a

Honduras

Children like Misael now enjoy basic education, health services and improved living conditions. Family ponds regularly yield fish, and irrigation systems encourage vegetables and crops. Small business loans to start poultry farms and bakery stalls give additional income for school supplies and build community confidence to chart an independent future.

Uganda

David* is one of the many children recovering at the World Vision Former Child Soldier Rehabilitation Centre in northern Uganda. The centre offers vocational training, counselling and psychosocial support for some of the 25,000 children abducted and forced to become soldiers or sex slaves for the rebel army, the Lord's Resistance Army.

Zambia

World Vision's Kabila Health Clinic provides immunisations, medicine and training for staff, health workers and birth attendants. It treats 200 patients a week and provides free service to those under five, over 65 and patients chronically ill with HIV and AIDS or tuberculosis.

Africa	Projects
Angola	3
Burundi	1
Chad	12
Ethiopia	26
Ghana	10
Kenya	32
Lesotho	9
Liberia	10
Malawi	17
Mauritania	2
Mozambique	14
Niger	1
Rwanda	8
Senegal	7
Somalia	9
South Africa	5

Africa	Projects
Sudan	7
Swaziland	9
Tanzania	28
Uganda	26
Zambia	24
Zimbabwe	19

Asia and Pacific Islands	Projects
Afghanistan	8
Australia	7
Bangladesh	8
Cambodia	18
China	8
East Timor	22
India	24
Indonesia	24

across the world

India

Providing school opportunities for children, particularly girls like Chandrika, is a key focus here. Before World Vision came, men believed that women were homemakers and their education was unnecesary. Chandrika has proved them wrong by being the first tribal girl in her village to reach high school.

Vietnam

Like many families across Asia, Loi's life changed when her family received a small loan from World Vision to purchase a cow. The family now grows bananas, papaya and rice, and breeds goats, chickens and cows.

Vanuatu

World Vision works with many communities across the Pacific to improve governance, reduce domestic violence and improve agricultural practices. Wedo, Mary, and Mary (front to back) proudly look after a school garden that helps provide healthy meals for students.

Mozambique

Seventy thousand children and families in Mozambique received maize, beans, high-energy supplements, cooking oil and more. This life-saving food, provided by the United Nations World Food Programme, is distributed by World Vision with funds donated through our Multiplying Gift Appeal.

Australia

For the Wetenngerr Leadership and Governance Project, Northern Territory, World Vision is working with the local leaders to develop a strong governance focused community council. Meanwhile all young people involved in the Armadale experiential training program in Western Australia now have their diploma, reaching a 100% retention rate in an area where the average is 40%.

* In accordance with World Vision's Child Protection Policy, the name of this child has been changed to protect his identity.

Asia and Pacific Islands	Projects
Laos	17
Micronesia	1
Mongolia	16
Myanmar	18
Nepal	5
Pakistan	13
Papua New Guinea	16
Philippines	9
Solomon Islands	4
Sri Lanka	14
Thailand	15
Uzbekistan	1
Vanuatu	4
Vietnam	18

Latin Amercia/Caribbean	Projects
Brazil	13
Chile	8
Colombia	5
Ecuador	10
Guatemala	10
Haiti	5
Honduras	8
Nicaragua	7
Peru	10

Middle East/Eastern Europe	Projects
Azerbaijan	8
Jerusalem/West Bank/Gaza	9
Lebanon	8
Romania	5

Life-cycle of a community development project

Our passion, combined with the quality of our specialist advisors, ensures we consistently strive to deliver highly effective programs.

The strategies for addressing the causes of poverty are complex and vary enormously depending on country, culture, climate and circumstance. Our operating model shown below guides our work over a cycle that can take up to 15 years to help communities become self-sufficient.

A major priority over the next few years is improving the impact of our work by consistently and vigilantly improving our design, monitoring and evaluation tools. In addition, we are working with communities to build their capacity to seek changes from their own governments in areas like water, economic development and HIV and AIDS.

Assessment and Design

World Vision develops new projects in consultation with local government and seeks agreement with the community on critical needs. Community committees are elected, children are identified for sponsorship and progress indicators are developed. The key causes of poverty are analysed and a strategy is designed accordingly.

Implementation

Projects are implemented locally based on the strategy design. Progress is documented through annual reports, budgets and monitoring which includes regular field visits by Australian staff. Strategy and solutions are reassessed as we work with the community to build its capacity for self-sustainability.

Phase-out

This is a time of celebration when the program objectives have been reasonably or fully met and the community is ready to carry on by itself. World Vision visits the community intermittently to informally monitor its progress.

1 – 3 yrs >

Tatu lives with her widowed grandmother in a Masai village in Nakombo, Tanzania. She wakes at 4am to walk 15 km to school past the only water source 12 km from the village shared with cattle and people washing clothes. Through child sponsorship, World Vision is planning a bore-hole and school closer to Tatu's village.

3 – 12 yrs >

World Vision runs monthly health check-ups for children under five in the Hien community of Vietnam. Classes for mothers have improved knowledge of nutrition over the last two years and child mortality rates have fallen. The Hien community was recently rewarded with a government certificate recognising its improved nutritional status.

Up to 15 yrs

Fourteen-year-old Tabite has been a sponsored child for 11 years. World Vision has built a health clinic nearby that treated her for malaria, a disease which is often fatal. Tabite's mother Namia is one of many in the community who have benefited from World Vision's training in growing fruit crops. The harvest has generated enough income for the family to be able to buy a solid mud house. With things at home settled, Tabite is now one of the best students at the local World Vision built school.

Case Study

A better future for the children of Dande, Zimbabwe

In the hot, dry Zambezi valley of northern Zimbabwe, the death of more than 3,000 people each week from HIV and AIDS related illnesses places enormous financial and emotional strain on extended families. World Vision has partnered with the Dande community to improve agricultural practices and to supply seeds and livestock to child-headed households and families with chronically ill members.

With the country's 1,200% inflation rate, school fees are out of the reach of child-headed families. However, World Vision has helped many child-headed households gain access to school.

One family of four boys has been assisted to create and run its own poultry-breeding project to help generate additional income for school fees. The two youngest still

Removing Barriers to Build Livelihoods

World Vision works towards improving access and removing barriers so that the world's poorest people can generate a sustainable income, local economy and gain access to global markets. We focus on three levels – community, national and global.

Community

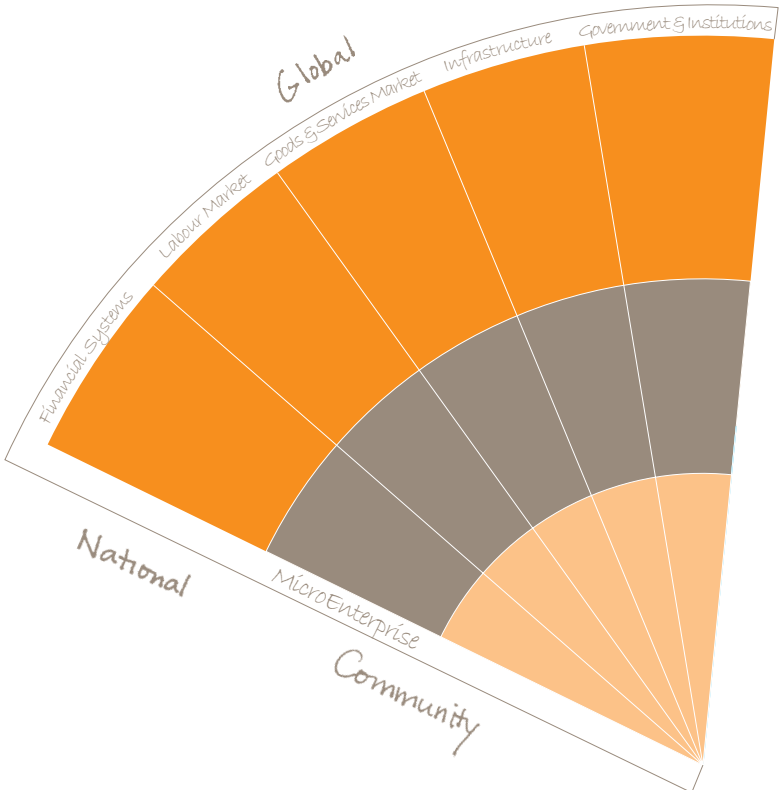
- World Vision's microenterprise development work offers small loans for community members to start businesses like bakery stalls or poultry farms
- Our broader community development work is strengthening the health and education of the world's future leaders

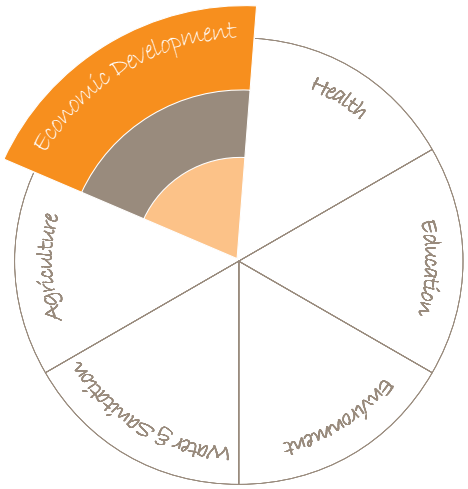
National

- In many poor countries World Vision is empowering communities to seek changes directly with their own governments. In Brazil, Peru, Uganda and Thailand, World Vision is working with communities to proactively engage governments in dialogue aimed at improving the quality of services available to them, particularly around health and education

Global

- Through the Make Poverty History campaign, we work with other like-minded organisations to influence governments to reduce third world debt





attend school while the older two have completed secondary school.

Meanwhile, local young people have been trained in building and furniture making and are constructing a Youth Resource Centre. Women from the community have been helped to start a small business making mosquito nets and they also sew school uniforms for the community's orphans.

Finally, an AusAID-funded water and sanitation project ensures the majority of the community now has access to safe drinking water.

Clean water is a time for celebration in the Dande community. >

Emergency relief

A sea of desperate hands reach upwards as kitchen sets and collapsible water carriers are distributed by World Vision during the Pakistan Earthquake Appeal.

Case Study

Reflections from the Pakistan earthquake

Claire Beck was seconded as the Country Program Coordinator during the Pakistan earthquake response in October 2005. She shares her reflections.

"Some houses had huge cracks, others were total rubble. One family was still sleeping inside their house, which no longer had standing walls. I don't know how I would feel if my house was flattened and I had to live in a tent in a Melbourne winter, but in the foothills of the Himalayas it is cold, seriously cold, with snow on the ground from late November.

