

Annual Report

2013/14

Compassion Australia

Compassion Australia ABN 67 001 692 566 is a public company limited by guarantee incorporated under the Corporations Act. Its registered office is located at 30 Warabrook Boulevard, Warabrook NSW 2304.

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All scripture quotations are taken from the New International Version.

Fundraising

Compassion Australia is an active member of Fundraising Institute Australia (FIA). As an FIA Organisational Member, Compassion Australia is a signatory to the FIA's Principles and Standards of Fundraising Practice, and therefore upholds the highest ethical and professional standards for fundraising.

Standard of Reporting

Compassion Australia was pleased to be recognised as one of 10 finalists in the revenue greater than \$30m category in the 2013 PwC Transparency Awards for the quality and transparency of our reporting.

Compassion Australia's Annual Report 2013 also won a Silver Award in the Australasian Reporting Awards, run by Australasian Reporting Awards Limited.



PwC
Transparency
awards



Top 10 Finalist 2013
→ \$30m revenue category



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Chairman of the Board Message

Once again it's my great privilege to, on behalf of the Compassion Australia Board of Directors, thank every Compassion Advocate, supporter, donor, church partner, business, volunteer and staff member for their efforts and contributions this financial year. With their faithful and extraordinarily generous support, Compassion Australia is now able to serve 103,751 babies and their caregivers, children, students and young adults around the world through our Child Survival, Child Sponsorship and Leadership Development programs. It is the Board's immense privilege and accepted responsibility to serve our child-focused, local church-based, Christ-centred ministry.

Financial year 2014 was another encouraging year: we saw overall revenue rise by almost \$4 million and the number of children and families benefitting from our programs grow by 1.43 per cent.

It was also a very important one, as we completed the first phase of our strategy. The aim of Phase 1: Building Capacity was to strengthen our systems and processes, recruit and equip staff and build a sturdy foundation for growth in the coming years. The results of our ministry initiatives for the 2014 financial year can be found on page 53. As we move into Phase 2: Transition to Growth, it's important that we maintain our momentum by refining systems and creating more opportunities to reach and engage potential supporters and sponsors.

Looking Forward to Next Year

Phase 2: Transition to Growth will begin in financial year 2015. It promises to be an exciting time for Compassion as we see much of our hard work in building the ministry's capacity begin to produce good fruit. We have identified four 'big rocks' upon which we will build good results: acquire and engage new supporters; delight and retain supporters; revolutionise systems and processes; and develop people and culture. For more information about these foundational goals [called big rocks], see page 61.

Acquire and engage new supporters: By identifying and reaching out to supporter groups who have not yet partnered with Compassion, such as Christian youth and particular church denominations, and by enhancing our digital presence, we will broaden our supporter base.

Delight and retain existing supporters: By deepening engagement with current supporters and cementing our relationship servicing people and processes, we will consolidate our current supporter base.

Revolutionise systems and processes: By embracing new technologies and refining our processes through the Global Compassion Transforming Core Processes with Technology initiative [TCPT], we will ensure our processes are fit for purpose and that we are stewarding our resources well.

Develop people and culture: By creating a learning and reflective culture, and transforming the hearts of our supporters, staff and volunteers, we will see a ministry-wide impact.

By building upon these four foundations [big rocks], we are confident that our momentum as a ministry will continue to pick up as we move into Phase 2: Transition to Growth in financial year 2015. Our goal has been and will always be to release children from poverty in Jesus' name so we are endeavouring to be well placed to change even more children's lives as we grow.

We continue to be greatly blessed by the strong support of more than 75,000 supporters of Compassion Australia and the grace of God. Happily, I can declare that the Board believes wholeheartedly, the future is bright—for Compassion and the 1.6 million children we serve.



A handwritten signature in black ink that reads "John Bond".

John Bond
Chairman of the Board

Chief Executive Officer Message

What an amazing and humbling year this one has been. Again and again, I've seen and heard of the incredibly generous and selfless ways that Compassion supporters across Australia have made a difference in the lives of the world's most vulnerable: children living in poverty.

In the many successes we have seen this year, and in the midst of inevitable challenges and changes, we know that our supporters' steadfast commitment and God's grace form a great partnership and the true bedrock on which our organisation is built.

Financial year 2014 was the last in the Building Capacity phase of our 2020 Vision. 'Simplicity and Passion' was our catch-cry, and it was a privilege to lead such a gifted and dedicated team of staff and volunteers as we focussed on building and improving processes, systems and developing people in preparation for the next phase of our strategy. In order to move smoothly, we knew our ministry initiatives were crucial, and you can read about the results of these initiatives on page 53.

While our Global Compassion Transforming Core Processes with Technology initiative [TCPT] remains the main vehicle by which we will improve systems in Phase 2: Transition to Growth—see page 59 for more details—the Building Capacity phase sees us well placed to grow and continue to serve even more children living in poverty.

In such a momentous year, highlights have been easy to find.

- Our regional staffing model continued to develop, with some new staff joining our offices in order to strengthen our partnerships with local churches across the country. Passionate, well-resourced staff have been critical to the successful establishment of many new church partnerships and engaging current supporters at a deeper level.
- In March our Management Team took time to prepare for Phase 2: Transition to Growth. A new adventure and new opportunities await us in the new financial year—we wanted to plan and prepare well for them. More about Phase 2: Transition to Growth on page 52.
- You will read later in this report that this past year saw our revenue exceed \$70 million for the first time, which is another testament to the wonderful generosity of the Compassion Australia family. In addition, June 2014 was the biggest month in Compassion Australia's history, in terms of revenue. A successful End of Financial Year Appeal that focussed on building classrooms, homes and other critical infrastructure for children in need, in addition to regular sponsorship contributions and the generous giving of sponsors and supporters, saw more than \$8 million processed.
- This year marked 15 years of partnership between Compassion and Hillsong Church; internationally, that partnership has realised more than 40,000 sponsorships—and counting. This year again was truly cause to celebrate.

- This past year I travelled to Ethiopia, Rwanda and Guatemala where again I was able to see the program on the ground and experience firsthand the difference it is making in the lives of the children, their families and communities.

After five years with no changes to our sponsorship rate, this past year we asked our sponsors to consider lifting their contribution amount each month from \$44 to \$48 from January 2014. This would prove critical to our efforts to meet rising costs both in Australia and especially in the countries where we work to continue to provide quality care for children. In true Compassion style, our sponsors and supporters responded positively; many give sacrificially, and this is not something we can ever overlook or take for granted. We really are blessed by the commitment of everyday Australians who, above all, want to see children released from poverty. You can read more about the changed sponsorship rate on page 56.

Our sponsorship growth rate was below our desired range this financial year; a fact which emphasises the need to continue to explore new relationships with churches across the nation, and encourage current and potential supporters on to a deeper level of engagement with Compassion and with the children they are sponsoring.

We also said a fond farewell to our COO Jeff Nagle this year, who, after almost 10 years of faithful service and insightful input into the ministry, moved on to a new chapter of life. We thank Jeff for all his valuable contributions to Compassion Australia.

As I look back on our biggest revenue year yet, I can only be thankful. I'm humbled by our supporters, who continue to give even in difficult times; by our staff who consistently bring their best efforts to work; by our volunteers and Advocates, who tirelessly and selflessly speak up for children in need. Most of all, I am thankful to God, who continues to show His grace and love to each of us—particularly vulnerable children living in poverty.



A handwritten signature in black ink that reads "Tim Hanna".

Tim Hanna
Chief Executive Officer

2014 Highlights

Financial year 2014 was Compassion Australia's final year in the Building Capacity phase. This phase is part of Compassion Australia's strategy to achieve Compassion International's 2020 Vision of bearing good fruit and bearing much fruit for the glory of God. (Compassion's full strategy can be found from page 50.) After finishing this phase, financial year 2015 will see Compassion Australia move into Phase 2: Transition to Growth.

By implementing ministry initiatives that align with our strategic goals, Compassion Australia has developed foundational improvements that build capacity to enable future growth. Here are just a few of the highlights from financial year 2014.



The total number of new child sponsorships grew by 1644, from 99,352 to 100,996.



1.6 million* children are supported through Compassion International, more than 100,000 by Australians.



A total of 162,825 letters were sent from Australian sponsors to sponsored children around the world.



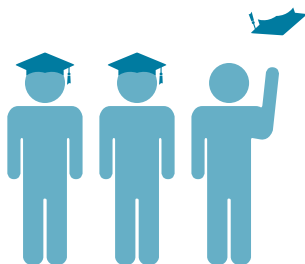
The Christmas Appeal raised almost \$2.2 million to help give every Compassion sponsored child a Christmas gift.



The Child Survival Program opened in five new countries. The program now operates in all 26 field countries worldwide.



In response to Typhoon Haiyan hitting the Philippines in November 2013, Compassion Australia raised \$679,000 in disaster relief funds.



The number of Leadership Development students sponsored by Australians was 177.



The Compassion Appeal raised \$1.1 million to provide buildings for kids.



Compassion achieved a total of \$72 million in revenue and support, a 5.69 per cent increase from last year.

Introducing Compassion



About Us

Compassion is one of Australia's biggest international child development organisations and the fourth largest fundraising charity in Australia.*

*As part of Compassion International, a global network of more than 12 funding countries and 26 developing countries, Compassion Australia is a Christian holistic child development and child advocacy ministry. We are committed to working in partnership with local churches to foster the spiritual, economic, socio-emotional and physical development of 1.6** million children living in poverty worldwide.*

Vision

Transformation of lives, communities and nations through releasing children from poverty in Jesus' name.

Mission

Compassion exists as an advocate for children—to partner with, equip and inspire the Church to release children from poverty in Jesus' name.

Values

Prayer, Relationships, Advocacy, Integrity, Stewardship and Excellence.

History

Compassion International started in 1952 when American evangelist Everett Swanson's heart was broken at seeing children orphaned by the Korean War dying in the streets. Although he was ministering to troops at the time, Swanson left South Korea promising to help the children. By 1975, Compassion International had expanded to 17 other developing countries with more than 25,000 sponsored children. Two years later, Compassion Australia started in Laurie and Olive McCowan's Newcastle home with the sponsorship of a single child.

The ministry of Compassion International grew to 250,000 sponsored children by 1998, 500,000 in 2003 and eventually one million in 2009. Today, Compassion is transforming the lives of 1.6 million children, caregivers, babies and students in 26 developing countries through more than 12 international partner countries.

On 21 August 2012, Compassion Australia achieved a 10-year goal: supporting 100,000 children, caregivers, babies and students living in poverty around the globe. As of June 2014, more than 103,751 beneficiaries are supported by more than 75,000 Australian sponsors through Compassion Australia.

Allocation of Donations

The 80/20 financial split has been Compassion Australia's benchmark since we were established in 1977.

Approximately 80 per cent of donations to Compassion is used:

- For the development, delivery and supervision of programs
- For the purchase of goods and services for the direct benefit of the children in our programs
- To facilitate sponsors' personal relationships with their sponsored children
- For community education in Australia

Approximately 20 per cent is allocated to cover all administration and fundraising costs in Australia.

One hundred per cent of child, family and centre gifts are sent through Compassion to the child development centre, where staff members assist the children and/or families in the purchase of appropriate goods. Ninety per cent of funds donated to the Christmas Appeal are pooled to purchase a gift for each Compassion assisted child at Christmas; 10 per cent is allocated for administration and fundraising costs.

We do not use child sponsorship funds for other development activities; these are funded from other sources like Sponsorship PLUS and Critical Interventions.

PER CENT OF FUNDS USED FOR ADMINISTRATION AND FUNDRAISING

2014	20.07%
2013	20.27%
2012	20.50%
2011	20.33%
2010	19.51%

* Pareto Fundraising, 2014

** Number of children registered in Compassion's programs

Compassion Internationally

In 2014, our overarching organisation, Compassion International, received a 4-out-of-4 star rating for US charities for the 13th consecutive year, placing in the top one per cent of non-profits*. Compassion International works in more than 26 developing nations to serve 1.6 million children living in poverty. The funding for this work comes from over 12 partner countries, known as the Global Partner Alliance, which is comprised of Compassion Australia, Compassion Canada, Compassion Germany, Compassion Italy, Compassion Netherlands, Compassion South Korea, Compassion Switzerland, Compassion UK, Compassion USA, Compassion Scandinavia, SEL France and TEAR Fund New Zealand. Satellite offices are also operating in Spain and Ireland. [For more on where we work, see page 13.]

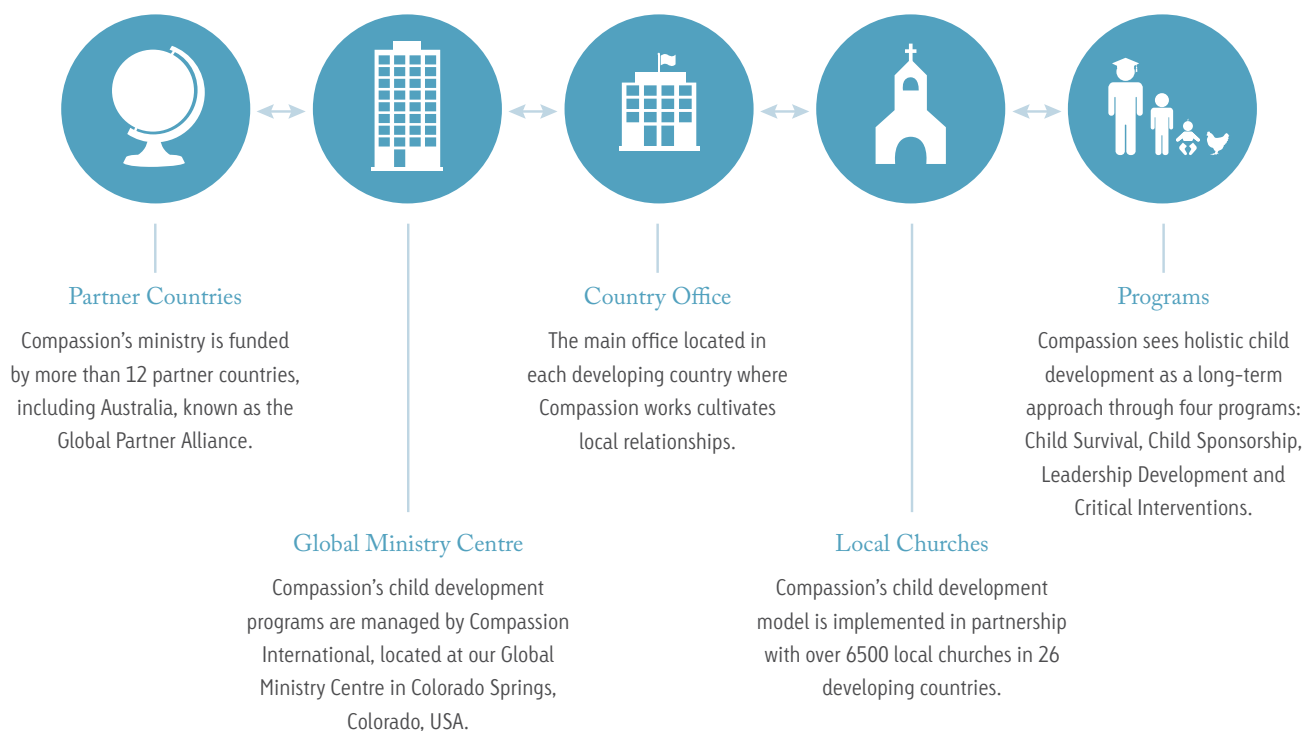
Each member of the Global Partner Alliance operates as a separate entity but adheres to a global covenant agreement on a statement of faith, standards of stewardship and use of the Compassion brand. Shared corporate services, including the oversight of all child development

programs, are managed by Compassion International at our Global Ministry Centre in Colorado Springs, Colorado, USA.

Staff at the Global Ministry Centre liaise with staff in partner country offices to implement Compassion's child development model in partnership with local churches in the developing world. This ensures that local congregations in developing countries are the catalyst for their own community's change. Child development centres become part of the local church's ministry and are overseen by the pastor, centre director and a church committee. They receive curriculum support from Compassion but contextualise the interventions they provide as needed. The local church is also accountable for the funds that Compassion provides and is responsible for providing information that is used for reporting to supporters.

** According to Charity Navigator—the largest charity evaluator in the US.*

Compassion's Global Development Model



International Program Results

We believe the local church is the best vehicle for human and societal development, so Compassion partners with local churches around the world to jointly implement our holistic child development programs.

AFRICA	CHURCH PARTNERS	REGISTERED CHILDREN	LEADERSHIP STUDENTS	CHILD SURVIVAL CENTRES
Burkina Faso (est. 2004)	195	50,698	-	6
Ethiopia (est. 1993)	390	89,874	232	36
Ghana (est. 2004)	215	52,226	-	6
Kenya (est. 1980)	359	95,312	307	50
Rwanda (est. 1979)	273	69,525	138	19
Tanzania (est. 1999)	304	71,804	39	30
Togo (est. 2007)	100	22,672	-	6
Uganda (est. 1980)	324	83,092	318	50
TOTAL	2160	535,203	1034	203

ASIA	CHURCH PARTNERS	REGISTERED CHILDREN	LEADERSHIP STUDENTS	CHILD SURVIVAL CENTRES
Bangladesh (est. 2003)	153	35,419	-	20
East India (est. 2002)	254	60,615	79	28
East Indonesia (est. 2005)	222	43,755	49	27
India (est. 1968)	316	74,384	199	42
Indonesia (est. 1968)	335	62,691	154	21
Philippines (est. 1972)	340	70,068	169	40
Sri Lanka (est. 2009)	60	7,574	-	17
Thailand (est. 1970)	216	35,308	102	20
TOTAL	1896	389,814	752	215

CENTRAL/SOUTH AMERICA	CHURCH PARTNERS	REGISTERED CHILDREN	LEADERSHIP STUDENTS	CHILD SURVIVAL CENTRES
Bolivia (est. 1975)	204	66,653	143	48
Brazil (est. 1975)	178	36,570	104	6
Colombia (est. 1974)	240	62,019	155	6
Dominican Republic (est. 1970)	165	50,036	118	26
Ecuador (est. 1974)	224	65,187	195	60
El Salvador (est. 1977)	200	49,656	104	20
Guatemala (est. 1980)	190	46,337	141	6
Haiti (est. 1968)	275	79,882	85	66
Honduras (est. 1974)	202	47,738	129	6
Mexico (est. 1980)	187	32,966	-	5
Nicaragua (est. 2002)	151	43,090	20	6
Peru (est. 1980)	242	60,017	157	41
TOTAL	2458	640,151	1351	296

This is an international program snapshot at 30 June 2014.

Each church partner is responsible for a child development centre that delivers Compassion's Child Sponsorship Program.

Registered children also includes those who are not yet sponsored but are already receiving the benefits of the program.

Leadership students are graduates of Compassion's Child Sponsorship Program who are now completing university and leadership training.

The average number of mothers registered in each Child Survival Centre is 35. These centres operate in partnership with local churches.

Why We Exist

Compassion is a Christian child development ministry that is motivated by our faith to assist children and their families who are living in poverty—regardless of their beliefs, gender or background.

Compassion defines poverty as a condition characterised by the deprivation of basic human needs, the denial of opportunities and the deficiency of internal assets that prevent a person from realising their God-given potential. To put it simply, poverty means living on less than \$2 per day so that you can't afford food or safe water; being denied the chance for a better future or not believing that a better future is even possible. We believe addressing poverty requires a holistic response that addresses spiritual, socio-emotional, economic and physical poverty. [For more on how we work, see page 10.]

For children, poverty can be crippling. It can cause illness, chronic malnutrition and impaired physical and mental development. It denies children access to basic health care and education, weakens a child's protective environment and exposes them to abuse and exploitation. Poverty denies children opportunities and hope for a better future, and though progress is being made, the statistics still highlight the staggering problems.



In 2012, 6.6 million children died before reaching the age of five. More than half of these deaths were due to preventable or treatable causes such as pneumonia, diarrhoea and birth complications. Our Child Survival Program [see page 15] provides mothers, caregivers and pregnant mothers with pre-natal and post-natal care to help combat the problems that often affect a child in their first few years of life.



Globally in 2012, 162 million children under five years old were estimated to be stunted, mostly due to poor nutrition and repeated infections. Our Child Survival Program works to secure good health for young children and helps provide mothers, caregivers and babies with nutritional support.



In 2011, 65 per cent of the population in the world's least developed countries used improved drinking water sources, meaning 768 million people still used unsafe drinking water sources. Just 36 per cent of people in the world's least developed countries used improved sanitation in 2011—2.5 billion people still lacking improved sanitation facilities. Children are greatly affected by this with more than 1400 children under five years old dying on average every day from diarrhoeal diseases due to unsafe drinking water, lack of sanitation and poor hygiene. Our Critical Interventions [see page 21] aim to remove any obstacles that stand in the way of a child's healthy development and their ability to reach their full potential, including access to clean water and toilets.



In 2011, 57 million primary school-aged children didn't attend school. Only 64 per cent of boys and 61 per cent of girls of secondary school age are enrolled in secondary school worldwide. The statistics are even lower in the least developed countries with just 36 per cent of boys and 30 per cent of girls enrolled in secondary school. Our Child Sponsorship Program [see page 17] assists children in attending school, helping parents to purchase school books, pens and uniforms when required. In addition, Compassion encourages graduates of the Child Sponsorship Program, who demonstrate distinct academic ability and leadership skills, to continue to university through our Leadership Development Program [see page 19].



In 2012, there were about 207 million malaria cases leading to approximately 627,000 deaths, mostly among African children. Our Critical Interventions [see page 21] provide support for children to continue being released from poverty, including using prevention activities, like mosquito nets, to combat malaria.



Between 2010 and 2012, 852 million people in developing countries were undernourished—14.9 per cent of the developing world's population. Our Child Sponsorship Program [see page 17] provides children with physical support, including nutritional meals when necessary, as part of a holistic approach to child development.



In 2013, The World Bank reported that one-third of the world's population living in extreme poverty is in sub-Saharan Africa, where the average income of those living in extreme poverty is approximately half of the \$1.25 per day poverty line. Our Leadership Development Program [see page 19] assists young adults to complete university and be equipped with leadership skills that may help them gain steady employment and promote change within their own communities and nations.

Making progress

Great progress has been made in the last few decades with the help of international development organisations such as Compassion.

- The global under-five mortality rate has almost halved, meaning 17,000 fewer children died each day in 2012 than in 1990.
- Stunting has decreased by 37 per cent due to improvements in nutrition.
- Primary school enrolment has increased with the school admission rate in the least developed countries improving from 53 per cent in 1990 to 81 per cent in 2011.
- Nearly 1.9 billion people have gained access to improved sanitation.
- Malaria mortality rates have decreased by 42 per cent since 2000, even more so in Africa amongst children where deaths have decreased by 49 per cent.

While we are seeing increasing numbers of people being lifted from poverty, there is still more to be done. About 18,000 children under five years old still die every day, many due to preventable or treatable causes and there were still 1.2 billion people living in extreme poverty in 2013.

In response to God's call, Compassion is dedicated to caring for the poor and seeing more and more children released from poverty worldwide.

[See Compassion's vision and mission on page 5.]



How We Work

Holistic child development takes a child through a process of growth and fulfilment in all dimensions of their life: spiritually, economically, socio-emotionally and physically. Compassion believes holistic child development is a long-term approach that starts even before a child is born and continues through school age and beyond. Compassion's four programs—Child Survival Program, Child Sponsorship Program, Leadership Development Program, and Critical Interventions—work together to ensure each child's holistic needs are met.

Compassion's holistic child development model has three key distinctives:



Christ-centred

Every child has an opportunity to hear and respond to the life-changing gospel message in a culturally relevant way.



Child-focused

Our ministry engages each child as a complete individual, releasing them from spiritual, economic, socio-emotional and physical poverty.



