



Save the Children Australia Annual Report 2006

Photo credits:

All photography

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8. Children of all ages take their voting seriously at the Child Council Elections in Bangladesh
9. Laos children in canoes
11. Children enjoying the educational resources created by their teachers as part of the Vietnam In-Service Active Learning (VITAL) Project in Vietnam
13. Solomon Islands Poster Series
Article 18:
Drawing by Jester Ahoi,
Grade 1, Makira Province

Article 24:
Drawing by Irosiwe Wamekeni,
Age 11, Honiara

Article 38:
Drawing by Paul Iroh, Age 16,
Malaita Province
18. (top) Russell Caplan, Chairman, The Shell Companies in Australia and Chairman, Save the Children Australia Business Alliance, with Sharon Jones, Director, Save the Children Kindergarten in Mooroopna, Victoria
18. (bottom) Margaret Douglas, Save the Children Australia Chief Executive, Tim Warren, former Chairman, The Shell Companies in Australia and inaugural Chairman, Save the Children Australia Business Alliance, and Cliff Caldwell, Save the Children Australia Director at the Business Alliance Gala Dinner and Auction held at the Melbourne Cricket Ground

Our mission

Save the Children fights for children's rights. We deliver immediate and lasting improvements to children's lives worldwide.

Our vision

Save the Children works for a world:

- which respects and values each child
- which listens to children and learns
- where all children have hope and opportunity.

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Chairman's Report



It is an exciting time to be involved with Save the Children Australia.

When I joined the Board in 2000, our revenue was less than \$6 million, we were faced with the possibility of having to close programs and even the organisation's survival was in question. Six years on, our annual income is over \$42 million. We have expanded our programs and can face the future with confidence.

This stunning turnaround would not have been possible without the generous support of our many donors, especially those who have committed to making regular donations, and our members and volunteers who for many years have raised funds within their local communities and staffed our shops, and continue to do so. Personally, and on behalf of the Board, I thank each and every one of you; we couldn't have done it without you.

But growth is the means to an end, not the end itself. Save the Children never forgets that the reason for seeking growth is children. Everything we do must ultimately benefit children.

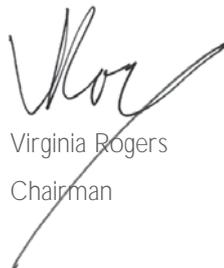
We are very conscious that every dollar spent on administration is a dollar not spent on children. However some administration costs are unavoidable and we need to ensure that we are disciplined and well governed. We have worked hard to ensure our administration costs ratio is as low as possible. Currently we spend 6.4% of our revenue on administration. We are absolutely committed to ensuring that as much as possible of every dollar we receive is spent on programs creating real and lasting improvement in children's lives, and we will continue to strive to improve our performance and practices.

Save the Children Australia received the Givewell Best Practice Not-for-Profit Award at the 5th Australian Corporate Sustainability Awards in late 2005 – recognition that we are moving in the right direction.

Growth gives us the opportunity to develop new programs and expand successful ones. In Australia, our 'Future Parents' program and our 'Mobile Playbus' scheme which both started in Queensland will be rolled out nationally. Our health program in Sayaboury Province in Laos has reduced the infant mortality rate from 82 per thousand live births to 24 and substantially extended life expectancy – 71 years in Sayaboury, compared to 55 years nationally. This program's success has received international recognition and we plan to extend it into the neighbouring province.

We are now in a position to benefit even more children in a real and lasting way. Internationally, Save the Children has just launched a five-year campaign to provide education for children affected by armed conflict. With over 100 million children growing up today without an education and more than one-third of these children – over 43 million – living in countries affected by armed conflict, Save the Children has formulated plans to address this terrible situation. But we cannot do it alone. With your help we can 'Rewrite the Future'.

It is, indeed, an exciting time to be involved with Save the Children Australia!



Virginia Rogers
Chairman

Chief Executive's Report



Save the Children Australia continues to grow and is well placed to create real and lasting change to children's lives in Australia and worldwide.

It is imperative that we remain open and accountable, and it will be noted that the format of this year's Annual Report contains more detailed financial reporting than in previous years. We need to ensure that donors can be confident that their support is well placed. Without this trust, community support for our work and our ability to continue to grow in the future could be jeopardised.

Save the Children Australia places a strong emphasis on governance issues and now has standardised internal financial processes in place in our state and country offices. A Program Quality Framework has also been implemented to ensure that key organisational learnings in areas such as program design, implementation and program impact measurement are recorded, reviewed and shared to ensure continual improvement wherever possible.

Our support from Corporate Australia is strengthening through the development of the Save the Children Business Alliance. The Business Alliance will form the basis of our plans to work with corporations and attract their support for our programs.

We continue to receive government funding through various State and Federal Departments and overseas. The rigorous standards Governments require of their implementing partners acknowledge we are a respected and professionally run organisation. Our Australian Tax Office accreditation with full Deductible Gift Recipient Status further enhances our credibility with the Australian community.

Our program activities also continue to expand with the establishment of a National Program in Australia, making us one of the few global not-for-profit organisations that have a local presence. Our immediate priority remains

Indigenous Australia where we recently launched local programs targeting youth at risk in locations such as Shepparton in country Victoria and the East Kimberley region in Western Australia.

Within the International Save the Children Alliance, we have recently reached organisational, governance and financial benchmarks which has resulted in Save the Children Australia becoming one of the 5 Strong Members of the Alliance, allowing us to have greater opportunity to contribute to international policy and activities throughout the world.

Our support for the 'Rewrite the Future' challenge, a campaign that aims to provide education for children affected by armed conflict is the first international campaign and will form the basis of much of our work over the next 5 years.

Save the Children Australia is now better placed to become a greater advocate on children's issues in Australia. Our aim is to increase our profile as we continue to be the organisation that best represents the rights of children at risk in Australia and overseas.

Thank you to all those – staff, directors, members, volunteers, donors, partners – who have been part of our journey as we look to the future, with greater confidence and commitment in continuing our work for the benefit of children.

A handwritten signature in black ink, which appears to read 'Margaret Douglas'.

Margaret Douglas
Chief Executive

Programs Update Australia



We have had a specific focus on developing programs in Australia that positively affect Indigenous children and young people, and on replicating proven state initiated programs.

The East Kimberley **Communities for Children** project is part of the Australian Government's Stronger Families and Communities Strategy. Save the Children Australia and the Lingjari Foundation are working in partnership with the local communities of Kununurra, Warmun and Wyndham in remote Western Australia to address the needs of children of up to 5 years of age. These needs are determined through 'a whole of community approach' that builds trust between different sections of the community, local organisations and service providers to form a meaningful basis for community development.

The East Kimberley initiative contributes to the achievement of the Communities for Children priority areas and outcomes through several strategies:

- Family Together Events
- Mobile Outreach Service
- Learning and Sharing Together, and
- Community Activities Fund.

The project builds the capacity of communities to engage and address the needs of all community members, including marginalised families and their children. The majority of activities are designed and delivered by local organisations and service providers to increase their sustainability.

Our **Indigenous Youth at Risk** project is funded under the Australian Government's Local Answers Initiative and is piloting a collaborative approach where community members and organisations, local business, industry, government agencies and registered training-organisations play an active role together with young people in planning and implementing empowering and sustainable activities.

The project aims to get young people (aged 9 to 21) involved in a variety of "Life-Skills" training programs and activities in highly participatory and fun ways. These programs equip the participants with the knowledge they need to stay secure, make positive and safe decisions – fulfilling their own and their community's needs.

The project aims to produce a group of self-confident and caring youth, who have skills to make safe life decisions and are positive role-models for their peers. The program also aims to support young people to study, train and take advantage of work opportunities.

The successful **Mobile Play Scheme Program** established over 20 years ago in Queensland – continues to expand and is now being rolled out across Australia. With strong support already in Queensland in the Brisbane metropolitan area, Sunshine Coast and Gold Coast it has now also been established in Darwin, Northern Territory in partnership with Larrakia Nation and Karu Aboriginal Child Care Agency. In New South Wales, the long-term success of our Sydney Inner City Program has seen us more recently set up a similar program in the Riverina-Murray Region and the Murwillumbah District. A Playscheme has also been started in Victoria with plans underway to add Perth and remote South Australia soon.