We met one family whose three children had disabilities. "When the earth shakes we can get out quickly, but our children cannot," they explained. "Can we please have some tents?" Other people sat looking blearily into space, but most were actively rebuilding their shattered lives by clearing rubble to make it safe for their families.

We will implement best practice programs overseas to save lives.

Emergency relief

As well as ongoing rehabilitation in regions affected by the Asian Tsunami, this year's 128 World Vision relief and rehabilitation projects have assisted over 3 million people.

The projects were far reaching, from the Pakistan earthquake to the Philippines mudslide, from the Horn of Africa drought to the East Timor crisis, from the Yogyakarta earthquake in Indonesia to the unrest in the Middle East.

Generous Australians contributed in excess of $6 million to these efforts and many corporations donated much needed goods to the value of $1 million.

Highlights:

- Delivered critical food, shelter and medical supplies to disaster affected areas
- Creation of child-friendly spaces to protect and assist the children of at least 5,000 families displaced by the Pakistan earthquake
- Developing programs in all child sponsorship-funded projects to help the communities better prepare for natural disasters
- Improving our policies and operating frameworks to help protect vulnerable people during emergencies
- On the second anniversary of the Asian Tsunami, work is focusing on long-term community rehabilitation and revitalisation

World Vision's emergency relief work has helped to save lives in countries affected by drought across the Horn of Africa.

The children at the World Vision child friendly space in Pakistan flock to 13-year-old Farina like a beloved older sister. "She's an activist from the heart, who is just naturally organising the children," says Sian Platt, a World Vision child protection officer.

Families in East Timor receive cooking oil, salt and a mixture of maize and beans during the country's recent unrest.

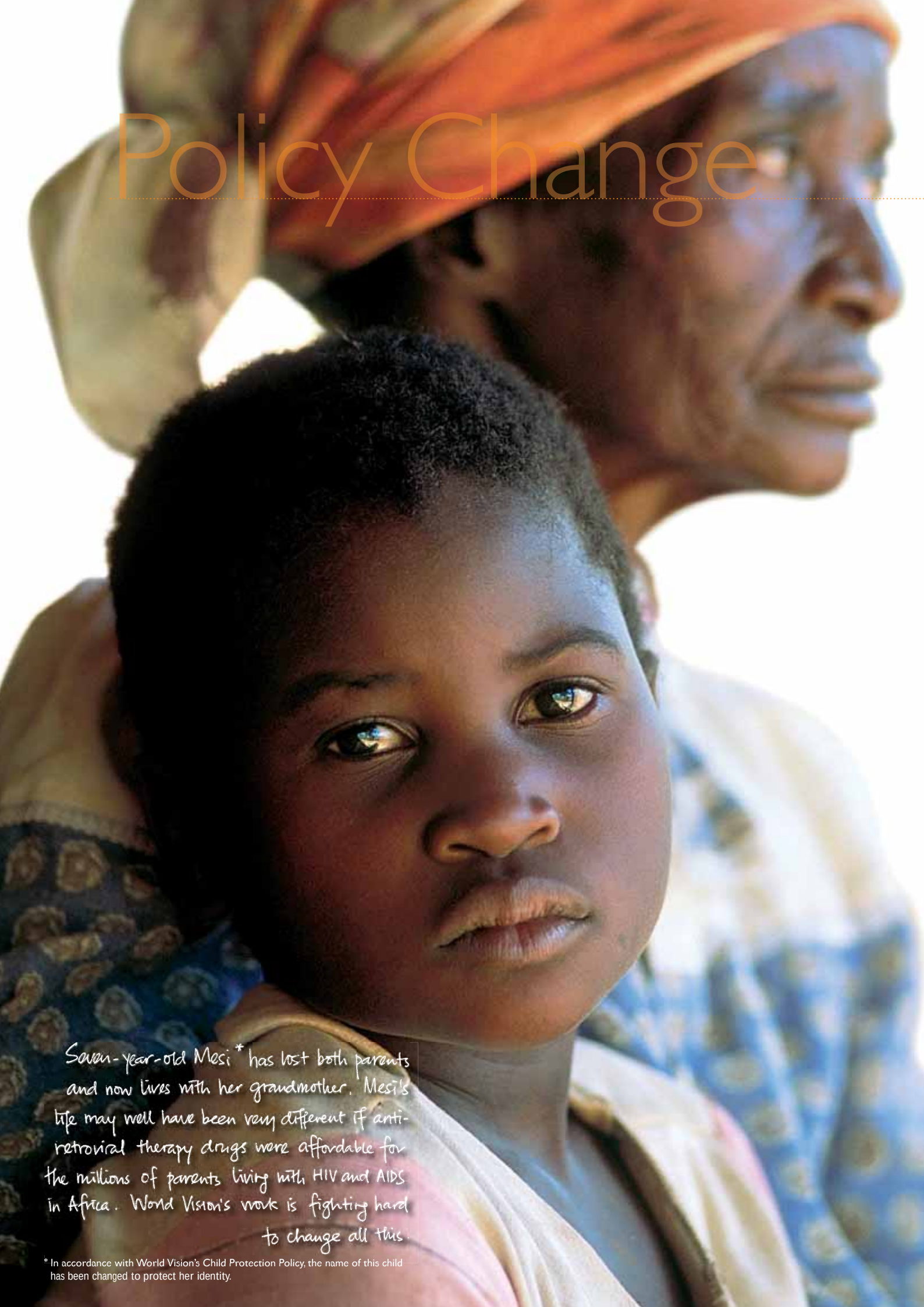
During the day it was sunny, but at night it was freezing and despite no lights, limited warm clothing and blankets, the resilience of these people was amazing. Women still cared for their families and children played as children do among the rubble of what was once their home.

The women in the villages told me they needed basic relief goods but also wanted a school. "Our children have missed so much school, how will they pass their exams?" they explained. Everywhere people waited patiently for the various agencies to deliver much needed shelter and blankets. Because so many of the villages are completely isolated, a lot of food had to be airlifted in by helicopter where it was met by World Vision staff who lived on in these isolated places for weeks, staffing the storage tents.

Thanks to the heartfelt donations from Australians, the arrival of winterised tents, cooking utensils and blankets offered a much needed glimmer of hope for the survivors of this tragic disaster.

Clare Beck, Country Program Coordinator, inspects devastated homes in the wake of the October 2005 Pakistan earthquake.

Policy Change



Seven-year-old Mesi* has lost both parents and now lives with her grandmother. Mesi's life may well have been very different if anti-retroviral therapy drugs were affordable for the millions of parents living with HIV and AIDS in Africa. World Vision's work is fighting hard to change all this.

* In accordance with World Vision's Child Protection Policy, the name of this child has been changed to protect her identity.

We will advocate to change government and institutional policies in Australia and internationally to benefit the world's most vulnerable people.

Policy Change

Our work aims to change government policy to result in large scale improvements for entire regions and countries.

Even one adjustment in policy, like the Australian Government's commitment to double its Overseas Development Assistance (ODA) to $4 billion a year by 2010, will achieve greater impact on more people than almost any other means.

"Through our actions and voices we have the power to change the world."

Catherine Boomer, Public Policy Manager

Policy Change

We are also focused on urging the Australian Government to fulfill its commitment to the Millennium Development Goals (MDGs) – a global strategy initiated by the United Nations to halve extreme poverty by 2015. If our government's planned increase in ODA were to focus on achieving the MDGs for our most needy South-East Asian neighbours, the outcomes would be enormous. At least 6 million people would gain access to safe drinking water and around 33,000 more children would be able to attend school[5].

[5] Make Poverty History coalition and World Vision Australia, 2006, *Proposal for an Australian Regional Health and Education Initiative*.

Case Study

Eliminating violence against children in the Pacific

World Vision has done considerable research into child abuse across the world. A recent study in the Pacific provides valuable insight into a child's world from both a customary and legal view point and helps parents to better understand the issues they face raising children.

The report's particular focus is the role of families and communities in combating violence against children. It offers solutions and seeks to build on the positive interactions children have with the community and government.

The United Nation's *Convention on the Rights of the Child (CRC)*, ratified by the three Pacific Islands

This postcard was signed by over 20,000 World Vision supporters pledging their support for better aid and further debt relief for the world's poorest countries.

After being granted debt relief, the Zambia government was able to fund 4,500 new teachers, the building and repairing of schools, as well as many other education and health related initiatives.

Musician Guy Sebastian is one of our ambassadors who has joined in the call to make poverty history.

Highlights:

- Over 20,000 World Vision supporters signed a postcard to pledge their support for better aid and further debt relief for the world's poorest countries. More than 100,000 Australians were involved in the broader Make Poverty History campaign. This groundswell of opinion helped influence the Australian Government to increase its commitment to overseas aid, and to continue international debt reduction
- Jointly published a report to call on the Australian Government to prepare for the effects of climate change on our poorest neighbours[6]
- Contributed to the content and direction of the Australian Government's White Paper to help shape the future of overseas aid
- Global research to support access to anti-retroviral therapy for people living with HIV and AIDS

[6] Climate Change and Development Roundtable, 2006, *Australia Responds: Helping Our Neighbours Fight Climate Change.*

countries that form the basis of this study (Vanuatu, Papua New Guinea and the Solomon Islands), provides the research framework. In keeping with the CRC, World Vision believes that involving children in all matters that concern them is the best way forward.

The research findings aim to inform policy changes and community programs in relation to child protection in the Pacific, and across the globe.

Many children across the Pacific will benefit > from World Vision's insight into violence against children.

Engaging Australi

"It's inspiring to know that there are many things I can do in my lifestyle or through organisations like World Vision to make this world a better place."

– Eliza Anderson, World Vision child sponsor and Director of We Are What We Do, Australia.

Case Study

ANZ - earning community trust

"ANZ's community investment strategy is underpinned by our value of 'earning community trust', and relies on deep, mutually beneficial partnerships with community organisations" – said Brian Hartzer, Group Managing Director, Personal Division ANZ. "This commitment to community work was recently awarded the Prime Minister's Prize for Business Community Partnerships."

World Vision is a partner in ANZ's payroll giving program where staff donations are matched up to $1,000 per person and $1 million per year. An initiative launched this year will also see every child sponsorship taken up by ANZ staff matched by a donation to World Vision's Better Futures program – a first for any corporate payroll giving system.

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We will continue to educate Australians about the causes of poverty and challenge them to be involved in alleviating its causes by providing funding or by joining campaigns.