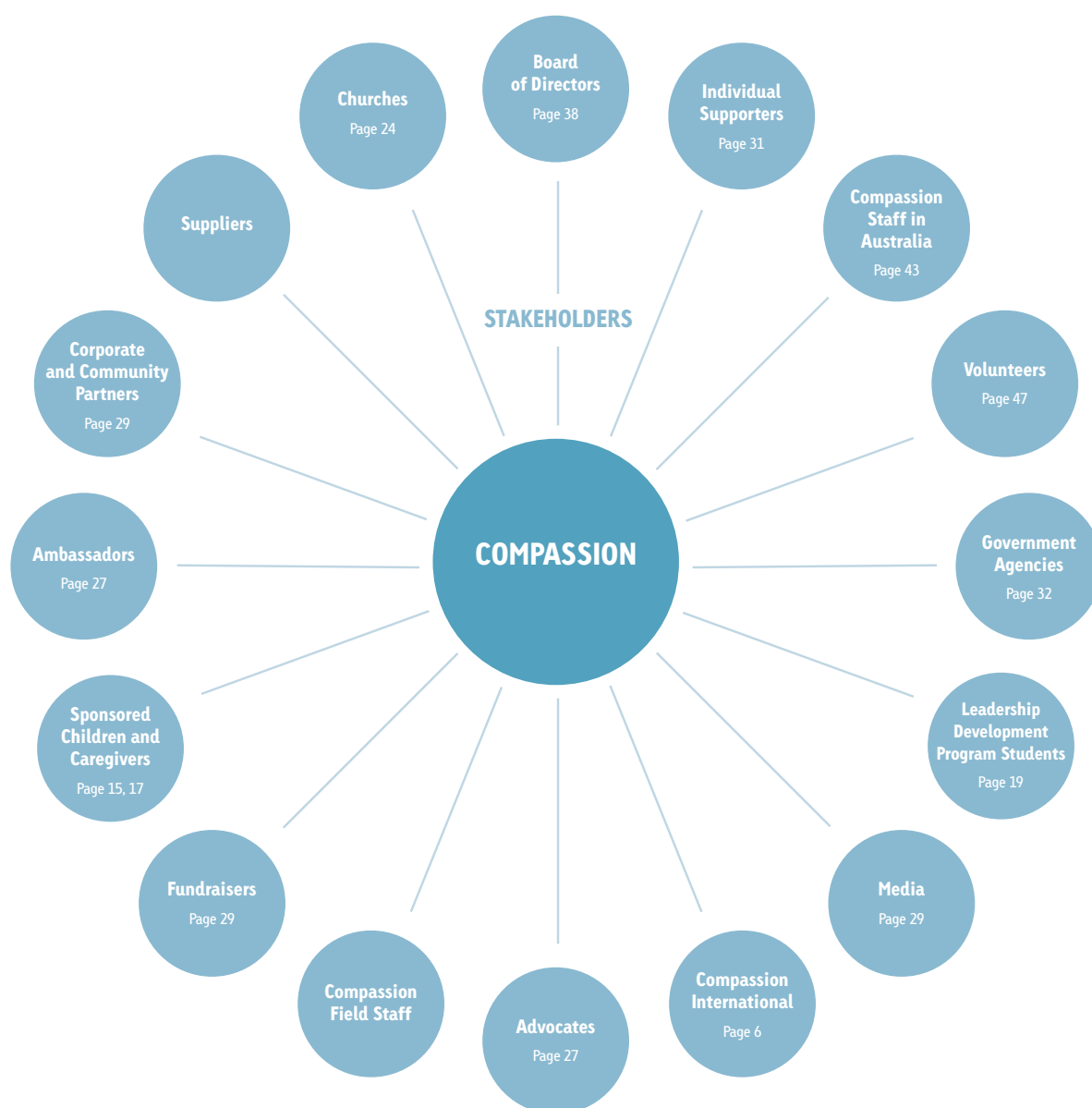
Church-based

Our programs are run exclusively by our Church Partners in the children's communities.



Who We Work With

Compassion works with individuals and groups in a variety of ways to release children from poverty. In financial year 2014 this included businesses, corporations, community groups, ambassadors, and fundraisers to offer a strategic, sustainable and effective way to make a significant and lasting impact in poverty-affected regions of the world. Compassion Australia strongly values its stakeholders, who are integral to the outworking of Compassion's mission.

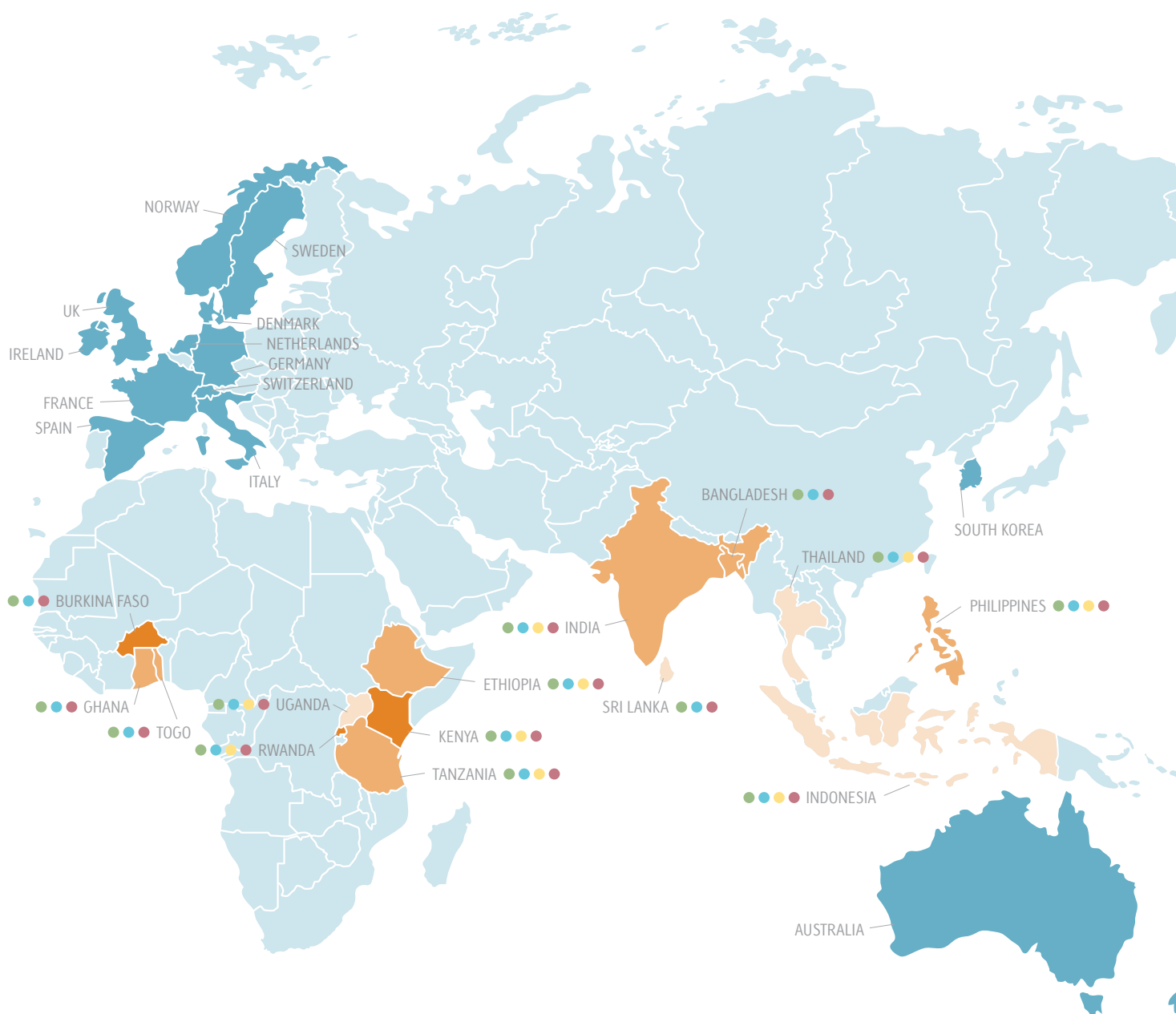




Dani Im, winner of the X Factor in 2013 and a Compassion Ambassador, poses with children she met at a Compassion child development centre in India.

Where We Work

In partnership with over 12 funding countries around the world, Compassion Australia's child development programs minister to the needs of individual children in 26 developing countries. This map shows not only the presence of Compassion programs in each country, but also the relative need of the people, based on the population percentage living below the poverty line.



Percentage of the country's population living under the poverty line of US\$1.25 per day*.

41% and above

26% to 40%

7% to 25%

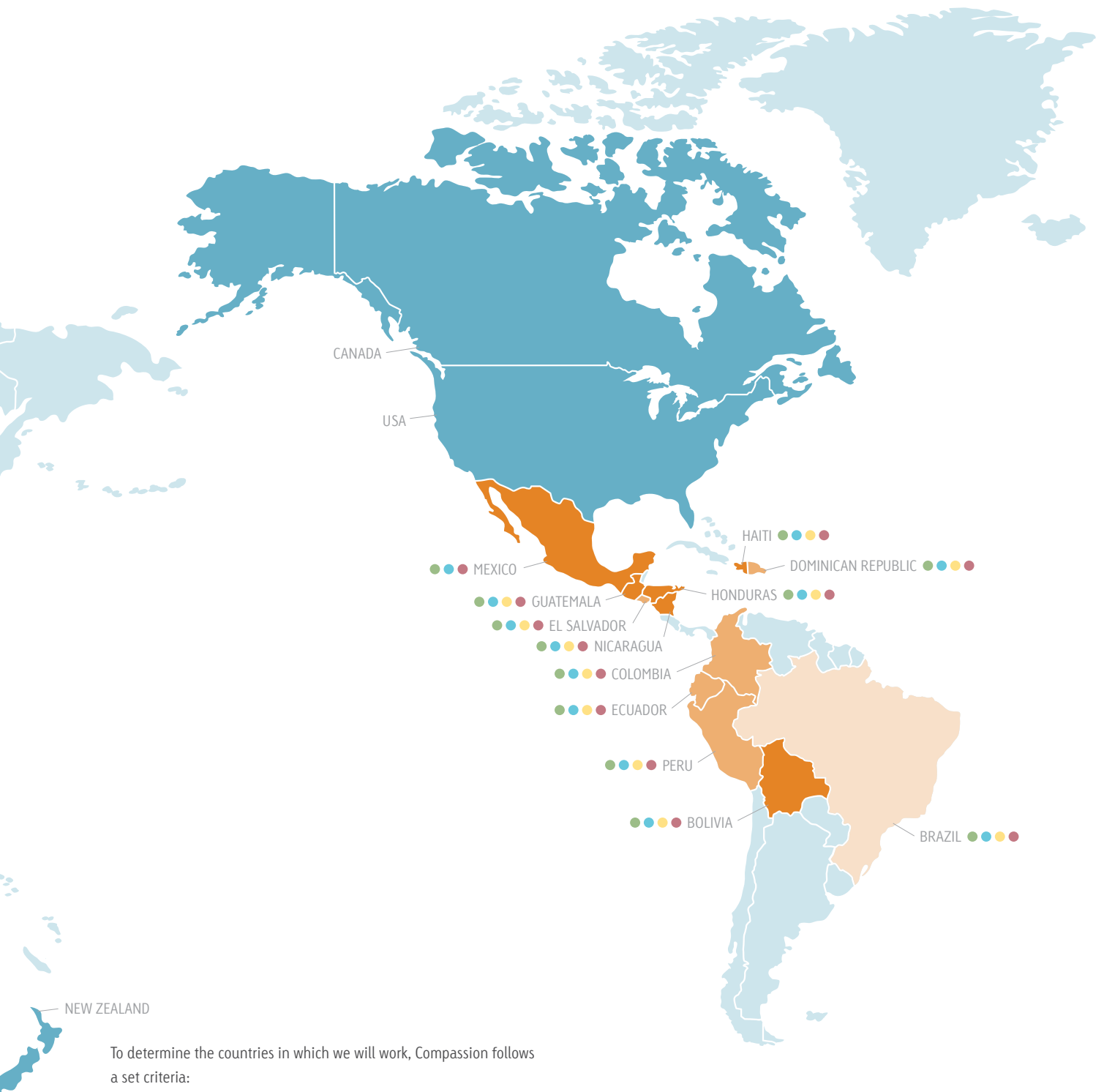
Compassion Australia is one of over 12 partner countries around the world.

Partner Countries

Compassion's child development programs operate in 26 developing countries around the world.

- Child Survival Program
- Child Sponsorship Program
- Leadership Development Program
- Critical Interventions

* The World Factbook



To determine the countries in which we will work, Compassion follows a set criteria:

God's direction: We seek God's direction in all relationships and decision-making.

Evidence of need: Compassion works in countries where the per capita income is \$1500 p.a. or less or where there is definite need.

Government: The government of the country must be amenable to Compassion's work and demand no financial contributions.

Administration: With few exceptions, Compassion intends to have a country office and qualified and trainable personnel available in every country in which it works.

Cost effective: There should be long-term need for Compassion's assistance, and the country's economic conditions should be conducive to cost-effective programs.

Program: Compassion's programs should be of sufficient duration so that positive results in the lives of children can be measured and evaluated.

Funding: Compassion must be able to attract funding through sponsorship, special appeals or grants to meet the needs of the children.

Child Survival Program

Rescuing, nurturing and discipling babies and their mothers

The Child Survival Program works to prevent premature death, promote good health and enable positive development during a child's first few years of life. Supporters passionate about child survival are able to help provide nutritional support, income-generation training, health interventions and HIV/AIDS testing for pregnant mothers, at-risk babies, infants and their mothers or caregivers. The Child Survival Program now operates across all 26 developing countries Compassion works in, at 714 program centres.

In partnership with Compassion, local churches deliver the Child Survival Program with a curriculum that aims for a child to be:

- Physically healthy
- Confident and interacting well with others
- Eager to experience their world and communicate their experiences

They also aim for a caregiver to be:

- Sufficiently healthy to provide for the child's wellbeing
- Self-confident, able to care for the child's basic needs, and in healthy relationships
- Motivated with skills to be economically self-supporting
- Given the opportunity to hear the gospel message

Supporting child survival

- One-off donations assist Child Survival Program centres around the world. Ongoing supporters of the Child Survival Program receive two newsletters per year, which contain information about how the program is assisting mothers, caregivers and babies.
- Support of \$58 or \$29 per month helps a specific centre. \$58 per month assists a mother/caregiver and their baby with health checkups, education, nutrition, support groups, income generation activities and much more; \$29 per month simply means we need more supporters to fund the program activities. In addition to two newsletters per year, supporters of a specific centre receive two updates per year about the impact of their support.
- Support of \$3000 per month funds an entire centre. Supporters receive two reports per year with specific, comprehensive information about the mothers, caregivers and babies they support.

Number of mothers and babies supported by Australians:

YEAR	CAREGIVERS	CHILDREN	TOTAL
2014	2578	2511	5089
2013	2757	2691	5448
2012	2610	2521	5131
2011	2423	2268	4691

Planning for the future

- As of January 2014, the Child Survival Program operates in all of Compassion's field countries, with Brazil, Guatemala, Honduras, Nicaragua and Togo being the final countries to open the program. In line with Compassion's future strategy, each of these countries opened their Child Survival Programs using Compassion's new model, where sponsorship of children begins at age one.
- Bolivia was the first country to finish transitioning their existing Child Survival Program centres over to this new model. From financial year 2015, other field countries will do the same.
- In South America, Peru and Ecuador strategically closed 18 of their Child Survival Program centres in areas where poverty levels have improved, moving their resources to new centres in areas of greater need. In South East Asia, Thailand will prepare to do the same with 12 centres over the next three financial years.



Hope after heartache

Gauri grew up in a slum in East India. Her parents' low income meant they struggled to provide for their children. When Gauri was 14, her parents could no longer support her and arranged for Gauri to be married. Two years later, Gauri fell pregnant. She knew little about pregnancy and childcare, but was excited to become a mother. The month her little boy was born was a time of joy and celebration. Then her baby developed a high fever. Doctors diagnosed him with neonatal tetanus. At just one month of age, Gauri's son passed away in hospital, right before her eyes.

Grief-stricken, Gauri was afraid when she learnt she was pregnant one year later. She gave birth to another boy. As the months went by, he grew strong and Gauri's fears lessened. Then he, too, fell sick. Frantic, Gauri and her husband took him to doctor after doctor, but no-one could diagnose his illness. Sadly, he didn't survive.

After losing her two sons, Gauri withdrew from society as depression consumed her. Until one evening when, while fetching water, she met a mother enrolled in the Child Survival Program. She heard how the program gave the woman and her child life-saving support. When Gauri conceived again, she contacted the program.

Supported practically and emotionally by the Child Survival Program throughout her pregnancy, Gauri gave birth to a healthy boy, Somiya. He receives regular checkups at the program centre and is reaching his developmental milestones. Today, he is a happy and healthy two year old. With counselling from the program staff, Gauri is recovering from her painful past. She shares what she learns in the program with the mothers in her community, giving hope to others.



Gauri bathes her two-year-old son, Somiya, outside her home in East India.

Child Sponsorship Program

Developing, discipling and equipping children for life

Compassion's Child Sponsorship Program gives people the opportunity to connect with an individual child living in poverty. For a child, Compassion child sponsorship works by providing safe places to play and laugh, the chance to see a doctor when they're sick, access to education and the chance to discover Jesus' incredible love for them. All of this and more equates to a bright future so that they, and eventually their own children, can live free from the grips of poverty.

By being an active part of a child's life through sponsorship, sponsors are equipping children to transform their life, community, and maybe even their nation.

In partnership with Compassion, local churches in developing countries deliver the Child Sponsorship Program with a curriculum that aims for a child to be:

- Physically healthy and equipped to make good decisions about their health
- Motivated with skills to be economically self-supporting
- Able to interact with others in a healthy and compassionate manner
- Given the opportunity to hear the gospel message in a culturally sensitive and relevant way

Sponsoring a child

A sponsor's role in the life of their sponsored child is vital. If a child knows they are loved and supported by their sponsor, it will help them grow in their faith, develop self-confidence and dream big for their future. That's why Compassion encourages sponsors to write to their sponsored child.

A sponsor will receive at least two letters from their sponsored child per year, plus a letter from someone involved in the child's Compassion centre. Sponsors receive an updated profile and photo of their sponsored child every two years. They will also receive notification when their sponsored child's circumstances change—such as if they graduate from the program or depart the program early due to changes in personal circumstances.

For the first time in five years, Compassion Australia asked our sponsors to consider lifting their monthly contribution from \$44 to \$48 from January 2014. The move was critical for us to meet rising costs both in Australia and the countries where we work while continuing to provide quality care for children.

As a result, from October 2013 the rate for a new sponsorship is \$48 per month, or \$60 per month for Sponsorship PLUS, where the additional \$12 per month is used for Critical Interventions. For more information about Critical Interventions, see page 21. All registered children will benefit from at least one critical intervention during their time in Compassion's Child Sponsorship Program.

Number of children sponsored by Australians in the Child Sponsorship Program at the end of the financial year:

YEAR	TOTAL
2014	100,996
2013	99,352
2012	96,405
2011	93,099

Planning for the future

- In order to continue to support children with the greatest needs, child development centres in some field countries will be strategically phased out and eventually closed in areas where poverty levels have improved. This allows new centres to be opened in areas of greater need. In financial year 2014, field countries in South America such as Brazil began moving their resources from urban centres to smaller, rural communities to meet the greater need.
- As technology changes and improves, both in Australia and the countries Compassion works in, we will continue to look for ways to provide supporters with timely, specific information about their sponsored child and their child development centre.
- In the coming years, an increasing number of child development centres will lower the age of child registration, allowing younger children to be sponsored.



Giving children hope and love

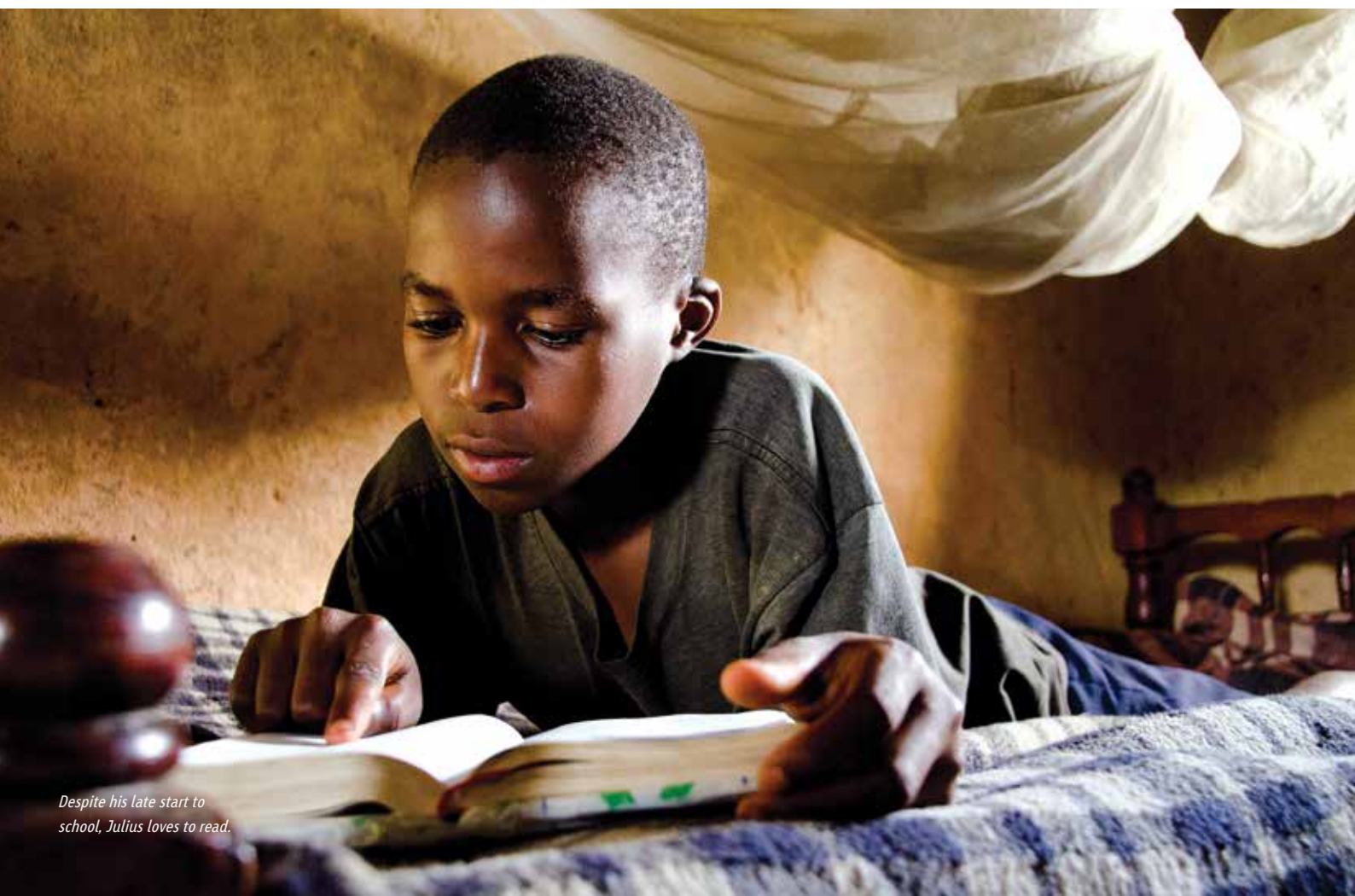
When their mother died, Julius's grandma took the seven-year-old and his younger brother, Joseph, in. Their grandma worked hard in their Kenyan community as a farm labourer, but her small wage meant she struggled to put food on the table for her two growing grandsons. Hunger pains were Julius's constant companion. He began rummaging through garbage heaps for leftover scraps and scavenging food from hotel rubbish bins.

His grandma fell ill and was soon bedridden. With no close relatives nearby, Julius cared for Joseph and his grandma as best he could. Despite his best efforts, she passed away. Grief-stricken and alone, Julius didn't know what to do. An uncle adopted the two boys, which grew his family to nine people. The boys were well loved but the family struggled financially, particularly when the drought affected their harvest.

Help came just in time. Julius was sponsored through Compassion, who immediately sent the family food parcels and water filters. Julius received much-needed medical treatment after his years of hard living. He was excited to enrol in school at the age of nine for the very first time.

"I was happy to join school," Julius says. "I wore my new shoes and uniform which I received from the program."

Their uncle treats Julius and Joseph as his own sons. His love and support has brought out the best in Julius, who is thriving in Compassion's program. Once shy and small for his age, Julius is now healthy and confident. He loves participating in the choir and dance groups at the Compassion centre. Petronila, Julius's teacher at the Compassion centre, is proud of how far the young boy has come. "He has a great future ahead of him and I can't wait to see it come to pass."