The aim of these programs is enhancing the early childhood development experience, while offering parents support services and referrals to access Government services as required. As a result, the risk of child abuse is reduced, while there are also improved development outcomes for the most at-risk children during this crucial development stage.

While open to everyone, the Play schemes predominantly service families from lower socio-economic groups, with diverse backgrounds. The program also operates in communities where social and sometimes physical isolation is also an issue. Indigenous children and their families are a particular focus.

Our **Future Parents Program** was established in Queensland in the early 1990's and has been a resounding success. The program is now being rolled out nationally expanding into New South Wales, Victoria, South Australia and Western Australia.

The Future Parents Program is a child abuse prevention program that works with young people to provide them with access to information and skills in caring for children. This is achieved through the provision of a suite of courses designed to meet the differing needs of participants.

The Future Parents Program enables young people, who are either parents themselves or undertake child care roles, to develop practical child care skills and an increased understanding of children's needs. The course has been successful in assisting young people to better care for young children – resulting in a new generation of parents and carers in at-risk groups having increased knowledge of child abuse, neglect and domestic violence issues – and importantly providing them with prevention strategies.

Our **nutritional and breakfast programs** continue to operate in South Australia and Victoria, promoting nutritional support and education through various school and kindergarten based programs. With families sometimes unable to provide the basic necessities, this program is very important in educating children and their parents about healthy food choices, while also ensuring children are able to concentrate during their school day.

Also in South Australia, our **Speaking Out in Schools and Communities Program** helps to improve awareness of and commitment to human rights and child rights principles through student, teacher and community education.

In Victoria we have been providing **early education opportunities** since the early 1960's. Staffed by qualified indigenous professionals, the centres focus on children's personal and familial needs as well as their educational development.

The kindergartens also provide families with referrals to community services such as dental, hearing, speech and in some cases trauma and abuse. A bus is provided to alleviate the issue of mobility for families in rural Victoria. Parenting programs are also provided to educate parents or carers to develop a better understanding of how nutrition and good health link to better learning.

The kindergartens offer a culturally inclusive program by giving the local

community and Aboriginal Elders the opportunity to have substantial input into the curriculum by teaching the local language, storytelling, cooking and demonstrating Indigenous Art. The service is a registered funded kindergarten governed by the Department of Human Services

We also provide funding support for **Operation Newstart**, a program jointly managed by Victoria Police and the Department of Education. This program is currently supported in the Northern, Western and Eastern regions of Melbourne.

Operation Newstart allows students experiencing difficulty at school to engage in a special program over an 8-week period. Students are part of a small group who interact closely with two supervisors; one from Victoria Police and one a qualified teacher. The aim of Operation Newstart is to develop self esteem and life skills necessary to re-enter either education, employment or vocational training.

Other program work in Queensland variously targets women and children through Domestic and Family Violence and Alternative Residential Care Programs, and families experiencing crisis through an Early Intervention Family Support Work Program.

For a more detailed list of programs please contact Save the Children Australia.

Future Parents Program wins National Award

In late 2005, our Future Parents Program received a National Child Protection Award under the category 'Community Development, Capacity Building and Strengthening'. The Awards are hosted by the Australian Council for Children and Parenting (ACCAP), through the Department of Family and Community Services (FaCS). ACCAP is an advisory council to the Minister for Family and Community Services.

Programs Update Overseas

Save the Children Australia remains focused on programs that directly benefit the lives of children and their communities. Save the Children Australia's Program breadth can be demonstrated by the number of programs we design and directly implement, or fund partners to implement on our behalf.



In order to maximise our positive impact on the lives of children worldwide, we use our international expertise in implementation to support local partner organisation skills throughout the world, which in turn ensures that more projects are undertaken – and more children than ever before are reached through our work. We also tap into Save the Children networks to support programs that are implemented by other Save the Children organisations.

Much of our program work in the Asia Pacific region is determined through a sectoral approach which can be categorised by one or more of the following key thematic areas:

- Health
- HIV/AIDS
- Education
- Child Protection
- Childs Rights and Participation.

In the broadest sense, all of our programs look to the long term, and as a result resources are invested to ensure that solutions for core problems are identified and effective programs implemented. Of course, this can mean that Save the Children Australia needs to seek the expertise of other organisations – and where appropriate – that is exactly what we do.

For instance, in Bangladesh one of our Child Protection programs is implemented with the help of one government and 25 local non-government organisations. Another, in Cambodia partners with six government and six non-government organisations. By utilising local partners and existing networks, the capacity of developing countries is further expanded and local people can benefit in a multitude of ways, increasing the scope of the program's outcomes.

Outlined in the next few pages are some examples of the work we are doing in the Asia Pacific countries of Bangladesh, Cambodia, Laos, Papua New Guinea, Solomon Islands, Vanuatu and Vietnam.

Health

Our Laos Primary Health Care project continues to improve the health situation of the population of Sayaboury province in Laos – particularly among women and their children.

From its inception in 1992, when there were no health facilities outside the provincial and district hospitals, Save the Children Australia, in partnership with the Ministry of Public Health, helped to develop a substantial health infrastructure comprising 69 dispensaries, nine district hospitals and Maternal and Child Health Clinics – and a provincial hospital and MCH clinic. Almost the entire physical infrastructure in all ten districts has been developed with our assistance.

Now, almost every village in the province has a Village Health Worker and a Traditional Birth Attendant. This has contributed significantly to the increase in the proportion of birth deliveries attended by a trained health worker as well as improvements in infant feeding practices. Importantly, supervision, monitoring and evaluation systems have also been put in place to ensure that any improvements are continual and recorded for future use.

This project is now seen by the Laos Ministry of Health as a model for other provinces.

Infant mortality rate in Sayaboury Province has been reduced by 70% compared to the national rate

In Cambodia, the Ministry of Health has contracted Save the Children Australia to manage health service delivery in various districts in the country. Save the Children Australia manages the staff, builds capacity of management, clinical and health promotion staff and provides health education and outreach services to the whole community. Where there were no health facilities in 1999, there is now a teaching hospital and health centre coverage for the whole population so that all men, women and children have access to quality health services. This has had a significant impact on the incidence of death and disability from preventable diseases, particularly for women and children.

In Papua New Guinea, universal immunisation is seen as a key strategy to reduce the mortality rate of children under the age of five, yet some areas of Papua New Guinea

are so remote that vehicle-based, mobile vaccination patrols cannot reach them. Although relatively small, this project supports foot patrols into the most remote villages to ensure immunisation coverage, reaching the thousands of children who would otherwise be at risk. These health teams also hold antenatal clinics for pregnant women, carrying out training for Traditional Birth Attendants whilst also providing education on good nutrition and sanitation practices.

In Vanuatu, our Village Health Worker project is continuing to build the capacity of health workers to improve clinical skills, provide health education and outreach services to the population across six provinces. In particular the focus is on developing skills of village health workers so that all people can access services. The project is implemented in partnership with the Ministry of Health and it is expected that they will progressively take over management from 2007.



Cambodia Program Highlights

Memut Operational Health District

- Antenatal care for pregnant women (2+ sessions) increased from 12% in 1999 – 83% in 2004, 100% of women had one antenatal care session in 2004 (from 37% in 1999)
- Full immunisation coverage for children from 24% in 1999 to 100% in 2004
- Tetanus Toxoid (TT1/TT2) immunisation for pregnant women – 24% (1999) – 82% (2004)
- Malaria rates reduced by 2/3 and deaths from malaria reduced by 50% from 1999-2002

This has been achieved with an average cost per person per year of US\$3.50

Ponhea Krek/Dambe Operational Health District

- Full immunisation coverage has increased significantly from less than 70% in January 2004 to 100% in December 2005
- Since birthspacing activities started in Ponhea Krek/Dambe (January 2000) birthspacing has increased from 7% to 20%
- Hospital usage rate has increased significantly. Outpatients have increased from 49 per 1000 population to 157 per 1000 population. New admissions have increased from 1 per 1000 population to 8 per 1000 population per quarter

HIV/AIDS

In Cambodia, Save the Children Australia provides assistance to one of our local partner organisations working directly with street children in Phnom Penh to provide vocational training and outreach programs that target more than 1,000 children living on the streets every month. Through this program children have the opportunity to make a life for themselves, have access to health care, food and a safe environment.

In addition, support structures are established within peer groups; care and support is provided to HIV+ street children living at transitional homes; counselling is provided to other children for bereavement after death of HIV+ children; support to street-living and working families affected by HIV/AIDS.