Engaging Australians

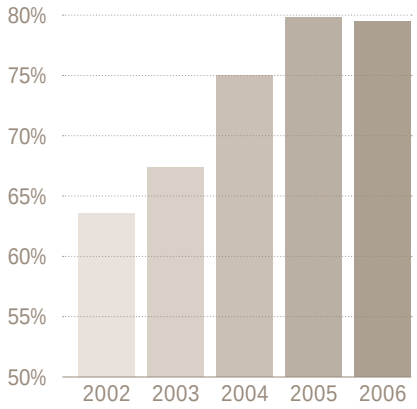
At World Vision we believe that changing hearts and minds can change lives. More Australians than ever before believe they can improve the lives of the world's poorest people with at least 78% of them, agreeing that charity organisations like us make a long-term difference[7].

We remain focused on increasing public awareness of poverty's solutions and the many ways people can take action. Going forward, our priority is to progress our advocacy initiatives and better engage with corporations, schools and faith communities.

Highlights:

- Tens of thousands of Australians made the decision to help transform the lives of the world's most vulnerable children. Many sponsored a child, donated to an emergency or chose to support one of our new issue related programs – Water Health Life, Child Rescue or Better Futures
- More than 100,000 Australians took part in the Make Poverty History coalition campaign
- Several thousand also united in a treasure hunt designed to encourage the Australian Government to increase its overseas aid commitment
- Faith communities were encouraged to put their faith in action through a new sitelet on the World Vision website
- Generous volunteers gave 128,000 hours this year, which equals about $2.6 million worth of work
- A total of 1,469 Australian companies and major donors supported 128 community development projects
- The 40 Hour Famine involved over 300,000 young Australians, raising well over $4.5 million to help feed and care for children and families in East Timor, Southern Africa and Sudan. Many more students and young people have helped raise money to build a school in Africa, taken up roles as youth ambassadors or raised their voice as part of our new youth activist STIR initiatives

Australians believe that overseas aid agencies can make a long-term difference



[7] Roy Morgan Research, 2006, *Single Source*.

World Vision is also included in ANZ's Shareholder Dividend Donation Program offering powerful ways to support important programs and causes. ANZ volunteers too have made a great impact in many ways from helping to pack goods, through to sharing information technology expertise.

Finally, ANZ's involvement with World Vision in the *Business for Poverty Round Table* is exploring innovative ways to change corporate practice and government policy to reduce global poverty.

* In accordance with World Vision's Child Protection Policy, the name of this child has been changed to protect his identity.

David* is one of the many former child soldiers > who has received counselling and rehabilitation at World Vision's Children of War Centre in Uganda, thanks to ANZ's support of our Better Futures program

Many ways to help change lives

Case Study

Child Rescue Program

Linda Shannon, a child sponsor, has always wanted to do more and was happy to discover World Vision's Child Rescue program.

The program helps children in appalling circumstances that fall outside the reach of child sponsorship. Some have no parents, others have escaped from brothels and most are living on the streets.

"There are a lot of children not as fortunate as mine who are forced to live in terrible circumstances. To me, it feels nice to give to others, just like sponsorship, and I feel it's the responsibility of Australians to do the same," says Linda.

This year Linda's support helped to:

- Provide shelter, food and support for vulnerable children
- Help trafficked children or those in bonded labour or slavery
- Prevent sexual exploitation, particularly in tourism
- Provide ongoing medical care and support for children affected by HIV and AIDS, especially orphans

Linda Shannon, a child sponsor, was happy to discover World Vision's Child Rescue program as a way to help children living outside the reach of child sponsorship.

Corporate and Ambassador support
Melissa Doyle, host of Channel Seven's Sunrise, travelled to Mongolia to meet her sponsored child Khulan and to hand-deliver warm jumpers and soft toys knitted by generous Australians during the Guardian Angels Appeal.

40 Hour Famine
This year's 40 Hour Famine was one of the biggest ever and involved more than 300,000 young Australians raising well over $4.5 million for children and families in East Timor, Southern Africa and Sudan.

Volunteering
Pamm works for ANZ, but also donates her time to train World Vision volunteers in Victoria and raises funds for a women's rights project in Somalia.

Corporate Social Responsibility
Through the PricewaterhouseCoopers Foundation, PwC staff contribute to causes such as World Vision's Armadale Experiential Training Program in Australia. The program provides hope and self-determination for young Indigenous people. Our relationship with PwC encompasses not only financial support but includes professional services and volunteering.

Vision-Generation Summit and STIR
Vision Generation is World Vision's youth movement and its new youth activist brand is called STIR. Over 10,000 young Australians conducted activities including STIR stalls at university orientation-weeks, STIR podcasting and webisodes.

Child Sponsor
Paul responded to World Vision's 10,000 Appeal and is one of many Australians helping to change the lives of children living in desperate need. "We have everything we need in life but so many people go without," says Paul. "I am just doing my bit."

Corporate Partnerships

Vodafone staff recruited several Australian organisations including IBM and Hutchinson Telecom to compete in the Bat for Poverty cricket match, raising over $100,000 to build a learning centre for the children of Pader in Uganda. The Vodafone Foundation generously contributed an additional $100,000 matching grant to this worthy cause.

Water Heath Life Supporter

Paul Lee is one of many Australians who support World Vision's Water Health Life program, bringing permanent solutions to preventable diseases and the lack of clean water. "I just wanted to help people who didn't have the basics like clean water and make a difference in the world, even if it was small " says Paul.

School to School Program

In this program an Australian school partners with World Vision to build a school in a developing country. Scotch College in Victoria raised its three year target of $150,000 in one year to build a school for Zambia's Kapumfi community. Scotch students visited Kapumfi earlier in the year.

Groups

The Victoria Police Soccer Club recently visited its sponsored children in Thailand to see the agricultural, sanitation and eco-tourism projects it supports. As President Ron Sinclair said, "in the back of a few members' minds was the question – 'are we really making a difference?' Seeing our project first hand answered that with a resounding YES!"

Ambassadors

Australian cricketer Adam Gilchrist visited India and Bangladesh to witness World Vision's work first hand. In his role as World Vision Ambassador, Adam encourages Australians to become involved in the Make Poverty History campaign.

Putting Faith in Action

Darling Street Anglican Church in Sydney raised over $30,000 for the Kigali Urban HIV and AIDS project in Rwanda. Senior Minister, Barry McGrath, said, "having the opportunity as a congregation to learn about global poverty and HIV and AIDS really motivated us to want to support a project overseas."

Youth Ambassador Program

Six young 40 Hour Famine participants earned their place in a journey to East Timor where they witnessed World Vision's work in action. Their role is to inspire young people by sharing their experiences with schools, community groups and the media.

World Vision Connect Website

The new World Vision Connect website explains how the world works and how you can make a difference. Thousands have already learnt about global poverty and how they can change it.

Innovations in soc

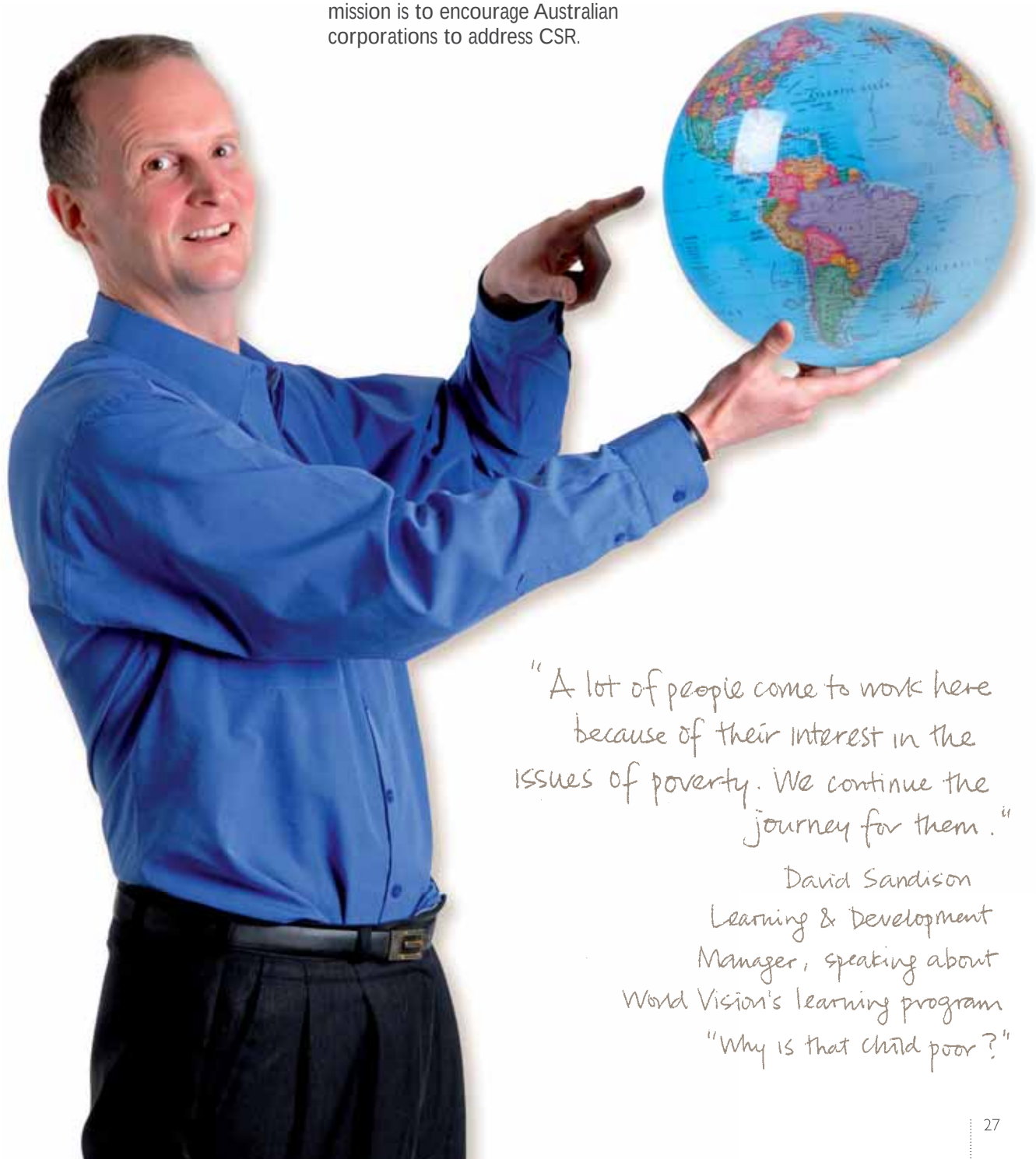
cial responsibility

Innovations in Social Responsibility

World Vision recognises that Corporate Social Responsibility (CSR) is about how organisations manage business processes for positive impact on the environment, communities and society as a whole.

