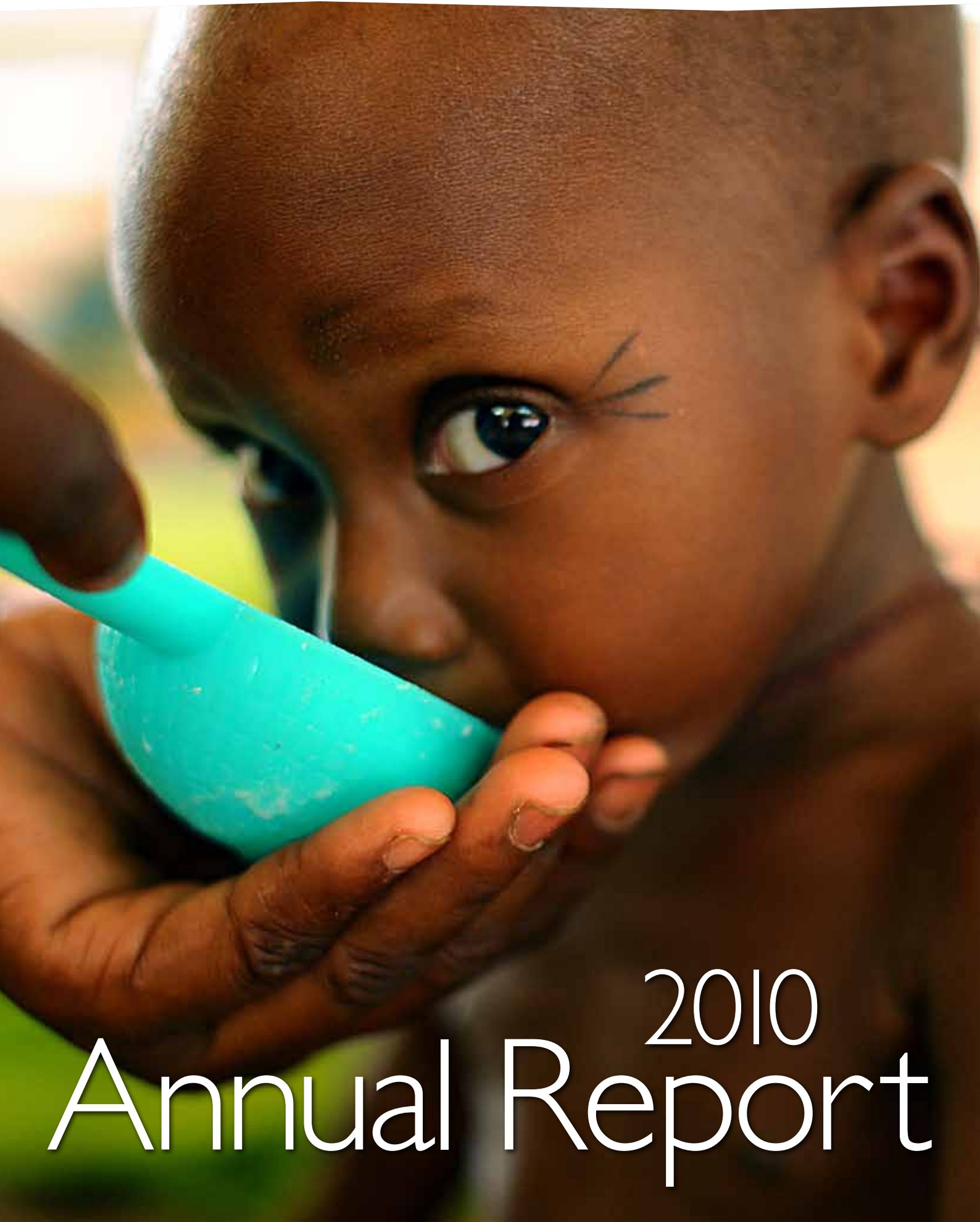




Save the Children
Australia



2010 Annual Report

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Established in 1919, Save the Children Australia has a long history of working to achieve immediate and lasting change in children's lives. We're part of a global movement of 29 national organisations, working together as one **Save the Children** to deliver programs in over 120 countries.

Save the Children Australia works in Bangladesh, Cambodia, Laos, Timor Leste, Papua New Guinea, Solomon Islands, Vanuatu and right here in Australia. We also work in partnership – planning, implementing and evaluating programs – with other Save the Children national organisations in Africa, Asia and Latin America.

Our vision is a world in which every child attains the right to survival, protection, development and participation.

Our purpose is to inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives.



"Thank you for helping us."

From all the children you have supported in Australia and around the world this year

This year, with the support of our generous donors, volunteers, corporate partners, members and staff, we continued to achieve wonderful outcomes for children and their families in Australia and around the world.

We look forward to your ongoing support as we build on our ambitious three year strategy and work towards a world in which every child attains their right to survival, protection and development.



"Making a difference to children's lives."

Suzanne Dvorak, Chief Executive,
Save the Children Australia

It's been a year dominated by devastating natural disasters. It began with an unprecedented number of emergencies hitting in the Asia-Pacific region in just one week in September 2009. Typhoon Ketsana slammed into the Philippines, Vietnam and Samoa and damaged other parts of Asia, including Laos and Cambodia. At the same time, a deadly earthquake rocked Western Sumatra in Indonesia. The devastation was widespread and millions of people were affected as homes, schools and hospitals were destroyed.

Again in January 2010 we saw an already impoverished Haiti struck by the worst earthquake to hit the region in 200 years. A month later it was an earthquake and tsunami in Chile. Sadly, some disasters during the year didn't even make the news.

That's why we've built our capacity to respond to emergencies. We now have one of the biggest humanitarian emergency response teams in Australia, and they have already made a significant difference to the lives of children and families right around the world. For example, following the earthquake in Indonesia, staff from Save the Children Australia led our global response where we assisted more than 150,000 people, including over 77,000 children, with lifesaving aid including shelter, education support, and health and nutrition programs. We also led the emergency response in Chile where we provided immediate relief to more than 22,000 people, half of them children. You can read more about our emergency response work in this Annual Report.



This year we've also focused on our EVERY ONE campaign. I urge all of you to get involved and help save the lives of the 8.8 million children under five who die every year from preventable and treatable causes like diarrhoea and pneumonia. Visit our website to learn more about the issue, sign our petition asking for urgent action, donate money to the cause, or spread the message by talking to your friends.

I'm also pleased to report that, nearly 12 months into our strategic plan, we're already making solid progress. This year our Mobile Playschemes expanded to Mornington Island, Doomadgee and Russell Island in Queensland. They are also running in Ceduna and Yalata in South Australia, Wilcannia in New South Wales, and at three new sites in the Dampier Peninsula in Western Australia.

Similarly in Laos, our award winning Primary Health Care program will now focus on two new districts in Luang Prabang, after being successfully replicated in Nan District. We have also established a health program in Timor Leste training village health workers in nutrition so they can disseminate vital health messages to communities. You can read more about how we are doubling our reach and impact for children throughout this Annual Report.

We've had a great year of wide-ranging activities such as our Knit One Save One campaign, which saw tens of thousands of knitted squares and blankets pour into our offices. Thank you for these wonderful gifts which will keep children warm and help them survive harsh winters, especially in India.

We couldn't have achieved all this without you, our generous donors, members, partners, volunteers and supporters. Together we have made a real difference to children's lives this year.

I look forward to working with you next year to build on the achievements of the last 12 months.

A handwritten signature in black ink, appearing to read "Suzanne Dvorak".

Suzanne Dvorak
Chief Executive
Save the Children Australia



"Creating a better world for children."

Phil Ransom, Chair,
Save the Children Australia

Over the past six years I have been privileged to be a part of an organisation that really is making a significant difference to children's lives. I have seen Save the Children Australia more than double its revenue, which means even more children have benefited from life-changing programs. I have seen us come together into one national organisation, increasing our impact and reach for children.

The growth continues this year. Save the Children has recently agreed to a new global strategy to dramatically increase the scope and scale of our work to change children's lives. As a global team we've made a significant decision to bring together all of Save the Children's program work in 120 countries – such as our health, education and protection work – into one management structure and drive the growth of our organisation.

My fellow Board Member, Peter Watson, attended a Save the Children members meeting in India in May this year where this innovative change was discussed. The changes will mean we can be even more efficient and accountable to children – by pooling our resources we will avoid duplication and ensure we continue to deliver high quality programs as efficiently as possible. These changes will start to take effect next year, in 2011.

We're also working towards launching our revised Child Protection Policy and Code of Conduct in September 2010 to coincide with National Child Protection Week. The policy demonstrates Save the Children Australia's commitment to Child Protection and aligns with relevant Save the Children International Protocols and Policies. The new Policy and Code of Conduct are fundamental to our vision of a world where all children attain the right to survival, protection, development and participation.



Phil Ransom at Save the Children Australia's Mobile Playscheme program in Victoria

After six years on the Save the Children Australia Board and over 14 years of support for the organisation, my term on the Board has now come to an end. While I have seen the organisation grow, develop and change over the last six years one thing has always remained – the passion to change children's lives. I leave with a sense of achievement knowing that, together, we are achieving great things – helping children access the education, health care and protection they so rightly deserve.

I take this opportunity to thank each of you for your support of Save the Children Australia this year. I'm sure you, like me, will continue to support the life-changing work of this organisation next year and well into the future.

Phil Ransom
Chair
Save the Children Australia



"With your help we've achieved so much this year."

Suzanne Dvorak, Chief Executive
Save the Children Australia

International

Emergency Response

We raised over \$1.5 million from the Australian public and corporate partners for our emergency response efforts, including the devastating earthquake in Haiti. We received over \$8 million from AusAID for emergency response and disaster risk reduction programs. We also launched our first Children's Emergency Fund, so we can help save children's lives as soon as a disaster strikes.

Improving Basic Health

In Laos Save the Children Australia's award winning Primary Health Care program continued to improve the basic health of children and families in remote communities. Working closely with the local government, we saw dramatic change in the health of the community.

Helping Babies Survive To Five

We urged all the knitters out there to join our EVERY ONE campaign, by knitting blankets – or squares to turn into blankets – to keep babies warm in India, Cambodia, Laos and Australia. At the end of June 2010, just eight months into the campaign, we had already received 85,469 knitted squares – smashing our original target of 80,000 squares.

Health In The Pacific

We ran sexually transmitted infection and voluntary counselling and testing clinics in Papua New Guinea and the Solomon Islands because many people are too embarrassed to attend a regular health centre, or face discrimination if they do. We particularly worked with high risk and marginalised groups.

Education In Cambodia

In Cambodia Save the Children Australia helped to build schools and renovate and improve existing schools. We also equipped new school playgrounds and provided resources like desks, chairs and blackboards.



Australia

Early Learning In Australia

Our Mobile Playschemes expanded to Mornington Island and Doomadgee in north-west Queensland, Russell Island in south-east Queensland, Ceduna and Yalata in South Australia, Wilcannia in New South Wales, and at three new sites in Dampier Peninsula in Western Australia. In Victoria, the program has expanded with four new playgroup sessions.