Despite his late start to school, Julius loves to read.

Leadership Development Program

Educating, training and discipling servant leaders

All children who have graduated from the Child Sponsorship Program are empowered with life skills to give back to their families and communities. But for those with exceptional academic and Christian leadership potential, the Leadership Development Program opens the door for further formal education at university. Students are selected according to strict criteria that includes academic achievement, Christian commitment, demonstrated leadership skills and a willingness to serve.

Through the program—and support and encouragement from their sponsor—a student receives Christian leadership training and mentoring alongside their university studies. Thanks to this training, Leadership graduates are already making significant, positive change in the world around them. The Leadership Development Program aims for a student to be:

- Physically healthy and making good decisions about their health
- Equipped with personal and professional skills to be economically self-supporting
- Displaying positive self-worth and healthy relationships
- An example of Christian servant leadership

Supporting leadership development

- Support of the Leadership Development Program can be through one-off gifts or regular giving through sponsorship. Students must be Christian to enter the program, so gifts to this program are not tax deductible.
- One-off gifts to the Leadership Development Program assist those who are awaiting sponsorship.
- Sponsors contribute \$400 per month, covering university fees, books and resources, room and board if necessary, Christian leadership training and mentoring. A Leadership student writes at least two letters each year to their sponsor, and it is our hope the sponsor will do the same in return. Sponsors receive an annual update of their sponsored student's progress and a photo.

Number of students sponsored by Australians in the Leadership Development Program at the end of the financial year.

YEAR	TOTAL
2014	177
2013	180
2012	152
2011	110

Planning for the future

- For the last 16 years, the Leadership Development Program has successfully provided life-changing opportunities to a select number of Child Sponsorship Program graduates.
- In financial year 2015 and beyond, Compassion hopes to extend similar opportunities to all sponsored children, as we believe that leadership development is an important part of our holistic child development model.
- The current model of the Leadership Development Program will gradually be phased out, with no new student registrations into the Leadership Development Program from June 2014. [Students currently enrolled in the Leadership Development Program will continue to be supported through to the completion of their degrees.]
- The new model will see our Child Sponsorship Program transition to incorporate youth development strategies. The strategies will seek to equip all children with the skills and education they need to pursue their individual career goals, become productive members of their communities and realise their God-given potential.
- The youth development strategies will provide customised development plans for each child in our program—some may choose to attend university, while others may receive vocational or ministry training.
- No matter what they pursue, our youth development strategies should give sponsored children the opportunity to explore their dreams and apply their individual interests and passions to a career of their choosing.



Equipping tomorrow's leaders

After losing his father to cancer, Jonathan is passionate about becoming a doctor so he can help others. Growing up in Bolivia as the eldest of four children, the medical student learnt responsibility at a young age. His father passed away suddenly when Jonathan was 13 years old. The family survived on his single mother's income, even if it meant having only weak tea and bread to eat each day.

On the day of his father's death, Jonathan made a decision. "I saw the doctors that passed by and none of them had an answer for us," he says.

"That day I promised myself that there would never be a family in the same situation. I was going to be able to give answers, so I was going to become a doctor."

When Jonathan was sponsored with Compassion, this far-off dream became a possibility. A determined Jonathan studied hard at school. With the help of the Leadership Development Program, he is well on his way to achieving his dream. The 23 year old will graduate as a doctor in 2016.

In the meantime, Jonathan is already using what he's learnt to serve others. He organises a group of students to visit the psychiatric unit at a hospital, teaching the patients craft and games. When there was a shortage at the blood bank, Jonathan rallied over 60 people together to donate.

The aspiring doctor also teaches the mothers in Compassion's Child Survival Program about preventable child illnesses, helping them to keep their families healthy. "At the [Compassion] centre and church, they always told me it's better to give than to receive," says Jonathan. "My dad and mum always taught me to help others."



Jonathan is using the tragedy of his past to help others in the future.

Critical Interventions

Overcoming obstacles to healthy child development

Compassion's Child Sponsorship, Child Survival and Leadership Development programs are holistic; they work in all dimensions of a child's life. But in some circumstances, the needs of children living in poverty exceed the capacity of these programs. When children face such obstacles, Critical Interventions provides the support necessary for a child to continue being released from poverty.

Critical Interventions can include:

- Clean water and toilets
- Emergency medical care and/or surgery
- Extra nutritional support
- HIV/AIDS initiatives
- Immunisations and malaria-prevention activities
- Disaster relief and improvements to child development centres
- Support for registered children not yet sponsored
- Education and income generation for parents
- Vocational training and non-formal education

Supporting Critical Interventions

- The funding for each critical intervention varies due to factors like location, local costs, transport, resources and labour. If supporters wish to fund a critical intervention, they receive a proposal with the relevant details.
- Once funded, donors receive a completion report after the project is finished, explaining how their contribution has been used.
- Regular and one-off donations help support a variety of critical interventions around the world. These donations can include:
 - Purchases from the Gifts of Compassion catalogue
 - Commitment to Sponsorship PLUS
 - General donations to the Critical Interventions Fund
 - Donations to the end of financial year Compassion Appeal

Amount sent from Australia for Critical Interventions worldwide:

YEAR	TOTAL
2014	\$5,867,828*
2013	\$6,909,712
2012	\$6,438,584
2011	\$5,310,530

* For more information about funding levels, see page 79.

Some of the critical interventions Compassion Australia funded this financial year include:

- Cattle breeding in Haiti
- Mosquito nets in Kenya
- Solar powered lights in India
- Water filters in the Philippines
- Building kitchens in Bangladesh
- Nutrition education in Tanzania

Planning for the future

- Over the next financial year, Compassion Australia will continue to implement a range of Critical Interventions activities worldwide.
- The contributions to our 2014 end of financial year Compassion Appeal, 'Buildings for Kids', means that many infrastructure needs will be met in 2015, helping children all over the world to access safe buildings to live, play and learn in.



Keeping children healthy

Every 20 seconds, a child dies from poor sanitation*. Because of this, teaching children about living a healthy, hygienic lifestyle is a key part of Compassion's curriculum. Children worldwide learn the importance of washing their hands and drinking safe water. However, in five communities in East Indonesia, water was so scarce that children struggled to put into practice what they were taught.

If the wells were dry at the Panorama Child Development Centre, children walked five kilometres to the nearest spring. The 10 kilometre round trip caused children to often be late to school—if they were able to go at all. The long distance meant many families avoided bathing to save water, and would risk drinking the muddy, stagnant water in the well or the river. Because of this, many children suffered from scabies, ulcers, and frequent diarrhoea.

Staff purchased bottled water for the children, but this was an expensive short-term solution. Imagine the children's excitement when, through Critical Interventions, Compassion installed a borehole well in each of the five communities.

Over 1000 children in Compassion's program and almost 150 additional families who live around the boreholes now have access to clean, safe water. Already, the illness rate has been dramatically reduced amongst the children.

"The children are always reminding their parents to wash their hands and clothes, and to cook with clean water," says staff member Sarce.

Entire families benefit from the borehole wells. "I was greatly helped by the presence of the boreholes," says Kristina, whose daughter Ester attends Compassion's program. "While waiting for Ester to learn in class, I would bathe Ester's young sister before we went back home, because our home doesn't have clean water facilities like the centre has."

* United Nations, Access to Sanitation, 2013



Children from five communities in East Indonesia now enjoy clean, safe water.



Church Engagement

Compassion engages with Australian churches of a variety of denominations to work together to achieve our mission of releasing children from poverty in Jesus' name.

Over the last 12 months, the number of churches connected with Compassion Australia has increased by nearly seven per cent—from 646 to 690 nationwide.

Our church engagement model facilitates Australian churches partnering with Compassion to answer God's call for His Church—to serve the poor and share the gospel to the nations. We seek to engage with churches in a collaborative and mutually beneficial way that respects the Australian Church's interests and capacity, and allows Compassion's ministry to grow in impact.

Church engagement aims to mutually transform churches on both sides of the world. In the developing world, churches are equipped to reach out to their communities with increased capacity and resources. In Australia, churches grow and deepen their commitment to those in need as they respond to the injustice of poverty on a personal and communal level, praying and working together towards a common focus.

In financial year 2014, we redeveloped our Church Engagement model in order to partner with churches in a way that is sustainable, long-term and mutually beneficial. The redevelopment project saw the delivery of an updated model with new messaging, resources, videos and servicing.

Several years of research, testing, pilot programs and stakeholder engagement went into the redevelopment. The end result is a model that aims to meet the needs of Australian churches while working alongside our local church partners in developing communities to support Compassion's holistic child development program.

Equipping churches to have an even greater impact

Robert Hayman's family holiday to South East Asia turned into a life-changing experience when the pastor saw Compassion's work firsthand. "When we visited the field and met our sponsored children, we just knew that we wanted to do something more, something that would bring us together as a church," says Pastor Hayman. Seven years later, Sale Baptist Church's decision to engage with Compassion has made an impact on the lives of 79 children living in poverty. The Gippsland church sponsors children across the Philippines and visits regularly.

For Pastor Hayman, one of the key benefits of partnering with Compassion is the direction it has given his church's mission activities.

"The way we've done missions has changed because of our relationship with Compassion," says Pastor Hayman. "Rather than having a very broad approach, we've been able to focus and have a real intent in the way we do mission and the way we do ministry."

Seeing in person the difference their church is making overseas has also had a profound impact. Over the years, congregation members of all ages—from 13 to 70—have visited the Philippines. "It's exciting to see that it's not just one age but the whole generational thing," says Pastor Hayman. Engaging with Compassion has brought the church together and given people a practical way to help those in need. "I really think that partnering with Compassion is one of the things that have helped our church, and the people within our church, to actually get a bigger focus on life."

Indigenous Initiative

Compassion Australia began partnering with a local church in an Indigenous community in North Queensland in June 2009. Like many Indigenous communities throughout Australia, the area has limited access to early education programs that cater specifically for Indigenous children's needs. Without such preschools or playgroups, children often struggle when they attend school for the first time—potentially falling behind their peers right from the start.

In order for Indigenous Australians to make a successful transition to school, children need a positive initial experience with learning, the presence of Indigenous teachers and support, and Indigenous culture*. With this in mind, Compassion partnered with Indigenous teacher Janice Walker and a local church to establish a playgroup. Meeting three times a week, the playgroup, which is attached to a primary school, promotes early childhood development in both Indigenous and non-Indigenous children. It aims to successfully transition children to primary school.

By attending the playgroup, children develop their social skills, fine motor skills and basic literacy and numeracy skills. Importantly, they also learn school behaviours, like following instructions and sitting still. The playgroup is held in a classroom at the local primary school, which further helps children and parents become familiar with the school environment. This gives children the best possible start to their school life, setting a good foundation for their future learning and education.

Currently, up to 35 children plus their parents and caregivers regularly participate in program activities. Since the initiative started, we have been encouraged to see very positive impacts in the lives of the children in attendance, their families and the broader community.

These are some of the highlights from the year:

- The number of children successfully transitioning into school has increased. Outstanding reports from teachers and principals state that children who attended the Compassion program performed better academically, were more engaged, and interacted better with others. Former principal Vicki Sparkes, who worked with Janice Walker to implement the playgroup, agreed. "Our kids are arriving at prep on day one and they're ready to learn," says Ms Sparkes.

- Children are performing better in nationwide assessments. "We're seeing huge improvement in our NAPLAN data and all of those standardised testings," says Ms Sparkes.
- The numbers of non-Indigenous children and their caregivers attending the program has increased. This positive interaction is helping to bridge the social gap between Indigenous and non-Indigenous people, with the playgroup providing one of the only formal opportunities in the community for interaction. "Everyone can join together," says parent Allan Sands. "Everyone's getting to know each other and meeting new friends each year."
- Families and children have become more familiar and comfortable with the school environment. Ms Sparkes says many Indigenous parents have had negative experiences with schooling and are reluctant to engage with a school. Attending the playgroup in the lead-up to kindergarten is changing this. "[Parents are] feeling really comfortable to approach the teachers and talk to them if they've got any concerns or they need any help," says Ms Sparkes.
- The playgroup has been identified as a successful case study by the Queensland Department of Education, with other schools implementing similar strategies based on the model. Janice Walker has been invited to speak at various regional education groups on this topic—broadening the impact of the playgroup.
- In March 2014, the Indigenous Initiative was opened to the public for funding.

* Dockett S, Mason T & Perry B, 2006



Setting the foundation for future success

Allan and Symelia's son Brody is only three years old but he can already count to 20. "He gave me a fright, too," says Symelia, surprised by how quickly her son learnt his numbers. Along with his younger sister, Taylah, Brody attends Janice Walker's playgroup like his two older siblings before him. For Brody, playgroup is a fun outing which happens to have far-reaching results. This impact is already clearly seen in Brody's older siblings, both of whom graduated from the playgroup and are now in higher school classes than their peers. "You can tell that they got taught when they were young, somewhere," says Allan. The proud dad says their whole family benefits from the playgroup. "When the bigger one learns, they're teaching the younger ones at home as well. They're bringing it from the playgroup and taking it home," says Allan.

The playgroup's success is not limited to Allan and Symelia's family.

"I think we're kicking goals," says former principal Vicki Sparkes. "Our kids are arriving at prep on day one and they're ready to learn."

Without such early childhood education, she explains, children can be "playing catch-up the whole time through their schooling". Symelia knows this well. With two children in primary school and two currently attending the playgroup, she strongly advocates for early childhood education. "As soon as they start learning, then you can't stop them," says Symelia. "They want [to learn] more and more."



Playgroup founder Janice Walker reads to her class.

Compassion Partnerships

Compassion partners with individuals and groups in a variety of ways to release children from poverty. In financial year 2014 this included businesses, corporations, community groups, ambassadors, private family trusts and foundations to offer a strategic, sustainable and effective way to make a significant and lasting impact in poverty-affected regions of the world. Partnerships are designed for individuals, organisations and community groups of all shapes and sizes, and are tailored to their unique circumstances, resources and passions.

Ambassadors

Compassion is honoured to partner with a range of Christian musicians, communicators, athletes, performers and organisations who share our vision of releasing children from poverty. Each are personal supporters of Compassion assisted children and in many cases, have travelled overseas to see the life-changing effects of Compassion child sponsorship firsthand. Reaching unique and diverse audiences, Compassion Ambassadors are inspiring others to stand up against poverty and injustice across the globe.

In December 2013, we were excited to welcome X Factor winner Dami Im as a Compassion Ambassador. Dami uses her voice to draw Australia's attention to the plight of children living in poverty worldwide. In March 2014, Dami and her husband Noah visited their sponsored children in India.

Compassion is grateful to all of our Ambassadors for sharing their time, talents and voices to help release children from poverty.

Bequests

Many supporters want to assist children living in poverty for generations to come. Others want to ensure the children, students or initiatives they currently support are fully funded until graduation or completion, even if it's long after they have left this world. Compassion is able to provide support and assistance for people reviewing their Will or Estate Plans. The process is straightforward and, if desired, supporters can nominate how they would like the gift to be used.

Child Advocate Network

The Child Advocate Network (CAN) began in 2004 and is a grassroots movement of people taking action to seek justice and life for children living in poverty in their own time, on a volunteer basis. Child Advocates are talking to their friends, family and church, finding sponsors for children, volunteering at events, learning more about how to fight poverty and speaking with their local politicians.

In financial year 2014, Compassion provided ongoing personal support to members through state-based Relationship Managers, face-to-face training sessions, educational resources and network events.

The following table shows the growth in registered members between 30 June 2012 and 30 June 2014.

CAN GROWTH	JUNE 2014	JUNE 2013	JUNE 2012
Total CAN members	2757	2609	1970

Going forward, Compassion will be exploring new ways to engage more supporters in advocating for children living in poverty. Core advocate activities such as volunteer and program promoter training will continue to be available for all supporters of Compassion.

From the ground up

As members of the CAN since 2011, Bob and Christine Kilpatrick have raised \$30,000 in three years by selling their fresh, organic produce to help give clean water to children and their families living in poverty.

Each week, Bob and Christine stock up their car with a healthy variety of colourful fruit and vegetables before they make the one-and-a-half hour drive to their local church. From their now regular spot at the back of their church, they share about Compassion's work as they sell their organic produce to their friends and neighbours.

"Our stall is becoming so popular ... we've extended the veggie garden three times now, just to cope with demand!" says Christine. "We've built a rose garden so we can get roses for church and planted fruit trees—about 150 of them now—so it's just gone from strength to strength. The little sort of farm that we thought we were going to retire on has become enormous."

Initially raising \$40 or \$50 a week, their stall now brings in enough money to provide water filters to around 200 families every year. Just one water filter can provide a whole family with clean, safe water for a lifetime.



Christian Surfers Australia hosted a 'Paddle Against Poverty' event to raise money for Compassion's Unponsored Children's Fund.

Corporate and Community Partners

Across the country, a number of businesses, corporations and community groups contribute significantly to the work of Compassion. These partners support a range of different poverty-fighting initiatives including our core programs—Child Sponsorship, Child Survival, Leadership Development and Critical Interventions—as well as specialty initiatives such as supporting unsponsored children, Bible distribution, Christmas gifts and our end of financial year Compassion Appeal.

“Witnessing the love and commitment of both Compassion staff and the local pastors and leaders in helping the poor gave us an even higher regard for the work of Compassion.”
—Davinia Hart, Vos Foundation

Compassion does not endorse organisations we partner with or their products or services, nor claim any proprietary rights.

Fundraisers

Compassion currently partners with two online fundraising companies, Everyday Hero and Go Fundraise, which allow fundraisers to create their own fundraising web page. This year, more than 290 individuals chose to fundraise for Compassion in a variety of ways, including cycling across Australia, wearing a Compassion t-shirt for a year and encouraging their friends to donate in celebration of their birthday. Of the people who fundraised, 79 per cent did so online and 53 per cent fundraised for a specific Compassion program or initiative. In total, fundraisers raised more than \$174,600 in net revenue for Compassion; the average amount raised per person was \$593.90.

In May 2014, Christian Surfers Australia hosted a ‘Paddle Against Poverty’ event to raise money for Compassion’s Unsponsored Children’s Fund. Almost 100 surfers paddled from Stanwell Park in North Wollongong to Thirroul in three to four hours. As a result, the group raised over \$14,000 to support children who are registered with Compassion but not yet sponsored and five children the group has sponsored for 13 years.

“Christian Surfers Australia wanted to engage the surfing community to help us give back to the world,” says Christian Surfers Australia member Daniel Hatton.

Media

In financial year 2014, Compassion Australia engaged with a range of media outlets, providing editorial content, sponsoring events and arranging interviews. Compassion is a member of Christian Media Australia and sponsored their annual conference held in May 2014.

While Compassion has focussed on partnerships with Christian media outlets in previous years, in financial year 2014 we also engaged more purposefully with mainstream media.

Some print and online publications we featured in included The Renegade Collective, Christianity Today, Eternity Newspaper, Bella Magazine, Sight Magazine and MICI Magazine.

Compassion was featured on a number of radio stations including Hope 103.2 in Sydney, Family 96.5 in Brisbane, Sonshine FM in Perth, Light FM in Melbourne, Life FM in Adelaide, Juice FM on the Gold Coast, Ultra FM in Hobart, Rhema FM in Newcastle and UCB Vision Radio Network.

In addition to this, two radio stations partnered with Compassion to run fundraising appeals. During their own appeal for their station in November 2013, Hope 103.2 fundraised with Compassion to provide crisis kits for victims of Typhoon Haiyan. Ultra FM partnered with Compassion in a similar way to fundraise for Water for Life in June 2014.

In October 2013, Compassion was featured on the Australian Christian Channel in a month-long promotion of Compassion’s work. ‘Compassion month’ has been a regular feature on the Australian Christian Channel since 2008.

Network Partnerships

Compassion Australia purposefully engages with external advocacy organisations that share our values and understand our mission of advocating for children around the world. This year, Compassion Australia was actively involved in Include a Charity, a movement designed to raise awareness of the ease and effectiveness of leaving a gift in your Will, as well as Micah Challenge, a global movement of Christian agencies, churches, groups and individuals that aims to deepen people’s engagement with the poor and to help reduce poverty as an integral part of our Christian faith.

Where We Are Now



Current Environment

Compassion Australia operates within a large and diverse not-for-profit sector in Australia that contributes significantly to helping those living in poverty around the world. Australia was ranked seventh in the 2013 World Giving index, dropping from first place in the previous year. Compassion Australia chooses to specifically engage with Australian Christians who share our vision of releasing children from poverty in Jesus' name.

Compassion's Audience

Compassion's audience is the Christian population in Australia. Currently approximately 61 per cent of the Australian population identifies with Christianity, with 15 per cent of the population attending church at least once per month.

The Australian Christian landscape is extremely diverse. During the financial year, Compassion focussed on engaging with a broader range of denominations.

Overall, there is still great potential for growth.

Supporter Demographic

The responses to Compassion's 2014 supporter survey found that 98 per cent of supporters considered themselves Christian, indicating a close alignment with Compassion's core values. More than two-thirds of Compassion supporters are female, the largest age group of supporters is 50-68 years old and more than one-third of supporters are employed full-time. Furthermore, almost 50 per cent of supporters reside in a capital city and are strongly represented in New South Wales, followed by Queensland and Victoria. Half of the survey respondents are married with children.

Over three in five supporters have been supporting Compassion for five years or more and 98 per cent are engaged with Compassion through child sponsorship. Two-thirds of Compassion supporters stated that Compassion receives the vast majority or a significant portion of their giving. These figures reflect extraordinary loyalty amongst Compassion Australia supporters to the organisation's cause.

According to a 2012 corporate giving survey, the majority of Compassion's major givers are connected to the Christian faith and donated as an individual; one in 10 supported Compassion as a business (varying from one employee to 100+ employees); three per cent indicated that they supported Compassion through a trust or foundation; two per cent supported as a sole trader. Interestingly, while 17 per cent of Compassion's major givers stated that their relationship with Compassion began within the last five years, more than one in 10 has had a relationship with Compassion spanning more than 20 years, showing that Compassion's major givers are committed long-term to Compassion's work.

Supporter Psychographics

The results from the 2014 supporter survey show that more than half of Compassion supporters were influenced by a presentation at their local church when first considering to support Compassion's work. A further two in five were influenced by a presentation at a Christian conference or event and two in five also made a decision to support Compassion after a recommendation from their pastor or church leader. These results show the effectiveness of Compassion's work in partnering with local churches to generate awareness about Compassion's work overseas, as well as the established trust and rapport that we have built with church leaders.

Stakeholders

Compassion Australia assesses its engagement with key stakeholders (see page 11) through a relational scorecard. The Strategic Factor System reviews key stakeholder relationships and where they sit to deliver on our mission based only on measures that relate to strategic success. It is a fundamental measurement system to assess if our strategic objectives are being met. There are two different parts to the scorecard:

1. What do we desire from our key stakeholders?

- Behavioural Outcomes
- Objectives
- Measures

2. What do our key stakeholders desire from us?

- Strategic Factors
- Definition
- Measures

Political and Legal Environment

In May 2011, the Federal Government announced the formation of a new regulatory body for not-for-profits known as the Australian Charities and Not-For-Profits Commission (ACNC). The Commission has taken over the Australian Taxation Office's role of determining charitable status; however, the Commissioner for Taxation continues to be responsible for administering tax concessions for the not-for-profit sector.

The present government has stated its intention to repeal the legislation establishing the ACNC and return full regulatory power back to the Australian Taxation Office. The full impact of this is not fully known and progress of the proposed repeal will be monitored into financial year 2015.