Another Cambodian project supports more than 850 children each month to remain in school or attend other education opportunities, which might be provided by Buddhist pagodas and other project partners.

Acknowledging their standing in the Cambodian community, monks are trained to advocate a reduction in HIV-related stigma and discrimination using the Buddhist teachings; and to offer practical and emotional support to People Living with AIDS (PLWA) and their families.

This strategy is very effective and directly benefits those affected by HIV/AIDS in the community, which is

reflected in independent evaluations reporting that they are experiencing less stigma and discrimination than before the project. Other benefits include the development of small vocational training activities; and provision to Orphans and Vulnerable Children (OVC) of materials and equipment.

They are experiencing less stigma and discrimination than before the project

Another project in Cambodia works to distribute reproductive health, HIV/AIDS and sexually transmitted infection (STI) information through a network of youth outreach educators, peer educators and monks. Young people can talk about and share experience in a supportive environment to learn from and support each other. This integrated approach enhances and builds upon community awareness about the prevention and transmission of HIV/AIDS.

In Papua New Guinea, Save the Children Australia is implementing a unique approach to mitigate the dire HIV and AIDS situation. In order to reduce the damaging effect HIV is having on communities and the economy, Save the Children is working with a number of the most vulnerable groups including commercial sex workers and men who have sex with men (MSM).

The primary target groups of the project are women and children who for various social, cultural and economic reasons are driven into the commercial sex industry.

It uses a peer educator approach to educate and support female sex workers (FSW) and MSM on topics such as HIV/AIDS, STIs and legal rights. Access to health, social and other services relevant to FSW and MSM are also being facilitated through the project.

Papua New Guinea Program Highlights

- Female sex workers (FSW) and men who have sex with men (MSM) are accessing health information through trained peer educators and Behavioural Change materials in the form of pamphlets, posters, stickers and comics in local languages
- FSWs are coming together to discuss and address their concerns
- FSWs and MSM are accessing HIV and STI testing when they visit the project Drop in Centre for information and education
- Condoms are more accessible to FSWs and MSM
- Police officers are more sensitized to issues affecting FSWs and MSM after attending workshops
- FSWs are accessing free counselling services at the Drop-In Centre
- Health-seeking behaviour is promoted by providing free washing, laundry and toilet facilities; safe sex materials, and condoms; and by facilitating STI clinic check-ups
- Sex workers and MSM are accessing information on their legal rights and being encouraged to speak out about any violence or abuse they face in their professions

Education

The Vietnam In-Service Active Learning (VITAL) project continues to benefit from our nine years' experience building the capacity of in-service teacher training in primary education in Binh Thuan Province.



We are increasing the capacity of trainers to plan, deliver and evaluate in-service training workshops in active learning for classroom-based teachers. Teachers learn practical ways to implement the new curriculum and learn to make simple, inexpensive teaching and learning aids.

The project gives specific attention to training teachers working in schools with ethnic minority students to use appropriate cultural and language teaching strategies and appropriate resources in classroom programs.

Model teachers and their classrooms serve as positive examples of practical application of active learning and demonstrate ways to foster an environment that supports children's learning development.

We are also developing classroom and training resources in support of the new national curriculum (Grades 1-3), including Teacher Resource Books (in Vietnamese) for Socio-Natural Subjects for all three grades and Vietnamese language for Grades 2 and 3.

As a mark of our continued success in this field, Vietnam Ministry of Education and Training approval has now been received to publish teachers' resource books nation-wide, complementing – and acknowledging the success of our previous work. Already, education resources have been distributed to 12,000 teachers and classrooms in Vietnam.

Education resources have been distributed to 12,000 teachers and classrooms in Vietnam

In Bangladesh, our Creating Access to Rights through Development (CARD) Projects continue to improve children's lives by providing them with both an understanding of and the ability to access the rights conferred under the United Nations Convention on the Rights of the Child. The project has created a network of Child Councils (Shishu Parishads) that mirror the levels of Local Government and whose conduct reflects democratic principles. Child Councils are formed according to gender and age with membership limited to children

aged between 6 and 14. Each Child Council elects its own leaders through democratic elections.

Implemented through eight local partner organisations, training is provided in leadership and administration, child rights – including the issues of child marriage, dowry, exploitation and abuse, life-skills, media and journalism.

So far more than 42,000 children have been involved through the formation of 1400 Child Councils. An expansion of the project from the Tangail District to the Chittagong and Cox's Bazaar Districts will see a further 8,000 children reached.

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Child Protection

The Safe Home Project in Bangladesh arose out of demands from some girls living in the Daulatdia brothel for protection from sexual exploitation.

The construction of a 'Safe Home' has given daughters of brothel workers alternatives to working in the sex industry by providing them with a place to pursue their education. The Safe Home provides a homely, safe and congenial atmosphere to live and study for around 35 girls between 11 and 15 years who are unable to attend the local school and lead a normal childhood.

Focusing on adolescents living in flood and cyclone-prone areas in 20 districts of Bangladesh, the Child Friendly Spaces project addressed the disaster preparedness and response activities for improved protection of children during and after disasters.

The project was implemented in conjunction with local NGOs, adult community members and concerned government officials. Forty trainers train the adolescents to be facilitators on Psychosocial Protection and Care in the aftermath of natural disaster.

Located in the remote northern districts of Sayaboury Province in Laos, our Youth at Risk project has initiated extensive research into the concerns and issues that affect young people in the community. Using Participatory Action Research methods, youth researchers have found that cross-border migration and the consequent threats of drug abuse and HIV/AIDS are key issues affecting young people. The project has taken action to raise awareness of these issues and also to provide capacity amongst young people to avoid these risks.

Training has also been implemented for government officials who work with youth to raise awareness on child rights and to build their capacity to support the project. Colourful posters and other visual materials have been developed and distributed in all villages, while peer educators have delivered Life-Skills training to young people, and key youth have selected and provided with leadership training.

In Solomon Islands, a Child Protection project aims to increase the child protection capacity of the Government's Social Welfare Division by working towards child protection law changes, establishing child protection services, formalising protocols and training, forging links with other service providers and continuing to raise awareness of child protection issues and identifying training needs.

Childs Rights and Participation

The Solomon Islands Government ratified the United Nations Convention on the Rights of the Child (CRC) in 1995 signalling its commitment to children and child rights. Child Rights, however, is not something that can be achieved overnight and the process has been long and interrupted over the past few years.

In order to address this issue, strong advocacy by Save the Children Australia and other stakeholders has been assisting to raise the profile and priorities of child rights in the Solomon Islands. Our Child Advocacy Project is doing this is by working closely with the National Advisory Council of Children (NACC) to ensure child rights issues are taken up at a policy level. The project also provides information to community members, including children and young people, to raise awareness of child rights and child protection issues at a community level.

Most recently, to celebrate Save the Children Australia's 20 years involvement in the Solomon Islands, we conducted a local poster competition, where children were invited to create posters representing their rights – or rights that they believed important to them. (See breakout box below) This competition is one of several practical examples of how we are listening to children to hear what is important.

Child Rights Poster series

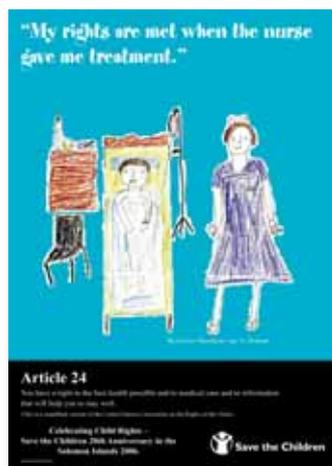
Children in the Solomon Islands were invited to create posters representing their rights.

The idea of the Poster Competition was that children were asked to draw a picture of how they see their rights happening in their everyday lives.

The United Nations Convention on the Rights of the Child lists 54 fundamental rights for children around the world. The Government of the Solomon Islands has signed this Convention.

For promotion, a competition poster form was inserted in the local newspapers – on one side were the competition guidelines, while the other detailed the Rights of the Child. In itself, this was a very effective way to create understanding for children and adults, but the response from children was even more satisfying.

Shown here are reproductions of three of the winning posters.



Examples of the rights included in the UN Convention as featured in the posters shown are:

Article 18

You have the right to be brought up by your parents, if possible.