Human Rights Education

We developed a pilot human rights education program for primary school children called 'Finding My Magic', in partnership with the Catherine Freeman Foundation and Eve Ash Pty Ltd. The program will be introduced and evaluated in primary schools across Australia in 2011.

Raising Awareness Of Child Rights

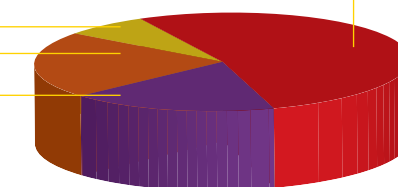
On the 20th anniversary of the Convention on the Rights of the Child, Save the Children Australia urged the Federal Government to establish a National Children's Commissioner to place children's rights higher on the national agenda and improve the wellbeing of children and young people in Australia.

Child Protection Technical Unit

At our head office in Melbourne, a new Child Protection Technical Unit was established as a central resource for the organisation. The Child Protection Technical Unit provides training, advice and support in addition to monitoring the implementation of our Child Protection Policy and Guidelines.

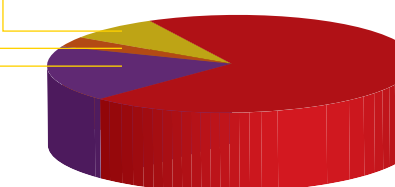
Where The Money Comes From

Community Support	53.0%
Grants – AusAID	18.3%
Grants – Other	21.7%
Other Income	7.0%



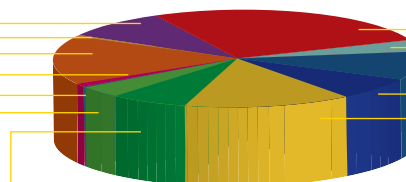
Where The Money Goes

International and Australia Programs	70.1%
Fundraising	18.6%
Commercial	3.4%
Accountability and Administration	7.9%



Money Goes To These Countries

Australia	26.7%
Bangladesh	4.0%
Cambodia	9.3%
Laos	7.3%
Papua New Guinea	14.6%
Solomon Islands	7.0%
Vanuatu	3.9%
Vietnam	0.2%
Myanmar	1.2%
Global Networks	16.0%
Timor Leste	0.6%
Emergencies	9.2%



"I love playgroup."

Mosi, 5 years old, Australia

"Children in Australia face immense challenges. We know that poverty, unemployment and homelessness compromise the health and wellbeing of children in Australia, particularly those living in remote regions. This undermines their school readiness and education, which in turn affects their progress into adulthood," Bill Mithen, Director Australian Operations, Save the Children Australia.

Save the Children Australia works to address these issues through our Early Childhood Development, Youth Engagement and Child Protection programs. Established in 1919, we work in all states and territories of Australia. We have eight state and regional offices and operate programs at more than 100 sites around the country.

Early Childhood Development

A key component of Save the Children Australia's Early Childhood Development program is our Mobile Playschemes. The long running Mobile Playscheme program operates in six states and territories of Australia, and provides early learning activities to children and families who would otherwise miss out.

They provide regular opportunities for children aged 0-5 years to engage in activities which contribute to their social, emotional, physical and intellectual development.

Importantly, the Mobile Playschemes also provides a safe space for parents to build connections with much needed community services.



Football United brings young people together
Children at play at Save the Children Australia's Mooroopna Kindergarten in Victoria

With funding from the Australian Government, this year our Mobile Playschemes expanded to Mornington Island and Doomadgee in north-west Queensland, and Russell Island in south-east Queensland. They are also now running in Ceduna and Yalata in South Australia, Wilcannia in New South Wales and at three new sites in Dampier Peninsula in Western Australia.

"In Victoria, the program has expanded with four new playgroup sessions servicing socially isolated communities including refugee and migrant families," said Peter Brown, State Manager Victoria, Save the Children Australia.

Overall, our Early Childhood Development programs, mostly Mobile Playschemes, reach more than 79 communities and sites across Australia.

Human Rights Education

This year we developed a pilot human rights education program for primary school children called 'Finding My Magic', in partnership with the Catherine Freeman Foundation and Eve Ash Pty Ltd. The program will be introduced and evaluated in primary schools across Australia in 2011.

"This innovative series aims to support children in Australia to better understand their rights and responsibilities, and to model this understanding through more inclusive, respectful, non-discriminating behaviour," said David Peedom, National Program Development Manager, Save the Children Australia.

Youth Engagement

Save the Children Australia continues its work with young people across the country in regional and remote communities.

This year, we began supporting an innovative empowerment program for young people through sport called Football United. Football United, a University of New South Wales initiative, runs six programs across Sydney's western suburbs involving over 600 refugees, newly arrived migrants and disadvantaged children and young people.



Our early childhood development programs get kids ready for school





In neighbouring Queensland, we also operate a Supported Independent Living Skills program that provides intensive support to young people transitioning from state care. Many children who have been in statutory care do not know how to manage everyday living situations such as paying the rent, buying food and personal hygiene. In this program we work with the children, helping them gain these skills so they have the best possible transition from care when they turn 18.

Child Protection

Reports of child abuse and neglect are on the rise, and the number of children on care and protection orders (which are issued by the courts) is increasing. Indigenous children fare even worse; they are more than eight times more likely to be on care and protection orders than non-Indigenous children¹. We're working hard to reduce these statistics because we believe every child has the right to grow up in a safe environment.

Our Family Support Team in Queensland works with up to 44 families every month who are socially isolated or at risk of having their children taken into statutory care.

"We assess the family's needs and link them to community support services. We assist these families to develop skills to protect their children and become a stronger family unit," said Dianna Dawson, State Manager Queensland, Save the Children Australia.

Our Domestic and Family Violence Services, also in Queensland, continue to provide crisis and longer term accommodation and support for women and their children escaping domestic and family violence. This year we helped 148 women and 256 children. Counselling and support was provided to children who have been victims of, or witnessed, domestic and family violence. Mothers were taught strategies and skills to keep themselves and their children safe. Over time we will support these families to move back into the community.

In addition, our award winning Future Parents program provides young people with the opportunity to learn how to care for children safely, and to build knowledge about child abuse and domestic and family violence. In Queensland we ran more than 70 courses this year with almost 1,000 young people graduating. We have also developed a new national framework for the Future Parents program which will guide the program's national expansion.

"Many of these children have never had books or pencils."

Jill Cottle,
Early Childhood Program Coordinator,
Save the Children Australia

"Poor literacy and a lack of education can contribute to all sorts of developmental problems in a child's future. We're trying to break that cycle through education," Jill says. She works at the Djarindjin Quality Early Learning Centre, in the Kimberley Region of Western Australia.

The Centre, the Kimberley's only licensed remote community childcare centre, can now remain open due to a partnership with Save the Children Australia. We are providing major funding and additional staff to improve and expand the Centre's existing program.

The Centre has been instrumental in kick-starting the education of hundreds of Djarindjin children since 1991, and we're thrilled to be able to continue this very important service and to be working in partnership with the Djarindjin Aboriginal Corporation.

The Centre was facing closure after changes in funding meant adequate support was no longer available to keep the existing service running. The partnership between Djarindjin Aboriginal Corporation and Save the Children Australia will assist the community in managing culturally respectful early childhood initiatives for 0-5 year olds to ensure children and families have the best start to school life.



"I saw so many ugly things.
Now I come to the child friendly
space and have fun."

Sandy, 15 years old, Haiti

"175 million children a year will be affected by natural disasters over the next decade. Many more will be caught up in conflict and upheaval. It is in these terrible times that children suffer the most; they may be separated from their families, education stops, they are at greater risk of disease and their normal routine is disrupted. We know that responding to emergencies quickly is paramount to saving lives," Mike Penrose, Emergency Program Director, Save the Children Australia.

This year, Save the Children Australia responded to disasters around the world and, working with our Save the Children International colleagues, launched emergency responses to help children and families survive.

This year Save the Children Australia raised over \$1.5 million from the Australian public and corporate partners for our emergency response efforts. We also received over \$8 million from AusAID for emergency response and disaster risk reduction programs in Myanmar, Pakistan, Haiti, Philippines, Sri Lanka, Afghanistan, South Sudan, Zimbabwe and Jordan.



Earthquake aftermath in Cauquenes, Chile



Salaha at a Save the Children stabilisation clinic in Aguié, Niger

Emergency Responses This Year

Indonesia, Earthquake September 2009

Save the Children was the first international organisation to distribute relief supplies on a large scale. We had stockpiled emergency supplies on three Indonesian islands and these were immediately transported to Western Sumatra when the earthquake struck. Within one week we had already distributed emergency relief items to 24,000 people. Staff from Save the Children Australia led the emergency response where we assisted more than 150,000 people, including over 77,000 children.

Samoa, Earthquake And Tsunami September 2009

Save the Children Australia led the response following an earthquake and tsunami. Our activities focused on child protection and education. We trained groups who were providing psychosocial support to communities and helped more than 1,000 people to better deal with post-tsunami stress.

Philippines, Typhoon September 2009

Save the Children reached more than 300,000 people with food, hygiene supplies, medical teams and child friendly spaces, which are places where children can play in a safe environment. Through play, children are able to recover and return to a sense of normal routine.

Cambodia, Typhoon September 2009

Save the Children Australia, in collaboration with our local partner, provided non-food items including hygiene kits to over 1,000 people, including 628 children, to protect them from disease. We responded again in April 2010 with medical supplies for five health care centres when the same area was badly affected by an acute diarrhoea outbreak.

Laos, Typhoon September 2009

Save the Children Australia provided financial and technical support to the Ministry of Education for the repair and re-construction of 24 schools in Attapeu province, helping get children back into school quickly.



Winnie learns about breastfeeding following the typhoon in the Philippines



Naomi reads to a group of children at a Save the Children child friendly space in Jacmel, Haiti





Children return to school in Kyrgyzstan

Papua New Guinea, Cholera Outbreak December 2009 – January 2010

Save the Children Australia provided basic supplies like soap and we trained 307 village health volunteers in Angoram district to communicate messages about preventing cholera.

Solomon Islands, Earthquake And Tsunami January 2010

Parts of Rendova and Tetepare were flooded, damaging more than 200 homes. Save the Children Australia assisted with damage assessment and delivery of government relief supplies to affected communities.

Haiti, Earthquake January 2010

The impoverished Caribbean nation of Haiti was rocked by the worst earthquake to hit the region in 200 years. With an office in the capital Port-au-Prince, we responded with lifesaving aid immediately. We have now reached more than 680,000 people with emergency health services, child friendly spaces, temporary classrooms for continued education, shelter and hygiene kits. We are now implementing a five-year response and recovery plan, helping Haiti to recover and rebuild.

Chile, Earthquake And Tsunami February 2010

Save the Children Australia led the emergency response where we assisted over 22,000 people, including more than 11,000 children. We distributed drums for water storage and hygiene kits to keep families healthy. We also undertook a radio broadcast campaign with messages on hygiene habits aimed at children in order to prevent diseases.