Compassion Australia currently reports to the following legislative and regulatory bodies:

Government legislative

- Australian Taxation Office: As a Public Benevolent Institution, Compassion Australia holds the following tax concessions:
 - Income tax exemption
 - GST concession
 - FBT exemption
- Australian Securities & Investments Commission: Compassion Australia is incorporated as a Company Limited by Guarantee under the Corporations Act 2001.
- Department of Foreign Affairs and Trade: Compassion is governed in its overseas aid work by the Overseas Aid Gift Deduction Scheme.
- Regulation of Charitable Fundraising: Compassion Australia holds the following fundraising licences and permits in Australia:
 - NSW number 10658
 - VIC number 10734
 - QLD incorporation number CH1569
 - SA number CCP1161
 - TAS number F1A-208
 - WA number 20740
 - ACT number 19000083
 - Note: no fundraising legislation exists in NT
- Privacy Legislation: Compassion Australia is governed by the Australian Privacy Principles contained in the Privacy Amendment (Enhancing Privacy Protection) Act 2012. Our privacy statement can be found on our website. Compassion's Privacy Officer is Brendan Lowe.
- Work Health and Safety (WHS): Compassion Australia is committed to ensuring a safe and healthy work environment for its workers (including volunteers and contractors) and for others who may be affected by our activities, as reasonably practicable. Compassion Australia has a Health and Safety Committee (HSC) which meets

on a quarterly basis and is key to ensuring Compassion provides a healthy and safe work environment. The HSC operates in conjunction with the Work Health and Safety Management System which provides a planned, systematic and coordinated approach to ensuring compliance with legislative requirements, including the Work Health and Safety Act 2011 and the Work Health and Safety Regulation 2011.

- Child Protection: As a child development organisation, Compassion is committed to safeguarding the children in our programs from all forms of abuse and exploitation. One of the ways this is achieved is by enforcing child protection policies, strategies and procedures that help reduce potential risks. As part of this, staff and volunteers are subject to periodic police checks, as are visitors to our program centres overseas.

Non-government regulatory bodies

- PCI Security Standards Council: Compassion Australia strives to ensure the security of supporters' credit card information through increasing compliance with the PCI Data Security Standard (PCI DSS).
- FIA (Fundraising Institute of Australia)
- Missions Interlink

Professional advisers

Compassion Australia seeks professional advice from the following advisers:

- Legal: Neumann and Turnour; McCullough Robertson; Slater and Gordon; Peel HR Consulting and Mediation
- Financial Auditing: Martin Power of Bentleys Brisbane (Audit) Pty Ltd
- Banking: Westpac Banking Corporation

Economic

The global economy experienced low growth this financial year and markets still continue to be irrational and quick to respond to negative news. At times, the global volatility has affected Australia and particularly the Australian dollar. The Australian economy has had low growth and has been experiencing a cooling for the past few years as we transition from the mining sector boom.

Although various sectors are cooling and the overall growth environment is low, Australian economic fundamentals are still comparatively sound. The cash rate decreased by 25bps to 2.5 per cent. The inflation rate is steady and within RBA targets. The unemployment rate ended at six per cent, which is a marginal increase. The Australian dollar, compared to the US dollar, continued to be moderately volatile, trading between 96c and 87c.

Compassion is continually looking for ways to minimise the threats and maximise the opportunities in the post Global Financial Crisis environment, which includes focussing on new growth opportunities and supporter retention.

Sustainability

Sustainability is vitally important for the work of Compassion Australia, both in our program related activities in the developing countries where we work and in Australia with our fundraising and administration activities.

Program Related Activities

Social sustainability

Our program activities are administered through local churches in the developing countries where Compassion works. The aim of these activities is to produce sustainable outcomes for the children, mothers, students, and communities with whom we work by providing such things as:

- Nutritional support
- Health interventions
- Formal and non-formal education
- Parent education initiatives
- Vocational training

This is outlined fully in the individual pages on these programs found earlier in the annual report.

As referred to on page 35, independent research confirms that Compassion's Child Sponsorship Program is highly effective as a long-term solution to help release children from poverty. The results of the study show that children who participated in Compassion's holistic Child Sponsorship Program stayed in school longer, were more likely to have salaried employment and were more likely to be leaders in their communities and churches than their peers who did not participate in Compassion's program. Compassion's Child Sponsorship Program not only has a sustainable impact on individual children, but also on communities as they are equipped to become leaders and implement positive changes in their communities.

Children and families who are assisted by Compassion are almost always supported through the provision of goods and services, carefully designed, delivered or purchased according to their needs by our trained staff members. This ensures that supporters' contributions are used sustainably.

Financial sustainability

Compassion International's programs are fully funded through the work of more than 12 partner countries, including Compassion Australia. Compassion Australia contributes 8.28 per cent of this total funding.

Regular audits are conducted for each of Compassion's programs in the developing countries where we work. This is to ensure supporters' contributions are used for the stated purpose and Compassion's programs operate effectively.

For more information on Compassion's audit process please refer to page 42.

Fundraising and Administration Activities

Social sustainability

Employees

Compassion Australia seeks to employ people who share our vision for releasing children from poverty in Jesus' name as well as align with our mission and values (see page 5). We are committed to maintaining a safe, healthy and respectful workplace to ensure a sustainable future for employees and our organisation. To do this, we comply with relevant Workplace Health and Safety (WHS) legislation and implement appropriate policies and procedures (see page 46).

Supporters

Our most recent survey found that three in five supporters have been supporting Compassion's work for more than five years. In this financial year we have continued to focus on growing partnerships with individuals and churches with the aim of building long-term, sustainable relationships with our supporters. It is important that Compassion's relationships with our individual supporters and church partners are not only beneficial for the children we serve, but also for the individual supporter and the long-term development of the supporting church.

"Tackling an issue like poverty can be overwhelming but by connecting yourself to an organisation like Compassion, you can help make an impact and be a part of implementing change," says C3 Church Newcastle City Senior Pastor Ryan Croxford.

Having the opportunity to contribute to a meaningful cause has been found to have a positive impact on the lives of supporters and churches alike as it enriches their vision for mission, giving them an opportunity to live out God's mission for those in poverty. According to the Wall Street Journal, scientific research shows that giving is extremely beneficial for a donor, and that when people decided to donate to what they felt was a worthy organisation, parts of their midbrain lit up—the same region that became active when the subjects added money to their personal reward accounts*.

*Wall Street Journal, "Hard-Wired for Giving", August 2013

Financial sustainability

Compassion Australia funded approximately 85 per cent of activities through recurring monthly support. By using this recurring model of fundraising, Compassion's current level of program funding can be sustainable. This enables Compassion to focus fundraising efforts on retaining existing supporters and engaging new supporters. For more information on Compassion's income, please refer to page 75.

Environmental sustainability

Over the past few years, Compassion Australia has gradually implemented new environmentally sustainable activities. These include:

Electricity

In recent years Compassion has installed a new energy efficient lighting system in our head office at Newcastle. The first stage was installed in June 2012, while the second and final stage was installed in June 2013. It is estimated that this has saved approximately 81,000 kilowatt hours of energy per annum. According to Australian standards, this equates to an estimated saving of 75.86 tonnes of carbon dioxide emissions.

For the last three years, Compassion has implemented targeted power management in order to reduce energy usage. It is estimated that this has saved approximately 29,000 kilowatt hours of energy per annum. This equates to an estimated saving of 20.5 tonnes of carbon dioxide at the local power station per year.

Vehicles fleet

Throughout the year, Compassion has continued the process of changing over the fleet to consist mostly of vehicles using diesel rather than petrol, as these are considered to be more efficient on fuel consumption and carbon dioxide emissions. As unleaded vehicles are retired, where possible, they are replaced with vehicles using diesel until a better alternative becomes available.

The majority of vehicles in Compassion's fleet are Hyundai i30 wagons. Changing over unleaded Hyundai i30 wagons to diesel vehicles has an estimated saving of eight grams of carbon dioxide emissions per kilometre driven.

Recycling of recyclable waste

This year Compassion has continued to recycle all appropriate recyclable waste. Compassion recycles approximately 29,000 kilograms of paper per annum, along with a further 4000 kilograms of comingled recycling per annum. Compassion also recycles all used printer cartridges and is currently investigating recycling used batteries.

Printed materials

Compassion uses ethically sourced paper in the production of our printed material. This paper is PEFC certified with raw materials being sourced from sustainably managed forests. It is made from elemental Chlorine Free (ECF) pulp and produced in a mill accredited with ISO 9001, ISO 14001 and PEFC chain of custody certification. Compassion also produces a portion of our printed material on recycled paper.

Other initiatives

Compassion Australia will continue to look for new and innovative ways to promote sustainability within the organisation during financial year 2015.



Child Sponsorship Trends

The Child Sponsorship Program is the foundation of Compassion's approach to child development. Internationally, child sponsorship is one of the leading forms of assistance to children in need who live in developing countries. An estimated 9.14 million children worldwide are currently supported through sponsorship organisations. The following is an overview of Compassion child sponsorship trends since 2000, as well as the highlights of recent research into Compassion child sponsorship.

Compassion Child Sponsorship

Compassion Australia enjoyed strong growth in child sponsorship acquisitions from the year 2000 through to 2009, with total beneficiaries doubling in the five years between 2001 and 2006 alone. We reached our highest acquisition rate in 2008 with 15,151 new sponsorships. Sponsorship growth began to slow in 2009 and lagged further in 2010 and 2011.

During this time we also started seeing an increase in sponsorship cancellations. Research in 2011 revealed sponsors did not primarily leave because they were dissatisfied with Compassion Australia, but rather because of difficult financial situations or because their child had departed from Compassion's program. More than 63 per cent of sponsors who cancelled their sponsorship indicated they would consider sponsoring again through Compassion in the future, according to a 2010 supporter survey.

A strong focus on supporter engagement and retention in response to this data saw significantly improved results in financial year 2012; the net sponsorship cancellation rate result at the end of financial year 2012 was the lowest ever recorded: 6.66 per cent. The year 2012 also marked the celebration of a 10-year goal to grow Compassion Australia to 100,000 beneficiaries across the Child Sponsorship, Leadership Development and Child Survival programs.

In financial year 2013, Compassion Australia had grown to 102,289 beneficiaries across Compassion's three programs. The IT WORKS campaign (detailed below) positively influenced sponsorship growth, with a net increase of 2947 children sponsored.

At the close of financial year 2014, the combined number of beneficiaries across Compassion Australia's three programs was 103,751—a net growth of 1.43 per cent. The cancellation rate remained relatively steady at 6.84 per cent, with a child sponsorship retention rate of 93.16 per cent.

In financial year 2014, we identified that while Compassion child sponsorships are continuing to increase, the number of sponsored child commitments per sponsor is increasing at a much faster rate. While this shows exciting supporter engagement, it also indicates the need to identify new audiences for future growth.

Wydick Sponsorship Research

In 2013, Compassion Australia launched the IT WORKS campaign which drew on independent research conducted by Dr Bruce Wydick and a team of researchers from the University of San Francisco, University of

Minnesota and University of Washington. Published in the Journal of Political Economy, the results confirm that Compassion's Child Sponsorship Program is highly effective as a long-term solution to help release children from poverty.

Compassion Australia continued to promote the IT WORKS campaign in financial year 2014. The campaign features the testimonies of children who are currently in, or have graduated from, Compassion's Child Sponsorship Program and highlights how sponsorship impacted their lives.

The Wydick research focussed on six countries. It involved interviewing over 10,000 people, including 1860 formerly sponsored children who were enrolled in Compassion's Child Sponsorship Program between 1980 and 1992. The results, detailed below, show that children who participated in Compassion's Child Sponsorship Program stayed in school longer, were more likely to have salaried and white-collar employment, and were more likely to be leaders in their communities and churches than their peers who did not participate in the program.

Education

- Compassion sponsored children stayed in school for an average of one to 1.46 years (2.4 in Uganda) longer than their non-sponsored peers. Research shows every additional year of primary school boosts a girl's eventual wages by 10 to 20 per cent and an extra year of secondary school by 15 to 25 per cent.
- Sponsored children were 27 to 40 per cent more likely to finish secondary education, and were 50 to 80 per cent more likely to complete a university education than non-sponsored children.

Employment

- Children were 14 to 18 per cent more likely to have salaried employment as an adult than those who were not part of the Child Sponsorship Program and 35 per cent more likely to secure white collar employment.

Leadership

- Adults who were Compassion sponsored children are on average 30 to 75 per cent more likely to become community leaders and 40 to 70 per cent more likely to be involved in church leadership as adults.



Meet Sameson, a former Compassion sponsored child in Ethiopia

Sameson was just four years old when his mother left him to be raised by his aunt. As another mouth to feed in her family, Sameson was put to work. He spent his days in a field tending to cattle and sheep. When Sameson started school, he had to take night classes so he could keep up with his daily chores. It wasn't until he was registered with Compassion that his life became one of hope, rather than just survival.

"Joining Compassion was the highlight of my life," says Sameson. "When my life seemed to be at a standstill, when all hope was lost and when I thought no one cared, God sent Compassion to brighten my future."

Through the Child Sponsorship Program, Sameson was surrounded by people who loved and cared for him. Sameson's sponsorship helped ease the financial burden on his family, so he was able to start attending school during the day. Compassion staff counselled Sameson, helping to build his self-confidence and belief in himself.

Unfortunately, Sameson struggled when he entered high school. Education was not a priority in his family. Forced to work half of each day in a wood workshop, Sameson failed his 10th grade examination.

While failing school can mean the end of education or training for many children in his village, Compassion restored hope for Sameson. Staff members encouraged him to explore other options and, recognising a talent in him, arranged for Sameson to study woodworking.

"When I heard that failing my exam was not the end of the road for me, I praised God and I was very thankful," says Sameson. "God gave me a second chance through Compassion."

It has now been over four years since Sameson finished his woodworking course. Today, he manages a carpentry workshop owned by the church, taking orders, producing furniture and also teaching Compassion assisted children woodwork skills. Sameson receives a portion of the profits from the workshop, enabling him to rent a house and provide financial support to his family.

As for the future, Sameson plans to retake the 10th grade national examination to pursue his dream of studying literature at university. His goal is to develop his talent for poetry and writing—and also open his own carpentry workshop.



Through Compassion child sponsorship, Sameson was given hope for a better future.

Our People







The Board and Governance




Compassion Australia is governed by a voluntary Board of Directors. The board comprises seven members, each with unique skills and experience, united for the purpose of releasing children from poverty in Jesus' name.

Compassion Australia is a company limited by guarantee, with a Constitution that defines the organisation's purpose, objectives and powers, and how income is to be applied.

It is the role of the Board of Directors to ensure we operate in accordance with the principles and commitments stated in our Constitution.

In June 2014, Jeremy Horn stepped down as Board member.

	NAME AND POSITION	BIO
	Dr John Bond Chairman of the Board of Directors Member of the Executive and Governance Committee <i>Board member since 2002</i>	John is a Minister of Religion and has worked with Youth for Christ International, Sports and Leisure Ministries and the National Lausanne Committee of World Evangelisation. He is currently serving as South Asia Pacific World Zone leader of Dynamic Church Planting International and is the Founding Director of Sonlife Ministries Inc.
	Mike Jeffs Vice Chairman of the Board Chairman of the Ministry Services Committee Member of the Board of Directors of Compassion International <i>Board member since 1995</i>	Mike is the Founder and Director of Network Communications Pty Ltd and Australian Christian Channel Pty Ltd.
	Jeremy Horn Jeremy stepped down as a member of the Board in June 2014. Secretary of the Board Member of the Ministry Relations Committee <i>Board member since 2005</i>	Jeremy is the owner and Company Director of Netstrategies Pty Ltd and has broad experience in Australian media and extensive experience in web services and business systems. He is also a shareholder and Company Director of Claretty Pty Ltd.
	Isaac Moody Member of the Ministry Relations Committee <i>Board member since 2008</i>	Isaac is the Director of a number of organisations and companies, including Prethink Pty Ltd, Jindovic Pty Ltd, Mercantile Capital Pty Ltd, Gateway West Pty Ltd, and St Andrew's Toowoomba hospital.

	NAME AND POSITION	BIO
	Amanda Jackson Member of the Executive and Governance Committee <i>Board member since 2008</i>	Amanda is the Head of Campaigns and Advocacy for Micah Challenge International and a former coordinator of Micah Challenge Australia and Jubilee Australia.
	Mabel Chua Member of the Ministry Services Committee <i>Board member since 2012</i>	Mabel holds a Masters of Laws, Bachelor of Laws and a Bachelor of Commerce majoring in accounting and finance. Mabel has extensive experience in the area of dispute resolution in corporate, property, commercial and estates matters. Prior to becoming the Managing Director of M 6:8 Legal in Perth, Mabel was a partner at a multi-disciplinary boutique legal practice. Mabel has served in various leadership capacities in her local church and in the Christian community.
	Kent Medwin Member of the Ministry Services Committee <i>Board member since 2010</i>	Kent is Managing Director of Rock Property, and a Director of St Michael's Collegiate School. He is the former Director of Common Ground Tasmania, community radio station Ultra 106.5, and Pathways Victoria.



Structure

The Board meets face to face at least four times per year, including an annual general meeting. Members are also encouraged to be involved in other Compassion activities such as promotional events, conferences or Insight Trips to Compassion field countries.

Board Committees

Each Board member serves on at least one Board committee—the Executive and Governance Committee, Ministry Services Committee, and the Ministry Relations Committee—which meets with the relevant executive staff. These are not decision-making bodies but rather provide insight into the operational aspects of management at Compassion. Each committee provides a verbal report to the Board, who then discuss any issues.

Throughout 2014, our Board has been supported by the following Board committees:

- **Executive and Governance Committee:** Responsible for the Executive Team, structure, Board membership nominations, Board development and innovation.
- **Ministry Services Committee:** Responsible for Finance, Compassion Australia's office building maintenance and logistics, Human Resources, and Information Technology.
- **Ministry Relations:** Responsible for our frontline staff members, Church, Advocacy and Donor.

Recruitment

Potential Board members are recommended by current Board members and chosen for their contribution to the decision-making process. Each Director is required to be a Christian, committed to a local church and living a life consistent with the Christian faith. Potential members are invited to a Board meeting as observers. The Board then makes a decision, and if successful the applicant is invited to join the Board.

Training and Development

We believe our Board functions effectively, but are always looking for areas to improve on. These include developing a healthy gender balance on the Board, improving induction practices, developing performance review procedures for Board members and the CEO, ongoing Board education and the continued development of a Board manual.

In 2014, an independent consultant was enlisted to conduct a review of the Board's processes. The review showed that efficient processes are in place.

Reimbursement

Directors are not paid any remuneration for their services, but Compassion does reimburse related reasonable expenses, such as travel and accommodation. Occasionally, where they have the expertise, a Director may act as a consultant to Compassion and be paid a fee, generally at a rate far below market rates. The Board and CEO must agree to such arrangements, and these payments are disclosed in annual statutory returns.

Length of Service

The Board's Constitution sets out the length of time a member may serve on the Board. Members are appointed for three years and must retire at the end of their term. They can stand again and, subject to Board approval, be re-elected for a further term. Officers of the Board—Chairman, Vice Chairman and Secretary—are elected every 12 months. The Board may determine the period of time for which the Chairman of the Board can hold office.

Risk Management

Managing Risk

Compassion Australia installed a formal risk management process in financial year 2012, which has continued through financial year 2014. This involves regular risk reviews and includes risk management as a regular agenda item for the Executive Team's meetings. The resulting assessment is then included in a quarterly submission to the Board of Directors.

To help mitigate risk in financial year 2014, our Executive Team championed several initiatives designed to address risk areas including:

- The development of a Trip Project, which includes a detailed trip policy, and aims to give staff and supporters the best possible trip experience.
- The completion of the Departures Project, which aims to improve Compassion's communication with supporters about their sponsored child's graduation from Compassion's program, or in the event that their sponsored child departs Compassion's program earlier than anticipated.
- Reviewing and updating our Business Continuity plan, in particular our IT Disaster Recovery systems. This will continue into financial year 2015.
- The Transforming Core Processes with Technology project (TCPT) is designed to mitigate multiple risks relating to technology solutions and will capitalise on opportunities that exist in the technology space. The project is in the planning phase and will continue in 2015. For more information about TCPT, see page 59.

Foreign Exchange Risk

Compassion Australia sends funds to the Compassion International offices in each of the applicable field countries, which means we need to deal with foreign currency exchanges. This process is overseen by Compassion's global headquarters located in the United States. The Ministry Services Committee of the Board determines our approach to mitigating our foreign exchange risk. This is based on regular prudent analysis of trends in financial markets and reviewing economic indicators. Presently, two main approaches are used to purchase foreign currency:

- When the Australian dollar appears to be less volatile, foreign currency is purchased as needed at spot rates.
- When the Australian dollar appears to be heading for a sustained bout of volatility, foreign currency is purchased via forward exchange contracts to mitigate the risk of the dollar dropping.

Investment Risk

Investment decisions and guidelines are approved by the Ministry Services Committee of the Board. Compassion Australia invests all available funds in either low-risk, interest-bearing accounts—including short maturing term deposits—or in commercial property holdings. For more information about Compassion's investments, see page 68.

Technology Risk

Protecting our intellectual property and supporters' information is critical to Compassion Australia's operation and reputation. Our risk management strategy is achieved through a series of controls, including policies, processes, procedures, organisational structures, and software and hardware tools. Compassion volunteers and staff are responsible for protecting sensitive information, with procedures in place to ensure consistent information handling according to its sensitivity and level of importance. Our Newcastle office is also protected by a backup system, located remotely in case of catastrophic damage or data loss at our primary location. Compassion Australia also complies with the Payment Card Industry Data Security Standard.

External Auditing

Compassion Australia engages Bentleys Brisbane (Audit) to perform a thorough audit on our financial reports each year. Bentleys is an accounting and audit firm; the lead auditor is Mr Martin Power FCA. Full financial reports dating back to 2003 are available for viewing at www.compassion.com.au/annualreports

Internal Auditing

Compassion International has a global internal audit and risk management function that routinely monitors financial and operational integrity at child development centres and field offices across the globe. Staff from Compassion Australia's Finance and Risk Management departments attend some of the audits. This year Compassion Australia staff took part in the audits of the Togo and Sri Lanka field offices.

Over 50 per cent of Compassion's field partners are audited each year, based on an annual risk assessment. Every centre is audited within 30 months of their previous audit visit, regardless of risk rating. This way we can ensure, as far as is reasonably practical, that programs are meeting minimum standards of financial accountability and programmatic integrity. Field offices are audited every three to five years, on average, to identify wider trends in operations and administration. Observations and action items from both project and field offices are documented and brought to the attention of staff and management for consideration, decision making, action planning and subsequent follow up. Every second year Compassion International's external auditors, KPMG LLP, also conduct an audit of one of the 26 international field offices.

Ethical Standard

At Compassion we endeavour to conduct our ministry with the highest ethical standards, inspired by our dedication to the Holy Bible. Employees are expected to demonstrate integrity and ethical behaviour through transparent relationships with governments, churches, other not-for-profit associations, beneficiaries, and the general public. McCrindle's research in financial year 2014 showed that 98 per cent of Compassion supporters feel Compassion demonstrates overt Christian values.

Crisis Communication

Compassion currently has a well-established reputation amongst the public as a trusted voice in the development conversation, and we want to ensure this reputation continues. Compassion's Crisis Communication Plan equips us to proactively protect our positive reputation by immediately and thoughtfully addressing public concerns about Compassion's activities and prioritising timely and accurate communication to supporters in the event of a crisis.





Conflicts of Interest

No Board Member, officer or employee of the organisation shall benefit, either directly or indirectly, from any individual or group that conducts business with the organisation without full disclosure and approval of the CEO and the Board of Directors.