It may seem surprising that a social purpose organisation like ours has its own CSR approach. We, in fact, view CSR as the responsibility of every organisation and integral to our overall mission. Part of our mission is to encourage Australian corporations to address CSR.

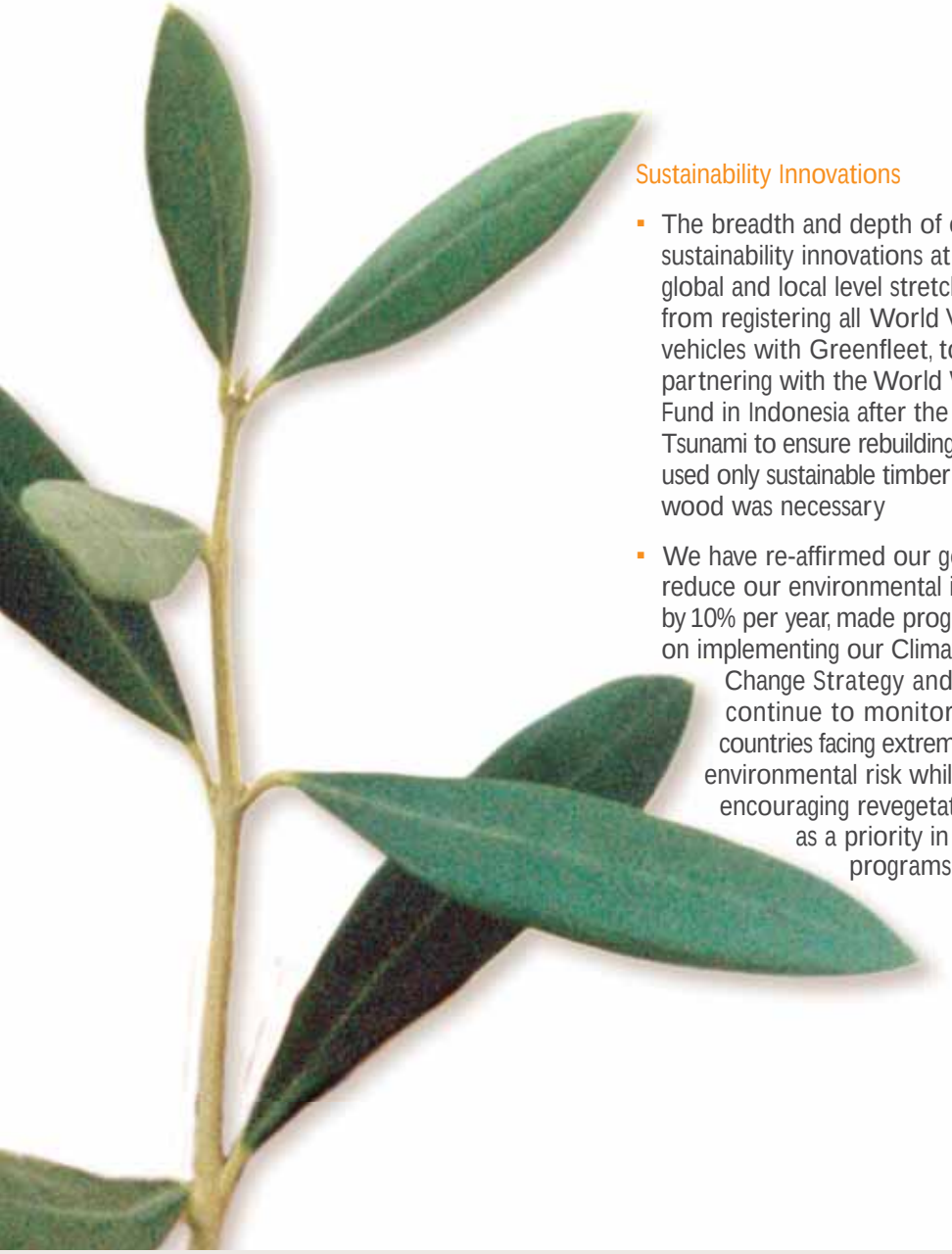
For this reason, we feel a need to answer these questions for ourselves. Following are some examples of the beginnings of our CSR journey.



"A lot of people come to work here because of their interest in the issues of poverty. We continue the journey for them."

David Sandison
Learning & Development Manager, speaking about World Vision's learning program "Why is that child poor?"

Innovations in Social Responsibility



Sustainability Innovations

- The breadth and depth of our sustainability innovations at a global and local level stretch from registering all World Vision vehicles with Greenfleet, to partnering with the World Wildlife Fund in Indonesia after the Asian Tsunami to ensure rebuilding efforts used only sustainable timber where wood was necessary
- We have re-affirmed our goal to reduce our environmental impact by 10% per year, made progress on implementing our Climate Change Strategy and will continue to monitor countries facing extreme environmental risk while encouraging revegetation as a priority in our programs

People and Culture

- We help people to express their values within the workplace through schemes like car pooling, climate change groups and Ride to Work Day. "I'm really passionate about the environment," says Peter Weston, Program Officer for Ethiopia. "And when I asked World Vision to support Ride to Work Day, they encouraged staff to get involved"
- We have a commitment to building the knowledge of our staff around the core issues of poverty's causes and its solutions. An innovative learning program called, "Why is that child poor?", makes sure that all staff, Board members and volunteers can learn as much as possible about our work and poverty's key issues. The workshops are run using internal staff from various departments to talk on their areas of expertise

Case Study

Climate Change Commitment

As highlighted by the recent Stern Review[8], the potential ravages of climate change are so severe they could nullify efforts to secure meaningful and sustainable community development in poor countries. World Vision is committed to reducing its environmental impact by 10% per year and to achieving zero net carbon emissions from domestic operations by 2015. Savings derived from lower consumption should allow us to realise these objectives at no net additional cost.

We are actively involved in the environmental debate, engaging people we work with overseas as well as staff, the public and the Australian Government. We have joined the Australian Government's Greenhouse Challenge and by providing facilities like lockers and showers, we encourage staff to ride, walk and take public transport to work.

Andre Renzaho, World Vision's Quality Program Advisor, receives an award for public health research after presenting his findings relating to the effectiveness of community development work.

Regular bike riders, Peter Weston and Bevan McEwen, take the 'fast lane' to work. Peter's electric bike, which has totally replaced the role of his car, is testament to his serious environmental commitment.

Car poolers Susie Waggler, Adam Valvason and Ruth Hudson are committed to World Vision's climate change goals.

- We are dedicated to ensuring the health, safety and welfare of our employees and volunteers. We go beyond technical or token compliance with legislation to empower work groups to effectively manage their own health and safety issues while ensuring that policies, procedures, training, support and resources are under continuous review. Surveys reveal high levels of staff satisfaction in this area and although we have a formal issue resolution procedure, we have not yet had to use it. An independent audit showed that we are not only compliant but in some areas have achieved best practice despite our limited resources
- Volunteers play a crucial role at all levels of our work from the national and state offices to the Board of Directors. Around Australia, more than 4,300 contributed over 128,000 hours to World Vision in the last financial year, which equated to $2.6 million worth of work. In line with our child protection policy, every volunteer and staff member at World Vision undertakes a police check before commencing work

Credible Voice and Industry Sharing

- A conference organised by World Vision reviewed how community development organisations measure the impact of their work, and what improvements can be made. Such initiatives have contributed to a wider sector discussion about the best indicators for measuring effectiveness of community development programs

We are also examining collaboration with other businesses near to our headquarters, on collective bargaining for cheaper recycling services and green energy supplies.

Internationally, World Vision incorporates permaculture, organic farming, coastal area restoration and sustainable tourism within many of its community development programs.

Most recently, we signed a Letter of Intent with the World Bank to sell 2 million Certified Emissions Credits from community managed forests in Ethiopia. We hope to replicate this elsewhere.

We are also joining other community organisations in the Climate Action Network Australia and in a Climate Change and Development Roundtable.

[8] Sir Nicholas Stern, 2006, *Stern Review: The Economics of Climate Change, United Kingdom.*

World Vision includes organic farming and agro-forestry in many of its programs to help communities like Khalumbo's in Zambia protect and regenerate their environment. >

Corporate Gover

Protecting orphans and vulnerable children, like these two in Zambia, is an ongoing part of World Vision's work.

rnance

Our promise is to act on behalf of all World Vision donors to maximise the impact of their support through effective strategic input and direction.

Corporate Governance

Board responsibilities and structure

The Board is comprised entirely of independent, non-executive directors who have a broad range of skills in commercial, business and international activities.

They bring accountability and judgement to ensure maximum impact for our donors and for the world's poorest children. Their focus is on maximising the use of donated funds to address poverty's causes.

The Board supports the Australian Stock Exchange (ASX) Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. As World Vision is not a publicly listed company, we are not required to report on these principles but, where applicable, we apply them to the organisation.

We abide by the Fundraising Institute of Australia's guidelines and national and in-country child protection and privacy policies. We are also an active member of the Australian Council for International Development and strictly abide by its code of conduct. Our emergency work complies with international relief standards outlined by Sphere and the Red Cross code of conduct.

World Vision maintains the highest level of corporate ethics as overseen by the Board and has adopted a formal charter. In particular, the Board:

- ensures compliance with laws and policies
- establishes the strategic direction
- sets and assesses the objectives and standards by which World Vision is governed
- appoints the executive committee
- appoints and evaluates the performance of the Chief Executive
- approves and monitors the annual budget
- ensures adequate risk management

Operational management is the responsibility of the Chief Executive, with all powers, discretions and delegations as authorised by the Board from time to time. The Board is responsible for ensuring the Chief Executive and the management team are able to meet this responsibility.

Board Structure

None of the 14 member non-executive directors are paid any fees, however, they can claim reasonable travelling and other expenses incurred in connection with World Vision Australia business.

Note: Further details on the Board can be found on the World Vision website together with a pdf of this report.

Board Profiles

Anne Robinson
(Chair)
BA. LLB (Hons). FAICD

Anne Robinson joined the Board in 2000 and was elected as Board Chairperson in November 2005. She is principal of the legal firm, Prolegis, which provides legal services to not-for-profit organisations. She is also Chairperson of Home of Peace Hospitals Limited and Church of England Deaconess Institution Sydney Limited, and a member of Barker College Council.