Kyrgyzstan, Ethnic Unrest June 2010

Parts of the country's south were left in ruins and more than 250,000 people were forced to flee their homes. We provided immediate relief including tents, cooking utensils, blankets and jerry cans for water. We also set up 24 child friendly spaces. Two Save the Children Australia staff members were part of the response team.

North-East Kenya, Ongoing Food Crisis

Four successive dry seasons have impacted heavily on people's health, nutrition and livelihoods. Save the Children responded in Wajir and Mandera districts, Dadaab refugee camps, Eldoret Town and surrounding areas delivering food, nutrition programs and running child friendly spaces.

Niger, Ongoing Food Crisis

A severe food crisis has left more than half of Niger's population – in excess of seven million people – in need of urgent emergency assistance. Save the Children is working in two main areas: nutrition and health, and food security and livelihoods. We have reached more than 560,000 people, of which more than 400,000 are children.

Preparing Before A Disaster Strikes

We're there not just in an emergency. We work with communities and governments to build their capacity and resilience to disasters – this is known as Disaster Risk Reduction. By preparing beforehand, we're helping to lessen the impact – such as loss of life and assets – when a disaster does strike.

In Choiseul province, Solomon Islands, we have rebuilt and rehabilitated homes over the last few years which were destroyed by a tsunami in 2007. We are implementing 'building back better' principles to ensure the reconstructed houses are prepared should another natural disaster strike.

We are also building the capacity of the National Disaster Management Office and the Provincial and District committees in Laos to prepare for a disaster. The work has been so successful that, this year, the Provincial Governor of Sayaboury province signed the very first Provincial Disaster Risk Reduction strategy. We have also been at the forefront of the development of a risk and hazard mapping tool to provide a platform for the government to analyse and mitigate risks and manage disasters in the future. The software will be rolled out across the country later this year.

We are also working with the National Disaster Management Office in Timor Leste and implementing disaster risk reduction activities in all pre-primary schools in Ainaro and Manufahi districts. We are doing similar work in Laos, educating children on what to do in an emergency through the formal education system and informally through our child clubs.

Our New Children's Emergency Fund

This year Save the Children Australia launched a Children's Emergency Fund. When disaster strikes, we need to be able to respond immediately. Having the funds in place before an emergency strikes means we don't lose precious time waiting for public or government support; we can get to work immediately. With ongoing contributions from the Australian public, this is exactly what the Children's Emergency Fund does.

The Children's Emergency Fund allocated over \$1 million this year to respond to disasters in countries including Haiti and Chile.



Lodna stands amongst the rubble of her home which was devastated by the Haiti earthquake

**Children's
EMERGENCY
Fund**



"I felt like I was going to be swallowed up by the ground."

Micheka,
11 years old, Haiti

Micheka fled with her family with not much more than the clothes on their backs following a terrifying earthquake in Haiti in January 2010. "I was afraid that everyone in my house had died so I ran home as fast as I could," said Micheka.

Micheka now lives with 13 people in one tent. She says it is hard to sleep at night because there is little space. "My house was destroyed in the earthquake. A wall has collapsed so we came to live here. A few days ago we went back to visit our house. I was shocked, and I found none of my toys. I really want a baby doll to play with."

Micheka is now at one of Save the Children's child friendly spaces that was set up in Haiti's capital, Port-au-Prince, shortly after the devastating earthquake. The child friendly spaces provide Micheka and thousands of other children in affected communities a place to play, interact with their peers and just be children. Through play the children have a chance to overcome their fears, a vital part in healing and recovering from the trauma.

"I like to come here to play and joke around with the other kids. I feel safe here and this is the only place I can play," Micheka said.



Micheka at a child friendly space in Haiti

"Health means protecting you from sickness."

Jack, 12 years old,
Solomon Islands

"On the day you read this 24,000 children under five years old will die. That's 8.8 million children every year and, sadly, most of their deaths could have been prevented. Pneumonia, measles, diarrhoea, malaria, HIV/AIDS and complications during pregnancy and after birth cause more than 90% of deaths in children under five. That's why we've launched our global five-year newborn and child survival campaign called EVERY ONE, helping to improve the lives of mothers and children under five," Peter Walton, Director International Programs, Save the Children Australia.

This year Save the Children Australia ran health programs throughout the Asia-Pacific region, directly reaching more than 690,000 children.

Newborn And Child Survival, Our EVERY ONE Global Campaign

In Lao PDR (commonly known as Laos) Save the Children Australia's award winning Primary Health Care program continues to improve the basic health of children and families in remote communities. Working closely with the local government, we have seen dramatic, positive change in the health of the community. As a result in Nan District, infant mortality rates have halved from six deaths per 100 live births in 2007 to three in 2009. Under-five child mortality rates have dropped from eight deaths per 100 live births in 2007 to five in 2009, and maternal mortality rates have halved from four per 100 live births in 2007 to two in 2009.



Jack at a Maternal and Child Health Care Centre in Laos



“Save the Children Australia has worked with health authorities to increase the capacity of staff and facilities through training village health volunteers and traditional birth attendants. We have constructed a maternal and child health centre at the district hospital, seven village clinics and provided basic medical equipment and supplies,” said Matthew Pickard, Country Director Lao PDR, Save the Children Australia.

Similarly in Papua New Guinea we trained more than 1,300 village health volunteers who are now in over 800 remote villages, providing more than 160,000 consultations this year alone. These services have been provided predominantly to mothers and children in a country where 69 children in every 1,000 die every year before their fifth birthday.² In neighbouring Vanuatu where 79% of the population live in remote areas³, more than 100 village health workers have been trained, reaching more than 20,000 people in six provinces.

In Cambodia, we have trained over 900 health staff and village health volunteers. In Oraing Ov/Koh Sotin this has resulted in the treatment of over 11,000 children under the age of five, helping to prevent micronutrient deficiency which can lead to malnutrition.

Based on the success of our health programs in these countries, Save the Children Australia has now established a similar program in Timor Leste training village health workers in nutrition. We also work with health promotion officers to provide this service in pre-schools.

This year, Save the Children Australia worked in partnership with Save the Children India to plan, implement and evaluate a maternal and child health program in three states in India. The program aims to reduce mortality rates and malnutrition prevalence among children across six districts because in India two million children die each year before they reach their fifth birthday – more than any other country in the world.



Combating HIV/AIDS And Other Diseases

More than 33 million people are living with HIV around the world. Over 2.5 million of these were infected in 2008 alone. Two hundred and eighty thousand children and 1.7 million adults died from AIDS-related causes in 2008, when statistics were last taken.⁴

In Papua New Guinea our Tingim Laip (Think about Your Life) project disseminates health messages in locations which are high risk for HIV transmission, such as markets and along highways where many sex workers are located. In recognition of the high quality of information and the significant impact our work is achieving, the Tingim Laip team has been requested to provide HIV/AIDS awareness training to schools and private companies.

We also have a new project in the Solomon Islands working specifically with children. The Peer-to-Peer Education By Children project works to reduce children's vulnerability to HIV/AIDS through the establishment of a Children's Sexual and Reproductive Health Resource Centre and the development of Red Ribbon Child Clubs in Honiara, where children learn the basics of health care and protecting themselves from diseases such as HIV/AIDS.

“We are doing similar work in Vanuatu. We hold workshops for health workers and the general community, education on discrimination, and education on caring for people living with the disease,” says Irene Malachi, HIV/AIDS worker, Vanuatu, Save the Children Australia.

We also run sexually transmitted infection and voluntary counselling and testing clinics in Papua New Guinea and the Solomon Islands because many people are too embarrassed to attend a regular health centre, or face discrimination if they do. We work particularly with high risk and marginalised groups such as sex workers.

In Cambodia we have also reached 37,000 people – including 16,500 children – affected by HIV/AIDS. We are working in over 200 communities in innovative ways, such as with Pagoda Committees, to provide community-based support. Through this we are helping these vulnerable children to continue to attend school without discrimination and to receive health care and support.



"I came to the health centre this morning with my husband by motorbike."

Seang, 36 years old, Cambodia

Ms Seang Vath, 36, has just delivered twin boys at the Chong Cheach Health Centre in the Ponhea Krek/Dambe district in Cambodia. "I feel so warm because we have everything here such as experienced health staff, facilities and medicines," she said.

But it wasn't always that way. Mr Song Kong, Chief of Chong Cheach Health Centre, tells us why. "The health centre opened in 1995 in an old Pol Pot regime warehouse. Not many people visited the health centre because they didn't know about the importance of good health practices. Staffing was inadequate, the facilities were poor and the centre operated irregularly."

When Save the Children Australia started working in the district in 2004 the health services started to improve and people's attitudes towards health practices started to change. We worked with the Ministry of Health to provide health education to the community through village health volunteers.

These volunteers talk to the community, especially women, about the benefits of attending a health centre.

Save the Children Australia is also working with the health centre staff to strengthen their administrative and management practices, which helps to maintain a reliable service.

The Chong Cheach Health Centre has shown outstanding results in all health indicators in the last few years. "We delivered 609 babies in 2009 and 235 babies in the first quarter of this year. All of the mothers and babies are safe. These numbers are triple the target set by the Provincial Health Department of 200 deliveries per year," said Ms Sim Sothy, the midwife at Chong Cheach Health Centre.



Ms Seang Vath and her newborn twin boys

"School is the only place for me to learn and play."

Salika, 10 years old, Laos

"Education saves lives. It gives children the skills they need to escape poverty, live healthily and have hope for the future. Save the Children Australia focuses on providing education to children living in remote areas and to marginalised children because typically it is these children who miss out. We strive to make quality education accessible to all children," Lynne Benson, Regional Director Asia, Save the Children Australia.

This year Save the Children Australia ran education programs throughout the Asia-Pacific region, directly reaching more than 108,000 children.

Access To Education Is The Key

In Bangladesh we are focusing on education for the most marginalised children. We have established Drop-in Centres to provide informal education to more than 200 children who have to work to support their families. We continue to support the children in the large brothel township of Daulatdia; this year we constructed an early childhood development centre where 180 children under five can attend pre-primary school. We have also trained nine women from the brothel community to look after and educate the children, helping to give these women an additional livelihood opportunity. We support over 250 children of sex workers to attend the nearby KKS Primary School, as attending school is key to helping these children build a life for themselves outside the brothel environment.



Children learn at a pre-school in Laos

“Also in Bangladesh we work with the Rakhaine people, who are a small aboriginal community living in the coastal areas of Patuakhali, Borguna and Cox’s Bazaar. We established early childhood centres to help the children transition into primary school and progress in the formal education system,” said Sultan Mahmud, Country Director Bangladesh, Save the Children Australia.

Similarly in Vietnam we are working with the Ministry of Education to improve the ability of schools in remote northern communities to provide suitable education to children with disabilities. Previously these children were not able attend their local schools, leaving them with no access to education. We worked in partnership with our Save the Children International colleagues to plan, implement and evaluate this program.