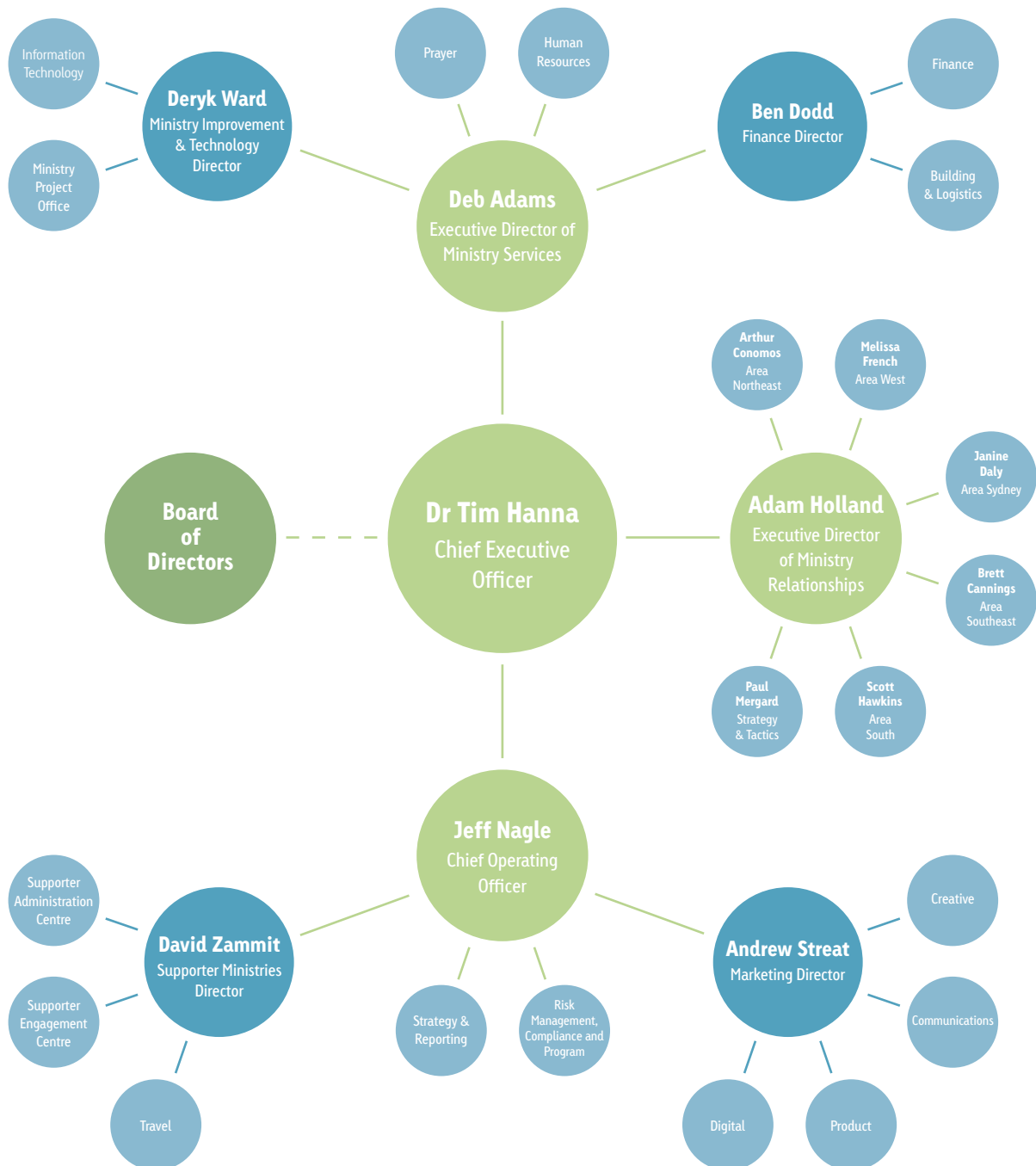
Leadership

The Executive Team at Compassion Australia operates to ensure that the strategy developed by the Board of Directors is implemented in our ministry. In addition to overseeing specific areas of Compassion's ministry, the Executive Team is responsible for the ongoing health and growth of Compassion Australia.

In February of financial year 2014, we farewellled our Chief Operating Officer. In financial year 2015, the position will be replaced by the newly created Executive Director of Supporter Engagement role.

	NAME AND POSITION	BIO
	Dr Tim Hanna Chief Executive Officer <i>Since 2010</i>	Tim was a senior pastor for more than 30 years and a former senior lecturer at the Australian College of Ministries. In 2008 he took the role of National Director of Church and Mission with Compassion Australia before becoming the CEO of Willow Creek Australia where he served for two years before returning to Compassion as CEO.
	Jeff Nagle Chief Operating Officer <i>2007 to 2014</i>	Jeff held a number of management and strategy roles at Sensis before joining Compassion in 2004 as Marketing and Communications Manager, a role he served in for three years before moving into the position of Chief Operating Officer. His responsibilities included overseeing Marketing, Supporter Ministries, Risk Management, Compliance and Program, and the Strategy and Reporting Office.
	Deb Adams Executive Director of Ministry Services <i>Since 2011</i>	Deb joined Compassion in 2006 as Human Resources Specialist after working in the same role at Hunter Water Corporation. She was made Human Resources Director in early 2007 and was promoted to Executive Director in 2011. In her current role, Deb oversees Human Resources, Information Technology, Ministry Projects, Building and Logistics, Finance, and Prayer. Following Jeff Nagle's departure in February 2014, Deb also oversaw Risk Management, and Compliance and Program.
	Adam Holland Executive Director of Ministry Relationships <i>Since 2012</i>	Adam's management experience has been in a local government context, having also worked in churches and higher education. Adam joined Compassion in 2012 as Executive Director of Ministry Relationships. In his role, he manages the Ministry Relationships section, which is comprised of six Area Teams and the Strategy and Tactics section.

Organisation Structure



Executive Team

Chief Executive Officer, Tim Hanna

Chief Operating Officer, Jeff Nagle

Executive Director of Ministry Relationships, Adam Holland

Executive Director of Ministry Services, Deb Adams

As our Chief Operating Officer stepped down in February 2014, his responsibility for Strategy and Reporting was absorbed by Tim Hanna while Risk Management, Compliance and Program was absorbed by Deb Adams.



Our Workplace

Workplace Health and Safety (WHS)

In order to achieve a safe and healthy work environment, Compassion endeavours to:

- Comply with all relevant WHS legislation
- Adopt risk management precautions to ensure all systems and work spaces are safe and without risks to health
- Provide information, instruction, training, supervision and equipment necessary to ensure health and safety at work
- Provide resources necessary to successfully develop and implement Compassion's WHS Management System
- Create opportunities for two-way discussion with staff and volunteers on WHS issues
- Ensure the rehabilitation of injured staff and volunteers is a priority

During the financial year there were three injuries requiring medical treatment.

Respectful Workplace

Compassion Australia employees enjoy a safe and respectful work environment and Compassion is committed to taking proactive steps to ensure this remains the case. Compassion Australia considers workplace harassment, bullying and discrimination to be unacceptable behaviours and out of keeping with Compassion's core values.

Compassion remains committed to ensuring practices and procedures that protect employees from discrimination, harassment and bullying are established, maintained, communicated and enforced. Failure to comply with these standards may result in investigation and disciplinary action up to and including termination of employment.

Attraction and Engagement

Compassion Australia is committed to filling all vacancies with integrity. Recruitment decisions are based on merit and in accordance with current employment legislation.

Most positions are advertised on a range of online platforms. Small teams of relevant employees assess applications and run several rounds of interviews to select the best candidate. The recruitment process incorporates practical, simulation scenarios alongside standard interviewing to thoroughly assess competence. In the case of senior management and specialist roles, Compassion sometimes utilises the skills of recruitment specialists to assist with sourcing suitable talent.

To ensure the protection of Compassion supporters and sponsored children, all paid and voluntary appointments are subject to the outcome of a criminal background check (in accordance with relevant state laws).

Training and Development

Compassion is committed to being a proactive learning organisation and seeks to develop the gifts and abilities of staff and volunteers. Since November 2009, paid employees have engaged in an ongoing, competency-based program aimed at equipping them with skills for learning in the workplace and conducting on-the-job training. Funds are set aside for the purpose of training and development. These funds represent two per cent of gross wages and salaries. A portion of this is allocated to sections for use on short courses and seminars, a portion to HR for organisational development and a portion for study assistance.

- New employees spend three to four days in induction, which introduces them to the story of Compassion and Compassion's core values, along with essential workplace and IT skills.
- All managers and staff involved in the recruitment process are trained in Attraction and Engagement processes.
- Managers, team leaders and staff were engaged in Managing Performance and Development training.
- Work Health and Safety (WHS) refresher training was conducted.
- Compassion's partnership with TAFE NSW continues with about 11 employees completing a Certificate IV in Business Administration.
- Eight employees received study assistance to subsidise study at TAFE or university.
- Ministry Relationships staff completed a tailored training workshop focussed on engagement, communication and relationship skills.
- Behavioural based tools have been introduced to further develop communication and relationship skills for Ministry Relationships staff.

Managing Performance and Development

Compassion's performance management system provides an effective and supportive framework for employees and their supervisors to set and track goals on performance, development and wellbeing. Ongoing training and support is provided to managers to ensure they remain equipped to successfully support and develop staff.

Remuneration

We are committed to ensuring fairness and integrity in setting salaries and compensating employees. In addition to remuneration for paid employees, Compassion will approve the reimbursement of reasonable out-of-pocket work-related expenses.

Culture and Employee Satisfaction

A monthly survey tracks progress against Compassion's desired culture and general employee satisfaction.

Highlights have included:

- More than 85 per cent of staff agree that Compassion has a strong valuing of people and relationships.
- 67 per cent of staff members agree that Compassion is a fun place to work and more than 80 per cent feel connected with Compassion's cause and future direction.

Some of the areas we intend to further improve upon include robust planning and evaluation, and vibrant and purposeful communication.

Organisational Development

Over the past financial year, Compassion has continued to strategically analyse and plan for the ministry's future. By 2020, we hope to see the number of children supported through the ministry almost double. That's a huge increase, but one that we believe can be achieved with God's blessing, and the help of our faithful supporters.

As part of preparing for such growth, Compassion is currently undergoing an organisational development process, part of which includes creating new roles in the areas where we anticipate the most significant additional resources will be needed. These new roles are intended to ensure strength and efficiency for Compassion Australia in the years to come, and to allow us to continue to effectively and efficiently serve our supporters and children worldwide with utmost integrity and transparency.

For more on organisational development, see page 58.

Paid Staff

Compassion seeks to analyse and remunerate roles in a fair way that balances good stewardship with the ability to attract and retain suitably qualified people to the ministry in order to enable excellent performance. In setting wages and salaries, Compassion considers Modern Awards and other regulatory requirements, as well as relevant current market data for organisations of our type and size.

The following chart shows Compassion Australia's staff demographics in July 2014 compared to those in July 2013.

STAFF DEMOGRAPHIC	JULY 2014	JULY 2013
Number of head office staff	115	128
Number of regional staff	34	19
Average age of staff	39	33.54
Percentage of women	56%	56%
Percentage of men	44%	44%
Average length of service	4.76 years	4.67 years
Staff turnover for prior financial year	19.6%	11.2%

Non-paid Staff

Over the financial year 2014, 33 dedicated and energetic volunteers contributed 3311 hours of their time to the work at our Newcastle office, representing \$68,774 value to the organisation (based on the hourly rate of comparable staff).

Volunteers assisted with the following tasks in various sections including Building and Logistics, Supporter Administration Centre, Church Partnerships and Human Resources:

- Fulfilling new sponsorship packs, updated student profiles, child letters, Prayer Partners letters and substitute sponsorship packs
- Fulfilling letters for child departures, project termination and project suspension
- Entering data for child letters, sponsor mail and student profiles
- Operating letter-folding machines
- Helping sort mail

The recruitment and selection process for volunteers involves completing a Volunteer Application Form, participating in an interview and undergoing a Criminal History Check or Working with Children Check.

Volunteers at Compassion Australia are also required to meet certain criteria, including:

- Be between 15 and 80 years of age for insurance purposes
- Agree with our Statement of Faith
- Have skills in line with our needs
- Commit to following written and verbal instructions accurately

Volunteers go through an induction session to ensure they have a good understanding of Compassion's ministry, and on-the-job training provides them with the information and skills to perform their tasks. They also take part in a three-monthly review of their role with their supervisor; this is an opportunity to discuss any issues and agree on a resolution. Further reviews are held periodically as needed.

Compassion will reimburse reasonable out-of-pocket expenses for volunteers on an individual basis. Additionally, to thank them for their

commitment, volunteers are awarded 'thank you' vouchers at the end of each calendar year, in addition to monthly 'volunteer of the month' awards and other regular informal recognition.

Compassion always welcomes volunteers with special needs and currently has a number of individuals with special needs volunteering on a regular basis. These volunteers love coming to the Compassion office and often state that being at Compassion helps their self-esteem and increases their confidence.

A Compassion volunteering star

Joshua 'Joey' Ward has been a faithful volunteer at Compassion for over eight years. He started volunteering with Compassion while his Mum was a staff member—and he fell in love with it.

"I like to come in here because it's a friendly environment," says Joey. "I love it. I love the parties and having fun. I think it's like a family, Compassion is like a second family to me."



Joey is one of Compassion's faithful volunteering stars.

Strategy, Performance and Financial Position



Ministry Goals

In 2009, Compassion International established a global 2020 Vision that was adopted by all Compassion partner countries. To help us achieve the global 2020 Vision, Compassion Australia divided our strategy into three distinct phases. Financial year 2014 marked Compassion Australia's second and final year of Phase 1: Building Capacity. In financial year 2015, Compassion Australia enters the first year of Phase 2: Transition to Growth.

2020 Vision: Global

Compassion International's 2020 Vision is about bearing good fruit and bearing much fruit for the glory of God. It is about developing the systems and processes needed for future growth, and developing Compassion's four programs to fully realise our mission.

The global 2020 Vision aims to:

- Produce definitive and measurable program results based on outcomes in the lives of babies and caregivers, children, students, sponsors, and our church partners
- Build Compassion's brand and reputation as the global standard in holistic child development, in child sponsorship and in the alleviation of childhood poverty
- Challenge Christians to heed the biblical mandate of reaching out to the poor, as sponsors and donors become authentic advocates for children living in poverty
- Challenge the Church to mobilise in unforeseen ways to respond to the issues of children living in poverty

To help lead us towards the 2020 Vision, Compassion identified five essential global moves, or large strategic decisions or investments:

- 1. Maximise the Ministries:** By 2016, we will redesign an integrated world-class ministry model that empowers Implementing Partners to most effectively deliver age-appropriate holistic child development programming, engages supporters more deeply, and continuously builds Compassion's brand.
- 2. Transform Core Processes with Technology (TCPT):** We will innovate our global core processes and apply effective technology while replacing ineffective systems to enable the 2020 Vision. For more on TCPT, see page 59.
- 3. Mobilise the Church:** We will leverage our expertise, reputation and tools to mobilise the Church to effectively respond to the needs of children living in poverty.
- 4. Strengthen Supporter Engagement:** We will transform our connections between: sponsors and beneficiaries; supporters and Compassion; supporters with one another; and supporters and potential supporters, in order to maximise engagement.
- 5. Seize Global Opportunities for Expansion:** We will seize opportunities for growth to increase global funding.

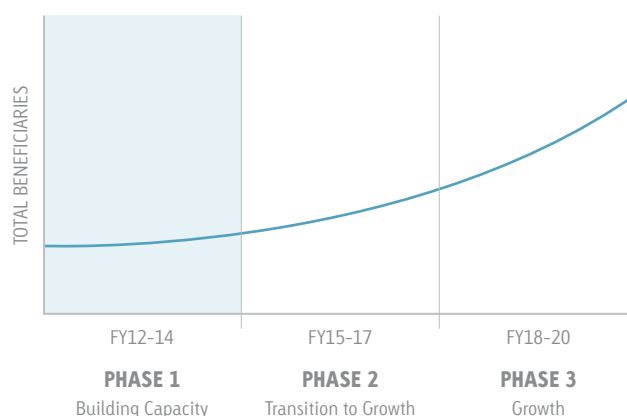
To accomplish these essential moves, Compassion will rely on the following foundations:

- **Depend on God:** We will depend on God in new ways and leave room for God to surprise us.
- **Live Compassion:** We will create a culture of shared priorities and focus. We will provide accessible and relevant ways so each person understands their connections with our mission, our core values, our vision and our essential moves for the future.
- **Day-to-day Work:** We will be fully engaged in our day-to-day work as we serve an increasing number of supporters and beneficiaries.

2020 Vision: Australia

As part of a global network, each partner country has its own strategy to help achieve the 2020 Vision.

Compassion Australia divided this strategy across three distinct phases, which was rolled out with a comprehensive internal communications plan to staff across all departments:

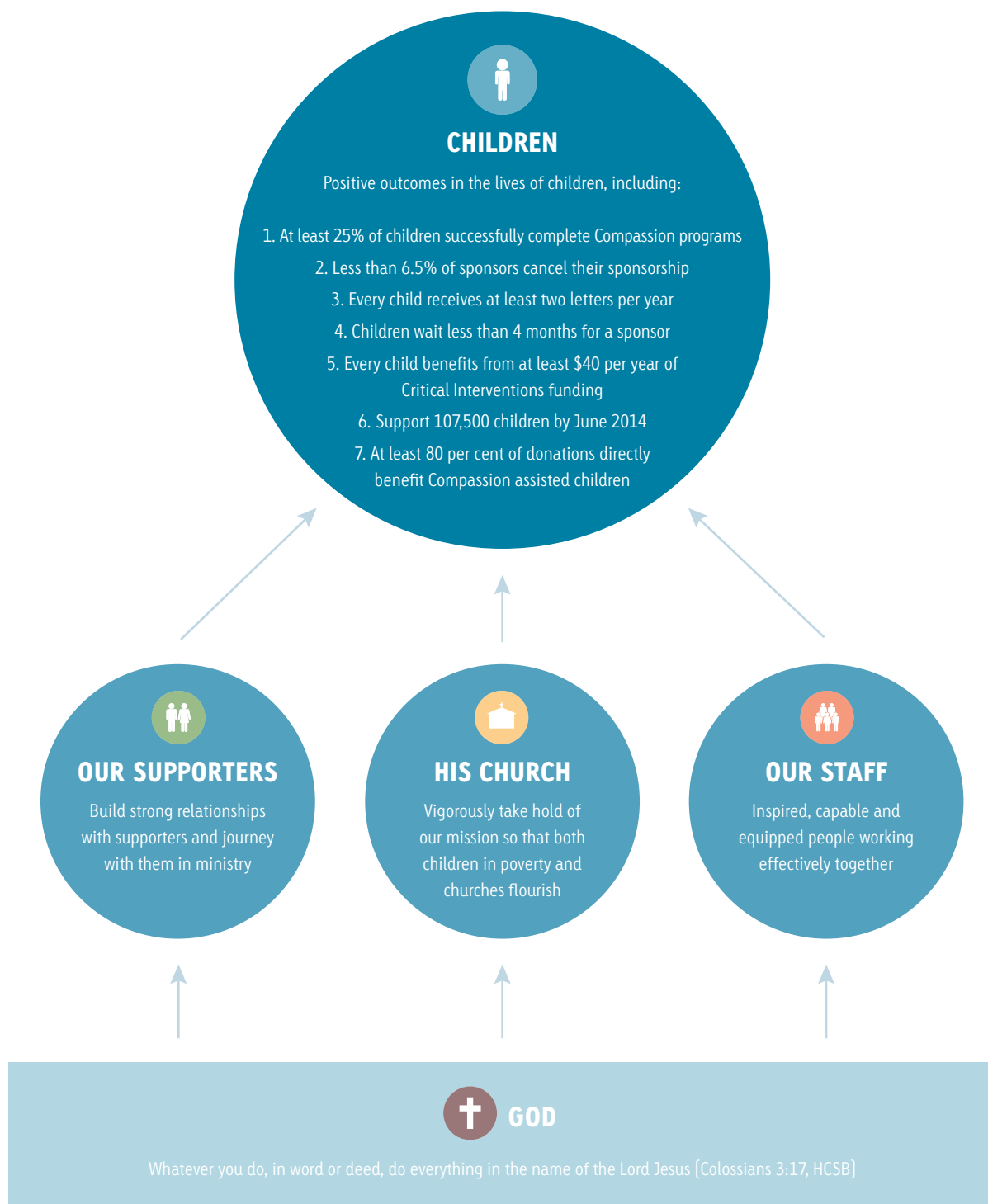


Phase 1: Building Capacity

In financial year 2014, Compassion Australia completed the second and final year of a capacity building phase that focussed on reviewing our processes, systems and organisational development. Based on Compassion International's global moves, Compassion Australia identified five strategic focus areas for the Building Capacity phase: God, our staff, His Church, our supporters and children, as shown in the strategy map below.

Strategy Map

Compassion's foundation is Christ. By equipping staff, we will impact both the Church and supporters. Focussing on these areas successfully, and achieving our objectives for each area, will see benefits in the lives of children. The following strategy map illustrates the relationship between Compassion's five focus areas. To see Compassion's scorecard, which measures our progress against strategy, see page 63.



Completion of Phase 1: Building Capacity

The aim of the Building Capacity phase was to improve our core systems and processes to enable us to sustain increased growth. The core projects delivered within financial year 2014 were initiated in response to:

- Improve supporter engagement
- Transform Core Processes with Technology readiness
- Improve risk and compliance
- Enhance frontline configurations, with scalability, to improve relationship building

Each priority project was successfully completed in financial year 2014. For more information about the individual core projects, see Compassion's Ministry Initiatives on page 53.

Moving into Phase 2: Transition to Growth

Financial year 2015 sees Compassion Australia move into Phase 2: Transition to Growth. Compassion Australia's management team attended a retreat to develop the strategy for this phase in alignment with our ministry's strategy and goals. During this time, the team reviewed and discussed Compassion's global 2020 Vision, taking into consideration the feedback from staff members, the CEO, and the Board of Directors. They discussed the strategy with the feedback from our recent supporter surveys in mind, as well as the Compassion supporter life cycle, a SWOT (strengths, weaknesses, opportunities, threats) analysis, and the desire to build upon the developments of Phase 1: Building Capacity.

The core emphasis of the Transition to Growth phase was communicated to staff using the terminology of 'big rocks', 'small rocks' and 'deliverables'. The big rocks are Compassion Australia's main priority during Phase 2, our overarching goals, and include:

- Acquiring and engaging new supporters
- Delighting and retaining existing supporters
- Revolutionising systems and processes
- Developing people and culture

Small rocks and deliverables break these goals down into smaller projects and tasks that together facilitate the core Phase 2: Transition to Growth goals.



How Our Ministry Initiatives Performed in 2014

As part of Phase 1: Building Capacity, Compassion Australia prioritised the development of systems and processes needed for future growth and to achieve our five focus areas: God, our staff, His Church, our supporters and children.

The following projects are divided into three sections. 'Ongoing ministry projects' have been identified as playing an important role in Compassion's standard operating functions and are ongoing or annual projects. 'Ministry initiatives' contribute to achieving each of the five specific strategic focus areas for Phase 1: Building Capacity. Finally, 'future initiatives' will introduce the initiatives that will outwork Phase 2: Transition to Growth.

The icons show the correlation between the ministry initiative outcomes and Compassion Australia's strategic focus areas.



Children



Our Supporters



His Church



Our Staff



God

Ongoing ministry projects

Compassion Magazine and e-newsletter



PURPOSE	GOALS	OUTCOMES
<p>To educate current supporters about Compassion's holistic child development programs, engaging them by showing how their contributions are directly benefitting the children in our programs.</p> <p>The Compassion Magazine is sent to supporters every six months; the e-newsletter is sent monthly.</p>	<p>To provide an opportunity for new or current supporters to respond to stories and information in these mediums by sponsoring a child.</p> <p>To engage supporters with Compassion's work and improve supporter retention.</p>	<p>Compassion Magazine and e-newsletter resulted in a combined total of 69 children sponsored in financial year 2014.</p> <p>In financial year 2014, the magazine helped launched our IT WORKS campaign, and also played an important role in educating supporters about our Indigenous Initiative, and the early childhood challenges that Indigenous children can face.</p>

Gifts of Compassion



PURPOSE	GOALS	OUTCOMES
<p>A charity gift card that offers supporters the chance to donate a present, such as a goat or a water filter, in honour of their family or friend's special occasion. Funds raised are used for Compassion's Critical Interventions worldwide.</p> <p>Gifts of Compassion is an annual ministry project.</p>	<p>To raise \$725,000 through Gifts of Compassion for Critical Interventions worldwide.</p>	<p>In financial year 2014, Gifts of Compassion raised \$661,305 for Critical Interventions, which was 8.8 per cent below our target.</p>

Compassion Sunday



PURPOSE	GOALS	OUTCOMES
<p>To draw the Church's attention to the needs of children living in poverty. People all over Australia are encouraged to stand up in their local church and speak out on behalf of children living in poverty by sharing a short presentation or dedicating the entire church service to the issue.</p> <p>Compassion Sunday is an annual ministry project.</p>	<p>Move the official date for Compassion Sunday from the month of May to August, in order to counter low numbers of new sponsorships that traditionally occur in August and September.</p>	<p>Over 120 churches have registered to participate in Compassion Sunday in August 2014.</p> <p>Due to the change of date, Compassion Sunday sponsorships could not be taken into account for financial year 2014. This may have affected our total sponsorship acquisitions. See page 72 for more information about our sponsorship program's performance.</p>

Christmas Appeal



PURPOSE	GOALS	OUTCOMES
To encourage sponsors to write a Christmas card to their sponsored child, and to donate \$30 or more towards providing every child in Compassion's Child Sponsorship Program with a Christmas gift.	<p>To raise \$2.1 million towards providing every Compassion assisted child, including those who are registered but not yet sponsored, with a personalised Christmas gift, such as books or shoes.</p> <p>To foster the letter-writing relationship between sponsors and their sponsored children.</p>	<p>From July 2013 to June 2014, the Christmas Appeal raised \$2,199,000, exceeding our target.</p> <p>In financial year 2014, 60 per cent of our supporters donated to provide every child with a Christmas gift.</p> <p>Compassion received 51,126 Christmas cards from supporters to send to their sponsored children.</p>

End of Financial Year Compassion Appeal



PURPOSE	GOALS	OUTCOMES
To encourage supporters to donate to Compassion's Critical Interventions and, specifically, to 'Buildings for Kids'—providing children with access to safe infrastructure like classrooms, halls and houses.	To raise \$950,000 towards Critical Interventions worldwide, including infrastructure-related needs for children in Compassion's programs.	Between 30 June 2013 and 30 June 2014, the Compassion Appeal raised \$1,113,849, exceeding our target by more than 17 per cent.