Article 24

You have a right to the best health possible and to medical care and to information that will help you to stay well.

Article 38

You have a right to protection in times of war. If you are under 15, you should never have to be in an army or take part in a battle.

Our Child Rights Project in **Vanuatu** is working to improve children's situation by promoting and supporting their rights through awareness raising, training and the development of Information, Education and Communication (IEC) materials.

We work closely with the National Children's Council to implement a number of activities including training workshops for government and community members, and produce radio plays, posters and quarterly newsletters for the wider community. The project is now in a position to expand its scope to include advocacy work and child participation, as well as ensuring child rights programming is incorporated in all of Vanuatu's programs.

In Vanuatu and Solomon Islands, our Youth Outreach Program is focusing on establishing and refining the peer outreach model. Essentially, we target marginalised young people, who are trained as outreach volunteers to work with young people and others in the communities in which they are active.

The emphasis in this program is initially on generating youth participation in decision-making about their lives: in their families, in their communities and

in the involvement of other programs. Once such links have been established, we build on this and extend the scope to include participation in decision making at local and national government levels.

The projects are youth-led, and their direction is being enhanced by a youth project advisory committee – another example of how Save the Children Australia involves children in decisions that affect their futures.

Elsewhere, the main goal of the Creating Access to Alternative Life Choices for Children and Women of Daulatdia Brothel (CAAB) project in **Bangladesh** aims to improve the psycho-social conditions of women and children living in the Daulatdia brothel in the Goalunda district of Bangladesh. The project provides training and other income generating opportunities to women and also ensures that children of brothel workers are better equipped to make alternative life choices through the provision of residential facilities for girls outside the brothel area, a school for boys and girls, and vocational training for boys.

Project activities have included the construction and development of a

primary school for children, vocational training, literacy and Life-Skills training. Training in financial planning and the creation of savings groups has improved money management and long-term security amongst women.

The Formation of Child Councils provides children in the brothel with a platform where they can express their opinions and also opportunities for cultural and sporting activities. These include games, art, music and other supervised indoor activities, which have helped children to redirect their attention from the brothel environment.

Activities have included the construction and development of a primary school for children, vocational training, literacy and Life-Skills training

Our Global Presence

One of the biggest growth areas in terms of expanding our program reach has **Child Link, Child Guardians and Global Neighbours**.

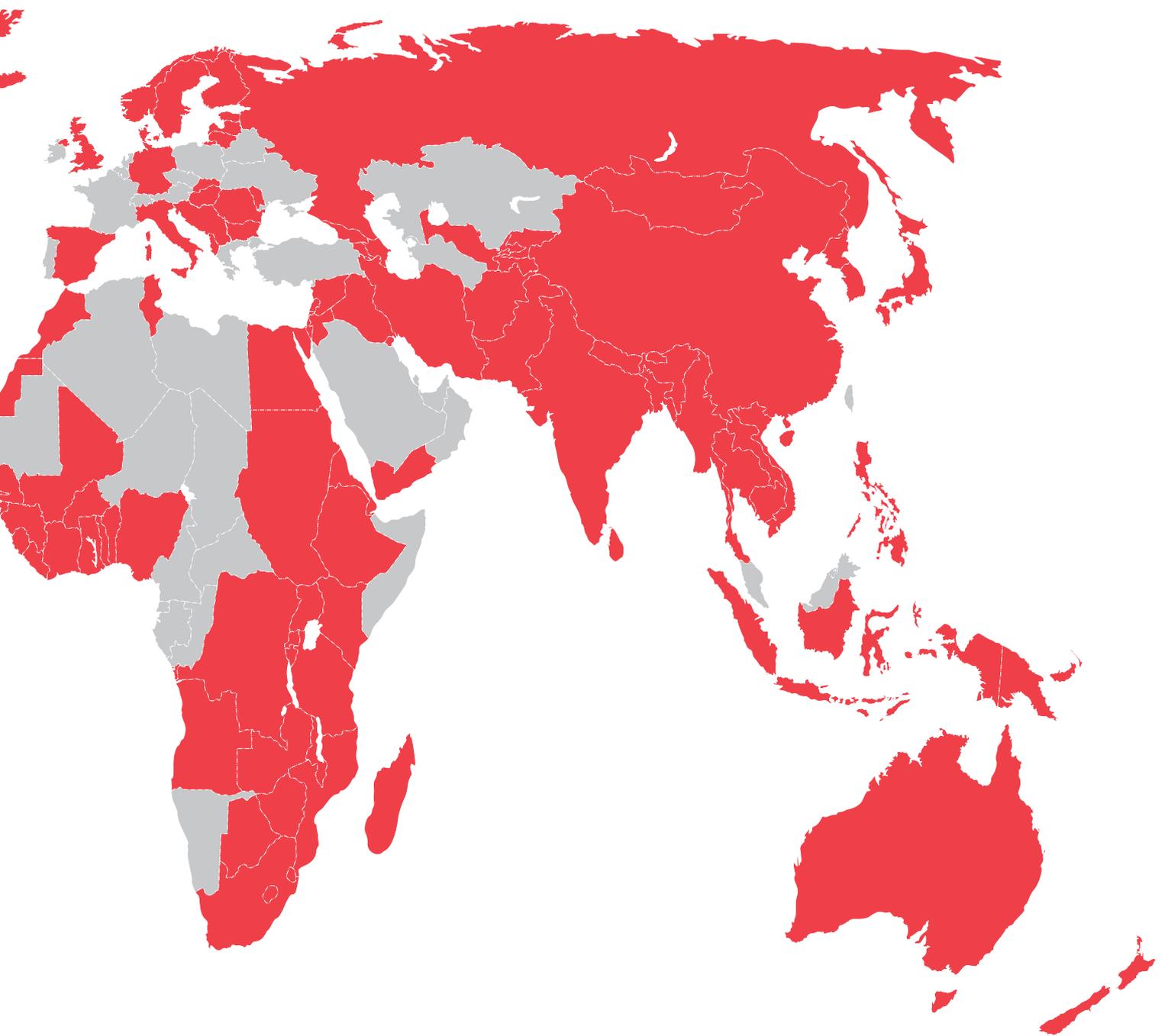
These fundraising programs raise funds directly from the Australian public and although relatively new to Australia, their success has enabled Save the Children Australia to fund programs in countries far beyond those in our traditional Asia Pacific sphere.

This has seen Save the Children Australia's program support reach as far as:

Afghanistan
Angola
Bangladesh
Bhutan
Brazil
Cambodia
China
Colombia
Democratic Republic of Congo
Egypt
Ethiopia
Guatemala
Haiti
Ivory Coast
Laos
Malawi
Mozambique
Nepal
Peru
Sudan
South Sudan
Vietnam
West Bank / Gaza



been achieved through our very successful fundraising programs –



■ Countries where Save the Children is working

Highlights of Save the Children Australia's Global Activities

Afghanistan

70 new schools opened

Out of Afghanistan's 4.5 million children there are 1.5 million with no access to education. War not only destroys schools it also destroys basic village infrastructure. In the Nagahar province, close to the border of Pakistan, before we could re-open and resource schools, we had to reinstate village 'shuras' – the local decision-making forum.

In a huge step forward, we managed to get the shuras to include women for the first time. This makes it easier to get children's rights and child issues on local agenda.

Working with local partners, we have now opened 70 non-state schools, serving over 3,000 of the most vulnerable children here and providing them with the chance of a better future.