Anne graduated BA LLB with honours in international trade law, and is a Fellow of the Australian Institute of Company Directors.

Special Responsibilities: Member of all Committees

Peter King
FAICD

Peter King joined the Board in 1994 and was its Chairperson from August 1995 to November 2005. A former Chief Executive of John Fairfax Ltd, he is currently on a number of boards in various industry sectors and is Chairperson of two organisations. He is a foundation Fellow of the Australian Institute of Company Directors and has attended the Senior Managers program at Harvard University.

Special Responsibilities: Board Executive, People Culture and Learning Committee, Marketing Committee (Chairperson) and a World Vision International Director

Gary Brown
Dip Bus. FAICD

Gary Brown joined the Board in 2000 and is currently Vice President of Human Resources Strategy and Organisational Development at BHP Billiton Ltd. Previously, Gary was a consultant for Dawson Brown and Associates Pty Ltd, assisting a broad range of organisations with strategic issues. He is a Fellow of the Australian Institute of Company Directors.

Special Responsibilities: Board Executive, Board Development Committee and People Culture and Learning Committee (Chairperson)

George Savvides
BE (Hons). MBA. FAICD

George Savvides joined the Board in 1998 and is also a Director of World Vision International. He graduated in engineering from the University of NSW and obtained an MBA from the University of Technology in Sydney. George is currently Managing Director of Medibank Private Ltd. He is also a Councillor of the International Federation of Health Plans, a Fellow of the Australian Institute of Directors and an Executive Member of Australian Health Insurance Association.

Special Responsibilities: Board Executive, Board Development Committee (Chairperson) and a World Vision International Director

Margaret Rodgers
BA (Hons). BD (Hons)

Margaret Rodgers joined the Board in 1999. She is the Media Officer for the Anglican Archbishop of Sydney, and is actively involved in various committees of the Anglican Church, including the Sydney Diocesan Standing Committee and the General Synod, and the NSW Council of Churches. She is also Director of the Council of Churches Broadcasters Ltd.

Special Responsibilities: Policy and Program Committee and Marketing Committee

Chris Daly
B. Bus. ACA. CPA

Chris Daly joined the Board in 1994 and was a national partner-in-charge of the business recovery area of practice of Pricewaterhouse Coopers in Australia, having joined the firm in 1976. Prior to that, Chris held various positions in industry.

Special Responsibilities: Board Executive, Board Development Committee, Policy and Programs Committee (Chairperson) and Board Secretary

Dean Hirsch
BA. MSc. LLD (Hons)

Dean Hirsch has served on the Australian Board since 1997. He joined World Vision in 1976 and worked in a variety of roles before his appointment as President of World Vision International in 1996. Dean is based in Monrovia, USA and travels regularly throughout the World Vision partnership visiting projects and offices. He is Chairperson of the Non-Government Organisations Advisory Committee to UNICEF and Chairperson of the Global Movement for Children. In 1993 Dean was named Alumnus of the Year at Westmont College and in 1996 he was awarded an honorary doctorate in international humanitarianism.

Board Profiles

Brian Lampton
Dip Ministries

Brian Lampton joined the Board in 2002 and is a Director of the Power of the Spirit Fellowship and the Indigenous Community Care and Family Support Company/Ninti-riganyi Cultural Training Centre. He enjoys close association with the Haggai Institute and is a broadcaster on Aboriginal radio. He holds a Diploma of Ministries and is the founder of the Power of the Spirit movement in Australia, based in Cairns.

Special Responsibilities: Marketing Committee and Policy and Programs Committee

Assoc. Prof. Joan Abbott-Chapman
MA (Hons). PhD (Social Anthropology). FAICD

Associate Professor Joan Abbott-Chapman joined the Board in 2003 and is an Honorary Fellow, Department of Rural Health, University of Tasmania. She has 30 years teaching and research experience in universities in the UK, USA and Australia including 6 years as a Sociologist/Social Adviser with the British Ministry of Overseas Development within the Overseas Aid Program. She holds an MA (Honours), PhD (Social Anthropology) from the University of Edinburgh, is a Fellow of the Australian College of Educators and is the recipient of the ACE Tasmania Award 2002 for her 'significant contribution to education over many years in Tasmania and overseas'.

Special Responsibilities: Audit Committee and People, Culture and Learning Committee

Dr. Rosanna Wong
B Social Science. MSW. MSc. MA PhD

Dr. Rosanna Wong joined the Board in 2003. She is Executive Director of the Hong Kong Federation of Youth Groups, Chairperson of the Education Commission of the Hong Kong Special Administrative Region and Non-Executive Director, Hong Kong and Shanghai Banking Corporation Ltd. She is also a member of the National Committee of the Chinese People's Political Consultative Conference and a member of the High Level Panel of the United Nations on Youth Employment.

Special Responsibilities: Board Development Committee and Policy and Programs Committee

John Conn
BA (Accounting). Grad Dip (Arts). Grad Dip of Financial Planning. FAICD

John Conn joined the Board in 2004. He is a former General Manager at Australia and New Zealand Banking Group Ltd. He is a Fellow of the Australian Institute of Company Directors and has attended senior executive programs at the Australian Graduate School of Management and the University of Washington, USA.

Special Responsibilities: Audit Committee (Chairperson) and Board Executive

Shannon Adams
LLB

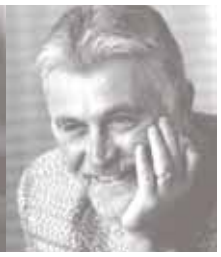
Shannon Adams joined the Board in 2005. He has been the managing partner of several legal firms and is presently a partner at Norman Waterhouse specialising in financial services law, legal compliance and governance, particularly in the credit union sector.

Special Responsibilities: Audit Committee and Board Development Committee

Barry Pipella
FAICD

Barry Pipella joined the Board in 2005. He is the Vice President for Sector and Sales (Australia and New Zealand) for IBM Global Technology Services and is responsible for the growth of application and infrastructure outsourcing and hosting services in the region.

Special Responsibilities: Audit Committee and Marketing Committee



Michael Prince
BA (Hons). Master of Christian Studies. Dip Prof Coaching

Michael Prince joined the Board in 2006. He has over twenty years experience with leaders as a manager, learning and development consultant and professional coach. Since 1995, Michael has operated his own business continuing to do significant international development work with non-government organisations and AusAID. He is also a director of the Winding Staircase, a professional services company. Michael has a BA (Hons) from University of Western Australia, and a Masters in Christian Studies from Regent College, Vancouver, Canada.

Special Responsibilities: People, Culture and Learning Committee and Policy and Programs Committee

Executive Team

Tim Costello
Chief Executive
B. Juris LLB Dip Ed
B Div M Theol

Rev. Tim Costello is a pre-eminent Australian who has devoted his life to health, welfare and social justice in Australia and globally.

He is an authoritative national voice of social conscience, and has led public policy debates on urban poverty, homelessness, gambling addiction, reconciliation and the elimination of global poverty.

In 1984 he established a socially active ministry at St Kilda Baptist Church and in 1994 became Minister at Collins Street Baptist Church where he established Urban Seed, a not-for-profit outreach service for the urban poor. In 2005 Tim was made an Officer of the Order of Australia (AO) and in 2006 was Australian of the Year for Victoria.

Tim was appointed Chief Executive of World Vision Australia in 2004. Following the Asia Tsunami in 2005 he travelled to the disaster area where his drive, presence and media profile added measurable weight to the World Vision Tsunami Appeal that raised over $100 million.

Paul Steele
Chief Operating Officer and Company Secretary

As Chief Operating Officer, Paul Steele manages the implementation of the organisation's strategy and overall operations in Australia.

Paul has an extensive background in transformational management and leadership. He has built, owned and nurtured businesses for more than 20 years and has served as a pastor, a chief executive officer and chief operations officer as well as a consultant and director of a variety of organisations.

He has founded a number of organisations including Managed Business Outcomes, Environmental Ventures and Catalyst Innovation. He is also a Board member of Solace Emerging Missional Church and Forge Mission Training Network.

Paul Ronalds
Director, Policy and Programs
BEc LLB (Hons) Grad. Dip App Fin.

Paul Ronalds oversees World Vision Australia's international and domestic field work and advocacy activities. He is also an industry representative on the Australian Council for International Development Code of Conduct Committee.

Paul has a background in law, business and economics. He has worked in corporate law with Freehills legal firm and co-founded wishlist.com.au, one of Australia's most successful e-commerce companies.

Paul also held the role of Chief Operating Officer of Urban Seed, a small not-for-profit outreach service assisting marginalised people in Melbourne's inner city.

Andrea Pink
Head, People, Culture and Learning
BA (Psych) GAICD

Since July 2003, Andrea Pink has managed all aspects of Human Resources at World Vision Australia including recruitment, learning and development, employee relations, organisational development, remuneration and volunteering.

Andrea is a registered psychologist and has more than 22 years experience in human resources in Australia and overseas. She has worked in various commercial organisations and as a consultant to government.

Grant Dawson
Chief Financial Officer
B Com. MBA. ACA

Grant Dawson joined World Vision Australia in July, 2005 as Chief Financial Officer. He is also the founding Chairperson of World Vision's Climate Change Committee.

Grant's primary focus is to ensure prudent management and reporting of all monetary resources at World Vision Australia.

Before joining World Vision, Grant worked for Coopers and Lybrand predominantly in accounts and tax before moving in to accounting and financial management, mainly in the food industry. Grant has also spent many years working in Asia managing the financial integration of mergers and acquisitions.

Inspired by Christian values, World Vision is dedicated to working with the world's most vulnerable people.

Financials

Nina and her three-month-old baby Noventa live in Mozambique. World Vision programs have improved their community's access access to clean water.