In Laos, we work in poor, remote and predominantly ethnic communities where up to 36% of children – mainly girls – have never attended school. Save the Children Australia provides a ‘bridging’ pre-school year to prepare these children for primary school. Key to this bridging year is the specially trained teachers who speak the ethnic languages, helping the child adjust to the new environment and to learn the basics of the Lao language. In addition, we constructed 45 new pre-schools, which will allow more children to have an education and a much improved start to their young lives.



Young people in Vanuatu learn about child rights



We are also working with the Laos Government to provide an eight-month intensive child friendly methods training course for 45 teachers working in remote areas. Once the course is completed the trainee teachers are employed in the remote areas. We have seen increased student enrolment and retention and an educated generation who are better able to support themselves.

In Cambodia, Save the Children Australia contributes by providing school uniforms and study materials to students and bicycles to secondary school students who live far away from their nearest school. Through these provisions children who would otherwise miss out are now receiving an education. We have also helped to build schools, renovate and improve existing schools, equipped new school playgrounds, and provided resources like desks, chairs and blackboards. In addition we are developing child friendly schools in remote areas of Cambodia; we have already worked with 2,743 children and 70 teachers and education officials.

We do similar work in Timor Leste where we are training 42 pre-primary school directors and teachers in child friendly methodology and in making schools safe for children.

“In Malaita Province of the Solomon Islands, Save the Children Australia is addressing the obstacles which discourage children from going to school. For example in some parts of the Solomon Islands only 10% of schools have toilets. Save the Children Australia, with partner communities, school boards and the Rural Water Supply and Sanitation Department, constructed toilets with attached water tanks at each of our target schools,” said Niamh Murnaghan, Country Director Solomon Islands, Save the Children Australia.



"Today I am feeling so honoured and fortunate to be a teacher of the KKS School."

Putul, Bangladesh

Fourteen years ago, Putul lived in the Daulatdia brothel in the Goalundo district of Bangladesh with her mother. At the time, children of sex workers were not readily accepted into 'mainstream' society – they were teased by other children and not welcomed in community schools. Putul and her friends joined the Kormojibi Kallyan Songsta (KKS) School, which Save the Children Australia has supported since 1996, to provide education to children of the Daulatdia brothel.

Putul's time at the KKS School helped to enhance her self-esteem, skills in decision making and problem solving. "It helped me to think positively and take a more socially acceptable career path," she says.

Putul has now returned to the KKS School as a part-time teacher. She is also studying at a local college and will graduate soon.

With support from Save the Children Australia, the KKS School has been operating in the Goalundo district of Bangladesh since 1996. The school not only teaches children from the brothel, but also children from the surrounding villages, helping to break down the social stigma.



Putul is now a teacher at the KKS School

"I feel safe when my mum is with me."

Ajoy, 10 years old, Bangladesh

"Twenty-one years on from the signing of the United Nations Convention on the Rights of the Child, children around the world continue to have their basic rights violated. Each year, children are subjected to physical, sexual and emotional abuse, discrimination or neglect. For example, 218 million children are child labourers, 1.2 million children are trafficked mostly for sexual purposes, and 500 million to 1.5 billion children are affected by violence⁵," Karen Flanagan, Child Protection Specialist, Save the Children Australia.

This year Save the Children Australia ran child protection and child rights programs throughout the Asia-Pacific region, directly reaching more than 126,000 children.

Protecting Children

In Bangladesh we work with 1,200 women and 250 children of the Daulatdia brothel. We have a Safe Home which provides 43 children of sex workers with a safe place to live, an education and the chance to make future life choices outside the brothel. We are working with our local partner organisations, Karmajibi Kallayn Sangstha and Mukti Mahila Shamiti, an organisation made up of current and former sex workers, to help them run the Safe Home independently.

Also in Bangladesh more than 53,000 children formed Children's Councils at the village level with each council consisting of 1,800 children. The children discussed child rights issues and found solutions within their communities. Larger issues were raised with government duty bearers, such as the use of children in government election campaigns and the use of corporal punishment in schools. This project was handed over to the local government this year after 14 successful years.



Children in the Solomon Islands learn about child protection

Save the Children Australia works with the Ministry of Interior and Ministry of Social Affairs in Cambodia to strengthen the national response to child protection issues. Working with two provinces we have been able to reach over 10,000 people over half of whom are children. We also worked with the Cambodian Ministry of Justice and Ministry of Social Affairs Juvenile Justice to help draft a Juvenile Justice Law which is expected to be passed by the country's law makers in 2011. This law is an important legal instrument to better protect children who are in conflict with the law.

Similarly in the Solomon Islands, to help reduce the number of cases of children in conflict with the law, 40 Community based Crime Prevention Committees have been established. In addition, training on the Convention on the Rights of the Child was provided to magistrates, police officers and correctional officers and a module on the Convention on the Rights of the Child has been incorporated into police cadet training.

Increasing Our Technical Expertise

At our head office in Melbourne, a new Child Protection Technical Unit has been established as a central resource for the organisation. The Child Protection Technical Unit provides training, advice and support in addition to monitoring the implementation of the organisation's Child Protection Policy and Guidelines.

"A comprehensive ongoing child protection training strategy has started in all Australian states and countries that Save the Children Australia works in, helping us maintain a safe environment for the children we work with," said Karen Flanagan, Child Protection Specialist, Save the Children Australia.



"I don't like it when my teacher smacks me, it makes me not want to go to school."

Willie, 9 years old, Vanuatu

Willie is in Grade Three and is one of the many children who still face the reality of corporal punishment in schools despite laws in Vanuatu prohibiting the practice.

"My teacher uses the coconut broom sometimes to smack our legs when we are naughty. We also have a teacher who smacks children using a stick and broom, so whenever I see him I run into my classroom," Willie said.

Asked why they get punished, Willie told us, "Children get disciplined for speaking Bislama (children learn in English or French and aren't supposed to speak the local language at school), running around when its time to go to class, going to the toilet without the teacher's permission and disobeying the teacher."

Through our Child Rights and Child Protection programs Save the Children Australia advocates for the protection of children's rights in schools, at home and in communities. As a result, a number of schools in Vanuatu are developing child protection policies to protect children from all forms of abuse in a school environment.

We are also developing a positive discipline program for communities and schools, which will provide adults with alternative discipline methods.



"Together we've made huge leaps in raising our profile."

Howard Ralley, Director Marketing,
Fundraising and Partnerships,
Save the Children Australia

In addition to our program work, Save the Children Australia ran innovative campaigns and events this year, helping to raise our profile, engage the Australian public and raise even more money to help children in Australia and around the world.

July 2009: Making It A Thing Of The Past

Dirty drinking water, child soldiers, exploitation, youth suicide, sexual abuse, malnutrition, lack of education – we want to make all these 'a thing of the past'. Our national awareness exhibition highlighting these issues kicked off in Melbourne and travelled to most cities in Australia throughout the second half of 2009.

August 2009: Books, Books, Books...

The annual book sale in Western Australia has grown significantly since it first began in 1964 when it collected a modest £47. In 2009 the book sale raised \$220,000, and since its inception it has now raised over \$3 million. It's run entirely by our wonderful University Branch in Western Australia, what an amazing effort.

August 2009: A Beautiful Night Out In Tasmania

More than 380 people attended Save the Children Australia's annual Gala Ball in Tasmania, supported by the Tasmanian salmon industry. Guests included Brian Ritchie from the Violent Femmes and Melbourne musical star Matt Hetherington and his band. Over \$60,000 was raised from the evening to support Save the Children Australia's education and health programs in Tasmania and throughout Australia.

October 2009: And The Knitted Squares Come Pouring In

We urged all the knitters out there to join our EVERY ONE campaign, by knitting blankets – or squares to turn into blankets – to keep babies warm in India, Cambodia, Laos and Australia. Little did we know how passionate the knitters of Australia are! At the end of June 2010, just eight months into the campaign, we had already received 85,469 knitted squares – smashing our original target of 80,000 squares.

November 2009: Advocating For Children

On the 20th anniversary of the Convention on the Rights of the Child, Save the Children Australia urged the Federal Government to establish a National Children's Commissioner to place children's rights higher on the national agenda and improve the wellbeing of children and young people in Australia.

December 2009: Aussie Celebrities Lend A Hand

Well known Australian celebrities including chef Guy Grossi, gardener Peter Cundall, Video Hits presenter Fuzzy Agolley and Collingwood Football Club coach Mick Malthouse donated their time and creativity to decorate baby blankets in aid of our EVERY ONE campaign. The blankets were auctioned, raising much needed funds for our child and maternal health programs.

January 2010: Raising Money For Children In Emergencies

This year we launched our Children's Emergency Fund, which enables our supporters to donate to a fund which releases money as soon as a disaster strikes. It allows us to respond immediately, saving lives. The fund swung into action for the first time this year with \$275,000 provided to our emergency team within minutes of an earthquake shattering Haiti.

January 2010: Our Child Protection Specialist Receives Prestigious Award

Karen Flanagan, Save the Children Australia's Child Protection Specialist and one of Australia's foremost educators and practitioners in the field of child sexual abuse prevention, was honoured at the Australia Day Honours List with an Order of Australia (AM).

January 2010: Saving Lives One Thumbprint At A Time

Starting in January, our Make Your Mark events saw thousands of people visit us at festivals and events to leave something small and precious – their thumbprint. Each thumbprint supported our petition to the Australian Government to ask them to do more for the 8.8 million children who die every year before their fifth birthday from preventable causes.





April 2010: Evening at Kirribilli House. Craig Reucassel, Kevin Rudd and Julian Morrow

April 2010: Evening At Kirribilli House

A wonderful evening was had by all 140 guests at the official Sydney residence of the Prime Minister, Kirribilli House. Save the Children Australia held this major fundraising event which was hosted by Julian Morrow and Craig Reucassel from The Chaser team. The event was too much for the Prime Minister Kevin Rudd to refuse, emerging from his residence to spend time with us and our guests.

May 2010: Raising Awareness For Domestic Violence Week

We held a fun Family Day for parents and children in our Family Support, Mobile Playscheme and Domestic Violence programs at the Roma Street parklands, Queensland. Amongst the games and fun activities there was also a serious side to the day; raising awareness around Domestic Violence Week and the damaging affects violence has on families.

June 2010: Pauley Perrette Visits Our Mobile Playscheme Program

Pauley Perrette, better known as Abby on hit TV show NCIS, popped in to one of our Mobile Playschemes in Victoria. Pauley was in town to promote the season finale of NCIS, but when she heard Save the Children had programs in Melbourne, she took time out of her hectic schedule to give the kids (and mums) a wonderful surprise!

June 2010: NAB Chooses Us To Feature In A Campaign

Through our partnership with NAB, Save the Children Australia featured in a national television and billboard campaign promoting the benefits of volunteering. What a wonderful opportunity to show our appreciation to our volunteers and explain the benefits of volunteering to the Australian public.

June 2010: New Retail Shop Opens In Victoria

We opened our newest retail shop in Elsternwick, Victoria, this year called Kids4Kids. With lots of clothes, toys and wonderful things for children there's something for everyone! Profits from the shop go towards helping children in need in Australia and around the world.