Bangladesh

- 5,438 children are members of our children clubs, learning about their rights and organising their own activities
- 23,080 Bangladeshi children attended one or more of our Primary Education programs
- 2,204 four-year-olds attended our Home Based Early Learning Opportunity Centres
- 100% of the 1,869 children who attended our pre-schools enrolled in primary school
- We have persuaded the government to adopt children's issues into the National Plan of Action (NPA) for the first time

Bhutan

- 10,290 parents and 320 teachers took part in Parents' Education and Awareness programs
- Our Youth Information Centre in Thimpu helped 20,995 adolescents
- 906 boys and 703 girls participated in School Club activities, helping foster self-esteem and leadership skills
- In partnership with the Ministry of Education, we constructed 20 community primary schools. As a result, over 1,870 children are enrolled in school and have a real chance to develop their skills, knowledge and outlook beyond traditional rural practices

Brazil

- We have helped children in the favelas (shanty towns) turn away from violent drug trafficking in favour of sport
- Our sporting program for adolescents living in the favelas has helped some to avoid drug trafficking and crime
- Camaragibe and Sao Paulo municipalities are enabling more than 1,100 children aged 0 to 6 to receive quality care in 21 nurseries. In Sao Paulo, the carers are trained young people from the favelas where the nurseries are based

Cambodia

- Total number of children reached was 407,000 – mainly through education programs
- 36,948 children took part in HIV/AIDS awareness programs
- 28,613 children took part in life skills training and 28,000 of them applied this at home
- 811 children took part in actions against violence, exploitation and trafficking

Cambodian mine clearance program going well

The remote mountainous regions of Krakor, Kravanh and Veal Veng were Khmer Rouge strongholds up until 1998 and are littered with minefields. The infrastructure here is poor and health problems and poverty are rife. It is estimated that 90% of children have malaria. We are working with the Cambodia Mine Action Center (CMAC) to clear mines around schools sites, roads and villages to make life safer. Clearing the mines will open the way for proper schools, health support and give the people here the chance to rebuild their lives.

Colombia

Education offers a way out in Colombia

Civil war has been raging in Colombia for over 50 years, resulting in an estimated three million people having fled from their homes. Over one and a half million of these are children.

Many end up in slum areas in the big cities, with no access to basic facilities and no chance of resuming their education. In most cases they have seen terrible things, lost parents and family members and find themselves undernourished and in poor health. They are targets for recruitment to

the military and are more likely to get drawn into violence, drugs trafficking and prostitution just to survive.

Education offers a way out. Once they are in the system, they can be monitored for health and nutrition, they have somewhere safe to play and have a chance to put the violence behind them. Learning to read and write gives them opportunities for the future; just being there may save their lives. This is just one example of how Save the Children helps. Here we take the most vulnerable children and remind them how to respect one another, keep them safe, feed them well and help them to learn.

China

- 30,000 children took part in HIV/AIDS awareness training
- An extra post-graduate year of free vocational education for deaf students was secured
- Four primary schools destroyed by flooding in Fuyang have been rebuilt, providing education to 3,000 children

Egypt

- 300 older girls who missed out on school through poverty and cultural exclusion are now rediscovering their education

Ethiopia

- 225,000 additional children are now getting an education from our school building program – many for the first time
- 900 new schools have been created
- In some districts, we've increased teacher numbers by 80% – nearly all from the local populations
- 25,200 children and youths now know how to protect themselves from HIV/AIDS
- De-worming and Vitamin A supplements were provided to over 4,000 children
- New legislation, lobbied for by Save the Children, has led to 850 early marriages being cancelled by magistrates

Haiti

- 22,000 children were treated for worms and iron deficiency and we provided tuition and supplies on basic hygiene and nutrition
- We helped 14,000 children to start school
- 350 teachers took part in training programs
- We encouraged and trained 500 parents to join governing boards in community schools

Malawi

- Programs today reach more than 2 million people
- Over 12,000 families are benefiting from our Food Security program
- Our 315 youth clubs have achieved a membership of over 13,000 children
- We've trained 186 teachers for grades one to four
- Our 'Cool Parent Guide' is helping to combat the spread of HIV/AIDS; we are also helping communities to cope with orphans and children suffering with HIV/AIDS. Our programs in Malawi today reach 2 million people. Over 12,000 families are benefiting from our Food Security program

Nepal

- Over 14,500 children benefited from educational support
- 50,000 children had health screenings, treatments or preventative care

- 16,000 children took part in Child Club activities
- Our 'end early marriage' campaign now has 100,000 child, youth and guardian signatories
- Over 50,000 children received health treatments as a result of our School Health and Nutrition program
- We are in the process of increasing the number of Early Childhood Development centres from 289 to 376

Zones of Peace in Nepal

As well as setting up village support groups, child protection systems, renovating and improving schools and providing psychosocial support for affected children, we have been working at a national level with both sides to establish schools and children as 'Zones of Peace.'

In Sindhuli District, the children created a play to show the adults how it felt when armed men entered their classrooms. Both sides in the conflict subsequently agreed to recognise schools as Zones of Peace. We will be helping other children's groups to adopt this approach.

Peru

- Our program for democratising schools has engaged children, parents, teachers and local education authorities alike, and adults are now campaigning alongside children for their rights to be respected

Guatemala

- 33,000 children across Guatemala were reached directly
- 14,397 children benefited from education-based programs
- 2,587 children learned about their rights and took part in child rights activities
- Awareness of child labour and exploitation was raised at a national level

Sons and Daughters in Guatemala

Save the Children supports an organisation of young people called HIJOS (which means sons and daughters). HIJOS is a voluntary organisation that keeps alive the memory of the civilians who were murdered or "disappeared" during the military dictatorships and pursues justice for the victims.

One of HIJOS' projects is called 'Therapy through Art'. Aimed at youths who were direct victims of the armed conflict, the project is designed to help them express their pain and by doing so, to help them rebuild their lives.

Working with Corporate Australia

Save the Children Australia has been working closely with Corporate Australia identifying synergies and innovative ways for involvement, while ensuring that any involvement will ultimately benefit children.



Save the Children works with many of Australia's corporate leaders through the development of the Business Alliance. The Save the Children Australia Business Alliance is an invaluable, voluntary networking group of influential Australians who want to make a broader contribution to society.

The Business Alliance has four key objectives in relation to supporting Save the Children Australia's work, both within Australia and abroad:

- to partner (financially)
- to lobby (politically)
- to advocate (within the community)
- to promote (socially).

With their support, a key fundraising event was the inaugural Save the Children Australia Business Alliance Gala Dinner and Auction held at the Melbourne Cricket Ground. The event raised funds to support Save the Children's Australia programs.

Our relationship with the **Lonely Planet Foundation** has entered its second year. The Lonely Planet Foundation provided children in war-torn Sudan with much needed education opportunities and resources.

Transfield Services joined with Save the Children in 2005 and is now one of our Corporate Champions. Transfield supported Save the Children Australia across a range of activities and also contributed funds towards school rebuilding in Tsunami devastated Indonesia.

IKEA Australia chose to support minority education in China via the 2006 Christmas Soft Toy Campaign. This international initiative will see \$2 donated to Save the Children for every soft toy sold from November to December 2006.

SalesForce continues its national Workplace Giving scheme for employees and contractors to voluntarily donate an amount from their pay to Save the Children programs. Having successfully funded the construction of the Kop Children and Young People's Development Centre in Laos, the focus has shifted towards support of our Australia Programs.

AMEX Australia has been a long-term partner of Save the Children. The Save the Children Amex Card allows supporters to contribute to our work with every purchase.

The Shell Companies in Australia are a multi-year partner supporting the valuable work of Save the Children with indigenous communities in far North West Australia.

The Cobra Group oversaw the building and refurbishment of more than 100 schools in the Philippines.



Events and Profile

Save the Children Australia had an exciting year with the implementation of key activities that raised our profile locally as well as globally.

Rewrite the Future

Save the Children Australia took over Federation Square in Melbourne to launch the first-ever global campaign in the 85 year history of the organisation. Starting in Australia and finishing in Washington DC, 14 hours later, the campaign rolled out in more than 40 countries.

Known as 'Rewrite the Future', the campaign aims to bring quality education to millions of children worldwide who currently have no access to education. Save the Children will ensure quality education for 8 million children. We will achieve this by working directly with children and partner organisations in more than 20 countries.

Make Poverty History

Save the Children Australia continues to work in support of the Make Poverty History campaign, a worldwide alliance calling on leaders to live up to their promise and make a breakthrough on poverty. In the lead-up to the G8 Summit held in Edinburgh in 2005, three billion people around the world watched as international celebrities like Bono, Sir Bob Geldof and Sir Elton John made history in the greatest rock show in the history of the world, LIVE8. Performers urged audiences to push the leaders of the G8 Summit to keep their promise on the Millennium Development Goals. To date, more than 800,000 white bands have been sold across Australia.

State of the World's Mothers Report

In commemoration of Mother's Day, Save the Children published its seventh annual State of the Mother's Report. The report, which received excellent media coverage focused attention on the 60 million mothers in developing countries who give birth every year with no professional help and the 4 million newborns who die in the first month of life. The Report revealed the best – and worst – countries to be a mother. Sweden topped the list, with Australia and the Netherlands in a tie for the seventh position.