Child Advocate Network



PURPOSE	GOALS	OUTCOMES
To equip and empower individuals and groups who believe in Compassion's ministry to take action and speak up for children living in poverty through advocating for sponsorship, fundraising, volunteering, event presentations and more.	To equip and encourage Advocates to take action to see more children sponsored through Compassion.	<p>From July 2013 to June 2014, the number of Compassion Advocates grew from 2609 to 2757 people, an increase of 5.7 per cent.</p> <p>As a result of Advocates' actions, 970 children were sponsored.</p>

Prayer Partners Network



PURPOSE	GOALS	OUTCOMES
To encourage supporters and staff to regularly pray for Compassion's ministry.	<p>To increase awareness within our supporter base of Compassion Prayer Partners.</p> <p>Enable supporters to join the Prayer Partners via sign-up on our website.</p> <p>To produce a video to thank and inspire supporters for partnering with us in prayer.</p>	<p>A short promotional video was produced and shared on social media.</p> <p>During financial year 2014, the Prayer Partners had 863 supporters.</p> <p>Prayer points are included after each story in the Compassion magazine.</p>

Phase 1: Building Capacity Ministry Initiatives

Child Sponsorship Program Rate Rise



PURPOSE	GOALS	OUTCOMES
Increase the rate of child sponsorship from \$44 per month to \$48 per month in order to meet rising costs both in Australia and the countries in which Compassion works.	<p>To roll out the new rate by no later than October 2013 for new supporters, and January 2014 for existing sponsors.</p> <p>Help Compassion Australia maintain the 80/20 financial split (for more information about Compassion's allocation of donations, see page 5).</p> <p>Educate and encourage our supporters around the cost of Compassion's child sponsorship ministry.</p>	<p>From 1 January 2014, the new rate for sponsorship is \$48 per month.</p> <p>Supporters overwhelmingly accepted the rate rise, with almost 98 per cent of supporters opting in for the new support rate.</p> <p>Over 74,800 supporters now contribute an extra \$4 per sponsored child each month to Compassion's ministry, helping to meet rising costs.</p>

Child Sponsorship Form (CSF) Upgrade



PURPOSE	GOALS	OUTCOMES
<p>Enhance the supporter experience by allowing Compassion Australia to adjust processes of printing digital assets that use child data.</p> <p>To ensure there is a consistent design across Child Sponsorship Forms, Updated Student Profiles and Welcome Pack photos. As sponsors receive an Updated Student Profile of their sponsored child every two years, Compassion Australia creates and prints up to 50,000 updated child profiles each year.</p>	<p>Conduct research to enhance the efficiency of the process for using child images for an improved supporter experience.</p> <p>Evaluate the most efficient process for producing child photos for Welcome Packs, Updated Student Profiles and Child Sponsorship Forms.</p>	<p>A variable data printing tool was developed to enable custom Child Sponsorship Forms printing for use at events, and will be incorporated into Compassion Australia's standard processes in financial year 2015.</p> <p>Research indicated that external printing would not be the most efficient method for printing Updated Student Profiles. An internal process for printing and packing the profiles is scheduled for development in financial year 2015.</p> <p>A software package enabling the custom creation of Welcome Packs will also be developed in 2015.</p>

Church Product Redevelopment



PURPOSE	GOALS	OUTCOMES
Redevelop our Church Engagement model in order to partner with churches in a way that is sustainable, long-term and mutually beneficial. For more on Church Engagement, see page 24.	<p>Review and evaluate how we engage with the Australian Church.</p> <p>Produce a sustainable model that meets the needs of Australian churches while working alongside our local church partners in the field to support Compassion's programs.</p>	<p>Delivered a model that engages with the Australian Church through a number of offerings which can be tailored to the individual church.</p> <p>A new suite of promotional and educational resources, including servicing guidelines, videos, posters, booklets, seat drops, and church product proposals.</p> <p>Establishment of a designated allocations and inventory team, with new processes for different Church offerings.</p>

Digital Experience



PURPOSE	GOALS	OUTCOMES
<p>To develop a digital strategy and foundational technology in order to:</p> <ul style="list-style-type: none"> • Grow sponsorships and donations online • Optimise the supporter experience across digital channels • Create meaningful, everyday connections with supporters about Compassion's ministry 	<p>Develop and execute a digital strategy that encompasses all channels, including Compassion Australia's website, social media, emails, and online advertising.</p> <p>Build internal capacity by expanding our Digital Team and redeveloping foundational technology to meet the ministry's future needs.</p> <p>Increase online donations by enhancing the user experience of our website.</p>	<p>Compassion Australia's website was redeveloped, including a new look and user experience for 'My Account' (each supporter's personal account), and online letter writing to sponsored children. The website is due to launch in financial year 2015.</p> <p>The integrated digital strategy saw growth across all channels, including a 44 per cent increase of support for Compassion Australia's Facebook page—from 14,948 likes to 21,654.</p> <p>There has been a significant increase in giving online to the Compassion Appeal. In financial year 2012 there were 1356 transactions. This increased significantly to 2169 in 2013—an increase of almost 60 per cent. Online giving in financial year 2014 remained on par with 2013's performance, with 2165 transactions.</p>

Departures Process



PURPOSE	GOALS	OUTCOMES
<p>Children depart from the Compassion Child Sponsorship Program for a range of reasons, from graduation to families moving away from the area for work.</p> <p>This project will improve communication between Compassion and supporters, and supporters and sponsored children, when sponsored children leave the Child Sponsorship Program.</p>	<p>Using supporter feedback from a July 2013 supporter survey, create a process that will enhance the supporter experience and reduce cancellation rates.</p> <p>To automate the current manual departure process to provide supporters with timely, quality information about their sponsored child's departure from the program.</p> <p>Develop technology to automate manual processes and provide a solution that is scalable to the 2020 Vision and provides labour cost savings.</p>	<p>The reduced wait time between notification of a child's departure and Compassion Australia notifying the child's sponsor has created an improved experience for the supporter.</p> <p>The number of letters required to cover the different departure reasons and child profiles was reduced from 1128 to less than 300. Using new technology, customisable letter templates were created that allow us to select from a series of text paragraphs to build personalised, warm and informative letters.</p> <p>Departure letters are more easily available for enquiry and reprinting.</p> <p>The reduced number of systems and manual processes involved in child departures means there is a decreased risk of human error, facilitating an improved experience for supporters.</p> <p>The streamlined process means a reduced workload for processing departures. Staff members now have increased capacity which can be used for other activities, including faster processing of new sponsorships. Preliminary reports from staff members state that the process, which used to take two days per week, has been reduced to one hour per week.</p> <p>An improved substitute child process was developed after supporters indicated they wanted to sponsor another child immediately or within weeks of being notified that their child had departed Compassion's program.</p>

Compassion Field Experience



PURPOSE	GOALS	OUTCOMES
<p>To implement a robust, efficient and risk mitigating process for trip planning and execution, in light of increasing numbers of supporters travelling to the field with Compassion. Currently, Compassion organises 290 trips per year for individuals, churches, donors, advocates and staff.</p> <p>To improve business processes and software systems used to organise travel to the field.</p>	<p>Develop an effective Field Experience model and resource materials that will facilitate Compassion in educating, encouraging and enabling supporters to participate in our mission of holistic child development.</p> <p>Improve and automate existing processes and technologies.</p> <p>Reduce costs for Compassion by \$400,000 per year. Currently, staff members spend between 50 and 100 hours organising each trip. For group trips in particular, the total estimated cost to Compassion is between \$8,000 and \$12,000 per trip.</p>	<p>A system was developed allowing staff members to systematically track a Field Experience from inception to completion, including linking the Field Experience to our Customer Relationship Management (CRM) system. The software automatically sends a post-trip feedback survey to all travellers, the results of which are also recorded in the CRM system.</p> <p>The consistency and ease of use of the new system and processes has significantly reduced the workload for staff members. In turn, this will reduce the cost of organising trips for Compassion Australia.</p> <p>New financial technology, functionality and processes allow Compassion to provide accurate estimates and quotes for Field Experiences, and report on the financial outcomes of each Field Experience.</p> <p>Risk mitigation and legal compliance have been improved through the creation of travel policies for all travellers, terms and conditions for non-employee travellers, and an incident assessment and management process used by trip leaders during the Field Experience.</p> <p>New training material allows Compassion to provide consistent, practical training to all travellers and trip leaders.</p>

Organisational Development Project



PURPOSE	GOALS	OUTCOMES
<p>Align Compassion's human resources, processes and structures with the needs of our stakeholders in order to achieve our overarching 2020 Vision, particularly our strategy of advancing our mission within the Church.</p>	<p>Build effective and efficient processes for interacting internally and externally with stakeholders.</p> <p>Strategically develop new positions, revise existing roles and provide ongoing training for new and current staff in order to ensure the right people are in the right roles to help build Compassion's capacity.</p> <p>Redesign the structure of our frontline teams in order to better relate to our stakeholders' various demographics and become more responsive to our supporters' needs.</p>	<p>Streamlined internal processes to better utilise our Customer Relationship Management system and better support relationship management practices and outcomes.</p> <p>Improved budgeting processes for income and expenditure.</p> <p>Established communities of practice to intentionally continue developing a learning culture, share knowledge and establish best practice protocols.</p> <p>Adopted a new suite of reports for frontline teams that will improve our understanding of success and measure our performance, including Area Activity and Outcome reports, Operational Plans and Geo-mapping.</p> <p>Established, recruited and resourced six Area teams, each with a geographical jurisdiction and responsibility for building and managing local relationships.</p>

Workforce Planning



PURPOSE	GOALS	OUTCOMES
To develop a workforce plan that helps Compassion Australia ensure it has the staff required to achieve its future plans.	Ensure Compassion Australia's workforce is aligned with its strategic direction. Enable and support an engaged, agile and high performing workforce.	The workforce characteristics required to achieve Compassion Australia's strategic direction have been identified and documented. An action plan has been developed, outlining strategies to ensure the desired workforce characteristics are achieved and sustained.

Transform Core Processes with Technology (TCPT)

The TCPT project involves global collaboration and coordination. It is expected to take three years to complete, with phased deployments during that time. The projects below were part of TCPT's Initiation Phase. In July 2014, Compassion Australia commenced Project Planning activities around TCPT.

Supporter Lifecycle



PURPOSE	GOALS	OUTCOMES
Design our supporter experience to feed into a technology solution. To redesign Compassion Australia's core processes using the power of technology to enable greater efficiency and improve the supporter experience.	Improve supporter experience, engagement and acquisition. Revolutionise the correspondence process in order to reduce wait time between children and sponsors. Better understand the ideal supporter experience.	The Executive Team worked with a consultant to manage the project deliverables. The project was delayed, with the outsourced work expected to finish in financial year 2015.

Review Product Offering

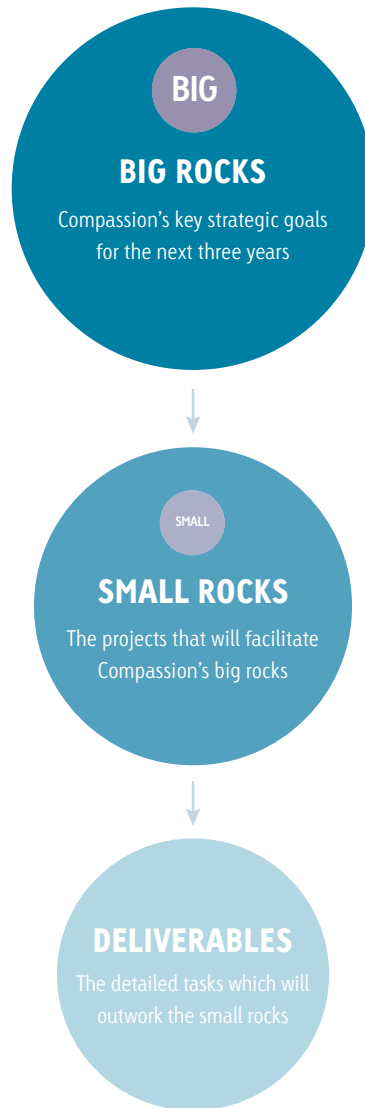


PURPOSE	GOALS	OUTCOMES
Review our product offerings with the view to redesign an integrated world-class ministry model that empowers our field partners to effectively deliver age-appropriate holistic child development programming, deeply engages supporters, and continuously builds Compassion's brand.	Conduct external research and testing on potential new and redeveloped products. Complete internal analysis on upcoming programmatic changes to the Leadership Development Program and the Child Survival Program.	The product offering review recommendations have been provided to the Executive Team. Further work implementing the recommendations will form part of future TCPT projects in financial year 2015.



Phase 2: Transition to Growth Future Initiatives

Looking forward, Compassion will focus on the following strategic projects to fulfil the Phase 2: Transition to Growth strategy over the next three years.



BIG

Acquire and engage new supporters

In financial year 2015, Compassion Australia will focus on identifying and reaching out to supporter groups who have not yet partnered with Compassion. The following small rocks aim to outwork this goal.

<small>SMALL</small>	Youth Product Development	Aimed at Christian teenagers, the project will provide an opportunity for young people to support Compassion's work in an engaging and affordable way.
<small>SMALL</small>	Development of denominational opportunities	Compassion Australia works primarily through local churches. This project will identify and develop new opportunities for growth in the church sector, including engaging with new church denominations.
<small>SMALL</small>	Enhance digital presence	We will enhance our digital presence, including social media channels and our website, to better engage with supporters and improve their experience as sponsors.

BIG

Delight and retain existing supporters

By deepening engagement with current supporters and cementing our relationship servicing people and processes, we will consolidate our current supporter base.

SMALL	Cementing relationship servicing	Servicing guidelines and processes will be built into the Customer Relationship Management system for an improved supporter experience.
SMALL	Deepen engagement to secure retention	This project involves redeveloping aspects of our sponsorship collateral, as well as new techniques and training for our Supporter Engagement staff members.

BIG

Revolutionise systems and processes

By embracing new technologies and refining our processes through the Global Transform Core Processes with Technology initiative [TCPT], we will ensure our processes are fit for purpose and that we are stewarding our resources well.

SMALL	TCPT	The project aims to revolutionise our core processes using technology.
SMALL	Processes fit for purpose	Review and refine Compassion Australia's standard functional operations, including internal departmental servicing requests, compliance management processes, internal communication framework, and working arrangements.
SMALL	Resource stewardship	Further improve upon our financial stewardship by engaging our Finance and Human Resource departments to facilitate cost-saving projects and ensure existing practices are providing adequate return on investment.

BIG

Develop people and culture

By creating a learning and reflective culture, and transforming the hearts of our supporters, staff and volunteers, we will see a ministry-wide impact.

SMALL	Learning and reflective culture	Promote a culture of learning within our organisation, including through communities of practice, and formal training opportunities.
SMALL	Transforming hearts	Promote a deeper connection with Compassion's ministry, particularly God's heart for children living in poverty, through our organisation's prayer culture, staff Field Experience trips, and strengthening the outworking of Compassion's core values and cultural behaviours.
SMALL	Ministry impact	Enable Compassion's ministry to have greater impact by increasing the number and engagement of Prayer Partners, and expanding our Indigenous Initiative.

Compassion's Scorecard

Compassion Australia's customised scorecard measures our progress against our strategic goals for four of our five focus areas: children, supporters, staff and church. The quantitative metrics are based on different service level agreements and statistical measures from our reporting systems, while the qualitative metrics are based on survey feedback to assist with ongoing supporter and staff development. Compassion has chosen not to develop metrics for our fifth focus area, God.



Children:

Positive outcomes in the lives of children

Correlating global move/s: maximise ministries



MEASURE	ACTUAL (JUNE 2014)	TARGET (JUNE 2014)
Percentage of children sponsored by Australians who successfully complete the Child Sponsorship Program	28.43%	25%
Percentage of sponsor cancellations	6.84%	6.50%
Percentage of children receiving at least two sponsor letters per year	41.13%	55-60%
Average time a child waits to receive a sponsor	3.3 months	less than 4 months
Amount of Critical Interventions funding sent from Australia per Australian supported child each year	\$58.97	\$40
Number of children sponsored by Australians	100,996	103,941
At least 80 per cent of donations directly benefit Compassion assisted children	79.93%	80%

Our Supporters:

Build strong relationships with supporters and journey with them in ministry

Correlating global move/s: strengthen sponsor engagement; transform core processes with technology



MEASURE	ACTUAL (JUNE 2014)	TARGET (JUNE 2014)
Percentage of current supporters with a tenure of three years or more	71.41%	55-60%
Percentage of supporters writing to their sponsored children in the last 12 months	67.01%	75-80%
Percentage of supporters who would recommend Compassion to their friends or family members	69.23%	45-50%
Percentage of supporters who believe Compassion demonstrates good stewardship with their donations	93.59%	95-100%
Percentage of supporters who believe Compassion demonstrates Christian values	94.87%	95-100%
Percentage of supporters who feel valued by Compassion	75.64%	75-80%

His Church:

Vigorously take hold of our mission so that both children in poverty and churches flourish

Correlating global move/s: mobilise the Church; transform core processes with technology



MEASURE	ACTUAL (JUNE 2014)	TARGET (JUNE 2014)
Number of active functional church relationships	799	700

Our Staff:

Inspired, capable and equipped people working effectively together

Correlating global move/s: live Compassion; transform core processes with technology



MEASURE	ACTUAL (JUNE 2014)	TARGET (JUNE 2014)
Percentage of staff who would recommend Compassion as a workplace to family and friends	83%	35-40%
Percentage of staff who believe working for Compassion gives them the chance to live out their Christian faith	79%	80-85%
Percentage of staff who believe they experience healthy working relationships	88%	80-85%
Percentage of staff who believe Compassion is a fun place to work	67%	80-85%
Percentage of staff who believe they can achieve their workload within the hours they are compensated to work	63%	80-85%

From the Finance Director

Compassion Australia's financial position remained strong throughout financial year 2014. Despite low growth in the charitable sector and the challenging economic environment, Compassion experienced moderate growth.

Financial year 2014 saw our total income rise to \$72 million, representing an income growth of 5.69 per cent. Primarily, this growth came from our Child Sponsorship Program rate increase. This was our first rate increase in over five years, reflecting the increasing costs of program delivery. Income growth also came through an appeal for Typhoon Haiyan in the Philippines in November 2013. The appeal raised more than \$679,000 to support those most affected by Typhoon Haiyan.

Domestic and global economies continued to provide challenging environments for the charitable sector throughout the year. While asset markets have recovered from the Global Financial Crisis and the overall wealth of Australians is building, economic data indicates that the average Australian household's priority throughout financial year 2014 continued to be debt reduction and saving, ahead of charitable giving. Consequently, the charitable sector was left to expect low to moderate growth at best.

In light of these economic realities, Compassion's core programs still experienced growth throughout financial year 2014. The number of children, caregivers and students supported by Australian sponsors grew to 103,751, representing a 1.43 per cent increase compared to the previous year.

A focus on financial stewardship saw expenditure on administration and fundraising activities decrease from an anticipated 21 per cent of total expenditure to an actual of 20.07 per cent. 78.36 per cent of funds were used for program activities benefitting the children we minister to, while advocacy initiatives accounted for the remaining 1.57 per cent.

In our financial management, work continued on Compassion's multi-year initiative to restructure reserve funds. The aim of this initiative is to ensure the right fund structures are in place to support Compassion's mission and the funding of operational initiatives, while ensuring ongoing financial stability. Compassion's 2014 end of financial year position, including the planned Operating Fund surplus of \$722,000 and overall net surplus of \$1.76 million, has seen this fund reserve initiative progress as planned [refer to the Fund Movement table on page 81].

Looking ahead, our journey towards 2020 looks strong. Investing our resources into the strategic phase of Building Capacity has positioned Compassion well for this next Transition to Growth phase. The Building Capacity phase ended well with the month of June seeing the highest ever monthly income for Compassion. Our Transition to Growth phase plans (as outlined on page 52) coupled with the faithfulness of supporters and commitment of staff, advocates and volunteers, provide a solid platform for growth despite the challenging economic environment.

Overall, Compassion remains in a strong financial position, with a projected future of steady, positive growth.



Ben Dodd
Finance Director

Board Declaration

The Board of Directors of Compassion Australia declares that:

[a] The financial statements and notes as set out on page 67 to 81 are in accordance with the Corporations Act 2001 and:

i. Comply with Australian Accounting Standards, and

ii. Give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company.

[b] In the directors' opinion, there are reasonable grounds to believe that the organisation 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 directors.



John Bond
Chairman of the Board



Mike Jeffs
Vice Chairman of the Board



Source of Funds

Compassion does not receive any government funding; instead, we rely on the generosity of our supporters—Australian churches, businesses and individuals—as well as strategic investments and asset management, to see Compassion continue to grow and to see more children released from poverty in Jesus’ name.

Fundraising

All of Compassion Australia’s fundraising is done in accordance with the relevant government regulations in the state in which it is performed. Compassion Australia conducts fundraising through two main channels: internal initiatives, such as direct mail appeals, and through the efforts of external supporters. For supporters who would like to fundraise on our behalf, we have teamed up with the online fundraisers Everyday Hero and Go Fundraise to make the process as efficient as possible for everyone involved. We accept funds raised outside Everyday Hero and Go Fundraise as well. This year, more than 290 individuals chose to fundraise for Compassion in a variety of ways. Of the people who fundraised, 79 per cent did so online and 53 per cent fundraised for a specific Compassion program or initiative. In total, fundraisers generated more than \$174,600 in net revenue for Compassion; the average gross amount raised per person was \$593.90.

Internally, Compassion Australia ensures all collateral soliciting funds is carefully worded and prepared so that both the donor and the finance department clearly understand the designation of funds. All funds will be utilised for the purposes for which they were raised or donated, and we do not make an appeal for contributions from our supporter base until a program has been designed and approved.

Tax Deductibility

All income receipted into the Compassion Overseas Aid and Development Fund is tax deductible to the donor, including donations to the Child Sponsorship Program, Child Survival Program, Christmas Fund, gifts, Disaster Relief Fund, Critical Interventions and Sponsorship PLUS. All donations receipted into the Compassion Eternity Fund (Bible Fund and Leadership Development Program) are not tax deductible.

To be able to offer tax deductibility on donations to the Leadership Development Program, Compassion’s overseas aid and development activities must comply with the guidelines set out by both the Australian Taxation Office and the Department of Foreign Affairs and Trade (DFAT). According to the guidelines, the acceptance of specific religious beliefs or membership of a particular religious group must not be a condition for communities or individuals participating in relief and development programs. Children registered in our Child Survival Program and Child Sponsorship Program represent a wide variety of religious beliefs. A child’s religious background does not prevent him or her from being accepted into our programs.

However, the Leadership Development Program is specifically designed to develop Christian leaders through intensive Christian leadership training, as well as one-on-one Christian mentoring. This means students must be Christians to be eligible, and therefore the program falls outside of the tax-deductibility guidelines.