"A big thank you to our wonderful volunteers."

Zoe Waters, National Community Engagement Manager,
Save the Children Australia

We have over 1,000 dedicated volunteers and we love every single one of them. Our volunteers provide much needed support to us, from running our retail shops, working in the offices and manning stalls at events, to packing Christmas cards. Volunteers are an integral part of our organisation.

Just like Bronwyn Hammond. Bronwyn has volunteered with Save the Children Australia for 24 years. She's been a member of Western Australia's Fundraising Committee, op-shop supervisor, book sale assistant, office administration support and so much more.

She says the secret to her longevity and enthusiasm is the "variety being the spice in her volunteer life".

"I have enjoyed the many and varied roles I've had with Save the Children Australia. Each role that I have engaged in has been motivating and given me satisfaction. The flexibility of the roles has enabled me to continue my involvement over such a long period," says Bronwyn.

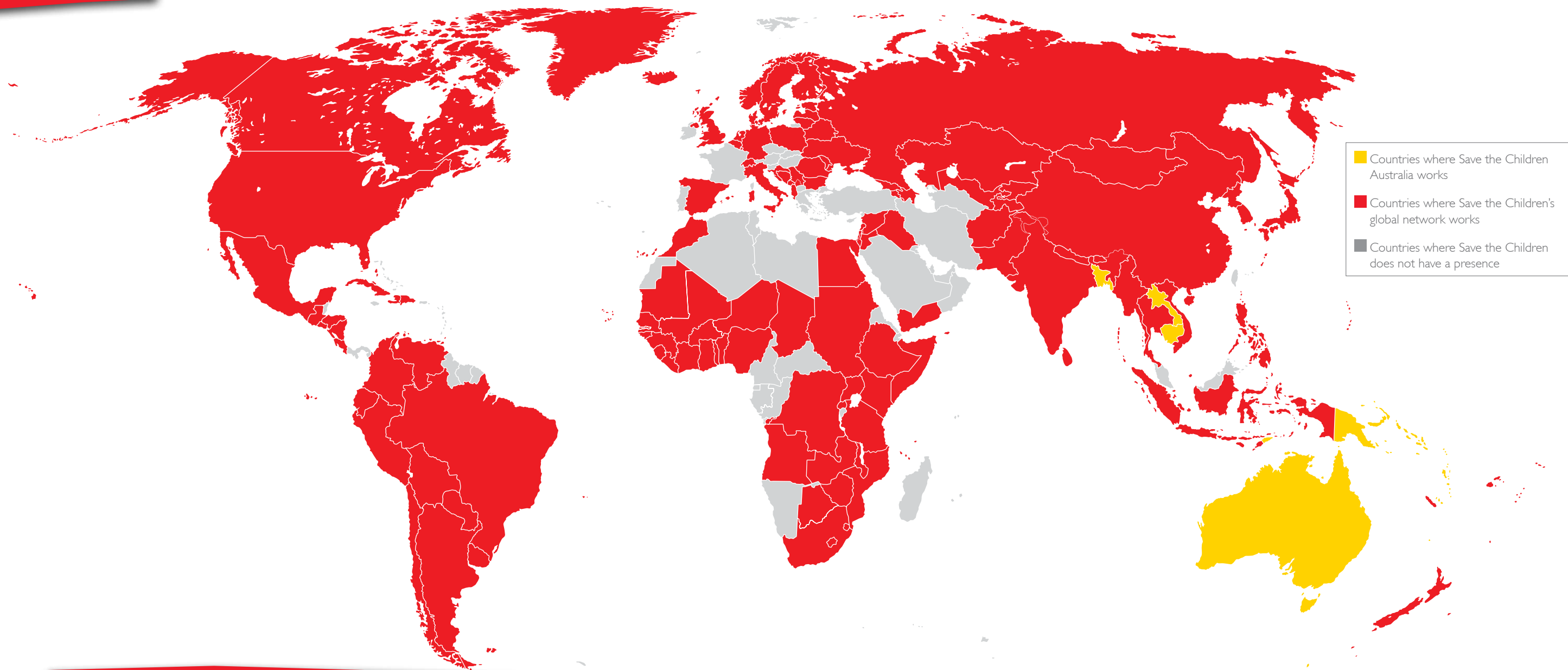
"Many people have said to me 'Why do you bother volunteering?' With Save the Children I know that because of volunteer involvement, the administrative costs are kept to a bare minimum and the money I help raise goes where it is needed most."

We'd like to take this opportunity to thank Bronwyn and every single one of our volunteers. It is because of your help that we can continue to do the work we do, helping children who need it the most. Thank you.



Bronwyn and her daughter





Where We Work

Save the Children is made up of 29 national organisations working together to deliver programs in 120 countries around the world. Our national organisations work together to respond to the needs of children by sharing expertise, coordinating activities and pooling resources. Every Save the Children organisation contributes to long-term strategies.

Save the Children International has a Secretariat in London to support and coordinate major joint initiatives and

global campaigns, ensuring we achieve the greatest possible impact for children.

Save the Children Australia works in Bangladesh, Cambodia, Laos, Timor Leste, Papua New Guinea, Solomon Islands, Vanuatu and right here in Australia. We also work in partnership – planning, implementing and evaluating programs – with other Save the Children national organisations in Africa, Asia and Latin America, and during our emergency response efforts.



"Thank you for your generous support."

Suzanne Dvorak, Chief Executive
Save the Children Australia

Corporate Support

Thank you to these corporations who provided over \$1000 in support this year.

ABB Australia
Allens Arthur Robinson
Alumina Limited
American Express Australia Limited
AMP Foundation Limited
Aussie Gold Springwater
Australian Government Solicitor
Bayer Australia Ltd
Beach Energy Ltd
BHP Billiton Limited
Bulgari
Charity Greeting Cards
Colorific
Commonwealth Bank
Cover-More
Empowered Communications Pty Ltd
Everyday Hero Pty Limited
ExxonMobil Australia Pty Ltd
Financial Wisdom
Footprints Fundraising
Fragomen (Australia) Pty Ltd
IKEA
Johnson & Johnson Pacific Pty Ltd
Kago Australia Pty Ltd
Karma Currency
Lawson Menzies
Luna Park Sydney Pty Ltd
Macquarie Group Foundation

Matisse Derivan
MyCause
NAB
Palais Theatre
PricewaterhouseCoopers Foundation
Redland Bay Golf Club
Rotary Club of East Perth
Salmat
Scenic Tours
School AID
Staedtler (Pacific) Pty Ltd
The Boston Consulting Group
The Decor Corporation Pty Ltd
The Westpac Group
Total Fire Solutions (Aust) Pty Ltd
Transfield
Visa
Wilson HTM Investment Group

Foundations

AFA Foundation
AMP Foundation Limited
Andyinc Foundation
ANZ Trustees Foundation
– Hartzer Family Endowment
ANZ Trustees Foundation
– The Rose Red Gift
Bell Charitable Fund
Brisbane City Council Lord Mayor's Trust
Cassandra Wardell Foundation
Channel 7 Telethon Trust
Collier Charitable Fund
Commonwealth Bank Staff
Community Fund

Edith Kemp Trust as administered
by Equity Trustees Limited
ING Foundation
Lord Mayor's Charitable Foundation
Macquarie Group Foundation
Mars Stride Trust as administered by Equity
Trustees Limited
Melbourne Community Foundation
Planet Wheeler Foundation
PricewaterhouseCoopers Foundation
Scanlon Foundation
ShareGift Australia
Skellern Family Foundation
Sunshine Foundation
The Annie Danks Trust
The Attaway Foundation
The Charitable Foundation
The Danks Trust
The Ian Potter Foundation
The Trust Foundation –
Mrs A G Macarthur Stanham Memorial
The William Angliss Charitable Fund
Trust Company Limited – Rivett Trust
Trust Company Limited – Simpson Trust
United Way – Western Australia
Victorian Community Foundation
– Bird Family Charitable Trust
Wilson HTM Foundation
Women of the University Fund Inc
Women's Plans Foundation

Community And Government Support

ANZ Staff Foundation, Western Australia
AusAID – ANCP Innovation Fund
AusAID – In Country Community
Development Fund

Australian Federation of AIDS
Organisations
Australian Government Attorney-General's
Department, Western Australia
Australian Government Department
of Education, Employment and
Workplace Relations
Australian Government Department of
Families, Housing, Community Services
and Indigenous Affairs (FaHCSIA)
Australian Government Department
of Immigration and Citizenship
Australian Red Cross
Australian Supplies and Printing (ASAP)
Brimbank City Council, Victoria
Brisbane City Council City Business
Division, Queensland
Brisbane City Council, Queensland
Brisbane Girls Grammar School,
Queensland
Cambodia Ministry of Health
Cardinia Casey Community Health Service,
Victoria
Casey City Council, Victoria
Ceduna/Koonibba Aboriginal Health
Services, South Australia
CEO Challenge, Queensland
Challis Parenting and Early Learning Centre,
Western Australia
Clayton Utz, Queensland
Commissioner for Children and Young
People – Western Australia
Cunnamulla Aboriginal Corporation
for Health, Queensland
Curtin University of Technology
– Perth, Western Australia
Darebin City Council, Victoria
Department for Communities,
Western Australia



Community And Government Support Continued

Department Gambling Community Benefit Fund, Queensland
 Department of Child Protection, Western Australia
 Department of Child Safety, Queensland
 Department of Communities, Queensland
 Department of Community Services, New South Wales
 Department of Corrective Services, Queensland
 Department of Education and Early Childhood Development, Victoria
 Department of Education and Training, Indigenous VET Initiatives, Queensland
 Department of Education and Training, Western Australia
 Department of Education, Training and the Arts, Queensland
 Department of Health, Western Australia
 Department of Housing, Queensland
 Department of Indigenous Affairs, Western Australia
 Department of Training and Workforce Development, Western Australia
 Djarindjin Aboriginal Corporation, Western Australia
 Domestic Violence Crisis Service, Queensland
 Edith Cowan University Joondalup, Western Australia
 Elton John AIDS Foundation
 Enabled Solutions Pty Ltd
 Eternity Aid
 FaHCSIA Indigenous Coordination Centre (Townsville), Queensland
 Family Planning, Western Australia
 Federal Department of Health and Ageing, Western Australia

Foodbank, Queensland
 Foodbank, South Australia
 Footscray North Primary, Victoria
 Gateway Baptist Church, Queensland
 Global Fund to Fight AIDS, TB and Malaria
 Gosnells Women's Health Service, Western Australia
 Government of South Australia
 Environmental Health Service, South Australia
 Griffith University, Queensland
 Group News Agency Supplies, Queensland
 Healthway, Western Australia
 Hillsmeade Primary School, Victoria
 Julalikari Council
 Knox City Council, Victoria
 Korea International Cooperation Agency
 Larrakia Nation Aboriginal Corporation
 Lingiari Foundation, Western Australia
 Lionesses – Redcliffe Branch, Queensland
 Lotterywest, Western Australia
 Maribyrnong City Council, Victoria
 MG Ord Enhancement Scheme, Western Australia
 Naked Communications
 Office for Youth – National Youth Week, Department for Communities, Western Australia
 Playgroup Victoria
 Port Pirie Regional Health Service
 QuantumLinx
 Reiby Juvenile Justice Centre, New South Wales
 Rotary Club Toowoomba East, Queensland
 Rural & Remote Mental Health, Queensland
 Secretariat of National Aboriginal and Islander Child Care