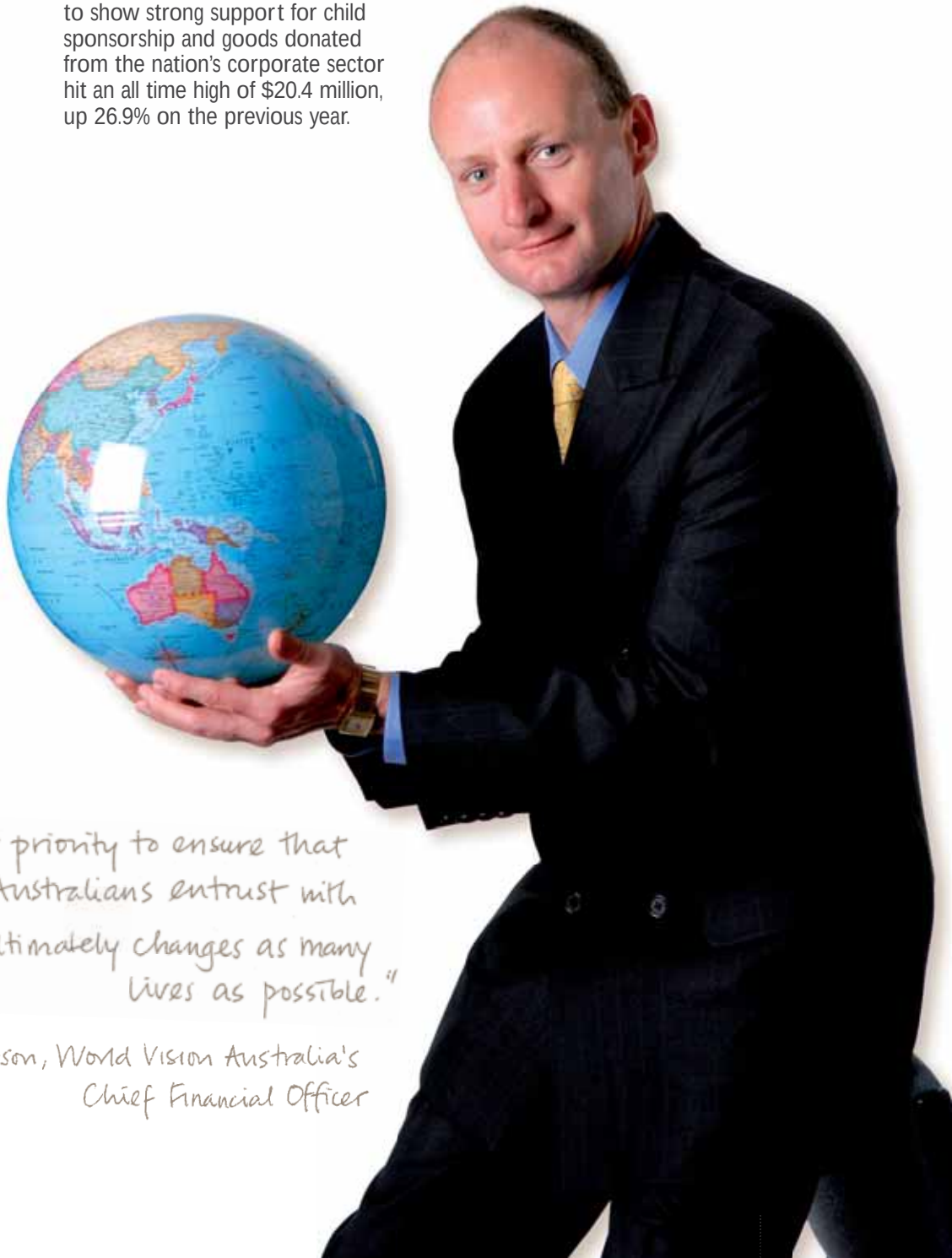
Financials

Highlights and summary

World Vision's 2006 financial year was characterised by strong growth and good management.

Individual Australians continued to show strong support for child sponsorship and goods donated from the nation's corporate sector hit an all time high of $20.4 million, up 26.9% on the previous year.

Cost saving initiatives reduced overheads and administration by over $1 million.

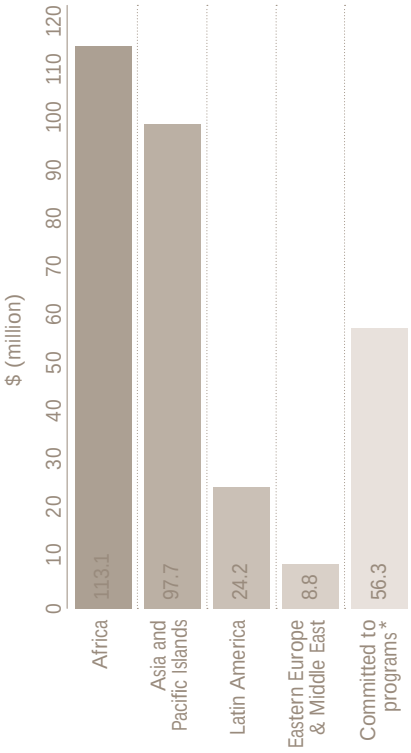


"It's our priority to ensure that the money Australians entrust with us ultimately changes as many lives as possible."

Grant Dawson, World Vision Australia's Chief Financial Officer

Financials

International Development Aid and Relief



* Funds committed to international projects and sent to our central international account, but not yet distributed to field offices.

Highlights

- Total income (excluding the Asian Tsunami) increased by $52.7m to $307.7m (20.7%)
- Child sponsorship income increased by $18.6m (12.0%) to $173.4m
- Goods donated, primarily from Australian companies increased 26.9% to $20.4m
- Helped the United Nations World Food Programme distribute $53m of food, mostly to drought affected parts of Africa (up 53.8%)

Expenditure (excluding the Asian Tsunami)

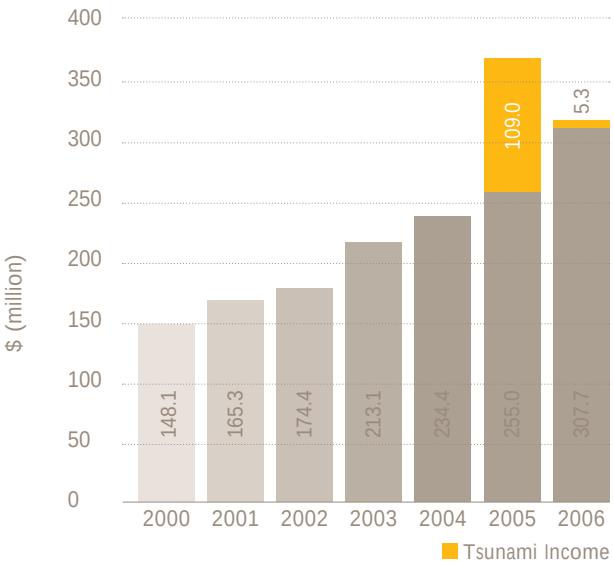
- Cash field disbursements increased by $17.2m (11.5%) to $167m
- Fundraising and administration costs to total disbursements reduced from 16.5% to 15.6% †
- The proportion of income spent on fundraising reduced from 9.5% to 8.6%
- The proportion of income spent on administration costs reduced from 7.1% to 6.7% †

Asia Tsunami Disaster

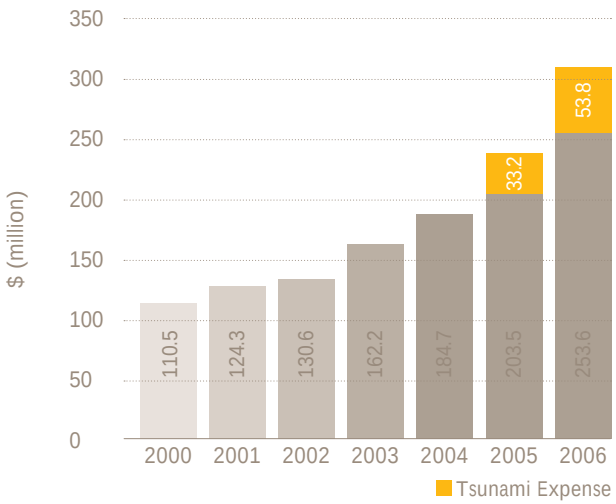
- $51.7m cash was used to fund rehabilitation and community projects
- $3m interest was earned on the Asian Tsunami funds invested with AMP, all of which will be directed back to Tsunami related projects
- $24.6m cash on hand to be spent by mid 2007

† Excluding implementation of our new supporter system.

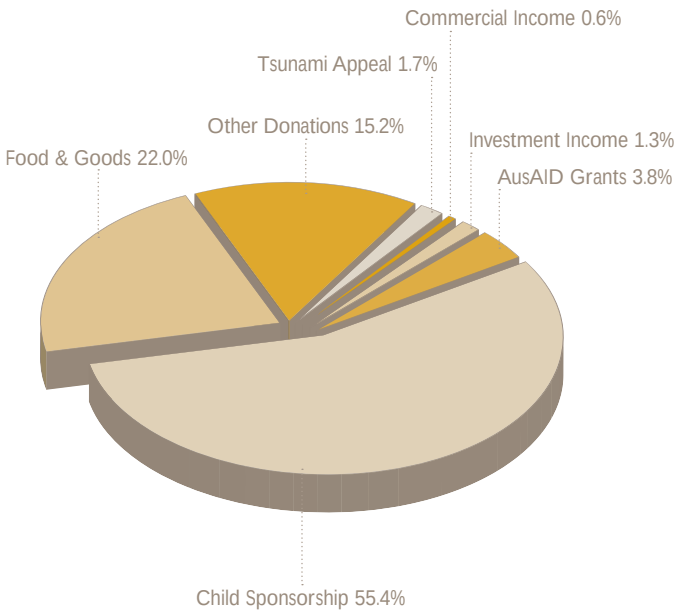
Revenue Continued to Grow



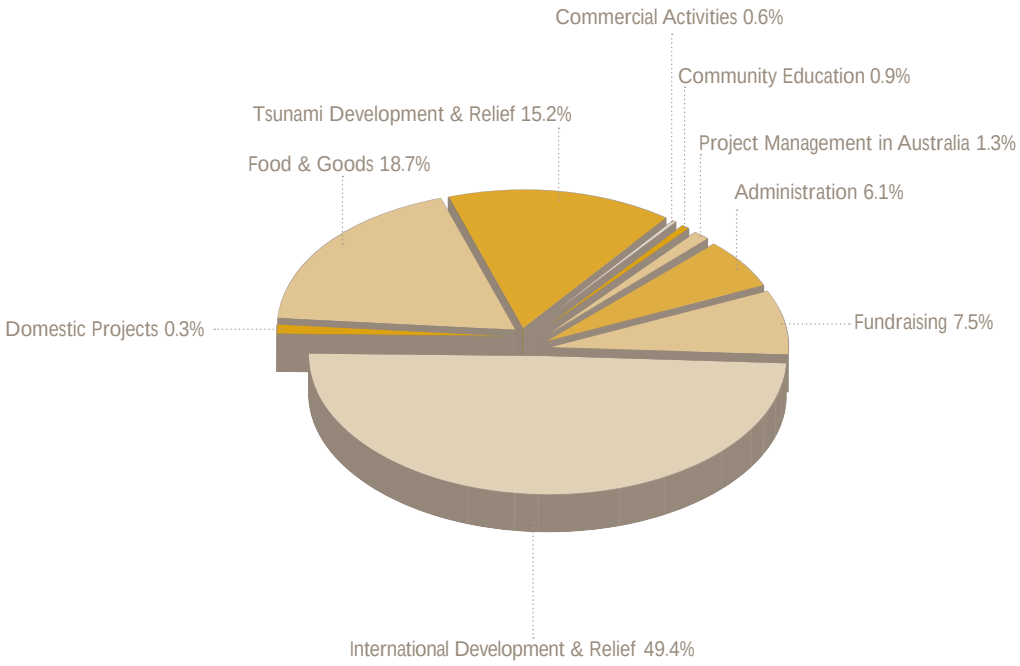
Record Cash and Gifts used on Relief & Development