Skip a Treat

Save the Children Australia once again staged 'Skip a Treat' across the country during the first week of May, 2006. This innovative event called on people to go without a treat and donate the money saved to Save the Children. An addition this year was the inclusion of an interactive CD, which was distributed to schools nationally.

Save the Children Week

In the first week of May, 2006 Save the Children offices around the country celebrated Save the Children Week in various forms.

Awards

Save the Children Australia received the **Best Practice Not-for-Profit Award** at the 2005 Australian Sustainability Awards presented by Ethical Investor. During the presentation, the organisation was described as "showing significant revenue growth, all the while keeping fundraising and administration costs low."

In receiving the award, then Chairman, Geoffrey Court said the award was confirmation the organisation was definitely heading in the right direction and was now recognised as a leader in this sector in Australia.

Save the Children Australia's state offices also held various events to raise funds and highlight the organisation's growing profile. Western Australia held its popular **University Branch Annual Book Sale** at the University of Western Australia. The popular event, now in its 42nd year holds an annual sale of pre-loved books to raise funds.

In Queensland, the annual **White Flame Award** went to Milpera State High School Principal, Adele Rice, in recognition of her long-standing work with the local refugee community. The Award was presented to Ms Rice by the Queensland Minister for Child Safety, Mike Reynolds, during the 2005 Children's Week celebrations. The White Flame Award is presented each year in memory of the organisation's founder, Miss Eglantyne Jebb, to a member of the community as recognition for their dedication, commitment and achievements in advocating the needs and rights of children in Queensland.

In South Australia, our 3rd **Children of the World Gala Dinner** held at the Hyatt Regency Adelaide was a sell-out event and a resounding success!

In the lead-up to Christmas in Victoria, we once again staged a very successful **Festival of Trees** in Federation Square. With IKEA on board as a major supporter, the forecourt was transformed into a winter wonderland, featuring decorated trees, stars, fairies and more than enough childhood enchantment. More than 200,000 people visited the site over a three-week period, and as a focus for Christmas in Melbourne, received substantial media support including a live cross during "Today" on the Nine Network and weather crosses on the Network Ten news.

In Tasmania, it was aces all around when Pat Rafter attended the **Chocolate Lovers' Ball** at Hobart's Wrest Point Casino. This year, the event featured an African theme and as the celebrity guest, Pat signed a pair of Bonds trunks which were successfully auctioned on the night.

Acknowledgements

Overseas Programs

Academy for Educational Development
Asian Development Bank (ADB)
AusAID
Australian International Health Institute
Cambodia Ministry of Health
Canada International Development Agency
Concern
Elton John AIDS Foundation (EJAF)
Embassy of the United States, Vientiane
Global Fund to Fight AIDS, TB and Malaria (GFATM): Round 1 and Round 2
Judith Zeiger Foundation
Maurice Rufford Laing Foundation
NZAID
PLAN Bangladesh
PLAN International
Private donations
Royal Netherlands Embassy, Bangkok
Save the Children Australia (SCA)
Save the Children Korea
Save the Children New Zealand (SCNZ)
Save the Children Sweden
Save the Children UK
The Canada Fund for Local Initiatives
UK Department for International Development (DfID)
UNFPA
UNICEF
United Nations Family Population Fund (UNFPA)
USAID through the POLICY Project
World Food Program
World Vision Australia

Australia Programs

Australian Government Department of Families, Community Services and Indigenous Affairs
Anglicare (TRACC Shared Family Care)
Government of South Australia Department of Education and Children's Services

Government of South Australia Department for Families and Communities
Karu Aboriginal Child Care Agency
Larrakia Nation
New South Wales Department of Community Services
Queensland Government Department of Child Safety (Area Offices of Redlands and Wynnum)
Queensland Government Department of Communities
Queensland Government Gambling Community Benefit Fund
Queensland Government Department of Corrective Services
Queensland Government Department of Housing
Silky Oaks Children's Haven
State Government of Victoria Department of Human Services
State Government of Victoria Department of Education & Training

Community and Business Support

Adelaide Airport
Alfred Felton Bequest
AMEX
ANZ
BBS Public Relations
Beach Petroleum
Brisbane City Council City Business Division
Brisbane Girls Grammar School
Cadbury
Charity Fund Australia
Cheap as Chips
Chess Moving
City Tattersalls Club, NSW branch
Clayton Utz Foundation
Clever Planet
Cobra Group
Dame Elisabeth Murdoch Foundation
Equity Trustees

FoodbankSA
Mr W. H. Green
Gribbles Group
Honda Foundation
IKEA
iDonate
IOOF Foundation
Kellogg's
Kendacraft Jewellery
Lonely Planet Foundation
Lord Mayor's Charitable Fund
Morialta Trust Incorporated
Network Ten
P & H MinePro Services
Parri Estate Wines
Perpetual Trustees
Peter Williams Trust
Redcliffe City Council
Rio Tinto
SalesForce
Santina Stransky
Soroptimist International
Stirling-Aldgate Branch
Stonnington City Council
Southern Cross Television
Sydney Opera House Trust
The Shell Companies in Australia
The Bell Charitable Fund
The Flora & Frank Leith Charitable Fund
The L G & J E Brown Charitable Trust Fund,
Perpetual Trustee Company Limited
Transfield Services
Trust Co. of Australia
UBS Wealth Management
University of WA
VECCI
WDT Engineers
Westfield Limited
William Angliss (Victoria) Charitable Fund
Wrest Point Hotel
Zonta Club of Brisbane

Bequests

Estate Lindsay Baldy
Estate Maria Elkie
Estate Heather Joan Ellis
Estate Dorothy Hagger
Estate Dorothy Johnson
Estate Beatrice Lee
Estate Constance Moreland
Estate Winifred Oldrieve
Estate Leslie Schieber
Estate Klaus Singer
Estate Nellie Skelton
Estate Ethel Tinkler
Estate Ian Wade
Estate of Phyllis Jean Allars
Estate of Joan Bean
Estate of Muriel Gwendoline Gray
Estate of Nancy Joyce Hayes
Estate of Jean Loftus James
Estate of Elizabeth Liggins
Estate of Renata MacMillan
Estate of Mary Josephine Oliver
Estate of Sybil Daphne Tickle
Hilton White Bequest
Myola Club

We especially want to acknowledge our many members, volunteers, individual donors and others who so generously support us in our fund-raising and in our work. Without you we could not make a lasting improvement in the lives of children.

Save the Children Australia Concise Financial Report

For the year ended 30 June 2006

The concise financial report incorporating the financial statements and other specific disclosures required by Accounting Standard AASB 1039 Concise Financial Reports 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 to all members, and will be sent without charge upon request. All requests should be made to the Registered Office at Level 3, 20 Council Street, Hawthorn East, VIC 3123 or phone, 03 9811 4999.

Company Secretary:
David McLaughlan
Registered Office:

Level 3, 20 Council Street,
Hawthorn East, VIC 3123.
Phone: 03 9811 4999
Facsimile: 03 9811 4988

Directors' Report to Members

The directors present their report together with the Financial Report of Save the Children Australia (“the company” or “SCA”) and controlled entities for the year ended 30 June 2006, and the auditor’s report thereon.

1. 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 - Cliff Caldwell
Jill Cameron
Gillian Groom
Geoffrey Mildred
Sue Morphet
Phillip Ransom
Virginia Rogers

Directors for part of the financial year were - Frances Cowper (alternate for Ann Fordyce)
Brian Hartzler (appointed February 2006)
Ann Fordyce (resigned June 2006)
Margaret Harrison (resigned November 2005)
Anthony Nicholls (appointed November 2005)
Geoffrey Court (resigned February 2006)
Paul Sumner (resigned June 2006)

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 are -

	Directors’ Meetings	
	Number of Meetings Attended	Number of Meetings Eligible To Attend (*)
Cliff Caldwell	6	6
Jill Cameron	6	6
Frances Cowper	1	1
Geoffrey Court	4	4
Ann Fordyce	4	6
Gillian Groom	5	6
Margaret Harrison	2	3
Brian Hartzler	3	3
Geoffrey Mildred	6	6
Anthony Nicholls	3	3
Sue Morphet	4	6
Phillip Ransom	5	6
Virginia Rogers	5	6
Paul Sumner	3	6

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

3. Information on Directors

Virginia Rogers - Chairman

Virginia Rogers LLB (Hons), Dip. Comm. Law, is a corporate lawyer with over 20 years' experience in private practice and with major corporations. She joined the Save the Children Australia board in 2000.