Shire of Wyndham East Kimberley, Western Australia
 Skywest Airlines, Western Australia
 Soroptomist Organisation – Brisbane, Queensland
 Sputnik Agency
 Stonnington City Council, Victoria
 Sunshine Secondary College
 Tangentyere Council, Northern Territory
 The Channel Seven Telethon Trust, Western Australia
 The Glennie School, Queensland
 The Nous Group, Victoria
 The University of Melbourne, Victoria
 United Care Wesley
 United Way, Western Australia
 University of New South Wales
 Variety, The Children's Charity, South Australia
 Victoria Police
 Victorian Aboriginal Education Association Inc. (VAEAI)
 Victorian Equal Opportunity & Human Rights Commission
 Virginia Rogers and Tony Browne
 Waringarri Aboriginal Corporation, Western Australia
 Waverley City Council, Victoria
 Western Suburbs Indigenous Gathering Place, Victoria
 World Food Program
 Wyndham City Council, Victoria
 Wynnum & Manly District Senior Citizens Club, Queensland
 Xstrata Community Partnership Program, Queensland
 Yarra City Council, Victoria

Yawoorroong Miriuwung Gajerrong Yirrgeb
 Noong Dawang Aboriginal Corporation (MG Corporation), Western Australia
 Zonta Brisbane, Queensland
 Zonta Pine Rivers, Queensland

Bequests

Clara Broadhurst Memorial Charitable Fund
 Don Battley Charitable Trust
 Estate of the late Barbara Anne Kinsella
 Estate of the late Dr John Francis Banfield
 Estate of the late Eileen Atkinson
 Estate of the late Heather Steer
 Estate of the late Henry Baldwin
 Estate of the late Jean Fielding Tweedie
 Estate of the late Joan Dorothy Milne
 Estate of the late Juliette Frances Hamlyn Bayly
 Estate of the late Keith Gosling
 Estate of the late Leslie Hocking Cocks
 Estate of the late Lindsay James Baldy
 Estate of the late Marjorie Blanche Baxter
 Estate of the late Rhonda Hoare
 Estate of the late Sebastian Gioia
 Estate of the late Shirley Gertrude Lane
 Estate of the late Susan Elizabeth Rutherford
 Estate of the late William Kirk Tootill
 Estate of the late William McCarrey
 Hilton White Estate
 Margaret Lillian
 Merrifield Memorial Fund



Corporate Governance Statement

I Introduction

Save the Children Australia is incorporated as a company limited by guarantee. It operates nationally in all States of Australia and in some overseas countries to promote the welfare and rights of children.

Save the Children Australia's corporate governance and performance are the responsibilities of its directors. The Board delegates the responsibility for the day-to-day administration of the company to the Chief Executive Officer (CEO) who, together with the Executive Committee, is accountable to the Board. The roles of Chairman and CEO are distinctly separate.

There is a maximum of 14 directors. There must be at least one director resident in each State. A director who has served six consecutive years from date of appointment will not be eligible for reappointment or re-election unless a minimum period of one year has lapsed since that person last held the position of Director or the Members in general meeting specifically give their approval.

State Councils operate in all states to execute functions delegated to them by the Board. These functions include fundraising, member support and monitoring of budgets and state based programs.

2 Remuneration of directors and State Council members

Directors and State Council members demonstrate their commitment to Save the Children Australia's mission through the contribution of their skills and

experience to the collective work of the Board or State Council, along with the contribution of their personal time and efforts, together with the appropriate advocacy within their social and business networks of Save the Children Australia's mission and the programs implemented to achieve the mission, and through whatever financial contributions they make personally or persuade others to make. They receive no return in cash or kind other than reimbursement of necessarily incurred expenditure. Their sole reward is the satisfaction of seeing the achievement of the goal of Save the Children to improve the lives of children.

3 Board meetings

The Board meets at least six times a year. There are generally four scheduled face-to-face meetings and two teleconference meetings. Additional meetings are called as required.

4 Board committees

- (a) An Audit Committee assists the Board to discharge its responsibilities to exercise due care, diligence and skill in relation to Save the Children Australia's reporting of financial information, application of accounting policies, financial management generally, internal control and risk management. Risk management includes the protection of Save the Children Australia's people and assets, and compliance with applicable laws and regulations. The committee approves the scope of the audit and the setting of the audit fee and advises the Board in relation to the

Board's recommendations & members regarding the appointment of the external auditor. Save the Children Australia is conscious of best practice in relation to auditor independence.

Audit Committee members are Mark Laurie (Chair), Anthony Nicholls and Andrew Sisson.

- (b) A Program Committee advises the Board on program priorities, strategies and policies related to projects undertaken by Save the Children Australia, both domestically and overseas. The committee also assists program staff with technical expertise on program implementation and operation.

Program Committee members are Lynne Jensen (Chair), Peter Watson, Jan Stewart, Jill Cameron and Collette Taylor.

- (c) The responsibilities of the Remuneration Committee, which reviewed salaries and benefits paid to executive personnel, have been combined with the Nominations Committee, which identifies gaps in the inventory of skills of board members and seeks new members as appropriate.

The members of this combined committee are Janet Grieve (Chair), Bruce Mansfield, Adrian Morgan, Phil Ransom, Bruce Meagher and John Allen.

- (d) The Strategy and Planning Committee reviews organizational strategies, plans, priorities and budgets before they are considered by the Board.

Strategy and Planning Committee members are Peter Watson (Chair), Lynne Jensen, Bruce Meagher and Cathy Robinson.

- (e) The Membership and Fundraising Committee advises the Board on national and state level membership, fundraising, corporate and community engagement strategies.

Membership and Fundraising Committee members are Jenny-Ellen Kennedy (Chair), Anthony Nicholls, Andrew Sisson, Warren Mundine, Janet Grieve and Ken McLeod.

- (f) State Councils support fundraising and operations in each State. Chairpersons of these Councils are:

New South Wales – Valerie Moffat

Queensland – Marion Clarke and Julie Nichles

South Australia – Claudine Burgess

Tasmania – Kim Clifford

Victoria – Sarah Hosking

Western Australia – Peter Alexander

Australian Capital Territory – Lynne Reeder.

5 Committees of management

The leadership team supports the CEO and meets fortnightly to review the operation and management of the company.



6 Executive remuneration

Executive remuneration is based on current market conditions and trends.

7 Internal controls and management of risk

Save the Children Australia has established controls designed to safeguard its assets and interests, and to ensure the integrity of its reporting.

8 Ethics and conduct

Save the Children Australia is committed to ensuring that all its activities are conducted legally, ethically and in accordance with high standards of integrity. Board members, employees and volunteers are required to signify acceptance of, and comply with the company's Child Protection Policy and Code of Conduct. Save the Children Australia has also developed policies which deal with occupational health and safety, intellectual property, privacy and equal opportunity, and employee grievances to assist employees and volunteers in meeting the high standards of ethics and conduct required.

9 Member relationships

Save the Children Australia is committed to providing members and donors with relevant and timely information regarding its operations and management through a website, member meetings, and direct communications.

Members are encouraged to attend and vote at annual general meetings.

10 Governance best practice

Save the Children International, of which Save the Children Australia is a member, requires that the governance processes of its members ensure that the organisation effectively and efficiently strives to achieve its stated goals, while protecting the public interest and trust.

Concise Financial Report For The Year Ended 30 June 2010

The concise financial report incorporating the financial statements and other specific disclosures required by Accounting Standard AASB 1039 Concise Financial Report is an extract of, and has been derived from Save the Children Australia and its controlled entities' consolidated financial report for the financial year.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Group as the full consolidated financial report.

A copy of the full consolidated financial report and independent audit report is available on our website – savethechildren.org.au. Alternatively, you can request for a hard copy which will be sent without charge upon request. All such requests should be made to the Registered Office at Level 6, 250 Victoria Parade, East Melbourne, VIC 3002 or phone 03 9938 2000.

Company Secretary: Philip Thomas

Registered Office:
Level 6, 250 Victoria Parade,
East Melbourne, Vic 3002
Phone: 03 9938 2000
Fax: 03 9938 2099

Directors' Report To Members

The directors present their report together with the Financial Statements of Save the Children Australia ("the company") and controlled entities for the year ended 30 June 2010, and the auditor's report thereon.

I Directors

The directors of the company during the financial year and the period to the date of this report are:

Directors for the full financial year were:

- Phillip Ransom
- Lynne Jensen
- Anthony Nicholls
- Bruce Mansfield
- Jenny-Ellen Kennedy
- Adrian Morgan
- Warren Mundine
- Peter Watson
- Andrew Sisson
- Mark Laurie

Directors for part of the financial year were:

- Bruce Meagher (appointed 14 November 2009)
- Janet Grieve (appointed 14 November 2009)
- Jan Stewart (appointed 14 November 2009)



- Thomas Hardy
(appointed 14 April 2010)
- Simon O'Loughlin
(resigned 11 August 2009)
- Jill Cameron
(retired 14 November 2009)
- Allan Freeth
(resigned 10 February 2010)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

2 Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the company during the financial year were:

	Directors' Meetings	
	Meetings attended	Meetings eligible to attend*
Phillip Ransom	6	6
Lynne Jensen	6	6
Anthony Nicholls	6	6
Bruce Mansfield	5	6
Jenny-Ellen Kennedy	6	6
Adrian Morgan	5	6
Warren Mundine	1	6
Peter Watson	6	6
Andrew Sisson	5	6
Mark Laurie	5	6
Bruce Meagher	3	3
Janet Grieve	2	3
Jan Stewart	2	3
Thomas Hardy	1	1
Simon O'Loughlin	0	0
Jill Cameron	3	3
Allan Freeth	4	4

*Reflects the number of meetings held during the time the director held office in the year.