Total Income



Total Payments



Income Sheet

(In Thousands of Dollars)

REVENUE	2006	2005	2004	2003	2002
Donations & Gifts from the Australian Public:					
- Child Sponsorship	173,410	154,823	133,133	110,484	96,757
- 40 Hour Famine	4,509	3,464	5,469	4,232	5,578
- Asian Tsunami Appeal	1,447	103,377			
- Emergency and Other Appeals	18,439	14,075	16,936	14,342	14,609
- Other Cash Donations	19,450	16,064	13,913	9,389	8,343
- Donated Goods	20,398	16,068	13,077	10,256	9,139
Total Donations & Gifts	237,653	307,871	182,528	148,703	134,426
Grants:					
- AusAID Cash	11,832	14,458	17,477	19,352	14,725
- Other Australian	327	496	589	357	192
- Other Overseas - Cash	8,106	6,184	6,545	5,590	4,484
- Donated Goods	48,941	28,393	24,341	35,807	18,577
Total Grants	69,206	49,531	48,952	61,106	37,978
Investment Income	3,987	3,941	696	809	648
Other Income:					
- Proceeds from commercial activities	1,745	2,339	2,113	2,387	1,250
- Other	487	299	74	66	60
Total Other Income	6,219	6,580	2,187	2,453	1,310
Total Revenue and Other Income	**313,078**	**363,982**	**234,363**	**213,071**	**174,362**
DISBURSEMENTS					
Overseas Projects:					
- Cash	229,126	190,786	144,166	115,488	99,595
- Food and Goods [1]	66,429	41,948	37,659	44,192	28,627
- Project Design, Development, Management [2]	4,500	4,012	2,916	2,500	2,338
Total Overseas Projects	300,055	236,746	184,741	162,180	130,560
Domestic Projects:					
- Indigenous					
- Cash	860	666	615	538	864
- Donated Goods	35	0	195	10	0
- Other	202	191	0	0	10
Total Domestic Projects	1,097	857	810	548	874
Community Education	3,265	3,244	1,727	1,107	897
Fundraising:					
- Public	26,148	24,509	24,872	22,856	20,825
- Government, Multilaterals & Private	304	224	453	395	360
Total Fundraising	26,452	24,733	25,325	23,251	21,185
Administration	21,828	21,619	19,401	19,619	18,293
Commercial Activities	2,252	2,398	2,143	2,224	1,338
Total Disbursements	**354,949**	**289,597**	**234,147**	**208,929**	**173,147**
Excess/(deficit) of Revenue over Disbursements	(41,871)	74,385	216	4,142	1,215
Funds available for future use at beginning of Financial Year	110,866	36,481	23,476	19,334	18,118
Movement in hedge reserve	(363)				
Funds available for future use at the end of the Financial Year	68,632	110,866	23,692	23,476	19,333

[1] Mostly food aid distributed under multilateral agreements with the United Nations World Food Programme.

[2] World Vision Australia has a team of professional staff working with our overseas offices to help improve the quality of development programs and increase the skills of local staff.

Note: The current income statement is prepared under Australian equivalents to International Financial Reporting Standards (AIFRS) and the Statement for 2005 was prepared under old Australian Generally Accepted Accounting Principles (AGAAP)

Balance Sheet

(In Thousands of Dollars)

CURRENT ASSETS	2006	2005
Cash	44,755	88,427
Receivables	1,679	1,239
Inventories	282	253
Goods in Kind	9,485	5,908
Other	365	490
Total Current Assets	56,566	96,317
NON-CURRENT ASSETS		
Investment Property	309	317
Property, Plant and Equipment	21,659	22,756
Total Non-Current Assets	21,968	23,073
Total Assets	78,534	119,390
CURRENT LIABILITIES		
Accounts Payable	6,754	4,627
Provisions	2,573	2,809
Total Current Liabilities	9,327	7,436
NON-CURRENT LIABILITIES		
Provisions	575	1,087
Total Non-Current Liabilities	575	1,087
Total Liabilities	9,902	8,523
Net Assets	**68,632**	**110,867**
EQUITY		
Funds available for future use	68,995	110,867
Reserves	(363)	0
Total Equity	**68,632**	**110,867**

Full financial statements are available on our website at worldvision.com.au

Cash Flow Statement for the year ended 30 September 2006

	FY06	FY05
Cash flows from operating activities		
Receipts from donors and merchandising (includes GST)	243,348	317,865
Interest received	3,994	3,951
Rent income	0	12
Payments to field offices, suppliers and employees (includes GST)	(290,635)	(247,913)
Net cash provided by operating activities	(43,293)	73,915
Cash flows from investing activities		
Payment for property, plant and equipment	(966)	(1,220)
Proceeds from sale of property, plant and equip	485	383
Net cash used in investing activities	(481)	(837)
Net increase in cash held	(43,774)	73,078
Cash at beginning of financial year	88,260	15,182
Cash at end of the financial year	44,486	88,260

Financials

Our Future – Global Efficiency Process

Income of the World Vision international partnership has tripled since 1998, stretching our global systems and infrastructure. To address this, the World Vision partnership has launched an international *Our Future Project*. World Vision Australia is playing an important role in its ongoing success to achieve additional global efficiencies.

Key performance indicators

World Vision has 35 key performance indicators that drive the organisation toward achieving its 3 year Strategic Plan. The indicators are detailed around the performance of the key areas of: community development, emergency relief, policy change, engaging Australia, synergy and effectiveness. Good progress has been achieved in all areas, particularly in improving our effectiveness to deliver on cost savings and enhanced performance.

Business efficiencies

Our new Procurement Program leverages our scale, new technology advancements and best practices to demonstrate our commitment to being good stewards of our resources. To date, implemented cost savings have exceeded $1 million and focused on fleet, print, freight, packaging services, payment terms and telephony hardware.

Overseas Cash Disbursement

Every year we diligently manage all financial contributions in a professional, outcome focused manner. Funds are dispersed to achieve outcomes in three areas – transforming communities, global management and expertise, as well as, engaging Australians.

Transforming communities (78.3%)

We believe improving the lives of children needs an integrated approach. Our experience over many decades has taught us that to change a child's life, we need to improve the quality of life in their community and help their parents provide for them. This is why World Vision concentrates on long-term development work tailored to the needs of each community.

Last year, 72.9% of every dollar we received went towards transforming communities and relief activities in the 57 countries where we work. An additional 2% is also held back for distribution to community development projects next year[8].

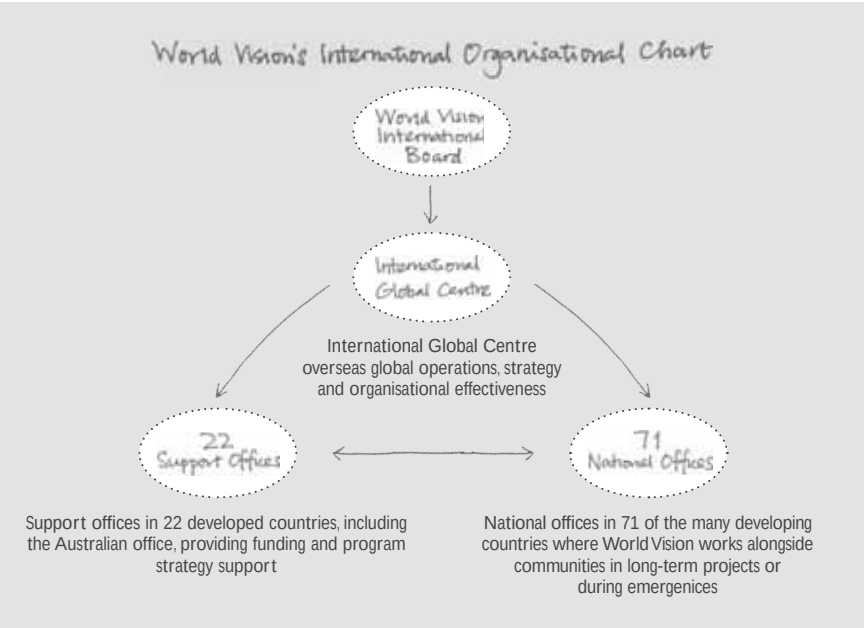
To support this work, our national operations in each country oversee, coordinate and provide advocacy support. This delivers effective programs and positive outcomes for the local development and relief activities.

Around 3.4% of our revenue last year was used to fund our field offices.

Global management and expertise (3.2%)

By sharing our experiences through our international partnership we improve efficiency and maximise economies of scale. Our technical experts, strategists and global leaders in the international partnership office help with global strategy and specialty expertise. A good example of this network is our Global Rapid Response Team, a group of emergency specialists who respond to a disaster within 24-72 hours.

To improve the lives of children, the World Vision international partnership sometimes becomes involved in global issues, such as campaigning to reduce the debt burden of poor countries so they can provide basic health and education for their children.



In the last 12 months, World Vision provided around 3.2% of our revenue to support these activities.

And in Australia (18.5%)

Most new sponsors join World Vision in response to fundraising appeals but staging these takes time, effort and money. By using a portion of sponsorship funds to conduct these fundraising campaigns and education programs, we can attract even more sponsors.

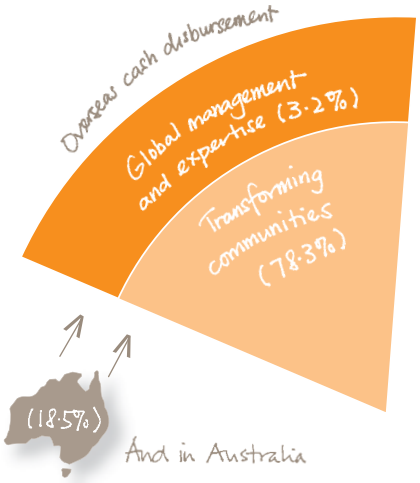
Last year, 8.6% of our income was directed towards this activity.