Virginia is currently a director of Prahran Market Pty Ltd. Past board positions include Chairperson of the Victorian Equal Opportunity Commission from 1994-2002, member of the Metropolitan Fire Brigade Board, Commissioner of Glen Eira City Council, and councillor with the former St Kilda City Council.

Brian Hartzler – Deputy Chair

Brian was appointed Group Managing Director of ANZ's Personal Division, serving ANZ's retail customer base in Australia, in May 2004. Prior to this Brian spent five years as Managing Director Consumer Finance, responsible for the management of ANZ's credit card, merchant acquiring, and personal loans businesses across Australia, New Zealand, the Philippines, and Indonesia.

He is a Director of Metrobank Cards Corporation (a joint venture between ANZ and Metropolitan Bank & Trust Corporation in the Philippines) and a Director of the ANZ Staff Foundation.

Before joining ANZ, Brian was Vice President and head of the San Francisco office of First Manhattan Consulting Group, a leading strategic consulting firm to the financial services industry.

Brian has a BA in European history and is also a Chartered Financial Analyst.

Phillip Ransom - Treasurer

Phillip Ransom B.Ec, ACA is a chartered accountant and Audit Partner with RSM Bird Cameron, a large national accounting firm. Prior to joining RSM Bird Cameron, Phillip spent 16 years with Coopers & Lybrand, including 18 months in London, and then as a Partner with HLB Mann Judd. He has 25 years' experience in the accounting profession, during which time he has been providing advice to boards and various organisations on a broad range of financial and other matters. Phil currently represents the Melbourne office of RSM Bird Cameron on its National Audit Committee.

Cliff Caldwell

Cliff graduated Bachelor of Economics (Hons), with majors in accounting and economics. He has wide experience in finance, having been Finance Director for Cadbury Schweppes, Director of Incitec Limited (a subsidiary of ICI Australia) and Executive Director, Finance of ICI Australia Limited. In 1994, he was appointed by the Victorian Government as Chief Commissioner for the City of Glen Eira and, at the same time, was General Manager for Australian Foundation Investment Company Limited, Djerrivarrh Investments and AMCIL Limited, with collective assets of \$4 billion.

In mid-2001, Cliff was appointed to the Alliance Panel of Chief Advisers, which advises the Alliance and member organisations on matters of governance, management and finance. From 1998 to 2001 he was a member of the Metropolitan Fire Services Board and was its Deputy President.

Jill Cameron

Jill Cameron has a wealth of experience in the areas of children's services, education, health and community services. She held senior management positions in government and non-government organisations before establishing her own consultancy business in 1994. Jill has undertaken community consultation, planning, capacity building and evaluation projects throughout Australia.

Jill joined the former Save the Children Australia Western Australian State Management Committee in 1999, and became a member of Save the Children Australia's Program Advisory Committee in 2001. She was elected to the board in 2003 and currently chairs the Program Committee.

Gillian Groom

Gillian holds a Diploma of Occupational Therapy. She operates a consultancy and rehabilitation services to business, industry, private hospitals and individuals. Gillian is a former Chairman of the Board of Save the Children Tasmania and is a member of boards and committees of various organisations in Tasmania.

Geoffrey Mildred

Geoffrey Mildred BA(Hons), AKC, PGCE, DipEd, LRAM, MEd(Admin), PhD, FAIM, CPMgr, has extensive experience in education and associated fields. His management experience includes 13 years as CEO of higher education institutions in the UK and Australia, and running his own business as a management consultant specialising in the fields of organisational culture and human resources. In recent years his consultancy has focused on developing oral and written communication skills. He is a Fellow of the Australian Institute of Management (AIM) and has been designated a Certified Professional Manager by the AIM. Geoffrey has been involved with Save the Children for more than 35 years and, before joining the Save the Children Australia board in 2003, served on the former South Australian board and the State Management Committee.

Anthony Nicholls

Anthony is the Managing Director of the Carlingford Group of companies which has interests in Leasing, Car Rental and Property Development. He also lectures in the areas of taxation and corporate compliance, and has a Degree in Commerce and a Diploma in Rural Business Management.

Anthony has been a Director of Save the Children Victoria since 2002. He was President of Save the Children Victoria in 2003 – 2004, and has been Chairman of the Victorian State Council since May 2004. He is currently the Treasurer of Save the Children Victoria.

4. Directors and officers

Company Secretary

The Company Secretary is David McLaughlan B.A, Grad Dip. Acc, M.B.A (Fin.), FCPA, MAICD. David has extensive private and public company experience at a senior level in areas of finance, administration and company secretarial practice.

Insurance premiums

The company has in place insurance arrangements with respect to directors' and officers' liability, and legal expenses for both current and former directors and officers.

The insurance premiums cover these persons for:

- costs and expenses incurred in defending proceedings (whether civil or criminal, and whatever their outcome) relating to their SCA engagement; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policy outlined above does not contain details of the premiums paid in respect of individual officers of the company.

5. Principal activities

The principal activities of the economic entity are the welfare and the rights of all children as stated in the UN Declaration on the Rights of Child.

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

6. Review and results of operations

Activities of the entity

The economic entity continues to pursue its goals in the interests of children in Australia, Bangladesh, Cambodia, Lao PDR, Papua New Guinea, Solomon Islands, Vanuatu and Vietnam.

Continuity of activities

Generosity of all donors and volunteers is essential to the continuation of these activities. The board notes particularly the contributions of its State divisions and the major grants from AusAID, Asia Development Bank and Australian Government Department of Family and Community Services.

Tsunami

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. In 2004/05 Save the Children Australia received a total of \$4.86 million and a further \$0.48 million in 2005/06. \$2.01 million has already been spent on this work by the members of Save the Children Alliance in the affected areas, and a further amount of \$3.33 million will be spent in Banda Aceh over the next two to three years. The balance relates to direct administration costs.

Revenue and results

Revenue from continuing operations for the year to 30 June 2006 of \$42.5 million was close to the equivalent result of \$46 million in the prior year overall. However, the prior year figure included \$4.2 million in donations received for the Tsunami appeal.

Costs applicable to public fundraising of \$8.9 million were \$1.2 million less than the prior year. This is a reflection of positive donor loyalty and sustained acceptance and support by the donor for the relevant programs.

The net operating surplus for the year was \$1.5 million (\$1.7 million in 2004/2005).

7. Significant changes in the state of affairs of the economic entity

There have not been any significant changes in the state of affairs of the economic entity during the financial year.

8. Events subsequent to balance date

In September of 2006 the company entered into a leasing contract for new premises for its head office. It is expected that the new premises will be occupied from December 2006. The costs associated with the move will appear in the accounts for 2006/07.

9. Proceedings on behalf of the company

As required by the Corporations Act 2001 the directors confirm that no person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

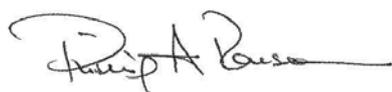
10. Environmental issues

The economic entity's operations are not subject to any significant environmental regulations.

11. Auditor's independence declaration under section 307C of the Corporations Act 2001

The Auditor's Independence Declaration is set out on page 27 and forms part of the Directors' Report for the financial year ended 30 June 2006.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Phillip A Ransom', with a long horizontal flourish extending to the right.