3 Directors' qualifications, experience and special responsibilities

Name	Qualifications	Experience	Special Responsibilities
Phillip Ransom	Bachelor of Economics FCA Registered company auditor	Partner of RSM Bird Cameron, Chartered Accountants 30 years experience in the accounting profession specialising in Audit and Assurance Member of the RSM Bird Cameron National Executive Member of the RSM Bird Cameron National Audit Committee Partner responsible for Independence and Ethics for RSM Bird Cameron nationally Director since November 2004	Chairman Nominations and Remuneration Committee
Lynne Jensen	Bachelor of Arts Bachelor of Laws (Hons) Law Institute of Victoria Australian Corporate Lawyers Association	Group General Counsel of Grocon Group Lawyer with nearly 20 years experience in corporate and commercial law Former partner of Allens Arthur Robinson Director since November 2006	Deputy Chair Chairman of Program Committee Strategy and Planning Committee



Name	Qualifications	Experience	Special Responsibilities
Anthony Nicholls	Dip.FM (Hons) Bachelor of Commerce Finalist in 2008 Ernst & Young Entrepreneur of the Year Awards	Management Consultant of The Rental Faculty Pty Ltd Four years as CEO of a Property Development company; and ten years as CEO of a Fleet Finance and Car Rental company Director since November 2005	Treasurer Audit Committee Membership and Fundraising Committee
Bruce Mansfield	Bachelor of Commerce and Administration FINSIA MAICD	Chief Executive Officer of EFTPOS Payments Australia Limited 20 years experience in consumer payments, 10 years in information technology Director since February 2007	Nominations and Remuneration Committee
Jenny-Ellen Kennedy	Bachelor of Arts Bachelor of Laws (Hons)	Partner, James Groom & Co. Lawyers Member of Save the Children Australia Tasmanian State Council Director since November 2007	Chairman of Membership and Fundraising Committee

Name	Qualifications	Experience	Special Responsibilities
Adrian Morgan	Bachelor of Arts(Psychology) Association for Research on Non-profit Organisations and Voluntary Action Australian Human Resources Institute	Director (Strategic Policy, Communication and Innovation) of Lutheran Community Care (LCC) Member of several national and local non-profit boards, including holding the board chair's role for a professional association for several years Current position with LCC involves executive responsibility for government liaison, communications, fund raising, and board governance issues Previous work as a management consultant included involvement in several studies relating to the care of vulnerable children in Supported Accommodation Programs Director since November 2007	Nominations and Remuneration Committee



Name	Qualifications	Experience	Special Responsibilities
Warren Mundine	FAIM MAICD	Chief Executive Officer & Company Secretary of NTSCORP Limited 23 years working in management in the private, public and community sector 20 years sitting on public, private and community sector boards Director since March 2009	Membership and Fundraising Committee
Peter Watson	Dip CE, Graduate of Advanced Management Program, Wharton University Fellow – ATSE MAICD MIEA	Chairman of AssetCo Chairman of Victoria Regional Rail Link Authority 30 years experience in both private and public companies; 10 years as CEO and MD with a focus on project and asset management of physical infrastructure Director since March 2009	Chairman of Strategy and Planning Committee Program Committee
Andrew Sisson	Bachelor of Science FAICD	Managing Director of Balanced Equity Management Pty Limited Extensive experience in financial analysis, and investment management Director since June 2009	Membership and Fundraising Committee Audit Committee

Name	Qualifications	Experience	Special Responsibilities
Mark Laurie	Bachelor of Economics MBA – Melbourne University Diploma of Superannuation Management Macquarie University/ASFA FCA FTIA Senior Associate – FSIA	Partner of Price-waterhouseCoopers 30 years' experience working predominantly in financial services and with entertainment and media Spent time in industry, where he was a Vice President with Bankers Trust in Melbourne Extensive experience in managing teams and assignments relating to mergers and acquisitions and structuring work Has performed a number of reviews of the strategic direction of client organizations. This role included working with the Board of a large not-for-profit financial services group to review its strategic direction and capital structure Director since June 2009	Chairman of Audit Committee



Name	Qualifications	Experience	Special Responsibilities
Bruce Meagher	Bachelor of Arts Bachelor of Laws (Syd)	Director, Strategy & Communications of Special Broadcasting Service 21 years experience in law, public policy, government relations, corporate communications and general management Adviser to two federal cabinet ministers and has been a senior executive in the media, telecommunications and financial services industries Director since November 2009	Nominations and Remuneration Committee Strategy and Planning Committee
Janet Grieve	FAICD	Company Director 10 years as a tribunal member of the Commonwealth Remuneration Tribunal (retired April 2010) 20 years as managing director of a national public relations company Experienced company director on a range of private sector, government and not for profit boards Director since November 2009	Chairman of Nomination and Remuneration Committee Membership and Fundraising Committee

Name	Qualifications	Experience	Special Responsibilities
Jan Stewart	Bachelor of Arts Master Social Work, University of Western Australia	Chief Executive Officer of Lotterywest 18 years as CEO of Lotterywest, 2 years as Director Grants and Community Development Lotterywest, 2 years as grants consultant at Lotterywest 10 years as Chief Social Worker at Princess Margaret Hospital Member of a wide range of community boards and committees Director since February 2010	Program Committee
Thomas Hardy	Bachelor of Commerce and Administration-Victoria University of Wellington New Zealand Institute of Chartered Accountants New Zealand Institute of Directors	Chartered Accountant, private consultant to government and private enterprises 18 years experience in the chartered accounting profession industry as a partner in an international accountancy practice. Experience included audit, corporate tax, insolvency and firm management Director since May 2010	



4 Principal activities

The principal activities of the consolidated entity are associated with the welfare and rights of children as stated in the UN Declaration on the Rights of Child. The consolidated entity actively seeks public donations, corporate and government grant funding, and operates commercial activities, in order to conduct effective programming to benefit the rights and interests of children in Australia, Bangladesh, Cambodia, Laos, Papua New Guinea, Solomon Islands, Timor Leste and Vanuatu.

There were no significant changes in the nature of the activities of the consolidated entity during the year.

5 The consolidated entity's short term objectives are to:

- Increase income to ensure that programming activities can be expanded for the benefit of children.
- Ensure an effective transition of the consolidated entity's direct programming in Bangladesh, Cambodia and Laos to a new international programming unit during 2011.

6 The consolidated entity's long term objectives are to:

- Inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives.
- Ensure that every child attains the right to survival, protection, development and participation.

- Create a sustainable entity that strives for continual improvement so as to offer the best possible outcomes for children requiring our assistance.

7 Strategy for achieving the objectives

To achieve these objectives, the entity has adopted the following strategies;

- in October 2009, the entity adopted a new Strategic Plan for the years 2010-2012. The plan defines and discusses the organisational goals to end 2012 and sharpens the entity's focus by setting the following primary goals;
 - double the reach and impact for the benefit of children
 - increase income by 60% in order to increase reach and impact
 - define and promote the entity's brand profile
 - create excellence in all programs and operations
- during the year the entity finalised the consolidation of its domestic programs under a national umbrella in order to introduce greater efficiencies.
- the entity actively works to attract and retain quality staff and volunteers.
- the entity works in partnership with a range of community stakeholders.
- the entity is building technical expertise in both niche areas and those relevant in terms of unfulfilled children's needs.

As Save the Children International moves towards a more global structure including an international programming unit, the entity will remain significantly engaged in the process with the objective of maximising the benefits to children and fully realising the benefits of being part of a global organisation.

8 How principal activities assisted in achieving the objectives

The principal activities assisted the entity in achieving its objectives by:

- increasing stakeholder and community awareness and engagement, as evidenced by significant revenue increases in the areas of public donations, government grants, and legacies and bequests.
- increasing program expenditure and delivery to increase reach both domestically and overseas.
- strengthening the entity's financial sustainability.

9 Performance measure

- Administration ratio

A useful measure of the consolidated entity's administrative efficiency is its administration cost ratio, which we aim to keep below 10%. The ratio expresses administration costs (including depreciation) as a percentage of total revenue. For 2009/2010, the ratio was 7.9% (2008/2009, 7.3%). This increase reflects investment made in developing the organisation's capabilities for future growth.

- Fundraising cost ratio

Another ratio often given attention is the fundraising cost ratio. There are different definitions of this ratio used throughout the not for profit sector. In order to assess the organisation's performance accurately and to provide a comparison with other non government organisations, the following two fundraising cost ratios have been used:

— Fundraising costs as a percentage of total revenue

The ratio in relation to total revenue in 2009/2010 was 18.4% (2008/2009, 20.8%).

— Fundraising costs as a percentage of fundraising income, which excludes bequests, legacies and grants

The ratio in relation to all funds raised in 2009/2010 was 36.6% (2008/2009, 40.4%). The meaningfulness of this ratio however, is affected by the range of fundraising activities. In Save the Children Australia's case this range, and the associated cost rates, varies markedly between recruitment of donors into the Committed Giving program and special events. Fundraising activities are worth pursuing provided they generate a worthwhile surplus that can be devoted to achieving Save the Children Australia's goal of improving the lives of children.

It is therefore necessary to be cautious when comparing the fundraising cost ratio with the corresponding ratio of other charities that may have quite different ways of funding their activities and reporting their results.



10 Members guarantee

Save the Children Australia is a company limited by guarantee. In the event of, and for the purpose of, the winding up of the company, the amount capable of being called up from each member and any person or association who has ceased to be a member in the year prior to the winding up, is limited to \$1,000 for members that are corporations and \$10 for all other members, subject to the provisions of the company's Constitution. At 30 June 2010 the collective liability of members was \$10,800 (2009: \$9,720).

11 Events subsequent to balance date

During the year the Directors endorsed the new global strategy and structure of the Save the Children International organisation, of which the entity is a member. A consequence of the new strategy is that commencing in 2011 a global programming unit will be responsible for directly delivering certain international programs. As a result the entity will cease operating directly in Bangladesh, Cambodia and Laos during 2011, and will incur as yet unquantified office closure losses associated with the transfer of assets and liabilities to the international programming unit. These losses are not expected to result in any material cash outflows to the organisation.

As part of the alignment with the new global strategy and structure, the entity will seek to change its financial year end from 30 June to 31 December, with effect from 1 July 2010.

12 Auditor's independence declaration

The Auditor's Independence Declaration is set out on page 53 and forms part of the Directors' Report for the financial year ended 30 June 2010.

Signed in accordance with a resolution of the Directors.



Phillip Ransom
Chairman

Melbourne
30 September 2010



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DECLARATION OF INDEPENDENCE BY NICHOLAS E BURNE TO THE DIRECTORS OF SAVE THE CHILDREN AUSTRALIA

As lead auditor of Save the Children Australia for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Australian professional accounting bodies; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Save the Children Australia and the entities it controlled during the period.



Nicholas E. Burne
Director

BDO Audit (NSW-VIC) Pty Ltd

Melbourne, 30 September 2010

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Statement of Comprehensive Income For The Year Ended 30 June 2010

Continuing Operations Revenue	Consolidated Entity	
	2010 \$	2009 \$
Donations and gifts – Monetary	29,795,432	27,993,663
Bequests and legacies	1,561,125	543,688
Grants		
— AusAID	10,808,816	10,285,203
— other Australian	6,792,676	7,106,704
— other overseas	6,036,433	4,064,249
Revenues from commercial activities	3,390,981	3,349,636
Investment income	511,514	754,563
Other income	304,195	59,402
Total Revenue	59,201,172	54,157,108

Expenditure	Consolidated Entity	
	2010 \$	2009 \$
International Aid and Development Programs Expenditure		
International programs		
— Funds to international programs	27,116,902	25,208,968
— Program support costs	2,801,920	1,306,549
Domestic programs		
— Funds to domestic programs	9,900,990	9,541,787
— Program support costs	1,305,287	547,273
Fundraising costs		
— Public	10,164,922	10,648,586
— Government, multilateral and private	744,768	662,033
Commercial activities	1,992,701	1,716,763
Accountability and Administration	4,664,198	3,978,895
Total Expenditure	58,691,688	53,610,854
Excess of revenue over expenditure from continuing operations	509,484	546,254

Other Comprehensive Income	Consolidated Entity	
	2010 \$	2009 \$
Foreign currency translation differences for foreign operations	(357,805)	531,707
Other comprehensive income for the year	(357,805)	531,707
Total comprehensive income for the year	151,679	1,077,961

During the financial year, the entity had no transactions in non-monetary revenue and expenditure, international political or religious proselytisation programs and community education categories.