Community education to raise awareness in Australia about the causes of poverty allows more Australians to understand the many ways they can help change lives. Providing opportunities for Australians to campaign alongside World Vision about these issues is also a powerful way for them to be a part of policy or government changes benefiting millions of lives.

Last year, 1% of our revenue helped fund these endeavours.

Other activities conducted in Australia include: the project management, monitoring and evaluation of overseas projects by Australian staff (1.5%), our work with Indigenous Australians (0.4%) and administration (7%).

Note: These figures exclude Asian Tsunami funds.



[8] This mainly consists of goods donated by corporations.

Independent audit report to the members of World Vision of Australia

We have audited the summarised financial report of World Vision of Australia for the financial year ended 30 September 2006, compromising the income statement, balance sheet and cash flow statement, in accordance with Australian Auditing Standards.

In our opinion, the information reported in the summarised financial report is consistent with the annual statutory financial report from which it is derived and upon which we expressed an unqualified audit opinion in our report to the members dated 24 November 2006. For a better understanding of the company's financial position and performance, as represented by the results of their operations and their cash flows for the financial year, and the scope of our audit, this report should be read in conjunction with the annual statutory financial report and our audit report on that report.

PricewaterhouseCoopers

Charles Christie
Partner

Melbourne
24 November 2006

Declaration by Executives

To the Directors:

In the opinion of the Chief Executive Officer and the Chief Financial Officer:

(a) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 September 2006 and

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

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Chief Executive Officer
Melbourne, 24 November 2006

Chief Financial Officer

Declaration by Directors

In accordance with a resolution of the board of directors of World Vision of Australia, the directors declare that in their opinion:

(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) the financial statements and notes are in accordance with the Corporations Act 2001, including:

(i) compliance with accounting standards (as defined under the Corporations Act); and

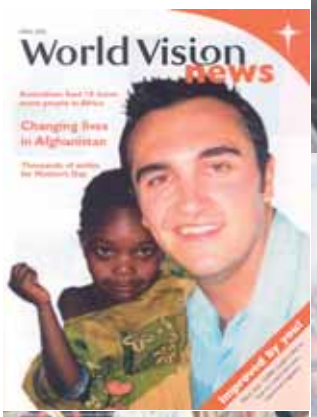
(ii) give a true and fair view of the financial position and performance of the Company for the financial year ended 30 September 2006.

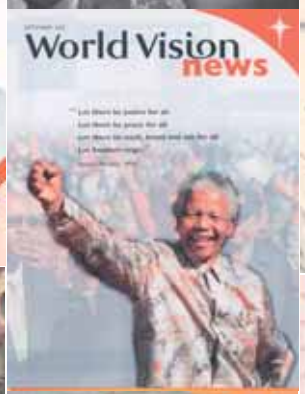
On behalf of the Board

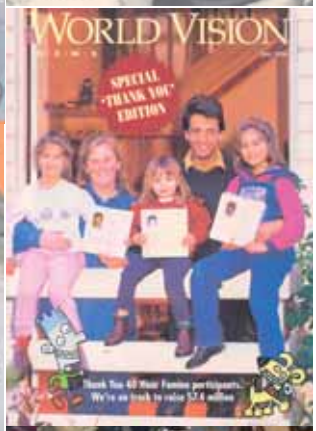
Chair
Melbourne, 24 November 2006

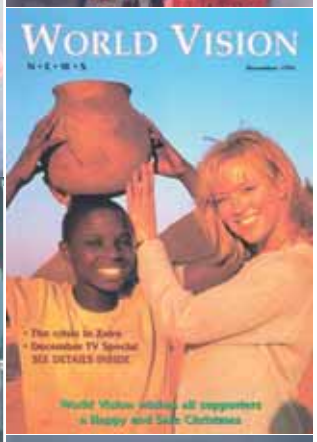
Director

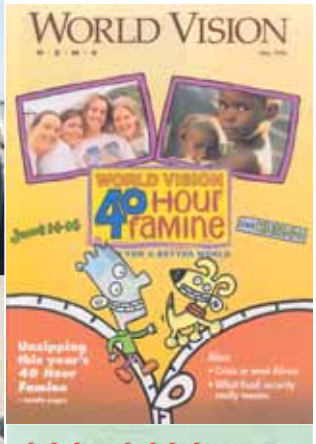
Celebrating 40 years of transforming lives

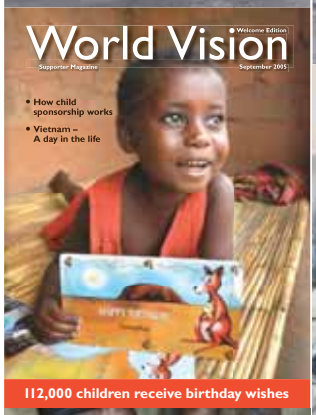


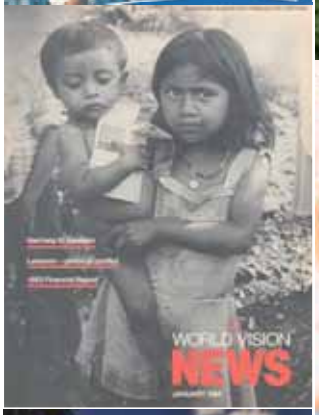


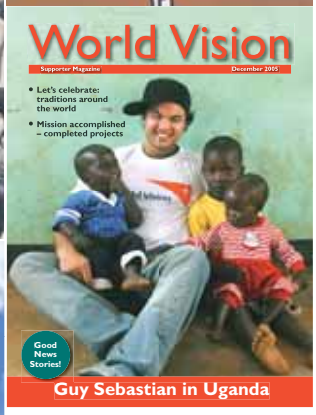


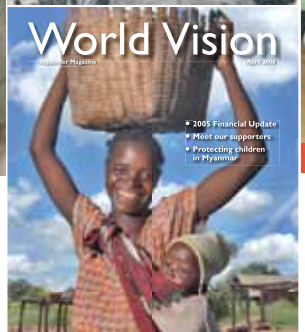


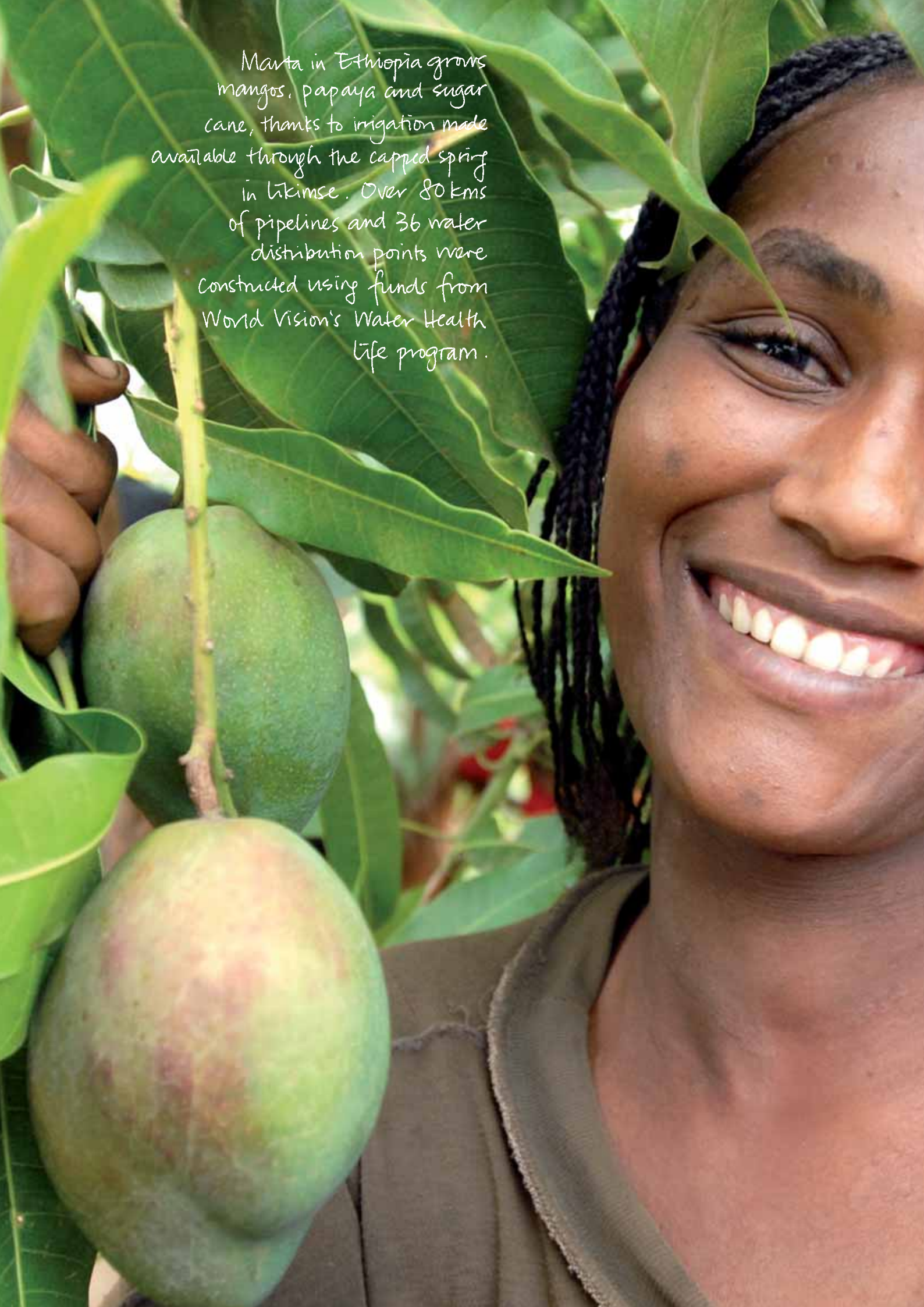












Marta in Ethiopia grows mangos, papaya and sugar cane, thanks to irrigation made available through the capped spring in Likimse. Over 80 kms of pipelines and 36 water distribution points were constructed using funds from World Vision's Water Health Life program.

World Vision is a Christian humanitarian organisation working to create lasting change in the lives of children, families and communities living in poverty.

World Vision serves all people regardless of religion, race, ethnicity or gender.

World Vision

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