Phillip Ransom
Director

Melbourne
September 2006

Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

 Hall Chadwick
Chartered Accountants & Business Advisers

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Partners

Kevin P Adams
John H Davis
Digby L Looker
Graeme A Marriott
Stan Traianedes
Robert L Yeo

Other firms in:
Sydney
Adelaide
Perth

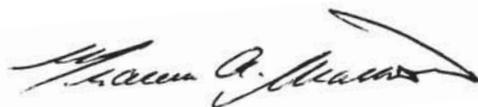
To: Directors of Save the Children Australia

I declare that, to the best of my knowledge and belief, for the year ended 30 June 2006, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



HALL CHADWICK
Chartered Accountants



GRAEME A MARRIOTT
Partner

21 September 2006

Consolidated Income Statement

For the year ended 30 June 2006

	Economic Entity	
	2006	2005
	\$	\$
Revenue from continuing operations		
Donations and gifts	25,274,862	23,977,091
Legacies and bequests	570,855	809,067
Grants		
- Ausaid	1,864,861	2,438,349
- other Australian	5,071,324	3,321,014
- other overseas	5,122,155	5,861,221
Contributions to fundraising costs from other members of the International Save the Children Alliance	1,139,103	2,984,403
Revenues from commercial activities	2,870,868	2,739,139
Interest income	456,830	244,503
Miscellaneous income	111,923	226,543
	<u>42,482,781</u>	<u>42,601,330</u>
Revenue from other activities		
Transfers of net assets from state operations acquired for nil consideration	-	1,365,566
Total revenue	<u>42,482,781</u>	<u>43,966,896</u>
Expenses		
Funds to overseas projects	22,188,872	24,134,275
Other project costs	368,984	412,742
Domestic projects	5,276,817	3,840,158
Fundraising costs – public	8,875,754	10,089,106
Commercial activities	1,588,543	1,362,905
Administration	2,723,763	2,472,516
	<u>41,022,733</u>	<u>42,311,702</u>
Net surplus	<u>1,460,048</u>	<u>1,655,194</u>

Consolidated Balance Sheet

As at 30 June 2006

	Economic Entity	
	2006	2005
	\$	\$
Current assets		
Cash and cash equivalents	15,332,752	13,951,910
Trade and other receivables	1,214,138	649,063
Inventories	151,286	131,091
Total current assets	<u>16,698,176</u>	<u>14,732,064</u>
Non-current assets		
Other financial assets	140,165	78,428
Property, plant and equipment	1,754,644	1,536,562
Total non-current assets	<u>1,894,809</u>	<u>1,614,990</u>
Total assets	<u>18,592,985</u>	<u>16,347,054</u>
Current liabilities		
Trade and other payables	10,522,026	9,844,065
Short term borrowings	5,387	-
Provisions	134,917	138,690
Total current liabilities	<u>10,662,330</u>	<u>9,982,755</u>
Non-current liabilities		
Long term borrowings	43,529	-
Provisions	244,567	181,788
Total non-current liabilities	<u>288,096</u>	<u>181,788</u>
Total liabilities	10,950,426	10,164,543
Net assets	<u>7,642,559</u>	<u>6,182,511</u>
Equity		
Accumulated funds	<u>7,642,559</u>	<u>6,182,511</u>
Total equity	<u>7,642,559</u>	<u>6,182,511</u>

Consolidated Statement of Changes in Equity

For the year ended 30 June 2006

	Economic Entity	
	2006	2005
	\$	\$
Balance of accumulated funds at 1 July	6,182,511	4,527,317
Surplus attributable to members of parent entity	1,460,048	1,655,194
Balance at 30 June	<u>7,642,559</u>	<u>6,182,511</u>

Consolidated Cash Flow Statement

For the year ended 30 June 2006

	Economic Entity	
	2006	2005
	\$	\$
Cash flows from operating activities		
Cash received in the course of operations	41,399,139	46,291,411
Cash paid in the course of operations	(40,006,745)	(42,055,374)
Interest received	456,830	244,503
Net cash provided by operating activities	<u>1,849,224</u>	<u>4,480,540</u>
Cash flows from investing activities		
Cash received from consolidation of entities:		
Queensland	-	1,242,102
Victoria	-	399,601
Proceeds from sale of non-current assets	61,750	-
Payments for plant and equipment	(527,211)	(364,414)
Net cash provided by/(used in) investing activities	<u>(465,461)</u>	<u>1,277,289</u>
Cash flows from financing activities		
Finance lease repayments	(2,921)	-
Net cash used in financing activities	<u>(2,921)</u>	<u>-</u>
Net increase in cash held	1,380,842	5,757,829
Cash at the beginning of the financial year	13,951,910	8,194,081
Cash at the end of the financial year	<u><u>15,332,752</u></u>	<u><u>13,951,910</u></u>

Notes to the Concise Financial Report

For the year ended 30 June 2006

1. Basis of preparation of the concise financial report

The concise financial report is an extract for the full financial report for the year ended 30 June 2006. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the Corporations Act 2001.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of Save the Children Australia and controlled entities. The concise financial report cannot be expected to provide as detailed 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 report.

The financial report of Save the Children Australia and controlled entities comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

In accordance with the requirements of "AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards", adjustments to the accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures, excluding cases where optional exemptions available under AASB 1 have been applied. These consolidated accounts are the first financial statements of Save the Children Australia to be prepared in accordance with Australian equivalents to IFRS. There were no material adjustments identified between the application of Australian equivalents to IFRS and the previous Australian GAAP.

2. Tsunami Funds

The economic entity received \$4,859,573 in 2004/05 and \$487,008 during 2005/06 in donations from the general public and corporate entities for relief and recovery

programs associated with the tsunami that occurred in December 2004. AusAID contributed \$720,000 of the total funds received to \$5,346,581. As at balance date, \$1,759,000 has been transferred to programs run by Save the Children United States (SCUS) in Banda Aceh, Indonesia. A further \$3,336,252 will be forwarded to programs in Banda Aceh over the next two to three years. The remaining balance of \$251,329 has been expended to cover collection and administration costs.

3. Contingent Liabilities

The Company has provided an indemnity to Andrew Love, Liquidator of Save the Children (NSW). The Company has agreed to indemnify the Liquidator, his servants and agents, up to a limit of \$450,000 for a period of seven years from April 2002, against actions, suits, demands, claims, costs and expenses brought against them by any former employee or creditor of the company. To date, the company has not received any claims, and does not expect to receive any claims.

4. Ratios

A useful measure of the economic 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 2005/2006, the ratio was 6.4% (2004/2005, 5.6%).

Another ratio often given attention is the fundraising cost ratio, which expresses fundraising costs as a percentage of the funds raised. The ratio in relation to all funds raised in 2005/2006 was 34.3% (2004/2005, 41.6%). However, the meaningfulness of this ratio is affected by the range of fundraising activities. In Save the Children Australia's case this range, and the associated cost rates, vary markedly as between recruitment of donors, retail shops, 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 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 Save the Children Australia declare that:

- (a) the concise financial report of Save the Children Australia and controlled entities for the financial year ended 30 June 2006, as set out on pages 28 to 32.
 - (i) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
 - (ii) is an extract from the full financial report for the year ended 30 June 2006 and has been derived from and is consistent with the full financial report 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.



Phillip Ransom

Director

Melbourne

September 2006

Independent Audit Report to the Members of Save the Children Australia and Controlled Entities

 **Hall Chadwick**
Chartered Accountants & Business Advisers

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Partners

Kevin P Adams
John H Davis
Digby L Looker
Graeme A Marriott
Stan Traianedes
Robert L Yeo

Other firms in:
Sydney
Adelaide
Perth

Scope

We have audited the concise financial report of Save the Children Australia and controlled entities for the financial year ended 30 June 2006 as set out on pages 28 to 33 and appendix on page 35 in order to express an opinion on it to the members of the disclosing entity. The disclosing entity's directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Save the Children Australia and controlled entities for the year ended 30 June 2006. Our audit report on the full financial report was signed on 22 September 2006, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

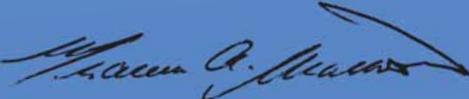
In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief, that the auditor's independence declaration set out on page 27 of the financial report has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion the concise financial report of Save the Children Australia and controlled entities complies with Accounting Standard AASB 1039: Concise Financial Reports.



HALL CHADWICK
Chartered Accountants



GRAEME A MARRIOTT
Partner

Appendix to the Concise Financial Report

For the year ended 30 June 2006

Table Of Cash Movements For Designated Purposes

\$A000's	Cash available at beginning of year	Cash raised during the financial year	Cash disbursed during the financial year	Cash available at end of year
Overseas program appeals	1,167	22,972	20,983	3,156
Emergency Appeal - Tsunami	2,873	487	24	3,336
Emergency Appeal - Pakistan & India Earthquake	-	280	200	80
Grants for overseas programs - ASIA	1,263	5,026	5,540	749
Grants for overseas programs - PACIFIC	414	3,173	3,003	584
Grants for Australian programs	387	5,329	5,020	696
Total for other purposes	7,847	5,826	6,941	6,732
TOTAL	13,951	43,093	41,711	15,333



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