Statement Of Financial Position
As At 30 June 2010

	Consolidated Entity	
	2010 \$	2009 \$
Assets		
Current assets		
— Cash and cash equivalents	27,652,365	21,728,832
— Trade and other receivables	6,562,576	2,166,165
— Inventories	164,806	191,072
Total current assets	34,379,747	24,086,069
Non-current assets		
— Trade and other receivables	91,429	6,040
— Other financial assets	243,426	109,958
— Property, plant and equipment	3,614,482	2,687,147
Total non-current assets	3,949,337	2,803,145
Total assets	38,329,084	26,889,214
Liabilities		
Current Liabilities		
— Trade and other payables	8,218,074	3,460,935
— Short term borrowings	-	28,284
— Provisions	234,882	337,459
— Deferred income	14,569,118	7,948,745
Total current liabilities	23,022,074	11,775,423
Non-current liabilities		
— Provisions	274,107	232,567
Total non-current liabilities	274,107	232,567
Total liabilities	23,296,181	12,007,990
Net assets	15,032,903	14,881,224
Equity		
— Foreign currency translation reserve	87,736	445,541
— Accumulated Surplus	14,945,167	14,435,683
Total equity	15,032,903	14,881,224

At the end of the financial year, the entity had no balances in investment property, intangibles, current tax liabilities and other financial liabilities.

Statement Of Changes In Equity
For The Year Ended 30 June 2010

Consolidated	Foreign Currency Translation reserve	Accumulated Surplus	Total equity
	\$	\$	\$
Balance at 1 July 2008	(86,166)	13,889,429	13,803,263
Total comprehensive income for the year			
Surplus for the year	-	546,254	546,254
Other comprehensive income			
Movement in foreign currency translation reserve	531,707	-	531,707
Total other comprehensive income	531,707	-	531,707
Total comprehensive income for the year	531,707	546,254	1,077,961
Balance at 30 June 2009	445,541	14,435,683	14,881,224
Total comprehensive income for the year			
Surplus for the year	-	509,484	509,484
Other comprehensive income			
Movement in foreign currency translation reserve	(357,805)	-	(357,805)
Total other comprehensive income	(357,805)	-	(357,805)
Total comprehensive income for the year	(357,805)	509,484	151,679
Balance at 30 June 2010	87,736	14,945,167	15,032,903



Statement Of Cash Flows
For The Year Ended 30 June 2010

	Consolidated Entity	
	2010 \$	2009 \$
Cash flows from operating activities		
Cash received in the course of operations	63,148,470	52,806,076
Cash paid in the course of operations	(56,170,975)	(56,055,553)
Interest received	504,850	754,563
Dividend received	6,664	-
Net cash provided/ (used) by operating activities	7,489,009	(2,494,914)
Cash flows from investing activities		
Payments for plant and equipment	(1,537,192)	(674,697)
Net cash (used) in investing activities	(1,537,192)	(674,697)
Cash flows from financing activities		
Finance lease repayments	(28,284)	(8,594)
Net cash (used) in financing activities	(28,284)	(8,594)
Net increase / (decrease) in cash held	5,923,533	(3,178,205)
Cash at the beginning of the financial year	21,728,832	24,907,037
Cash at the end of the financial year	27,652,365	21,728,832

Notes To The Financial Statements
For The Year Ended 30 June 2010

1 Basis Of Preparation of The Concise Financial Report

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039 Concise Financial Reports (AASB 1039). The financial statements and specific disclosures required by AASB 1039 have been derived from Save the Children Australia and Controlled Entities full financial statements for the financial year. Other information and disclosures included in the concise financial report are consistent with the full financial statements of Save the Children Australia and Controlled Entities.

The concise financial report does not, and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Save the Children Australia and Controlled Entities as the full financial statements.

The concise financial report is presented in the Australian currency.

The address of the registered office and principal place of business is Level 6, 250 Victoria Parade, East Melbourne, VIC 3002.

A full description of the accounting policies adopted by Save the Children Australia and Controlled Entities may be found in the full financial statements.

2 Tsunami Funds

On 26 December 2004, a severe geophysical disturbance in the seabed off Indonesia generated a tsunami that caused the deaths of many thousands of people in Indonesia, Sri Lanka, India and Thailand, and major devastation to the lives and property of survivors. Australians, collectively through the Australian Government, and individually, donated funds, resources and personal time generously to the work of relief and recovery that will take some years to complete. Save the Children Australia received a total of \$5.34 million, of which \$0.02 million has been expended on collection and administration. An amount of \$5.31 million has been spent to date (\$5.00 million to 30 June 2009) on work undertaken in the affected areas by Save the Children International members. The balance of \$0.01 million (including interest) is expected to be spent in Banda Aceh (Indonesia) during the next year. The interest earned for the year ended 30 June 2010 is included in the balance of \$0.01 million (\$0.32 million at 30 June 2009). Interest earned on accumulated funds will be allocated to programs to support victims of the Tsunami.



3 Contingent Liabilities

The company has no contingent liabilities at the end of the reporting period.

4 Ratios

- Administration ratio

A useful measure of the consolidated entity's administrative efficiency is its administration cost ratio, which we aim to keep below 10%. The ratio expresses administration costs (including depreciation) as a percentage of total revenue. For 2009/2010, the ratio was 7.9% (2008/2009, 7.3%). This increase reflects investment made in developing the organisation's capabilities for future growth.

- Fundraising cost ratio

Another ratio often given attention is the fundraising cost ratio. There are different definitions of this ratio used throughout the not for profit sector. In order to assess the organisation's performance accurately and to provide a comparison with other non government organisations, the following two fundraising cost ratios have been used:

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The ratio in relation to total revenue in 2009/2010 was 18.4% (2008/2009, 20.8%).

— Fundraising costs as a percentage of fundraising income, which excludes bequests, legacies and grants

The ratio in relation to all funds raised in 2009/2010 was 36.6% (2008/2009, 40.4%). The meaningfulness of this ratio however, is affected by the range of fundraising activities. In Save the Children Australia's case this range, and the associated cost rates, varies markedly between recruitment of donors into the Committed Giving program and special events. Fundraising activities are worth pursuing provided they generate a worthwhile surplus that can be devoted to achieving Save the Children Australia's goal of improving the lives of children.

It is therefore necessary to be cautious when comparing the fundraising cost ratio with the corresponding ratio of other charities that may have quite different ways of funding their activities and reporting their results.

Directors' Declaration

The directors of the company declare that:

- (a) the concise financial report comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and related notes of Save the Children Australia and Controlled Entities, as set out on pages 54 to 60:
- (i) complies with Accounting Standard AASB 1039 Concise Financial Reports; and
- (ii) is an extract from the full financial statements for the year ended 30 June 2010 and has been derived from and is consistent with the full financial statements of Save the Children Australia and Controlled Entities.
- (b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Phillip Ransom
Chairman

Melbourne
30 September 2010



Appendix To The Concise
Financial Report
For The Year Ended 30 June
2010

Table of Cash Movements For Designated Purposes	Cash available at beginning of year	Cash raised during the financial year	Cash disbursed during the financial year	Cash available at end of year
\$AUD '000's				
Overseas program appeals	6,963	21,328	18,959	9,332
Australian program appeals	1,117	4,643	4,858	902
Emergency Appeal				
— Tsunami	316	1	309	8
— Other	244	9,129	3,871	5,502
Grants for overseas programs	4,344	12,055	12,940	3,459
Grants for Australian programs	1,154	8,137	7,447	1,844
Total for other purposes	7,591	8,367	9,353	6,605
Total	21,729	63,660	57,737	27,652



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INDEPENDENT AUDITOR'S REPORT

To the members of Save the Children Australia

We have audited the accompanying summarised financial report of Save the Children Australia, comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Save the Children Australia for the year ended 30 June 2010.

Directors' Responsibility for the Concise Financial Report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with the accounting policies described in Note 1 to the concise financial report, which form part of the summarised financial report. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; 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. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Save the Children Australia for the year ended 30 June 2010. Our audit report on the financial report for the year was signed on 30 September 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 and other disclosures which were not directly derived from the financial report for the year.

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

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BDO International is a not-for-profit association of separate entities which are licensed BDO (Aust) Pty Ltd (ABN 17 111 673 540) to represent it.
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Auditor's Opinion

In our opinion, the concise financial report of Save the Children Australia for the year ended 30 June 2010 is consistent, in all material respects, with the financial report from which it was derived. For a better understanding of the scope of our audit, this auditor's report should be read in conjunction with our audit report on the financial report.

BDO Audit (NSW-VIC) Pty Ltd

Nicholas E. Burne
Director

Melbourne, 30 September 2010

Photography Credits

Cover Image: Rachel Palmer/Save the Children

Cover Image: Sordibie feeds her son Djoumilou, 24 months, some therapeutic milk in the stabilisation clinic supported by Save the Children in Aiguie, Niger. June 2010.

Emergency Response Photo: Adriana Zehbrauskas/Polaris	6
Cambodia Photo: Samrang Pring/Save the Children	6
South Australia Photo: Mark Rogers/Save the Children	10
Djarindjin Photo: Amy Williams, courtesy of the Broome Advertiser	11
Chile Photo: Hugo Infante/Polaris	12
Niger Photo: Rachel Palmer/Save the Children	12
Haiti Photo: Susan Warner/Save the Children	13
Philippines Photo: Louise Dyring/Save the Children	13
Kyrgyzstan Photo: Rodrigo Ordonez/Save the Children	14
Haiti Photo: Luca Kleve-Ruud/Save the Children	15
Haiti Photo: Louise Dyring/Save the Children	16
Laos Photo: Jim Holmes/Save the Children	17
Cambodia Photo: Samrang Pring/Save the Children	18
Laos Photo: Jim Holmes/Save the Children	21
Cambodia Photo: Samrang Pring/Save the Children	23
Laos Photo: Jim Holmes/Save the Children	26
All other photos: Save the Children	

Notes And References

To protect the identity of the children we support, some names, details and photos may have been changed.

- 1 Child protection Australia 2008–09, Australian Institute of Health and Welfare, January 2010
- 2 UNICEF, 2008
- 3 National Census 1999, Vanuatu Government
- 4 UNAIDS, November 2009
- 5 UNICEF, 2009





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