Cash Management

Compassion Australia invests cash reserves in low-risk, interest-bearing accounts, such as at-call accounts and short maturing term deposits. During financial year 2014, Compassion Australia earned \$312,229 in interest on cash reserves, which was reinvested back into the ministry. All funds are dispersed directly to the Compassion International offices in each of the appropriate field countries. This process is overseen by Compassion’s global headquarters located in the United States.

Compassion Australia partially managed the volatility in global currency markets with financial instruments that provide certainty against adverse movements in exchange rates. The continued high value of the Australian dollar at the start of the year has meant Compassion Australia’s income is worth more to the field countries.

Capital Assets

Compassion uses the straight-line method of depreciation for capital purchases. All capital purchases are pre-approved by the CEO. As a general rule, the following table sets out the standard depreciation periods used:

CATEGORY	PERIOD
Computer equipment	3 years
Fundraising equipment	3.3 years
Motor vehicles	4.44 years
Office equipment	10 years
Buildings	50 years

Government Funding

Compassion Australia does not currently receive government funding. During financial year 2014, the Australian agency for aid and development (AusAid) became a part of the Department of Foreign Affairs and Trade. While Compassion doesn't currently receive funding from the government through AusAid, Compassion is keeping a close eye on these developments to ascertain how these changes will affect our current and future dealings with the Department of Foreign Affairs and Trade.

Investments

Compassion Australia employs a conservative investment approach aimed at protecting and building on our reserves, while allowing for the flexibility to send money to the field when needed. All investment decisions and guidelines are approved by the Ministry Services Committee of the Board of Directors.

All reasonable efforts are made to ensure investment decisions are made with care, skill, prudence, diligence and analysis. All investment decisions are made within the boundaries of what a reasonable investor would undertake. They are reflective of Compassion's investment goals, guidelines and approved investment vehicles.

The goal of Compassion's investments is to preserve existing capital and to make moderate investment returns. The permitted investment vehicles are interest-bearing deposits and other investments as determined by the Board of Directors.

Our current investments include:

- Cash reserves invested in a range of interest-bearing deposit accounts.
- Commercial property holdings for future expansion, which are leased and provide an income stream until future plans for the holdings are realised.

Performance of investments

Interest-bearing cash accounts

- Investment accounts are subject to floating interest rates. The weighted average interest rate was 3.07 per cent (2013: 4.1 per cent).
- Interest earned from interest-bearing cash accounts totalled \$312,229.

Commercial property holdings

- Compassion Australia currently has two investment properties. One property has been leased and during the year has earned Compassion Australia \$148,974 of rental income. We have been preparing a second property for future use.

Valuation of investments

- Interest-bearing cash accounts are taken at face value of the investment, plus any interest earned but not received, as at 30 June.
- Commercial property holdings are valued at cost.



Sponsorships and Beneficiaries

This year, coupled with the previous three years, has continued to be a challenging economic environment for new sponsorship acquisitions (see the Finance Director's letter). Our number of new beneficiaries has experienced a slow decline in the past four years (2011: 10,420; 2012: 9866; 2013: 9622; 2014: 8990). We have, however, maintained our improved rate of sponsor retention, as shown by our improved sponsorship cancellation rate—from 8.05 per cent in April 2011 to 6.84 per cent in June 2014. Our cancellation rate was successfully kept between 6.55 per cent and 7.11 per cent for the past 24 months. Without this improvement, our overall sponsorship growth during the past three financial years would have been much lower than was actually realised.

Financial year 2014 saw the conclusion of Phase 1: Building Capacity, which forms part of our 2020 Vision [see page 50]. During Phase 1, we saw the roll-out of a process of organisational development [see page 58]. As part of this process, Compassion took a thorough look at all of our partnership and sponsorship activities, from the Child Advocate Network to churches to major donors. Towards the end of financial year 2013, this process saw a significant change in staff allocation to improve effectiveness and efficiency. With this came an expectation of increased sponsorships. We are starting to see promising results from this change [see Compassion's Scorecard on page 64].

Additionally, we have continued to add to our investment in focussing on sponsor retention and education programs following the sustained returns we have observed in recent times. These returns are not only in retaining existing sponsors to fund our programs, but the even greater benefits of more engaged sponsors and consistency of relationship for the children and families we serve in the developing world.

Compassion's holistic child development model is a long-term approach implemented through four programs that starts even before a child is born and continues through school age and beyond. (Find out more about how we work on page 10). The term beneficiaries refers to children registered in the

Child Sponsorship Program, as well as mothers and babies in the Child Survival Program and students in the Leadership Development Program.

During the year, the number of mothers and children supported by Australians decreased slightly from 2757 to 2578. It should be noted, however, that Compassion Australia funds Child Survival Program centres as a whole, rather than sponsoring individual mothers and their babies. As a result, this figure reflects the total number of mothers and children enrolled in each of the centres Compassion Australia supports. The number of students in our Leadership Development Program decreased from 180 to 177, due to a large number of students graduating from the program. Our core program, Child Sponsorship Program, increased to a total of 100,996, surpassing 100,000 children in March 2014. By the conclusion of financial year 2015 we anticipate there to be more than 1.5 million children sponsored with Compassion's Child Sponsorship Program worldwide.

Our total beneficiaries for financial year 2014 grew from 102,289 to 103,751, representing a 1.43 per cent increase. As we look forward to financial year 2015, we are forecasting an increase from 103,751 to around 108,900 beneficiaries across our three programs, representing a significant growth of 4.96 per cent.

SPONSORSHIPS AND BENEFICIARIES	2014	2013	2012	2011	2010
SPONSORSHIPS					
Australian-supported Child Sponsorships	100,996	99,352	96,405	93,099	90,769
Worldwide Child Sponsorships	1,428,955	1,350,590	1,244,910	1,150,500	1,080,919
BENEFICIARIES					
New Beneficiaries	8,990	9,622	9,866	10,420	11,751
Cancelled Beneficiaries	7,528	6,500	6,331	7,239	6,298
Net Growth	1462	3,122	3,535	3,181	5,453
Net Growth %	1.43%	3.15%	3.70%	3.44%	6.27%
Total Beneficiaries	103,751	102,289	99,167	95,632	92,451
BENEFICIARY BREAKDOWN					
Child Sponsorship Program	100,996	99,352	96,405	93,099	90,769
Child Survival Program*	2,578	2,757	2,610	2,423	1,589
Leadership Development Program**	177	180	152	110	93
Total Beneficiaries	103,751	102,289	99,167	95,632	92,451
OTHER COMMITMENTS					
Critical Interventions***	27,332	27,893	27,833	27,461	27,425

The term beneficiaries refers to children registered in the Child Sponsorship Program as well as mothers and babies in the Child Survival Program and students in the Leadership Development Program.

* Approximate number of mothers and babies supported (mother and child together count as one)

** Number of Leadership Development Program students sponsored

*** Number of supporters with monthly commitments to this fund, including Sponsorship PLUS commitments

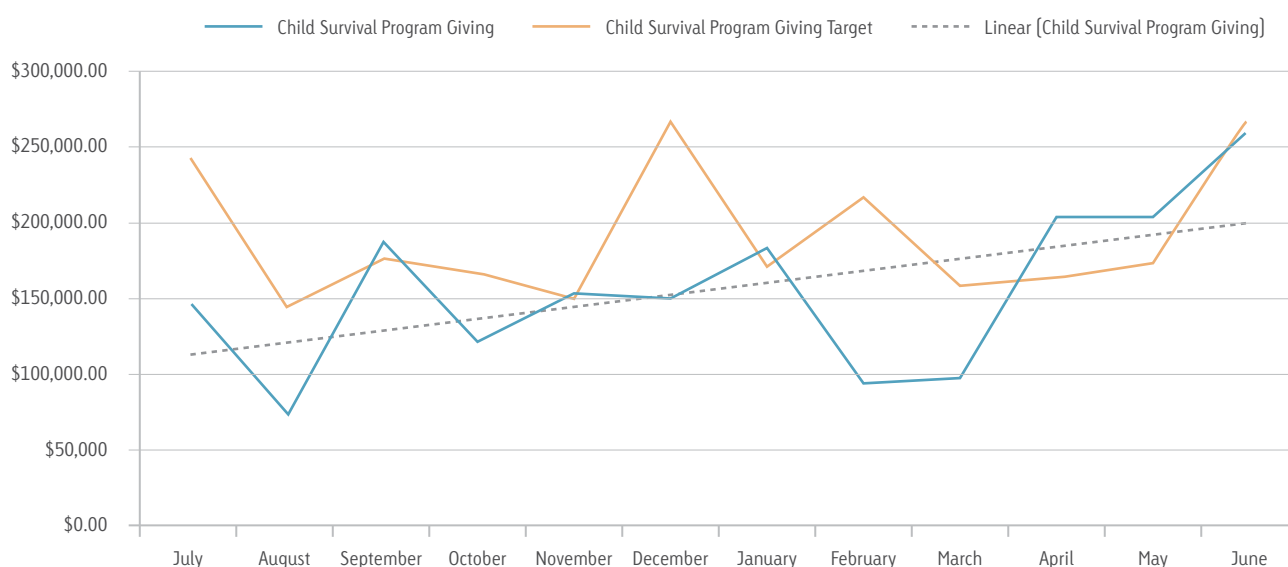
Program Performance

In financial year 2014, Compassion focussed on marketing and promoting our flagship Child Sponsorship Program. As a result, support for the Child Survival Program declined slightly while contributions to the Leadership Development Program remained steady. Our Disaster Relief Fund—which helps facilitate Critical Interventions—increased significantly after the devastating Philippines Typhoon in November 2013.

Child Survival Program Performance

- Compared to gross income of \$2,200,000 for the Child Survival Program in financial year 2013, financial year 2014 brought in \$1,870,000. This was a 14.9 per cent decrease on last financial year.
- The reported decrease can be mainly attributed to a strategic decision to focus on child sponsorship acquisitions throughout financial year 2014.

Total giving for the Child Survival Program:



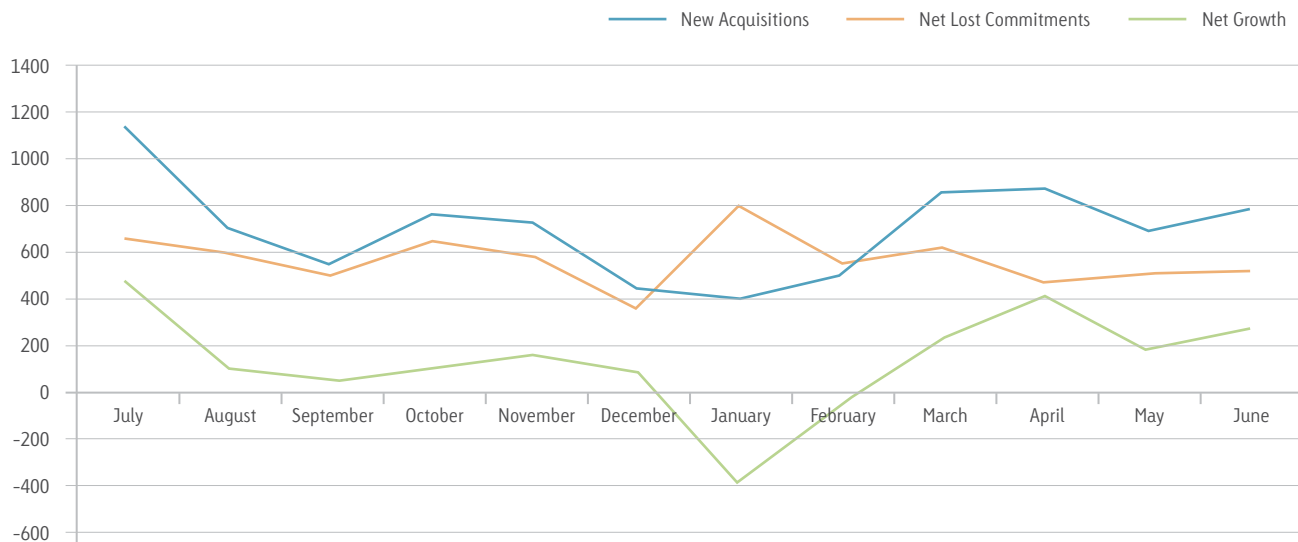
Total giving includes regular commitments, non-recurring payments and giving by church partnerships

Child Sponsorship Program Performance

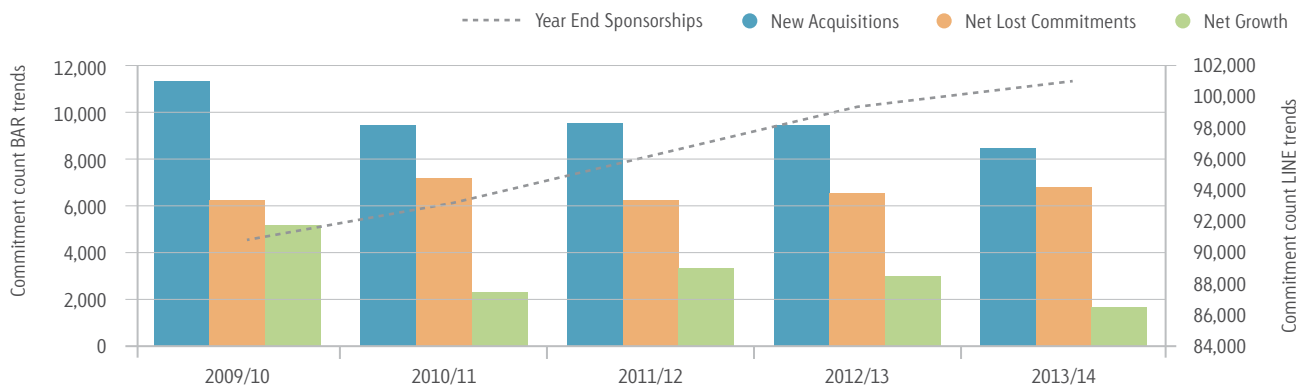
- Financial year 2014 total acquisitions were targeted throughout the year at 9182 and finalised at 8436 sponsorships.
- Child sponsorship income grew by more than six per cent on last year, while the cancellation rate remained relatively steady with 6792 sponsorship cancellations.
- Compassion experienced a drop in acquisitions during January. This is a seasonal trend, and is partly driven by Compassion's end-of-year processes.
- In financial year 2014, Compassion Australia moved Compassion Sunday—one of our key ministry initiatives—from May to August to counter the traditional drop in acquisitions during August and September. This affected the number of sponsorship acquisitions for financial year 2014.

CHILD SPONSORSHIPS	2014 No.	2014 %	2013 No.	2013 %	2012 No.	2012 %	2011 No.	2011 %	2010 No.	2010 %
New sponsorship acquisitions	8,436	-10.46	9,422	-0.84	9,502	0.50	9,455	-16.62	11,340	-23.60
Net lost sponsorship commitments	6,792	4.90	6,475	4.44	6,196	-13.04	7,125	14.79	6,207	9.74
Net growth	1,644	-44.21	2,947	-10.86	3,306	41.89	2,330	-54.61	5,133	-44.12
Year-end sponsorships	100,996	1.65	99,952	3.06	96,405	3.55	93,099	2.57	90,769	5.99
Net lost children to acquisition ratio	-	80.51	-	68.68	-	65.21	-	75.36	-	54.74

Total new sponsorships for financial year 2014, total net lost children and net growth per month:



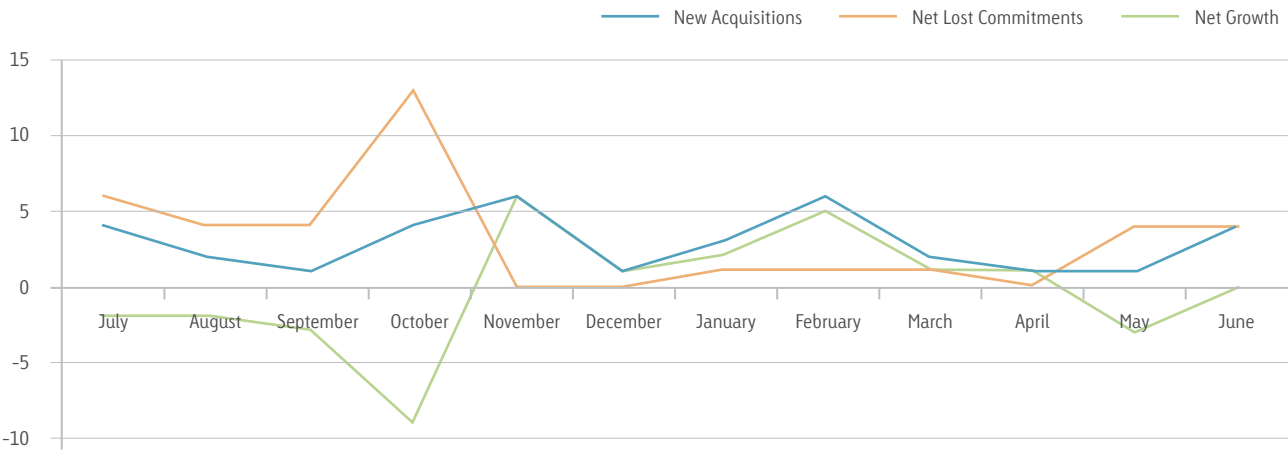
Total new sponsorships, total net lost children and net growth per financial year:



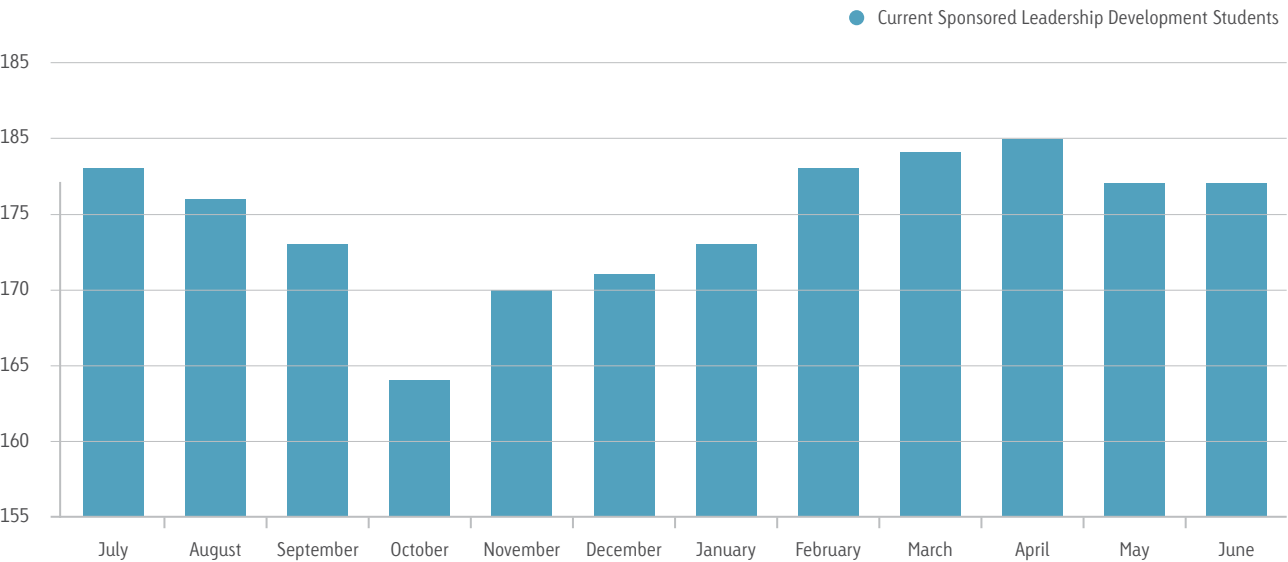
Leadership Development Program Performance

- The number of students in our Leadership Development Program dropped slightly from 180 to 177.
- Leadership Development Program income grew by \$10,829, or 1.30 per cent, on the last financial year.
- In addition to the 177 students sponsored by Australians, an additional 10 students awaiting sponsorship were fully supported by Compassion Australia, made possible by supporters who give generously to the Leadership Development Program Fund. Compassion Australia will continue to seek sponsors for unsponsored students until all students have a sponsor.
- For the purposes of the graph below, it should be noted that the majority of net lost commitments are the result of students graduating and completing the program, rather than sponsors cancelling their support.

Total Leadership Development Program recurring commitments for financial year 2014 per month, detailing new assignments, net lost commitments and net growth:



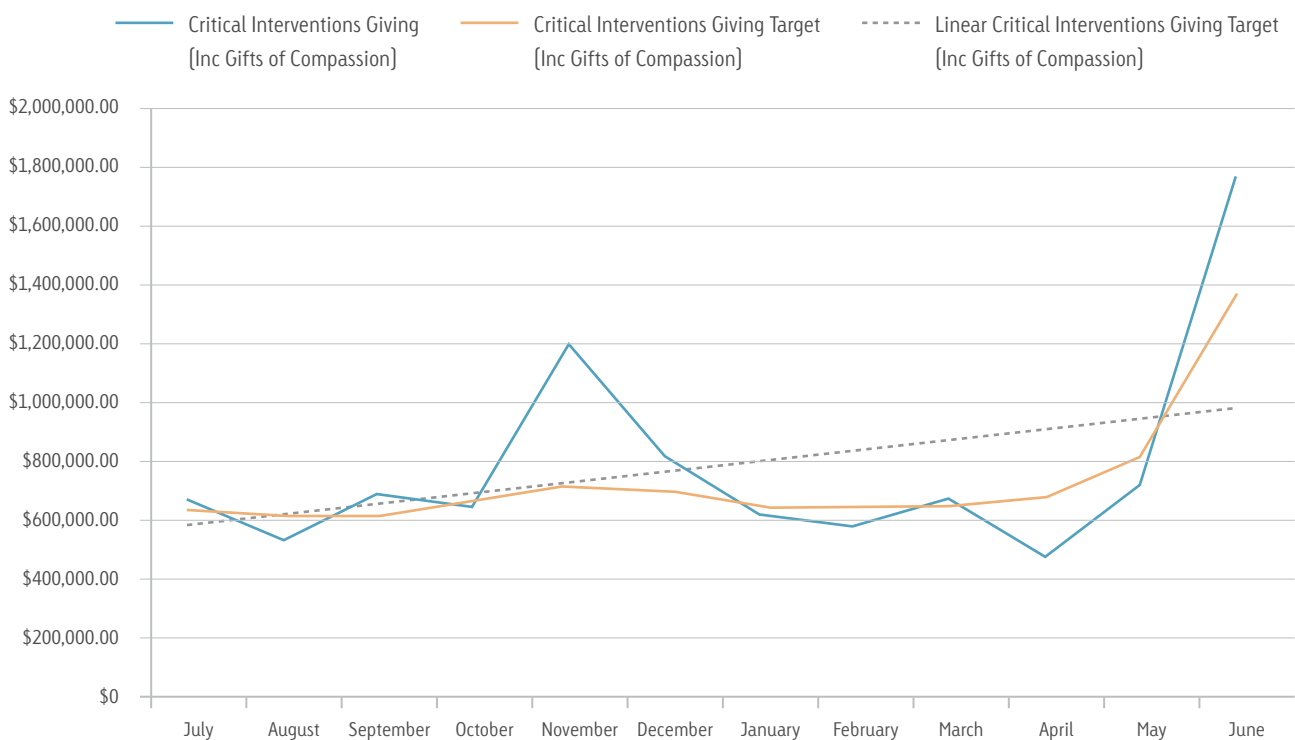
Number of Leadership students worldwide supported by Compassion Australia over the past financial year:



Critical Interventions

- Giving to Critical Interventions and disaster relief in financial year 2014 totalled \$9,419,877.
- The Critical Interventions Fund income grew 7.97 per cent, or \$702,366, largely as a result of a successful Compassion Appeal and donations towards disaster relief.
- The Compassion Appeal went out in mid-May and focussed on providing children with access to safe buildings, including homes and classrooms. The result as at 30 June 2014 was \$1,113,900 against a target set for \$950,000.
- The Disaster Relief Fund increased in income from \$119,407 to \$800,084, largely as a result of contributions towards assisting the Philippines after the destruction caused by Typhoon Haiyan.
- Gifts of Compassion, our gift catalogue benefitting children in need, raised \$661,305 of revenue for Critical Interventions.

Critical Interventions giving over the past financial year:



Income Statement

Compassion Australia ended financial year 2014 with an overall surplus of \$1,760,481. Ending the year in surplus was a deliberate objective to build reserves for future operations (refer to Fund Movements on page 79).

Our income for the year was \$72 million, which was an increase on last year by \$3.87 million or 5.69 per cent. This was not as high as originally forecast; however, it is still a pleasing result. Our growth in donations and gifts came through a number of areas, most notably through our Child Sponsorship Program and disaster relief appeals. Child sponsorship grew by \$3.28 million or 6.51 per cent, primarily due to a rate increase in January 2014 coupled with a continued low cancellation rate of 6.84 per cent. Income from disaster relief also increased by \$681,000 or 670 per cent compared to last year. This was due to the generous response from our supporters in giving to relief efforts in the Philippines in the wake of Typhoon Haiyan.

Compassion Australia's income is sustainable year on year. As we do not currently receive government funding, we are not affected directly by any changes to government funding. Our main source of income is through our Child Sponsorship Program which is a recurrent income source. Approximately 85 per cent of our total income is considered recurrent due to our partnership with our current supporters. The majority of our remaining income comes through semi-recurrent sources such as Christmas, child and family gifts, as well as one-off appeals. This means that our current income level is sustainable, enabling us to focus on keeping our current supporters engaged, partnering with new supporters and developing and continuing one-off appeals.

Overall, our income growth for the year reflects our strategic and tactical direction. Financial year 2014 represented the last year of a two-year strategic phase: Building Capacity. During this phase we completed a number of objectives to ensure the necessary foundations were in place to enable growth. Our expected growth during our Building Capacity phase was forecast to be low to moderate as we focussed on preparing for future growth in the midst of a challenging economic environment. For more information on the challenging economic environment, please refer to page 32.

With regards to expenditure for the financial year, Compassion Australia spent 20.07 per cent or \$14.1 million on administration and fundraising which included funding the strategic initiatives through the Building Capacity phase. This was a better result compared to last year in which expenditure ended at 20.27 per cent. We expect expenditure on administration and fundraising in financial year 2015 to increase as we embark on the Transforming Core Processes with Technology project, aimed at implementing new technology solutions to increase process efficiency.

In financial year 2014, 79.93 per cent of our expenditure was used on programs. This expenditure was used:

- For the development, delivery and supervision of child development programs
- To purchase goods and services for the direct benefit of the children in our programs
- To facilitate sponsors' personal relationships with their sponsored children
- For community education

The forecast global and domestic economic climate remains much the same as the prior year. For financial year 2015 we have set a modest income growth target of 4.72 per cent. This target is based on planned initiatives and activities and reflects that we are in our next strategic phase: Transition to Growth. This will provide us with approximately \$75.4 million in revenue for the year which will allow us to spend approximately \$60 million on program related services.

INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2014	2014 \$	2013 \$
REVENUE		
Donations and gifts		
- Monetary	71,267,145	67,250,474
- Non-monetary	-	-
Bequests and legacies	173,672	89,655
Grants		
- Department of Foreign Affairs and Trade	-	-
- Other Australian	-	-
- Other overseas	-	-
Investment income	308,440	360,853
Other income	255,469	429,135
Revenue for international political or religious proselytisation programs	-	-
TOTAL REVENUE	72,004,726	68,130,117
EXPENDITURE		
International aid and development programs expenditure		
International programs		
- Funds to international programs	46,426,548	44,038,319
- Program support costs	8,571,182	8,330,859
Community education	1,103,145	1,056,493
Fundraising costs		
- Public	9,264,616	7,727,031
- Government, multilateral and private	-	-
Accountability and administration	4,832,261	5,867,671
Non-monetary expenditure	-	-
Total international aid and development programs expenditure	70,197,752	67,020,373
Expenditure for international political or religious proselytisation programs	-	-
Domestic programs expenditure	46,493	45,633
TOTAL EXPENDITURE	70,244,245	67,066,006
EXCESS / (SHORTFALL) OF REVENUE OVER EXPENDITURE (TOTAL COMPREHENSIVE INCOME)	1,760,481	1,064,111

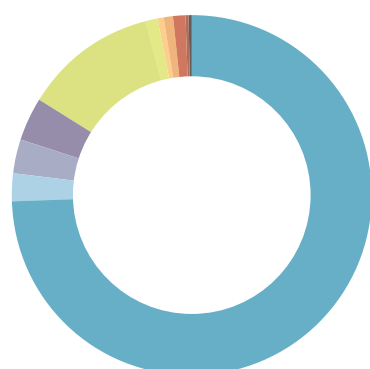
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014	2014 \$	2013 \$
Balance at 1 July (commencing balance)	12,961,353	11,897,242
Adjustments or changes in equity	-	-
Excess / (shortfall) of revenue over expenses	1,760,481	1,064,111
Other amounts transferred (to) or from reserves	-	-
Balance at 30 June (year end balance)	14,721,834	12,961,353

Key Performance

The following tables show a snapshot of Compassion's financial performance over the past five years across our various funds.

KEY PERFORMANCE INDICATORS	2014	2013	2012	2011	2010
Income generated per staff member per month [\$]	43,952	43,735	44,381	38,126	37,961
Child cancellation rate [%]	6.84	6.72	6.66	7.90	7.20
Sponsorship retention rates [%]	93.16	93.28	93.34	92.10	92.80
Children per sponsor	1.35	1.34	1.33	1.33	1.32
Revenue growth [%]	5.69	4.86	3.33	0.03	15.00
Return on fundraising investment per dollar spent [\$]	7.71	8.73	9.00	8.87	7.11

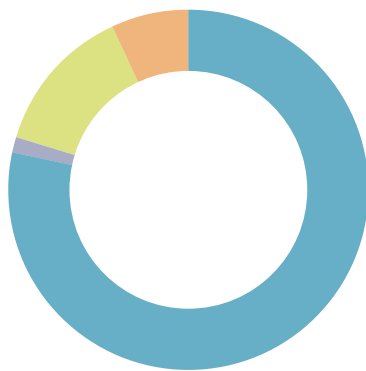
INCOME BY SOURCE	2014 \$	2014 %	2013 \$	2013 %	2012 \$	2012 %	2011 \$	2011 %	2010 \$	2010 %
Child Sponsorship Program	53,711,971	74.60	50,428,629	74.02	48,752,349	75.04	47,373,263	75.34	45,475,911	72.34
Child Survival Program	1,870,901	2.60	2,203,740	3.23	1,924,662	2.96	1,640,086	2.61	1,612,103	2.57
Christmas Fund	2,199,686	3.05	2,112,439	3.10	1,970,545	3.03	1,862,212	2.96	1,790,057	2.85
Gift Fund	2,636,427	3.66	2,425,535	3.56	2,227,591	3.43	1,924,560	3.06	1,805,454	2.87
Critical Interventions Fund	8,619,793	11.97	8,598,104	12.62	7,640,553	11.76	8,068,739	12.83	8,022,414	12.76
Disaster Relief Fund	800,084	1.11	119,407	0.17	451,130	0.69	120,011	0.19	2,001,926	3.18
Unsponsored Children's Fund	556,548	0.77	447,388	0.66	444,862	0.68	402,065	0.64	599,319	0.95
Operating Fund	483,958	0.67	693,754	1.02	540,470	0.83	548,071	0.87	616,917	0.98
Endowment Operations Fund	58,816	0.08	101,158	0.15	104,147	0.16	115,502	0.18	68,362	0.11
Leadership Development Program	847,023	1.18	836,194	1.22	700,656	1.08	576,742	0.92	466,727	0.74
Bible Fund	63,242	0.09	65,550	0.10	59,992	0.09	74,610	0.12	116,167	0.18
Indigenous Fund	44,411	0.06	12,928	0.02	41,841	0.07	16,878	0.03	33,912	0.06
Other Income	111,866	0.16	85,291	0.13	115,188	0.18	157,500	0.25	253,432	0.41
TOTAL	72,004,726	100	68,130,117	100	64,973,986	100	62,880,239	100	62,862,701	100



INCOME BY SOURCE FOR 2014

Child Sponsorship Program	74.60%	Operating Fund	0.67%
Child Survival Program	2.60%	Endowment Operations	0.08%
Christmas Fund	3.05%	Leadership Development Program	1.18%
Gifts	3.66%	Bibles	0.09%
Life Assurance	0%	Indigenous Initiative	0.06%
Critical Interventions Fund	11.97%	Other Income	0.16%
Relief	1.11%		
Unsponsored Children	0.77%		
TOTAL	100%		

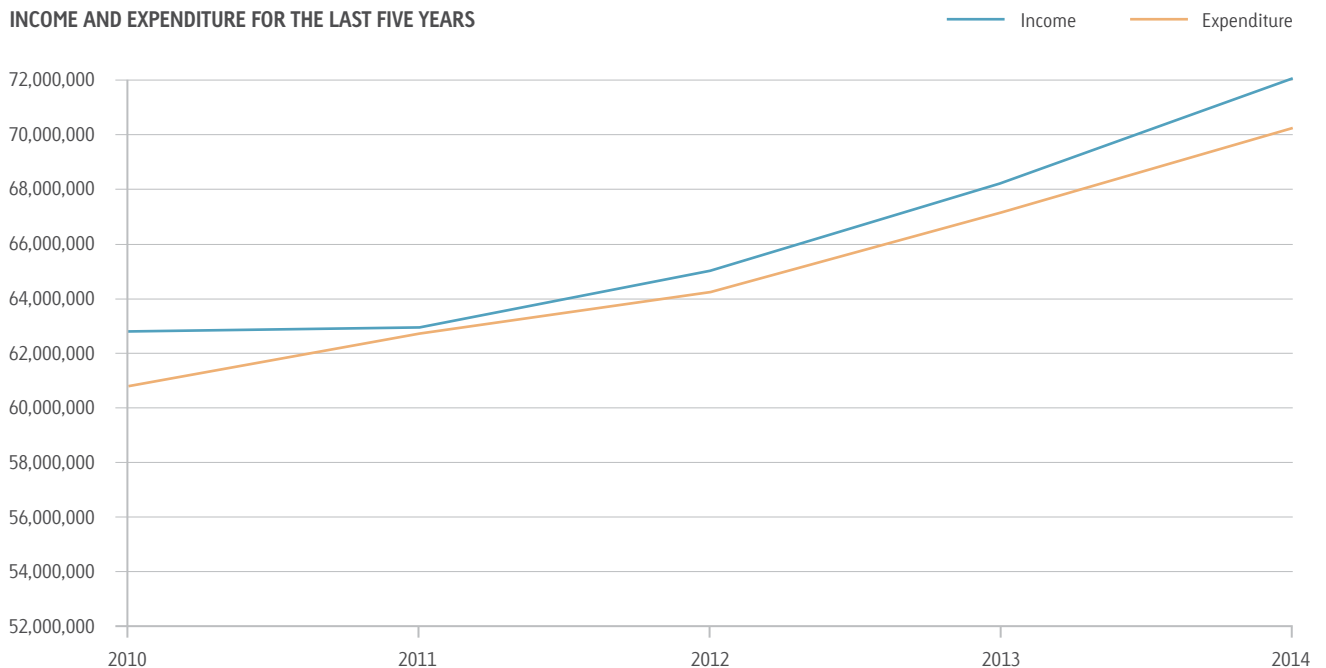
EXPENDITURE	2014 \$	2014 %	2013 \$	2013 %	2012 \$	2012 %	2011 \$	2011 %	2010 \$	2010 %
Program	55,044,223	78.36	52,414,811	78.15	49,997,006	77.80	48,138,495	76.94	47,397,726	77.86
Community education	1,103,145	1.57	1,056,493	1.58	1,177,033	1.83	1,710,400	2.73	1,607,592	2.64
Fundraising	9,264,616	13.19	7,727,031	11.52	7,157,513	11.14	7,024,958	11.23	8,753,111	14.38
Administration	4,832,261	6.88	5,867,671	8.75	5,933,084	9.23	5,691,240	9.10	3,120,629	5.13
TOTAL	70,244,245	100	67,066,006	100	64,264,636	100	62,565,093	100	60,879,058	100



EXPENDITURE FOR 2014

Program	78.36%
Community Education	1.57%
Fundraising	13.19%
Administration	6.88%
TOTAL	100%

INCOME AND EXPENDITURE FOR THE LAST FIVE YEARS



Balance Sheet and Fund Movements

Compassion Australia's balance sheet and fund movements tables show a healthy growth in Compassion's financial position. This is a reflection of Compassion increasing net assets in order to hold an appropriate level of financial reserves.

Balance Sheet

Overall, our balance sheet and financial position remain strong and healthy. In financial year 2014 our balance sheet shows an increase in equity of \$1,760,481. This is an increase in equity of \$696,370 compared to last year's figure. Total assets increased through the financial year by \$2,346,597. This is primarily a result of an increase in cash and cash equivalents from positive net cash flows, which has resulted in increased short term investments. For more information on Compassion's investment strategy please refer to page 68. This increase was offset by a decrease in property, plant and equipment, mainly through accumulated depreciation on buildings and selling our fleet of vehicles.

Our total liabilities increased by \$586,116. This was a result of an increase in program cost liability which came about because of the sponsorship rate rise. This was offset by the full use of the provision for demolition. This provision was used during the financial year as intended on the redevelopment of one of our investment properties.

Our current ratio is 1.25; while this is noted as being below average — largely due to significant fixed assets in property and the structure of our balance sheet — it still shows that we have sufficient assets to cover our current liabilities. This is an improvement on last year's ratio of 1.05 and is considered to be a low risk as our income is reliable and regular. We are continuing to address this ratio with appropriate measures to strengthen the position further. Please refer to page 33 for more information on the sustainability of our income.

Fund Movements

Our statement of fund movements represents all of our income and expense in every fund. Every dollar that is donated to Compassion passes through one of these funds. The balances in these funds represent all of our restricted, temporarily restricted and unrestricted reserves, held for future use. The resultant overall position reflects two key strategies: building reserves for the future and replenishing operating reserves.

At the beginning of financial year 2012 we created the Future Fund. This was to build a reserve for future operations and expansion by reserving one per cent of our income to be set aside over a period of time. During financial year 2014, the Future Fund balance increased by \$709,413 to a fund balance of \$1,945,730 after three years. This fund will now be applied for its purpose over the coming financial years, as is deemed necessary by the Board.

The Operating Fund ended the financial year with a surplus of \$722,355, bringing the balance to \$1,713,781. This was an intentional objective to ensure the Operating Fund has a sustainable level of reserves for future operations.

The Child Sponsorship Program ended the financial year with a \$233,125 surplus, which leaves this fund with a \$3,139,693 reserve balance. This restricted reserve is made up of amounts which are paid in advance and will be used in the coming months for the intended purpose.

The Critical Interventions Fund also finished with a surplus of \$406,530. This surplus was due to higher than expected Compassion appeal donations given in June. This surplus will be used for the intended purpose in the next financial year.

There were a few funds that were run into deficit this year. This was primarily related to timing as some funds were received in financial year 2013 but were used during the financial year 2014. In particular, this was the case with the Disaster Relief, Gift and Christmas funds.

The Special Overseas Projects and Special Grants funds were both closed during the financial year. The remaining reserves in these two funds were used for the intended purposes.

BALANCE SHEET AS AT 30 JUNE 2014	2014 \$	2013 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	11,682,747	9,198,327
Trade and other receivables	409,545	314,160
Inventories	-	-
Assets held for sale	-	-
TOTAL CURRENT ASSETS	12,092,292	9,512,487
NON CURRENT ASSETS		
Trade and other receivables	-	-
Other financial assets	-	-
Property, plant and equipment	10,801,976	11,031,820
Investment property	1,596,043	1,660,687
Intangibles	41,565	-
Other financial assets	238,449	218,734
Other non current assets	-	-
TOTAL NON CURRENT ASSETS	12,678,033	12,911,241
TOTAL ASSETS	24,770,325	22,423,728
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	9,579,575	8,453,597
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	97,408	639,818
Other	-	-
TOTAL CURRENT LIABILITIES	9,676,983	9,093,415
NON CURRENT LIABILITIES		
Borrowings	-	-
Other financial liabilities	-	-
Provisions	371,508	368,960
Other	-	-
TOTAL NON CURRENT LIABILITIES	371,508	368,960
TOTAL LIABILITIES	10,048,491	9,462,375
NET ASSETS	14,721,834	12,961,353
EQUITY		
Reserves	-	-
Retained earnings	14,721,834	12,961,353
TOTAL EQUITY	14,721,834	12,961,353

FUND MOVEMENTS FOR THE YEAR ENDED 30 JUNE 2014	OPENING BALANCE	INCOME	TRANSFERS	EXPENSES	SURPLUS/ (DEFICIT)	CLOSING BALANCE
Child Sponsorship Program	2,906,568	53,711,971	[14,693,144]	38,785,702	233,125	3,139,693
Child Survival Program	1,107,473	1,870,901	[491,440]	1,376,096	3,365	1,110,838
Christmas Fund	87,018	2,199,686	[219,969]	2,006,514	[26,797]	60,221
Special Grants	356	[356]	-	-	[356]	-
Gift Fund	428,685	2,636,427	-	2,815,405	[178,978]	249,707
Life Assurance Fund	4,886		-	1,780	[1,780]	3,106
Living Sponsorship Fund	803,052	158,735	-	-	158,735	961,787
Critical Interventions Fund	1,954,871	8,619,793	[2,345,435]	5,867,828	406,530	2,361,401
Disaster Relief Fund	421,639	800,084	[80,008]	1,010,948	[290,872]	130,767
Special Overseas Project	46,513	[46,513]	-	-	[46,513]	-
Un-sponsored Children's Fund	5,460	556,548	[152,709]	402,608	1,231	6,691
Future Fund	1,236,317		709,413	-	709,413	1,945,730
Operating Fund	991,426	483,958	17,369,233	17,130,836	722,355	1,713,781
Endowment Operations Fund	2,315,678	58,816		-	58,816	2,374,494
Leadership Development Program	772,723	847,023	[78,589]	760,773	7,661	780,384
Bible Fund	24,593	63,242	[17,352]	39,262	6,628	31,221
Indigenous Fund	[145,905]	44,411	-	46,493	[2,082]	[147,987]
TOTAL	12,961,353	72,004,726	-	70,244,245	1,760,481	14,721,834

FUND MOVEMENTS FOR THE YEAR ENDED 30 JUNE 2013	OPENING BALANCE	INCOME	TRANSFERS	EXPENSES	SURPLUS/ (DEFICIT)	CLOSING BALANCE
Child Sponsorship Program	1,903,682	50,428,629	[13,813,720]	35,612,023	1,002,886	2,906,568
Child Survival Program	810,260	2,203,740	[555,127]	1,351,400	297,213	1,107,473
Christmas Fund	185,820	2,112,439	[211,241]	2,000,000	[98,802]	87,018
Special Grants	356	-	-	-	-	356
Gift Fund	580,012	2,425,535	-	2,576,862	[151,327]	428,685
Life Assurance Fund	5,816	-	-	930	[930]	4,886
Living Sponsorship Fund	730,841	72,211	-	-	72,211	803,052
Critical Interventions Fund	2,598,402	8,598,104	[2,331,923]	6,909,712	[643,531]	1,954,871
Disaster Relief Fund	688,912	119,407	[10,357]	376,323	[267,273]	421,639
Special Overseas Project	33,433	13,080	-	-	13,080	46,513
Un-sponsored Children's Fund	100,081	447,388	[122,562]	419,447	[94,621]	5,460
Future Fund	600,000	-	672,797	36,480	636,317	1,236,317
Operating Fund	592,173	693,754	16,474,029	16,768,530	399,253	991,426
Endowment Operations Fund	2,214,520	101,158	-	-	101,158	2,315,678
Leadership Development Program	776,543	836,194	[80,852]	759,162	[3,820]	772,723
Bible Fund	186,050	65,550	[17,503]	209,504	[161,457]	24,593
Indigenous Fund	[109,659]	12,928	[3,541]	45,633	[36,246]	[145,905]
TOTAL	11,897,242	68,130,117	-	67,066,006	1,064,111	12,961,353

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF COMPASSION AUSTRALIA

Report on the Summary Financial Statements

We have audited the attached summary financial statements comprising the Income and Expenditure Statement and Statement of Changes in Equity for the year ended 30 June 2014 and comparative period (set out on page 76), the Balance Sheet as at 30 June 2014 and 30 June 2013 (set out on page 80) and the Statement of Fund Movements for the year ended 30 June 2014 and comparative period (set out on page 81) for Compassion Australia (the company).

The financial information contained in the summary financial statements has been extracted from the full financial report of the company for the year ended 30 June 2014 upon which we expressed an unmodified audit opinion on 5 September 2014. The summary financial statements do not contain all the disclosures required by the *Corporations Act 2001* and Australian Accounting Standards – Reduced Disclosure Requirements. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial report of the company.

The Responsibility of the Directors for the Summary Financial Statements

The directors of the company are responsible for the preparation of the summary financial statements and the extraction of such information from the company's full financial report to give an abridged summary of the financial position and performance of the entity for the relevant financial year under review. This responsibility includes ensuring the summary financial statements are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

We have conducted our audit of the summary financial statements in accordance with Auditing Standard ASA 810 *"Engagements to Report on Summary Financial Statements"* to form an opinion whether the summary financial statements have been properly derived from the audited full financial report of the company.

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

For a better understanding of the scope of our audit of the full financial report of the company, this opinion should be read in conjunction with our audit opinion on the company's full financial report for the year ended 30 June 2014.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. A copy of our auditor independence declaration was provided to the directors of Compassion Australia on 4 September 2014.

Opinion

In our opinion, the summary financial statements set out on pages 76, 80 and 81 are properly derived from the audited full financial report of Compassion Australia for the year ended 30 June 2014 and are consistent, in all material respects, with that audited financial report.

Basis of Accounting

The summary financial statements have been extracted from the audited full financial report of Compassion Australia for the financial year ended 30 June 2014 for inclusion in the company's annual report. The audited full financial report of the company is prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and this opinion should be read in conjunction with our unmodified audit opinion issued on the full financial report on 5 September 2014.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

P M Power
Director
Brisbane
15 October 2014



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Glossary of Terms

Administration costs

Expenses that are not directly related to our income, including the cost of the CEO, Finance, HR and IT.

Beneficiary

The term beneficiaries refers to children registered with the Child Sponsorship Program, including those still waiting for sponsors, as well as mothers and babies in the Child Survival Program and students in the Leadership Development Program.

Big rocks

Refers to Compassion Australia's key strategic goals for the next three years, and forms part of our 2020 Vision.

Child Advocate

A member of Compassion's Child Advocate Network.

Child development

A human development model designed to release individual children from spiritual, economic, socio-emotional and physical poverty.

Child Development Centre/Compassion centre

Compassion's child development programs are implemented at child development centres in partnership with our church partners.

Church partners

The local churches in field countries with whom Compassion works to deliver child development and ministry outcomes.

Compassion International

The overarching organisation that oversees the GPA and all child development programs from the Global Ministry Centre in Colorado Springs, Colorado, USA.

Field Countries

The 26 developing countries where Compassion implements child development programs.

Fundraising costs

Expenses that relate directly to income generation, such as support and engagement for current supporters and the cost of the Marketing, Ministry Relationships and Supporter Ministries teams.

GPA: Global Partner Alliance

The group of more than 12 fundraising countries, which includes Compassion Australia, Compassion Canada, Compassion Germany, Compassion Italy, Compassion Netherlands, Compassion South Korea, Compassion Switzerland, Compassion UK, Compassion USA, Compassion Scandinavia, SEL France and TEAR Fund New Zealand, as well as satellite offices in Ireland and Spain.

Holistic child development

Addressing each child's economic, social, physical, emotional and spiritual needs through Compassion's four programs.

Insight Trips

A Compassion facilitated supporter or church trip to one of the 26 developing countries in which we work, to give supporters greater insight into Compassion's work.

My Account

An online tool that supporters can use to engage with Compassion, including managing their contribution details and writing to their sponsored child.

Partnership Facilitator

A staff member employed at the Compassion country office who serves local church partners, managing Compassion's requirements as well as obligations to individual churches within the partnership relationship.

Small rocks

The projects that will facilitate Compassion Australia's key strategic goals [our big rocks].

Sponsor

An individual or group that is linked in a one-to-one relationship with a child through our Child Sponsorship Program or with a student through our Leadership Development Program.

Supporter

An individual or group that gives their finances, prayer or time to the ministry of Compassion.

The Church

The global Body of Christ.





COMPASSION AUSTRALIA

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This annual report is also available online at
www.compassion.com.au/annualreports